

# Payment Integrity Scorecard

**Program or Activity**  
Centers for Medicare & Medicaid Services (CMS) Advance Premium Tax Credit (APTC)

**Reporting Period**  
Q2 2023

**FY 2022 Overpayment Amount (\$M)\***

**\$236**

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

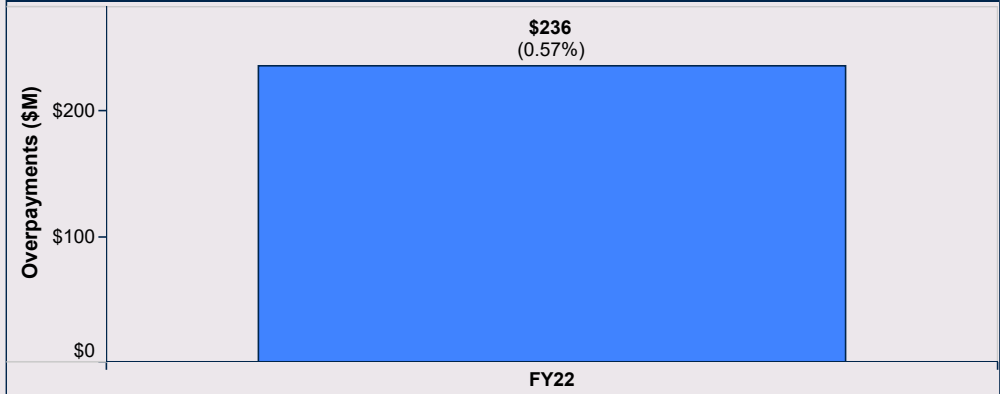


**HHS**  
Centers for Medicare & Medicaid Services (CMS) Advance Premium Tax Credit (APTC)

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

Advance payments of the premium tax credit (APTC) provide financial assistance to Marketplace consumers by reducing their monthly insurance payments. The consumer's APTC is based on the estimated annual household income and household size reported on their Marketplace application. Overpayments identified resulted from the improper application of established policies and procedures. Overpayments mainly occurred due to improper calculation of annual income amounts by not following guidelines, and accepting documentation that does not meet requirements to resolve data matching issues. There are also system issues that lead to overpayments, such as limits on functionality to process consumer provided data.

**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**

Updated guidance for Eligibility Support Workers in order to strengthen manual verification operations (e.g., Consumer Outreach for Data Matching Issues – Outbound Calls and Notices, a standard operating procedure that outlines the processes and business rules for outbound communications). Re-evaluated all key internal controls associated with the eligibility and enrollment operations of the Federally facilitated-Exchange for annual testing mandated by Appendix C to OMB Circular A-123. The FY 2024 Payment Notice will be published in final, with a likely requirement that agents, brokers, and web-brokers document that eligibility application information has been reviewed by and confirmed to be accurate by the consumer prior to application submission. This will strengthen HHS's oversight and enforcement abilities over these entities and mitigate the potential for unauthorized enrollments. An independent third party auditor will test the Federally facilitated-Exchange's key internal controls related to the payments.

**Accomplishments in Reducing Overpayment**

		Date
1	Conducted additional training sessions related to Data Matching Issues verifications, casework, and outreach	Nov-22
2	Implemented process automation to reduce human error introduced during adjudication and processing of supporting documentation.	Nov-22
3	The Marketplace Program Integrity Contractor implemented a risk model, which incorporates many risk factors that may be indicative of potential fraud or misconduct by agents or brokers.	Nov-22

# Payment Integrity Scorecard

**Program or Activity**  
Centers for Medicare & Medicaid Services (CMS) Advance Premium Tax Credit (APTC)

**Reporting Period**  
Q2 2023

Goals towards Reducing Overpayments	Status	ECD
1 Conduct effective on-boarding and ad hoc training for Eligibility Support Workers on Data Matching Issue resolution, manual eligibility verifications, casework, and outreach in order to optimize the efficacy of their activities.	On-Track	Jun-23
2 Identify and remediate system defects within the Exchanges that may impact payments. These defects become known through various mechanisms, including internal quality control activities and external reviews of eligibility determinations made by the Exchanges.	On-Track	Jun-23

Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1 <b>Recovery Activity</b>	Recovery of overpayments is conducted by the Internal Revenue Service through Federal tax filing and reconciliation.	

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$236M	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Manual eligibility verifications involve complex rules and a large variety of documentation types. Thus, there is an increased risk of Eligibility Support Workers failing to access necessary data or information.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Rigorous training of Eligibility Support Workers when onboarded and when program policy or operations are updated leads to more accurate eligibility verifications/determinations and fewer overpayments.