



Investigations and Audits Group

Date: February 28, 2020

To: All Medicare Part D Plan Sponsors

From: Kathleen McGinty, Acting Group Director

Re: February 2020 Release Quarterly Drug Trend Analysis

The Centers for Medicare & Medicaid Services (CMS), in collaboration with the National Benefit Integrity Medicare Drug Integrity Contractor (NBI MEDIC), have completed the February 2020 Drug Trend Analysis.

The purpose of this analysis is to provide sponsors with additional information that can be used to make further determinations about potential fraud, waste and abuse (FWA).

CMS anticipates that plan sponsors take the following types of actions in response to the release of the quarterly Drug Trend Analysis:

1. Plan sponsors should use the information to augment their current monitoring processes that were established to meet Part D program requirements;
2. Plan sponsors may use the drug trend analysis to focus their fraud-detection efforts;
3. Plan sponsors may use the drug trend analysis to augment their drug utilization management program required pursuant to 42 CFR § 423.153(b); and
4. Plan sponsors should also utilize data analysis to identify billing trends and develop more-focused audits.

Medicare Part D sponsors are required to adopt and implement an effective compliance program, which includes measures designed to prevent, detect and correct FWA (42 CFR § 423.504(b)(4)(VI)). Additional guidance can be found in Chapter 9 of the *Medicare Prescription Drug Benefit Manual*, section 50.6.9:

Sponsors must perform effective monitoring in order to prevent and detect FWA. Sponsors may accomplish this through the use of data analysis. Data analysis should include the comparison of claim information against other data (e.g., provider, drug or medical service provided, diagnoses or beneficiaries) to identify unusual patterns suggesting potential errors and/or fraud and abuse.

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CMS welcomes feedback on any actions you have taken on drugs even if they are not included in the attached report. Please send a list of National Drug Code(s) and drug name(s) that have prompted you to initiate investigations or take an action as well as any comments within 30 days of receipt of this notice to CPIMedicarePartD_data@cms.hhs.gov with “February 2020 Release Quarterly Drug Trend Analysis” in the subject line.

Please also specify in your feedback any actions or investigations that were taken based on the information provided on this list of drugs.

To facilitate continuous improvement, CMS welcomes feedbacks from plan sponsors on the content or format of the Drug Trend Analysis. If you have any suggestions or need additional information, please contact the NBI MEDIC by email to CPIMedicarePartD_data@cms.hhs.gov.

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