



**SK&A**

CASE  
STUDY

# Hydrocodone case study

## PVSS by HDS helped pharmacies save millions in potential fines

The DEA's change of hydrocodone combination drugs (HCPs) from Schedule III to Schedule II had critical implications for prescribers, patients and pharmacies. With 135 million HCP prescriptions filled in 2012, hydrocodone combination drugs represent the most prescribed medications in the U.S.

As of October 6, 2014, however, prescribers who were not authorized to prescribe Schedule II drugs could no longer write prescriptions for drugs such as Vicodin®, Lorcet® and Lortab®. Additionally, pharmacies could only fill prescriptions for hydrocodone drugs from now-ineligible prescribers if the prescription was written before the October 6th deadline and was filled before April 8, 2015.

Compliance with Schedule II drug regulations also

prohibits refills, as well as over-the-phone and fax submissions for hydrocodone prescriptions. All prescriptions issued on or after October 6th must

### Ineligible prescriber warnings

Just weeks after the DEA's reschedule of HCP drugs took effect, HDS sent over 5,000 warning messages to pharmacy customers about ineligible prescribers.

comply with Schedule II regulations. Prescribers, Pharmacists and pharmacies that do not comply could be subject to significant fines and possible imprisonment.

Many pharmacy systems were not equipped to deal with the schedule change, which made existing refills problematic and left pharmacies vulnerable to the severe consequences of non-compliance.

## Solution

As the DEA's schedule change approached, SK&A's sister company, Healthcare Data Solutions (HDS), took the initiative to prepare its prescriber verification subscription service (PVSS by HDS) clients, at over 3500 locations, for the transition.

Prior to the hydrocodone schedule change, HDS sent PVSS clients a list of doctors who prescribed hydrocodone drugs in the 90 days prior so that pharmacies could flag those prescribers after the change took effect.

Additionally, by integrating real-time updates from the Medi-Span® Controlled Substances File™, PVSS by HDS was able to start sending clients warning and rejection messages ahead of schedule. Two weeks prior to the hydrocodone schedule change, PVSS by HDS sent clients 259 warnings and rejection messages for problematic hydrocodone prescriptions.

In the weeks following implementation of the new rule, warning messages increased 20 times: PVSS by HDS sent 5,180 messages warning pharmacy clients that prescribers were ineligible to prescribe Schedule II drugs.

By using PVSS by HDS, pharmacy clients saved millions of dollars in potential fines per illegal prescription. Under the Controlled Substances Act, § 841, an individual or entity that illegally manufactures, distributes or dispenses Schedule II substances are subject to fines ranging from \$1 million - \$10 million, and prison terms up to 30 years.

PVSS by HDS's ability to flag incorrect or invalid DEA and NPI numbers, incorrect or out-of-date prescriber data and providers on the OIG exclusions list is also helping pharmacies save big in other potential fines.

An analysis of one major retail pharmacy client showed that PVSS by HDS saved that pharmacy billions in potential fines in just one quarter, during which that pharmacy received nearly two million "NPI invalid" messages; more than two million "No Longer Practicing" messages; more than 340,000

"DEA Invalid" messages, and almost 220,000 "OIG Exclusions" messages. With fines ranging from \$100 - \$50,000 per invalid claim, the pharmacy could have taken a serious financial hit.

## Conclusion

With access to PVSS by HDS, pharmacy clients were ensured that they would be able to comply with Schedule II regulations once the hydrocodone reschedule went into effect.

What clients did not anticipate was the "above and beyond" service of providing a list of ineligible prescribers prior to the schedule change's effective date.

By utilizing data from Medi-Span's Controlled Substances File, pharmacy clients are assured that they have the most accurate, up-to-date data required for compliance with U.S. regulations, even as those regulations change.

The combination of PVSS by HDS's real-time validation solution with Medi-Span's data on controlled substances provides pharmacies with a seamless solution that protects against business disruptions and potential fines.

## Ongoing Regulatory Changes

The situation outlined in this case reflects just one application of PVSS by HDS. As federal regulations change and enforcement strengthens, PVSS by HDS will be continuously updated to meet regulatory requirements and customer needs. The following are additional examples where PVSS by HDS will prepare customers for imminent changes:

- The recently proposed Stopping Medication Abuse and Protecting Seniors Act would limit Medicare Part D prescription drug plans to work with at-risk beneficiaries to identify one physician and one pharmacy to fill opioid prescriptions.
- A recent proposal to test new models for Medicare Part B payments would overhaul the way Medicare Part B prescriptions are paid, including setting a standard payment rate, paying for drugs based on clinical effectiveness, and allowing CMS to enter risk-sharing agreements with pharmaceutical companies.