

# Payment Integrity Scorecard

## Program or Activity

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

## Reporting Period

Q3 2023

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

**\$1,323**

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



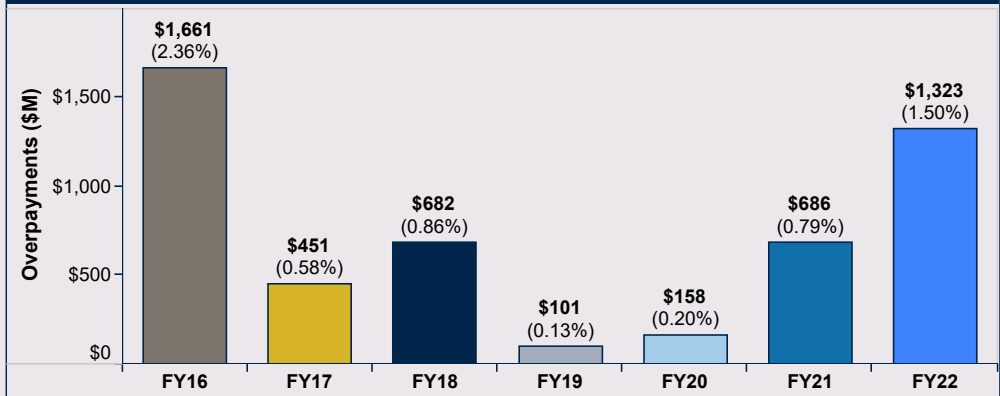
**HHS**

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

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

Medicare 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, which includes the accuracy of data and support for payment purposes and validation. A known barrier to preventing improper payments is that sponsors' compliance with requirements is outside of the agency's control.

### 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 3, 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, CMS distributed letters to all Part D plans for the Nuedexta and Targretin audits, and instructed plans to delete all improper Prescription Drug Event records, returning payments to the Medicare Trust Fund. In Quarter 4, CMS plans to conduct outreach efforts to Part D sponsors and provide expanded education to reduce administrative or process errors made by other parties, which leads to overpayments.

### Accomplishments in Reducing Overpayment

		Date
1	Completed audit which identified potentially improper payments for Targretin Gel 1% prescribed without a documented medically accepted indication under Medicare programs. Targretin is a drug used to treat skin lesions caused by a rare type of cancer.	Apr-23
2	Completed Nuedexta audit for drugs prescribed to beneficiaries for purposes other than medically accepted indication. Nuedextra is a drug approved for the treatment of Pseudobulbar Affect.	Apr-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.	Jun-23

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Goals towards Reducing Overpayments	Status	ECD	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
<p><b>1</b></p> <p>Continue formal outreach to plan sponsors for invalid/incomplete documentation. Outreach efforts to Part D sponsors help reduce administrative or process errors made on drugs, drug prices, and documentation that lead to overpayments by identifying discrepancies and correcting them.</p>	<p><b>Completed</b></p>	<p>Apr-23</p>	<p><b>1 Recovery Audit</b></p>	<p>Conduct trend analysis and audit drugs that have a high likelihood that coverage is available under Part A or B, coverage is excluded from Part D, or the drug is not used in a medically accepted indication. Audits result in recovery of overpayments and/or industry education.</p>	<p>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.</p>
			<p><b>2 Recovery Audit</b></p>	<p>Issue close out notices for the Nuedexta audit requiring plan sponsors to delete any Prescription Drug Event records determined to be inappropriate under Medicare Part D, resulting in recovery of these payments to the program.</p>	<p>Closed out letters for the Nuedexta audit and instructed plans to delete all improper Prescription Drug Event records, resulting in recovery of these payments to Medicare Part D.</p>
<p><b>2</b></p> <p>Provide national training sessions on payment and data submission with detailed instructions as part of the improper payment estimation process for Part D sponsors. We also provide training through the annual Improper Payment Measurement conference. The conference occurs prior to the sample submission window, and covers a variety of topics such as overview of improper payment requirements, clinical review process, examples of acceptable documentation, how to submit documents, etc.</p>	<p><b>Completed</b></p>	<p>Apr-23</p>	<p><b>3 Recovery Audit</b></p>	<p>Issue close out notices for the Targretin audit requiring plan sponsors to delete any Prescription Drug Event records determined to be inappropriate under Medicare Part D, resulting in recovery of these payments to the program.</p>	<p>Closed out letters for the Targretin audit and instructed plans to delete all improper Prescription Drug Event records, resulting in recovery of these payments to Medicare Part D.</p>

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<p><b>\$1,323M</b></p>	<p>Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.</p>	<p>The primary causes of overpayments are drug discrepancies (drug dispensed differs from the drug prescribed), drug pricing discrepancies (pricing for drug prescribed differs from the pricing for drug dispensed, commonly due to dosing issues), and insufficient documentation.</p>	<p>Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.</p>	<p>Audits allow HHS to identify plan sponsor deficiencies and educate them on how to prevent, detect, and correct improper payments.</p>
			<p>Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.</p>	<p>Outreach efforts to Part D sponsors and expanded education help reduce administrative or process errors made on drugs, drug prices, and documentation that lead to overpayments by identifying discrepancies that can be corrected before the submission window closes.</p>