

Payment Integrity Scorecard

Program or Activity

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

Reporting Period

Q2 2024

FY 2023 Overpayment Amount (\$M)*

\$2,335

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



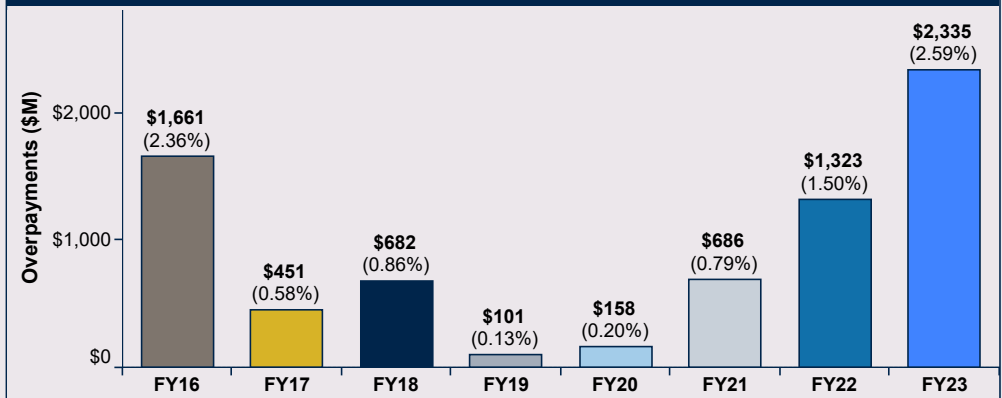
Department of Health and Human Services

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 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, CMS distributed close out letters to all Part D plans for the End Stage Renal Disease audit and the Durable Medical Equipment audit, and instructed plans to delete all improper Prescription Drug Event records, returning payments to the Medicare Trust Fund.

Accomplishments in Reducing Overpayment

		Date
1	Completed the End Stage Renal Disease, Durable Medical Equipment, and Transmucosal Immediate Release Fentanyl audits for drugs prescribed to beneficiaries for purposes other than medically accepted indication.	Mar-24
2	Released Part D quarterly reports (Pharmacy Risk Assessment, Drug Trend Analysis, and Prescriber Risk Assessment) to plan sponsors to assist with fraud, waste, and abuse.	Mar-24
3	Released the Medicare Part C vs Part D Medication Duplicate Payments discrete report that identified potential duplicate items or services.	Mar-24

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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 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.	On-Track	Jun-24	1 Recovery Audit	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.	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 Continue Part D audits of high-risk drugs and development of audit reports to assist plan sponsors in reducing improper Part D payments.	On-Track	Jun-24	2 Recovery Audit	Issue close out notices for the End Stage Renal Disease and Durable Medical Equipment audit requiring plan sponsors to delete any Prescription Drug Event records determined to be improper under Medicare Part D, resulting in recovery of these payments to the program.	Close out letters for the End Stage Renal Disease and Durable Medical Equipment audit and instructed plans to delete all improper Prescription Drug Event records, resulting in recovery of these payments to Medicare Part D.

Amt(\$)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
\$2,335M	Overpayments outside the agency control that occurred because of a Failure to Access Data/Information Needed.	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.	Audit - process for assuring an organization's objectives of operational effectiveness, efficiency, reliable financial reporting, and compliance with laws, regulations, and policies.	Review of payment data allows CMS to identify plan sponsor deficiencies and educate them on how to ensure data accuracy and prevent, detect, and correct improper payments.
			Training - teaching a particular skill or type of behavior; refreshing on the proper processing methods.	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.