Payment Integrity Scorecard

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

Reporting Period
Q1 2024

FY 2023 Overpayment Amount ($M)* — **$261**

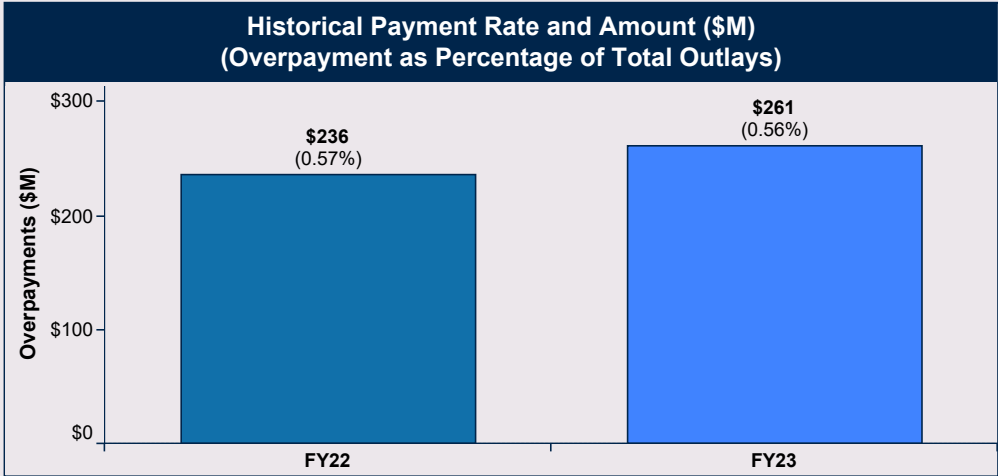*Estimate based a sampling time frame starting 1/2021 and ending 12/2021

Health and Human Services
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)

Bar chart — Overpayments ($M): FY22 $236 (0.57%); FY23 $261 (0.56%)

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

During Quarter 1 of FY 2024, the Centers for Medicare & Medicaid Services (CMS) implemented the Social Security Number (SSN) change request for Enhanced Direct Enrollment (EDE), ensured eligibility support workers 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, and added risk factors to the risk model used to identify new and emerging fraud risks. In Quarter 2 of FY 2024, CMS will continue effective onboarding of eligibility support workers and identification and remediation of system defects.

	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.	Dec-23
2	Eligibility support workers receive ongoing training in order to learn how to accurately resolve Data Matching Issue (DMI) inconsistencies. One recent training example was the Medicaid Lawful Presence DMI training that instructed them on how to resolve this new DMI type.	Dec-23
3	Implemented the Social Security Number (SSN) change request for EDE partners which requires EDE partners to emphasize the SSN requirement on their applications. This further helps to ensure that applications can be accurately and appropriately processed.	Dec-23

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	Goals towards Reducing Overpayments	Status	ECD
1	Continue to conduct effective onboarding and ad hoc training for eligibility support workers on Data Matching Issue (DMI) resolution, manual eligibility verifications, casework, and outreach in order to optimize the efficacy of their activities and the accuracy of eligibility determinations.	On-Track	Mar-24
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	Mar-24

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	Recovery Activity	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
$261M	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.