

## PROCEDURES FOR QUESTIONING PHARMACY LIEN CLAIMANTS

1. Make sure that the lien claimant representative identifies themselves by first and last name, street address (not P.O. Box), telephone number and fax number.

In an admitted industrial injury in which we are providing benefits including pharmaceuticals, the pharmacy company will be bound by the Official Medical Fee Schedule. Therefore, when the lien claimant tries to negotiate the so-called balance due (which is probably the difference between what was paid under fee schedule and their so-called usual and customary charges) please request information as to what **date of service** that they contend was not paid or adjusted pursuant to the fee schedule. **We can then check this with our own records and/or bill review company.**

2. When the lien claimant does identify the date of service, obtain information with regard to how they identify the date of service. In the case of Modern Health Pharmacy/P-X Drug Stores/ADX Pharmacy, the so-called date of service is probably the date that the prescriptions were sent by UPS to the applicant. The phrase **date of service** contemplates that on that date medical services and/or pharmaceutical services (by pharmaceutical services we mean the date the pharmacist filled the prescription). **The so-called date of service** for Modern Health/P-X Drug Stores/ADX Pharmacy is not the date of service at all, but the date of mailing.
3. In a case in which injury has been denied, lien claimants take the position that they are not bound by the Official Medical Fee Schedule. However, Labor Code Section 5307.1 indicates that in **no event** shall a medical and/or pharmaceutical provider charge **more** than their usual and customary charges. The web site for Modern Health Pharmacy would indicate that Modern Health Pharmacy (and their subsidiaries) do business with the Federal Government through Medicare and Medi-Cal and charges to the Federal Government are even below fee schedule. Therefore, in all cases we are entitled to know the usual and customary charges of the pharmaceutical lien claimant- not just their charges when it's a workers' compensation claim. Therefore, we want to ask the lien claimants as to how much work they do with Medicare, Medi-Cal or any other group medical insurance carriers such as Blue Cross. All group medical insurance carriers have their own fee schedule built in and almost all reimburse below the fee schedule. We can take the position that their usual and customary charges are what they are reimbursed by the Federal Government and/or the private insurance carriers.
4. Since the fee schedule contains a dispensing fee which we must pay, we are entitled to know the name and license number of the pharmacist who filled the prescription for the particular injured worker. Therefore, in every case we want to know the name of the pharmacist, the license number and the business address of the pharmacist.
5. The web site for Modern Health Pharmacy (Modern Health Inc.com), MX Express, ADX

Pharmacy and P-X Drug Stores would indicate that their advertising material proclaims that they have free delivery of their pharmaceuticals. However, the bill of these drug companies routinely can change a charge for shipping by UPS. The lien claimant should be questioned on this point and ask why on one hand they advertise free delivery and on the other hand they are charging us for a delivery fee.

It is anticipated that the lien claimant will refuse to answer many of the above questions and we should immediately confirm our conversation in writing with the lien claimant with a copy to all parties indicating that until we receive all of the requested information we cannot properly evaluate the lien claimant's demand for settlement of the balance that they say is due and owing on their billing.

Our letter should be very professional and matter of fact and if we receive no response (which is highly likely) we should then follow this up with a subpoena duces tecum requesting the same information.

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