



OFFICE OF INSPECTOR GENERAL
TEXAS HEALTH & HUMAN SERVICES COMMISSION

STUART W. BOWEN, JR.
INSPECTOR GENERAL

February 29, 2016

Jeril Kurian, Pharmacist-in-Charge
AcariaHealth Pharmacy #11 Inc. (Formerly T S Rx Inc.)
1311 West Sam Houston Parkway North, Suite 130
Houston, TX 77043

RE: Performance Audit Report Number: IG Report No. 14-35-145799-VD-01

Dear Jeril Kurian,

The Texas Health and Human Services Commission (HHSC), Inspector General (IG), Audit Division, has completed the performance audit on T S Rx Inc. (Vendor), vendor number #145799, as specified in the Texas Administrative Code (TAC), Title 1, Part 15, Chapter 354, Subchapter F, Division 5, Section 354.1891.

Objectives

The objectives of the audit were to determine if the Vendor billed the Texas Medicaid Vendor Drug Program (VDP) accurately and complied with contractual requirements and the TAC rules.

Summary of Scope and Methodology

The engagement covered the period of September 1, 2009 through February 29, 2012. IG examined pharmacy prescriptions, daily logs, and other applicable accounting records that supported the claims submitted for reimbursement. IG used statistically valid random sampling to determine the extent to which the Vendor billed the VDP for Medicaid prescription claims correctly. In order to ensure proper evaluation of the entire population, IG divided the population into two groups: a population for low dollar transactions and a population for high dollar transactions. Of the 151 claims tested, 148 were low dollar and 3 were high dollar. Payments made to the Vendor during the audit period reviewed totaled \$7,648,900.76. Additional details regarding the sampling methodology will be provided upon request.

IG conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that IG plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. IG believes the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives.

Results

During the engagement, IG identified no instances of noncompliance for the claims tested.

Conclusion

T S Rx Inc. billed the Texas Medicaid Vendor Drug Program accurately and complied with contractual requirements and the TAC rules during the period of September 1, 2009 through February 29, 2012.

Team Members

Kacy VerColen, CPA, Audit Director
Lisa Kanette Blomberg, CPA, CIGA, Audit Manager
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Jesus Vega, CIGA, Auditor
Carol Barnes, Auditor

We appreciate the cooperation and assistance extended to us by AcariaHealth Pharmacy #11 (formerly T S Rx Inc.).

Sincerely,

Kacy VerColen, CPA
Audit Director
Office of Inspector General

cc: Texas HHSC:
Andy Vasquez, Deputy Director of VDP
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