

Payment Integrity Scorecard

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

Reporting Period
Q3 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 3 FY 2025, the Centers for Medicare & Medicaid Services (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.

Accomplishments in Reducing Overpayment		Date
1	Audited Part D plan sponsors and recovered overpayments associated with End-Stage Renal Disease “always” drugs that should be billed to Medicare Part B.	Feb-25
2	Audited Part D plan sponsors and recovered overpayments associated with immunosuppressant drugs already billed under Medicare Part B.	Feb-25
3	Issued Pharmacy and Prescriber Risk Reports in May 2025 and a Drug Trend Report in June 2025. The Risk Reports respectively identify pharmacies and prescribers that potentially pose a high risk of fraud, waste, and abuse to the Medicare Part D program.	May-25

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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 Part D audits of high-risk drugs and development of audit reports to assist plan sponsors in reducing improper Part D payments.	On-Track	Sep-25	1 Recovery Audit	Issue close out notices for the Immunosuppressant and End-Stage Renal Disease national 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.	Close out notifications were sent to plan sponsors for the Immunosuppressant and End-Stage Renal Disease national audits and instructed plans to delete all improper Prescription Drug Event records, resulting in recovery of these payments to Medicare Part D.
2	Evaluate and finalize the results of the calendar year 2023 improper payment measurement for fiscal year 2025 reporting.	On-Track	Oct-25			

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.	National Audits allow 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.