

# Payment Integrity Scorecard

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

**Reporting Period**  
Q4 2023

**FY 2022 Overpayment Amount (\$M)\*** **\$236**

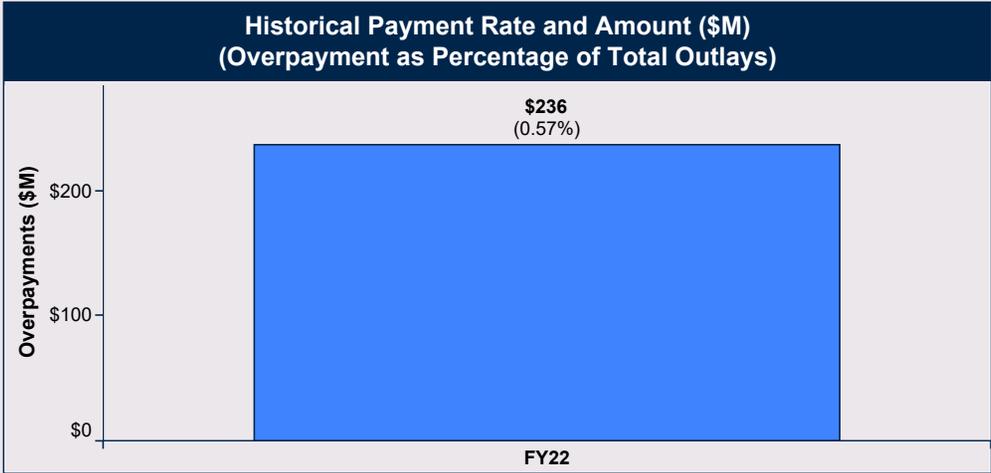
\*Estimate based a sampling time frame starting 1/2020 and ending 12/2020



**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.



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

Conducted training for Eligibility Support Workers to strengthen manual verification operations, with a focus on ensuring that consumer-supplied documentation meets requirements to resolve Data Matching Issues. Re-evaluated all key internal controls associated with the eligibility and enrollment operations of the Federally facilitated-Exchange for annual testing as mandated by Appendix C to OMB Circular A-123. An independent third party auditor subsequently tested these key internal controls. Ensured Eligibility Support Worker had very detailed Standard Operating Procedures and Work Instructions in order to request and process documentation from applicants to resolve inconsistencies between attested information and automated verifications. Published the FY 2024 Payment Notice, with a requirement that agents, brokers, and web-brokers must obtain and document that eligibility application information has been reviewed 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.

Accomplishments in Reducing Overpayment		Date
1	Added risk factors to the risk model used to identify new and emerging fraud risks. The risk model currently has 23 risk factors that it analyzes to come up with one weighted risk score for each agent or broker.	Jun-23
2	Upgraded the Verify Lawful Presence service with the Department of Homeland Security to ensure more accurate and timely lawful presence verifications.	Jun-23
3	Data Matching Issues result when information attested to by applicants does not match information provided by electronic data sources. Eligibility Support Workers receive ongoing training in order to learn how to accurately resolve these inconsistencies.	Sep-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
1 Continue to conduct effective onboarding 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 and the accuracy of eligibility determinations.	On-Track	Dec-23	1 <b>Recovery Activity</b>	Recovery of overpayments is conducted by the Internal Revenue Service through Federal tax filing and reconciliation.	
2 Continue to 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	Dec-23			

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
<b>\$236M</b>	Overpayments within agency control that occurred because of a Failure to Access Data/Information Needed.	Eligibility Support Workers fail to access necessary eligibility verification data or information to request/process documentation from applicants and resolve inconsistencies between attested information and automated verifications.	Training – teaching a particular skill or type of behavior; refreshing on the proper processing methods.	Rigorous training of Eligibility Support Workers to resolve inconsistencies between attested information and automated verifications leads to more accurate eligibility verifications/determinations and fewer overpayments.
			Change Process – altering or updating a process or policy to prevent or correct error.	Eligibility Support Workers follow detailed Standard Operating Processes and Work Instructions that are continually revised to reflect changes in the program and to address weaknesses identified in the processes to resolve Data Matching Issues.