

Policy: Generic Drug Pricing Complaint Resolution

Policy Statement:

EHO is dedicated to ensuring fair and transparent pricing for generic prescription drugs. This policy establishes a clear and efficient process for receiving, investigating, and resolving complaints related to the pricing of generic medications. We are committed to addressing all concerns promptly and providing clear explanations to our members and clients.

Guiding Principles:

- **Transparency:** We will provide clear and understandable information regarding generic drug pricing methodologies.
- **Fairness:** All complaints will be reviewed impartially and in accordance with applicable regulations and contractual agreements.
- **Timeliness:** We are committed to resolving complaints in a timely manner, adhering to the timeframes outlined in this policy.
- **Accessibility:** We will provide multiple channels for submitting complaints and will ensure the process is easily accessible.
- **Accountability:** We will maintain records of all complaints and resolutions to ensure accountability and identify areas for improvement.
- **Compliance:** We will comply with all applicable state and federal laws and regulations related to generic drug pricing and complaint resolution.

Procedure: Generic Drug Pricing Complaint Resolution

1. Complaint Submission:

- Members and clients can submit generic drug pricing complaints through the following channels:
 - **Phone:** A dedicated customer service line at 800-650-1817 during business hours.
 - **Mail:** Written complaints can be mailed to: EHO, Attention: Grievance Department.
 - **Online Portal:** Through the member/client portal on our website at ehorx.com.
 - **Secure Email:** To a dedicated secure email address: support@ehorx.com
- All complaints must include the following information:
 - Complainant's name and contact information (phone number, email address, and mailing address).
 - Member ID (if applicable).
 - Name, strength, and NDC (National Drug Code) of the generic drug in question.
 - Date of service/purchase.
 - Pharmacy name and location.

- The price paid for the generic drug.
- A clear and concise description of the pricing complaint, including the specific reason for the dispute (e.g., perceived overcharge, discrepancy between charged price and Explanation of Benefits (EOB)).
- Any supporting documentation (e.g., pharmacy receipt, Explanation of Benefits (EOB), evidence of alternative pricing).

2. Initial Acknowledgement:

- Upon receipt of a complaint, EHO will acknowledge receipt within **two (2) business days**.
- The acknowledgement will be sent via the same method the complaint was received (if possible) or via mail/email. For complaints received via phone, the representative will provide the complainant with a tracking number.
- The acknowledgement will include:
 - A complaint tracking number.
 - Contact information for a designated complaint resolution specialist.
 - Information about the complaint resolution process and expected timeframes.

3. Investigation:

- A designated complaint resolution specialist will initiate an investigation within **three (3) business days** of acknowledgement.
- The investigation will involve:
 - Reviewing the submitted complaint and all supporting documentation.
 - Verifying the drug pricing details with the pharmacy, if necessary, and reviewing relevant internal systems.
 - Examining the applicable formulary, pricing schedules (including Maximum Allowable Cost (MAC) lists), and contractual agreements with pharmacies and plan sponsors.
 - Assessing whether the pricing was consistent with EHO's pricing methodologies, contractual obligations, and all applicable regulations.
 - Contacting the member/client for clarification or additional information, if needed. This contact will be documented in the complaint file.
 - Reviewing the prevailing market prices for the generic drug in question.

4. Resolution and Initial Response:

- EHO aims to resolve all generic drug pricing complaints within **ten (10) business days** of the initial acknowledgement. If extenuating circumstances require a longer investigation (e.g., complex pricing issues, need for extensive data review), the complainant will be notified of the delay and the expected resolution timeframe within the initial ten (10) business days.
- The initial response will be communicated to the complainant in writing (via mail or secure email) and will include:
 - A summary of the complaint.
 - A detailed explanation of the investigation findings, including the specific pricing

methodology used.

- A clear determination of whether the pricing was accurate or if an error occurred.
- If an error occurred, a description of the corrective action taken (e.g., reimbursement amount and processing details, adjustment to claim).
- Information on the appeals process, including the timeframe for filing an appeal and the required documentation, if the complainant is dissatisfied with the initial resolution.

5. Appeals Process:

- If the complainant disagrees with the initial resolution, they have **thirty (30) calendar days** from the date of the initial response to file a written appeal.
- The appeal must be submitted in writing via mail to: EHO, Appeals Department, PO Box 360, Belton, TX 76513, or electronically through the online portal (if available) or via secure email to support@ehorx.com.
- The appeal must include:
 - The original complaint tracking number.
 - A clear and concise statement outlining the specific reasons for the appeal, including why the complainant believes the initial resolution is incorrect or insufficient.
 - Any additional information or documentation to support the appeal that was not previously submitted (e.g., additional evidence of pricing discrepancies, relevant correspondence).

6. Appeal Review:

- The Appeals Department will conduct a thorough and impartial review of the appeal within **fifteen (15) business days** of receipt.
- The appeal review will be conducted by a senior-level representative or a designated appeals committee who was not involved in the initial investigation.
- The review will include:
 - A complete review of the original complaint and all supporting documentation.
 - The findings of the initial investigation.
 - All information and documentation submitted with the appeal.
 - A review of relevant policies, procedures, contractual agreements, and applicable regulations.
 - An assessment of the validity of the complainant's arguments and supporting evidence.
 - Consultation with relevant internal departments (e.g., pharmacy network management, pricing) as needed.

