

GAO Highlights

Highlights of [GAO-15-66](#), a report to the Chairman, Subcommittee on Health, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

Recent media reports and law enforcement actions have highlighted the problem of prescription drug fraud, waste, and abuse in the United States. Medicare, and the Part D prescription drug benefit, are susceptible to such fraud—a risk made greater by Medicare’s size, scope, and complexity. GAO and others have raised questions about CMS’s oversight of its activities to address fraud, waste, and abuse in Part D, as well as oversight of the contractors tasked with this work.

GAO examined (1) practices for promoting prescription drug program integrity, and (2) the extent that CMS’s oversight of Medicare Part D program integrity, including the program integrity contractors, reflects these practices. To develop a list of practices, GAO interviewed 14 stakeholder groups involved in various aspects of prescription drug program integrity, including provider, beneficiary, and anti-fraud groups; identified and reviewed related documents; and conducted a search of eight bibliographic databases that included peer-reviewed articles and government documents. GAO organized the practices based on the three categories of GAO’s Fraud Prevention Framework. To determine how CMS’s oversight reflects these practices, GAO analyzed agency documents, such as contracts, manuals, work products, and CMS audits of contractors; and interviewed agency officials.

View [GAO-15-66](#). For more information, contact Kathleen M. King at (202) 512-7114 or kingk@gao.gov.

October 2014

MEDICARE PROGRAM INTEGRITY

CMS Pursues Many Practices to Address Prescription Drug Fraud, Waste, and Abuse

What GAO Found

GAO identified 23 practices for addressing prescription drug fraud, waste, and abuse that fall within three categories based on GAO’s Fraud Prevention Framework—prevention, detection and monitoring, and investigation and prosecution.

The Department of Health and Human Services’ (HHS) Centers for Medicare & Medicaid Services’ (CMS) activities to address prescription drug fraud, waste, and abuse in the Medicare Part D prescription drug program reflect 14 of these 23 identified practices, some of which are in multiple categories, and the agency plans to implement 3 additional practices.

Practices Implemented, Planned, and Not Pursued by CMS and Its Contractors to Address Prescription Drug Fraud, Waste, and Abuse

Category	Practice ^a	Implemented	Planned	Not pursuing
Prevention	Providing clinical guidelines			•
	Practicing collaboration	•		
	Educating clinicians and others	•		
	Using health information technology			•
	Limiting supply of abused drugs			•
	Using prepayment edits	•		
	Screening participants of health insurance programs	•		
	Using Prescription Drug Monitoring Programs (PDMP) ^b			•
Detection and monitoring	Providing clinical guidelines			•
	Practicing collaboration	•		
	Having compliance programs	•		
	Conducting data analysis	•		
	Conducting drug utilization reviews	•		
	Educating patients and others	•		
	Limiting certain patients to certain providers (“lock-ins”)			•
	Using PDMPs ^b		•	
Investigation and prosecution	Conducting postpayment reviews	•		
	Practicing collaboration	•		
	Educating law enforcement and others	•		
	Pursuing enforcement options		•	
	Having investigative staff	•		
	Reporting to law enforcement	•		
	Using PDMPs ^b		•	

Source: GAO analysis of relevant literature, CMS documents, and interviews with CMS officials. | GAO-15-66

^aGAO determined that CMS had *implemented* a practice if the agency required or documented at least one activity within that practice, that CMS *planned* a practice if documentation or officials described activities as pilots or in the process of development, and that CMS was *not pursuing* a practice based on reviews of documentation and interviews with officials.

^bPDMPs are state-based programs that operate electronic databases that gather information from pharmacies on certain dispensed prescriptions, such as whether a patient has multiple opioid prescriptions from multiple providers.

HHS generally agreed with our findings.