

Payment Integrity Scorecard

Program or Activity

Centers for Medicare & Medicaid Services (CMS) Medicare Prescription Drug Benefit (Part D)

Reporting Period

Q2 2023

FY 2022 Overpayment Amount (\$M)*

\$1,323

*Estimate based a sampling time frame starting 1/2020 and ending 12/2020



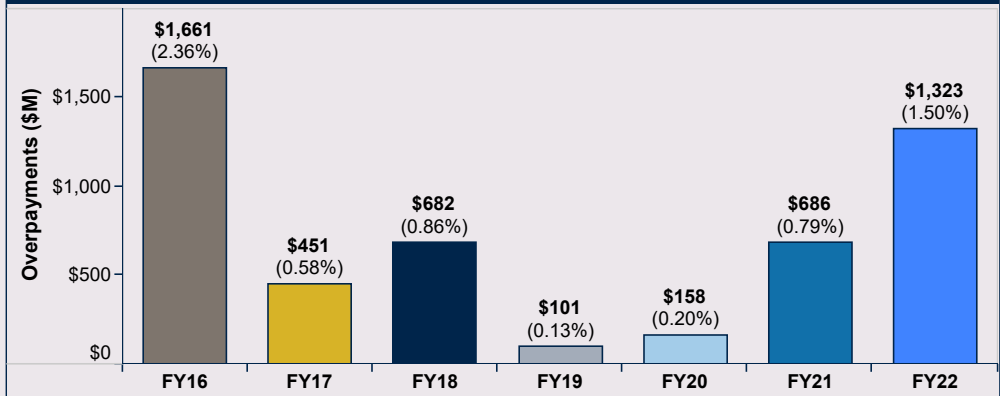
HHS

Centers for Medicare & Medicaid Services (CMS) Medicare Prescription Drug Benefit (Part D)

Brief Program Description & summary of overpayment causes and barriers to prevention:

Medicare Prescription Drug Benefit (Medicare Part D) is a federal prescription drug benefit program for Medicare beneficiaries. The primary causes of overpayments are drug discrepancies (when the drug dispensed differs from the drug prescribed), drug pricing discrepancies (when the pricing on the drug prescribed differs from the pricing of the drug dispensed, commonly due to dosing issues), and insufficient documentation to determine whether payment was proper or improper. The agency contracts with Part D Sponsors who are responsible for administering the program, including the accuracy of data and support for payment purposes and validation.

Historical Payment Rate and Amount (\$M) (Overpayment as Percentage of Total Outlays)



Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

In Quarter 2, CMS conducted audits of Part D plan sponsors, with a focus on drugs at high risk of overpayment. These audits aim to educate Part D plan sponsors on issues of fraud, waste, and abuse, as well as to identify, reduce, and recover overpayments. As a result of these audits, CMS distributed letters to all Part D plans for the Nuedextra audit, and instructed plans to delete all improper Prescription Drug Event records. In Q3, CMS plans to reduce overpayments through outreach efforts and expanded education to Part D sponsors on administrative or process errors made by other parties. The impact of this mitigation may take up to two years to be felt.

Accomplishments in Reducing Overpayment

		Date
1	Completed Nuedextra audit for drugs prescribed to beneficiaries for purposes other than a medically accepted indication. Nuedextra is a drug approved for the treatment of Pseudobulbar Affect.	Jan-23
2	Completed Health Partners Plan, Mutual of Omaha, and Rite Aid Program Integrity audits which focused on plan processes and efforts to prevent, detect, and correct fraud, waste, and abuse.	Feb-23
3	Released Part D Quarterly Reports (Pharmacy Risk Assessment, Drug Trend Analysis, Outlier Prescriber, and Program Integrity Portal for Fraud Waste and Abuse) to plan sponsors to assist with their fraud, waste, and abuse efforts.	Mar-23

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Goals towards Reducing Overpayments	Status	ECD
1 Provide national training sessions on payment and data submission with detailed instructions as part of the improper payment estimation process for Part D sponsors.	Completed	Jan-23
2 Continue formal outreach to plan sponsors for invalid/incomplete documentation.	Completed	Apr-23

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 Recovery Activity	Conduct data analysis and audits to recover improper payments.	Conducted audits of Part D plan sponsors, with a focus on drugs at high risk of overpayment. Audits aim to educate Part D plan sponsors on issues of fraud, waste, and abuse, as well as to identify, reduce, and recover overpayments.
2 Recovery Activity	Share the findings of our national audits with all plans.	Closed out letters for the Nuedexta audit and instructed plans to delete all improper Prescription Drug Event records.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$1,323M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	The primary causes of Medicare Prescription Drug Plan (Part D) overpayments are drug or drug price discrepancies and insufficient (missing) documentation.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Reduce administrative or process errors made by other party through outreach efforts and expanded education to Part D sponsors. Impact may take up to two years to be felt.