

Kansas Administrative Regulations

Kansas Department for Children and Families

Article 5.—Provider Participation, Scope of Services, and Reimbursements for the Medicaid (Medical Assistance) Program

30-5-96. Cost report data and record keeping requirements for pharmacy services.

(a) The principles of cost related reimbursement require that providers maintain sufficient financial and prescription records to facilitate appropriate cost reporting and professional fee determination. Standardized definitions, accounting, statistics, record keeping and reporting practices which are widely accepted in pharmacy practice and related fields shall be adhered to. Significant modifications in these practices and systems shall not be required in order to determine costs pertinent to the principle of cost related reimbursement.

(b) The pharmacy provider shall keep and make available for review, upon request of the agency, the supporting records and documents as are necessary to ascertain that the cost related professional fee determination and program payments are appropriate. These records shall include matters regarding pharmacy ownership and organizational structure; fiscal and prescription record keeping systems; lease and acquisition agreements; state and federal income tax returns with all supporting documents; drug product, devices and supply purchase invoices; asset acquisition, lease or sale; franchise or management arrangements; pharmacy services charge schedules; income receipts by source and purpose; and records pertaining to all other reported costs of operation on the cost study report. Other records shall be made available as necessary. Pertinent records shall be maintained by the pharmacy provider for five (5) years from the date of filing the corresponding cost report with the agency. Records in support of costs, charges and payments for services and products are subject to inspection and audit by the agency and the United States department of health and human services. If a pharmacy provider does not maintain adequate records to support cost related professional fee determination, the assigned professional fee to that provider shall be

suspended or reduced to the lowest fee determined for all participating pharmacy providers that filed a cost report for the period of inadequate records. Program payments to such providers shall be suspended or reduced until the agency is assured that adequate records are maintained.

(c) Cost reports filed by pharmacy providers shall reflect cost data provided in accordance with generally accepted accounting principles, and in adequate detail to permit recasting of the costs derived from the accounts ordinarily kept by the provider to ascertain the costs pertinent to various facets of the total pharmacy operation. The data, including source documentation, shall be accurate for the appropriate reporting period and sufficient to support cost related professional fee determination.

(Authorized by and implementing K.S.A. 1980 Supp. 39-708c; effective May 1, 1981.)

***** Authenticated Kansas Administrative Regulation *****