Payment Integrity Scorecard

Program or Activity	Reporting Period	FY 2024 Overpayment Amount ($M)*	$3,053
Centers for Medicare & Medicaid Services (CMS) - Medicare Prescription Drug..	Q4 2025		

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

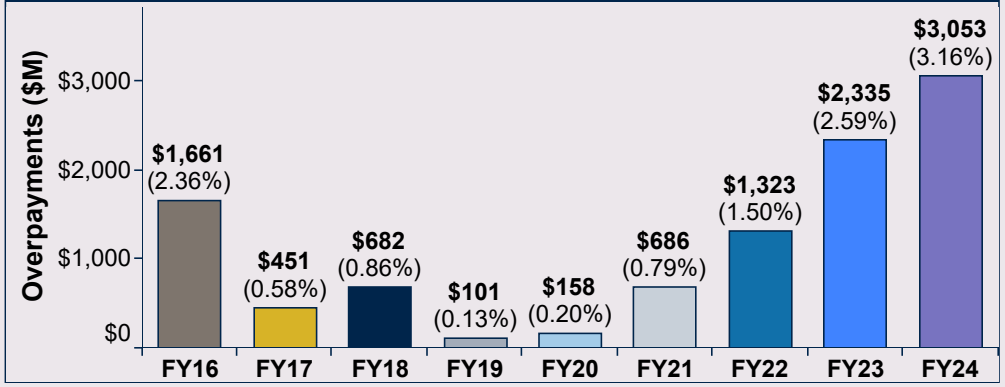
HHS

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 4 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	Issued 2025 Q1 and 2025 Q2 Pharmacy Risk Assessment Report and Prescriber Risk Assessment Report to plan sponsors.	Jul-25
2	Issued 2025 Q1 and 2025 Q2 PI Portal for Fraud, Waste, and Abuse Quarterly Report to plan sponsors.	Jul-25
3	Issued 2025 Q1 and 2025 Q2 Drug Trend Analysis Report to plan sponsors.	Nov-25

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	Goals towards Reducing Overpayments	Status	ECD
1	Evaluate and finalize the results of the calendar year 2023 improper payment measurement for fiscal year 2025 reporting.	On-Track	Jan-26
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	Mar-26

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Audit**	Issued close out notices for the Adcirca Rezatio Cialis national audit requiring plan sponsors to delete any Prescription Drug Event (PDE) records determined to be improper under Medicare Part D, resulting in recovery of these payments to the program.	Close out notifications will be sent to plan sponsors for the Durable Medical Equipment and Teppezza national audits and will instruct plans to delete all improper PDE 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
$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.	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.
			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.