

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mailstop AR-18-50
Baltimore, Maryland 21244-1850



Audits and Vulnerabilities Group

Date: May 4, 2021

To: All Medicare Advantage Prescription Drug (MA-PD) and Prescription Drug Plan Sponsors (PDPs)

From: Jennifer Dupee, Director, Audits and Vulnerabilities Group

Subject: Review of Medicare Part D Payments for Drugs and Biologicals Included as Part of the End-Stage Renal Disease Prospective Payment System

The Centers for Medicare & Medicaid Services (CMS), in collaboration with the Plan Program Integrity Medicare Drug Integrity Contractor (PPI MEDIC), is conducting a review of Medicare Part D Payments for Drugs and Biologicals Included as Part of the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS).

The purpose of this review is to identify potential duplicate payments for prescription drug event (PDE) records for drug categories that are “always” considered to be ESRD-related when furnished to an ESRD patient and therefore, included in the ESRD base rate and not separately payable. The drug categories considered to be “always” ESRD-related include Access Management, Anemia Management, Cellular Management, and Bone and Mineral Metabolism. This review identifies PDE records for targeted ESRD “always” drugs having a date of service during a period when the Medicare beneficiary was receiving dialysis, and are therefore potentially inappropriate.

Based upon the results of this review, CMS and the PPI MEDIC will be conducting a national audit of Medicare Advantage Prescription Drug (MA-PD) and stand-alone Prescription Drug Plan (PDP) sponsors that have potentially inappropriate Part D PDE records for beneficiaries receiving dialysis. If you are selected for this audit, you will receive additional communication regarding the audit and next steps. If you have any questions related to this memo please send your inquiry to CPIMedicarePartD_Data@cms.hhs.gov with “ESRD National Audit 2021” in the subject line.

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW:

This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.