Payment Integrity Scorecard

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

Reporting Period
Q2 2025

FY 2024 Overpayment Amount ($M)* $154

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

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 the improper calculation of annual income amounts caused by not following guidelines, and acceptance of 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)

	FY22	FY23	FY24
Overpayments ($M)	$236 (0.57%)	$261 (0.56%)	$154 (0.28%)
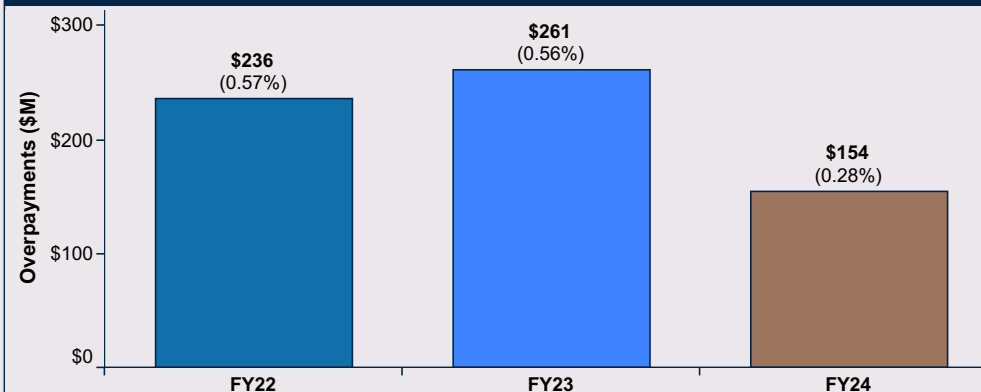
Discussion of Actions Taken in the Preceding Quarter and Actions Planned in the Following Quarter to Prevent Overpayments

During Quarter 2 of FY 2025, the Centers for Medicare & Medicaid Services (CMS) 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, provided ongoing training to help eligibility support workers resolve data matching issues, and added risk factors to the risk model used to identify new and emerging fraud risks. In Quarter 3 of FY 2025, CMS will continue effective onboarding of eligibility support workers and identification and remediation of system defects. CMS will also continue to look for ways to make guidance and work instructions clearer for eligibility support workers to reduce any potential confusion when processing consumer information.

	Accomplishments in Reducing Overpayment	Date
1	Eligibility support workers receive ongoing training in order to learn how to accurately resolve Data Matching Issue inconsistencies.	Apr-25
2	Ensured eligibility support workers had very detailed standard operating procedures and work instructions to request and process documentation from applicants to resolve inconsistencies between attested information and automated verifications.	Apr-25
3	Reviewed the processing areas with the most errors from the ongoing prior year 2024 Exchange Improper Payment Measure with the Eligibility support contractor, and are developing ways to improve our Income Verification Tool to reduce errors related to income verification.	Apr-25

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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 resolution, manual eligibility verifications, casework, and outreach in order to optimize the efficacy of their activities and the accuracy of eligibility determinations. Develop a knowledge check with questions and answers that are derived directly from errors found through the PY 2023 Exchange Improper Payment Measurement Program.	On-Track	Jul-25
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	Jul-25

	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
$154M	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 to resolve inconsistencies between attested information and automated verifications.	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.
			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.