7. Appeal Response:

- A written response to the appeal will be sent to the complainant within **fifteen (15) business days** of receiving the appeal.
- The appeal response will include:
 - A summary of the original complaint and the appeal.

- A detailed explanation of the appeal review findings, including the rationale for the decision.
- A clear and final determination regarding the generic drug pricing.
- Information on any further external review options that may be available (if applicable and required by law or regulation).
- Contact information for a senior-level representative who can address any further questions.

8. Record Keeping:

- EHO will maintain accurate and complete records of all generic drug pricing complaints and their resolutions for a minimum of 7 years, in accordance with all regulatory requirements and internal policies.
- These records will include:
 - The original complaint and all supporting documentation.
 - Documentation of the investigation process, including all communications and findings.
 - The initial resolution and the appeal decision.
 - Any corrective actions taken.
- These records will be used for:
 - Trend analysis to identify systemic issues and areas for improvement.
 - Quality assurance and compliance monitoring.
 - Reporting to regulatory agencies, as required.
 - Legal defense, if necessary.

9. Policy Review:

- This policy and procedure will be reviewed as required by the state, and more frequently as needed, to ensure compliance with current regulations, reflect changes in operations, and improve the effectiveness and efficiency of the complaint resolution process.
- The review process will include:
 - Soliciting feedback from relevant departments (e.g., customer service, appeals, legal, compliance).
 - Analyzing complaint data and trends.
 - Monitoring changes in state and federal laws and regulations.
 - Benchmarking against industry best practices.

Sample Appeals Response Letter

[Date]

[Complainant Name]

[Complainant Address]

** Subject: Appeal of Generic Drug Pricing Complaint - Tracking Number: [Original Complaint Tracking Number]**

Dear [Complainant Name],

This letter is in response to your appeal, received on [Date of Appeal Receipt], regarding your complaint concerning the pricing of [Name of Generic Drug], [Strength], NDC [NDC Number], dispensed on [Date of Purchase] at [Pharmacy Name and Location].

We have carefully reviewed your appeal, along with the original complaint, supporting documentation, and the findings of our initial investigation. The Appeals Department has conducted a thorough and impartial re-evaluation of this matter, giving full consideration to the additional information you provided in your appeal.

Our review focused on [Clearly state the specific aspect of the pricing that was reviewed in the appeal, e.g., the application of the Maximum Allowable Cost (MAC) pricing, the determination of usual and customary (U&C) pricing, the accuracy of the pharmacy's billing practices, the terms of the applicable pharmacy contract].

**** [Choose ONE of the following options, and delete the others:]****

**** [Option 1: Appeal Upheld - Pricing Error Found]****

Based on our review, we have identified a discrepancy in the initial pricing of your prescription. Specifically, [Clearly and concisely explain the error that occurred and the corrective action being taken, e.g., "We found that the Maximum Allowable Cost (MAC) was not correctly applied to this claim, resulting in an overcharge. The correct MAC price should have been [Correct MAC Price], and the price you were charged exceeded this amount. We have processed a reimbursement of \$[Amount] to you/your health plan, which you should receive within 14 business days. This adjustment will be reflected on your next Explanation of Benefits (EOB)."] or "Our review of the pharmacy claim indicates that the pharmacy billed for a quantity greater than what was dispensed. We have adjusted the claim to reflect the correct quantity, and this adjustment will be reflected on your next Explanation of Benefits (EOB)."]

**** [Option 2: Appeal Denied - Pricing Determined Accurate]****

Based on our thorough review, we have determined that the pricing of [Name of Generic Drug] was accurate and consistent with EHO's pricing methodologies, the applicable [mention the specific pricing mechanism, e.g., Maximum Allowable Cost (MAC) list, contracted rate with the pharmacy, usual and customary (U&C) pricing] in effect at the time of purchase, and our contractual agreements. Specifically, [Clearly and factually explain the rationale for the denial, referencing specific policies, contractual terms, or regulations if appropriate, e.g., "The price you paid was consistent with the established Maximum Allowable Cost (MAC) for this generic drug. Our MAC pricing is based on a survey of wholesale acquisition costs from multiple, reputable sources, and is updated regularly to reflect market prices. The MAC for this drug on [Date of Service] was \$[MAC Amount]."] or "Our contract with [Pharmacy Name] establishes the dispensing fee and ingredient cost reimbursement methodology for generic drugs. The price charged was in accordance with these contractual terms." or "The price charged was at or below the usual and customary (U&C) price for this generic drug in your geographic area. Our U&C pricing is determined using a methodology that considers several factors, including

average wholesale price, and prevailing pharmacy charges."].

We understand that prescription drug pricing can be complex and sometimes difficult to understand. We appreciate you bringing your concerns to our attention. We are committed to ensuring transparency and accurate pricing for all our members and clients.

[If applicable, include information about further review options:] [Clearly state any available external review options, if applicable and required by state or federal law, e.g., "If you disagree with this determination, you may have the right to request an external review by [Name of External Review Entity]. Information on how to request an external review is included in the attached document/will be provided upon request."].

If you have any further questions regarding this appeal decision, please do not hesitate to contact EHO customer support at 800-650-1817 or via secure email at support@ehorx.com.

Sincerely,

Chief Operations Officer, EHO