Payment Integrity Scorecard

Program or Activity	Reporting Period
Centers for Medicare & Medicaid Services (CMS) - Medicare Prescription Drug Benefit (Part D)	Q4 2026

FY 2025 Overpayment Amount ($M)* **$3,703**

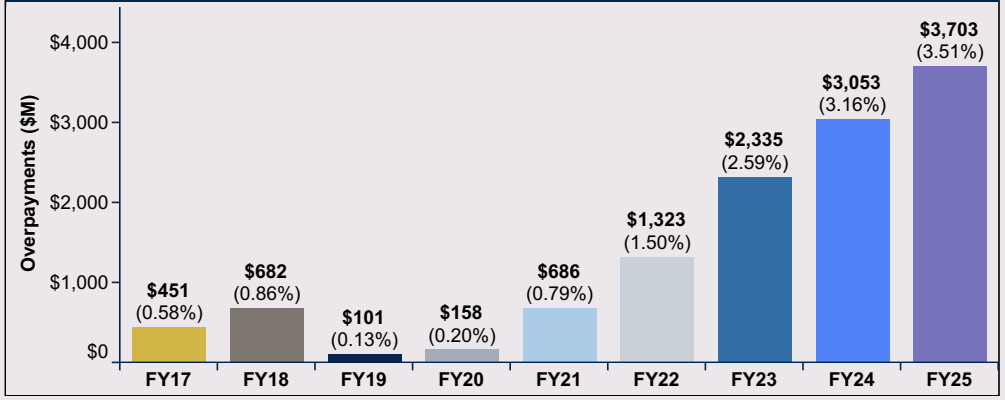
*Estimate based a sampling time frame starting 1/2023 and ending 12/2023

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

The Centers for Medicare & Medicaid Services (CMS) conducted audits of Part D plan sponsors, with a focus on high risk drugs for 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. In August 2026, CMS hosted an Opioid mission in Chicago. This training provided 4 plan sponsors with information on fraud trends, schemes, findings, and promising practices related to opioid prescribers and pharmacies.

	Accomplishments in Reducing Overpayment	Date
1	Issued Drug Trend Analysis Report and Program Integrity Portal Fraud, Waste, and Abuse Report to plan sponsors.	Aug-26
2	Issued Prescriber and Pharmacy Risk Assessment Report to plan sponsors.	Sep-26
3	Released the United Health Group self-audit close out letter.	Sep-26

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	Goals towards Reducing Overpayments	Status	ECD
1	Conduct Part D audits of high-risk drugs and develop audit reports to help plan sponsors reduce improper Part D payments.	On-Track	Dec-26

	Recovery Method	Brief Description of Plans to Recover Overpayments	Brief Description of Actions Taken to Recover Overpayments
1	**Recovery Audit**	Issue close out notices for the 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.	Issued close out notices for the ARC Third Iteration and Tepezza national audits 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.

Amt($)	Root Cause of Overpayment	Root Cause Description	Mitigation Strategy	Brief Description of Mitigation Strategy and Anticipated Impact
$3,703M	Overpayments 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 CMS to identify plan sponsor deficiencies and educate them on how to ensure data accuracy and prevent, detect, and correct improper payments.