

<b>POLICY AND PROCEDURE</b>	
<b>Title:</b> Daily Reject Review	
<b>Primary policy owner:</b> Pharmacy	<b>Policy #:</b> PH35
<b>Impacted/Secondary policy owner:</b> Select the department(s) that are responsible for compliance with all, or a portion of the policy or procedure as outlined	
1) <input type="checkbox"/> All Departments 2) <input type="checkbox"/> Behavioral Health & Social Services (BH/SS) 3) <input type="checkbox"/> Benefits Administration (BA) 4) <input type="checkbox"/> Case Management (CM) 5) <input type="checkbox"/> Claims (CLMS) 6) <input type="checkbox"/> Community Marketplace & Member Engagement (MAR) 7) <input type="checkbox"/> Compliance (CMP/HPA) 8) <input type="checkbox"/> Configuration (CFG) 9) <input type="checkbox"/> Provider Contracting (CONT) 10) <input type="checkbox"/> Cultural & Linguistics (CL) 11) <input type="checkbox"/> Customer Service (CS)	12) <input type="checkbox"/> Facilities (FAC) 13) <input type="checkbox"/> Finance (FIN) 14) <input type="checkbox"/> Human Resources (HR) 15) <input type="checkbox"/> Information Technology / Core Systems (IT) 16) <input checked="" type="checkbox"/> Pharmacy (PH) 17) <input type="checkbox"/> Provider Networks (PRO) 18) <input type="checkbox"/> QI Health Equity (GRV/HE/HEQ/PHM/QM) 19) <input type="checkbox"/> Utilization Management (UM) 20) <input type="checkbox"/> Procurement (PRM) 21) <input type="checkbox"/> Administration (SAF/BC/EM) 22) <input type="checkbox"/> Medical Management (MM)
<b>Product Type:</b> <input type="checkbox"/> Medi-Cal <input checked="" type="checkbox"/> D-SNP	<b>Supersedes Policy Number:</b> NA

**I. PURPOSE**

To ensure Health Plan of San Joaquin and Mountain Valley Health Plan (“Health Plan”) is in compliance with all contractual requirements, applicable federal and state laws, and regulations for responding,

preventing, reviewing, and investigating all reported and identified non-compliance.

Health Plan Workforce and Delegates conduct a daily review of rejected pharmacy claims to ensure the accurate administration of the pharmacy benefit in compliance with federal and state regulations and other program requirements.

## **II. POLICY**

- A. Health Plan must have a process in place to review the pharmacy rejected claims to validate that the pharmacy benefit is administered accurately.
- B. Identified issues must be addressed and resolved expeditiously to ensure appropriate medication access to beneficiaries.

## **III. PROCEDURE**

- A. The Pharmacy Benefit Manager (PBM) generates a daily report of all the pharmacy claims that were rejected at the Point-of-Sale (POS) the previous day.
- B. Health Plan performs the following steps:
  - 1. Review the report daily.
  - 2. Filter for the claims rejecting for a non-administrative reason that may require additional research to validate the appropriateness of the rejection. Examples are listed below:
    - a. Product Not On Formulary.
    - b. Part B vs Part D rejection.
    - c. Product May Be Covered Under The Medicare- B Bundled.
    - d. Payment To An ESRD Dialysis Facility.
    - e. Quantity Dispensed Exceeds Maximum Allowed.
    - f. Prior Authorization.
    - g. Drug Utilization Review (DUR) Reject Error.
    - h. Initial Fill Days' Supply Exceeds Limits.
    - i. Product/Service Not Covered Plan/Benefit Exclusion.
  - 3. Prioritize rejections due to Part B vs Part D determination and rejection of protected class medications listed below:
    - a. Immunosuppressants (for prophylaxis of organ transplant rejection).

- b. Antidepressants.
- c. Antipsychotics.
- d. Anticonvulsants.
- e. Antiretroviral agents.
- f. Antineoplastic agents.
  - i. Research and validate a claim: research shall focus on assessing claims for accuracy, comparing rejected claims against plan design and Center for Medicare and Medicaid Services (CMS) approved formulary and messaging appropriateness.
  - ii. Forward to PBM the claims identified as inappropriately rejecting for resolution.
- C. Health Plan endeavors that any inappropriate rejection resulting in member disruption is resolved within 24 hours or an override entered within 24 hours until error resolution is validated.
- D. These rules of assessment are continually evaluated and updated as new or revised CMS guidance becomes available.

**IV. ATTACHMENT(S)**

- A. *Desk- Level Procedure (DLP) or Department Job Aide*
- B. [Glossary of Terms Link](#)

**V. REFERENCES**

- A. 42 CFR §423.120(b)(3) Part D Transition requirements
- B. Prescription Drug Benefit Manual, Ch. 6: Part D Drugs and Formulary Requirements
- C. HPMS Memo – Job Aids Replace the Common Conditions, Best Practice Audit Memos, April 20, 2016
- D. MedImpact Denied Claims Report Guide
- E. State Medicaid Agency Contract (SMAC)
- F. Health Plan Contract with Centers for Medicare & Medicaid Services (CMS)

**VI. REVISION HISTORY**

*\*Version 001 as of 01/01/2023*

Version*	Revision Summary	Date
001		

002		
003		
004		
<b>Initial Effective Date: 09/24/2025</b>		
<b>Published Date:09/30/2025</b>		

**VII. Committee Review and Approval To Be Completed by Compliance**

<b>Committee Name</b>	<b>Version</b>	<b>Date</b>
Compliance Committee	001	09/24/2025
<ul style="list-style-type: none"> <li>Privacy &amp; Security Oversight Committee</li> </ul>		
<ul style="list-style-type: none"> <li>Program Integrity Committee</li> </ul>		
<ul style="list-style-type: none"> <li>Audits &amp; Oversight Committee</li> </ul>		
<ul style="list-style-type: none"> <li>Policy Review Committee</li> </ul>		
Quality Improvement Health Equity Committee (QIHEC)		
<ul style="list-style-type: none"> <li>Quality Operations Committee</li> </ul>		
<ul style="list-style-type: none"> <li>Grievance Committee</li> </ul>		

**VIII. REGULATORY AGENCY APPROVALS**

<b>Department</b>	<b>Reviewer</b>	<b>Version</b>	<b>Date</b>
Department of Healthcare Services (DHCS)			
Department of Managed Care (DMHC)			



**IX. Approval signature\***

<b>Signature</b>	<b>Name Title</b>	<b>Date</b>
	PRC Chairperson	
	Policy Owner	
	Department Executive	
	Chief Executive Officer	

\*Signatures are on file, will not be on the published copy