Payment Integrity Scorecard

Program or Activity	Reporting Period
Centers for Medicare & Medicaid Services (CMS) - Medicare Prescription Drug Benefit (Part D)	Q1 2025

FY 2024 Overpayment Amount ($M)* **$3,053**

*Estimate based a sampling time frame starting 1/2022 and ending 12/2022

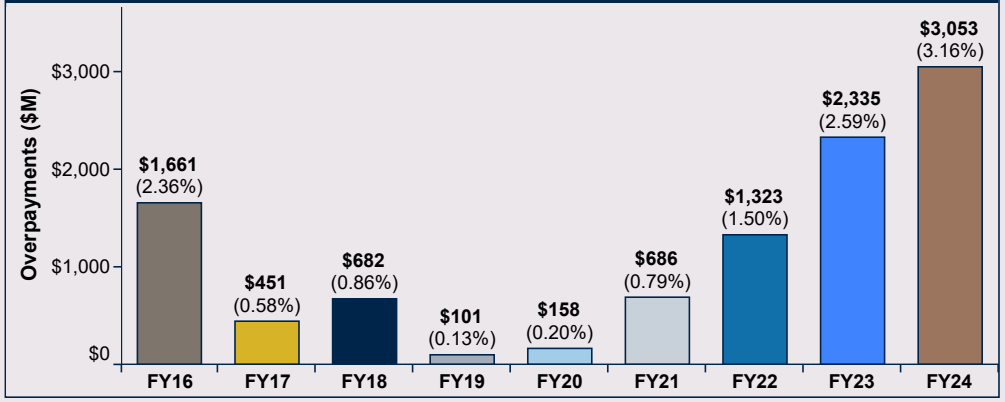
Health and Human Services

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 1 FY 2025, 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 Immunosuppressant, Durable Medical Equipment, and End-Stage Renal Disease national audits and self-audits instructing plans to delete all improper Prescription Drug Event records, returning payments to the Medicare Trust Fund.

	Accomplishments in Reducing Overpayment	Date
1	Released Fraud Waste and Abuse Quarterly Plan Report to plan sponsors to assist with fraud, waste, and abuse.	Jan-25
2	Released Part D quarterly reports (Pharmacy Risk Assessment,Â Drug Trend Analysis, Prescriber Risk Assessment, and Fraud Waste and Abuse Quarterly Plan Report) to plan sponsors to assist with fraud, waste, and abuse.	Jan-25

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Reporting Period
Q1 2025

	Goals towards Reducing Overpayments	Status	ECD
1	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	May-25
2	Evaluate and finalize the results of the calendar year 2022 improper payment measurement, for fiscal year 2024 reporting.	On-Track	May-25

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
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	**Recovery Audit**	Issue close out notices for the national audits and self-audits 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.	

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$3,053M	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 HHS 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.