

OIG Report: Invalid Prescriber Identifiers on Medicare Part D Drug Claims

CMS Requirements

- CMS requires that Prescription Drug Event (PDE) records contain a prescriber identifier.
- As of May 23, 2008, CMS has required prescribers to use a unique identification number, the prescriber's national provider identifier (NPI) number. Prior to that time, if there was no NPI number, CMS required use of a DEA number whenever it uniquely identified the prescriber and was allowed by state law. In other cases, CMS allowed the prescriber to use his or her state license number or Unique Provider Identification Number (UPIN).
- Although HIPAA requires that providers now have an NPI, some prescribers are not covered entities under HIPAA and may choose not to obtain an NPI.
- In May 2008, CMS clarified that prescriber identifiers that are not NPIs may be used on Part D drug claims when a prescriber does not have an NPI or when the pharmacy cannot obtain a prescriber's NPI. CMS stressed that pharmacies "should make all reasonable efforts to obtain NPIs in the Prescriber ID field," but that plans are not permitted to establish point-of-sale claims-processing edits that would reject claims without NPIs in the prescriber identifier field. Moreover, CMS stated that plans "should establish alternative policies and procedures outside of their claims processing that address potential non-compliance with NPI prescriber ID requirements."
- CMS required Part D sponsors to attest that enrollee access to Part D drugs would not be hindered because of pharmacy claims without prescribers' NPIs after May 23, 2008.
- The Medicare Prescription Drug Benefit Manual recommends that sponsors prepare and review reports of drug-prescribing patterns, by physician, to identify potential prescriber fraud. However, CMS does not have any edits in place to check the data in the prescriber identifier field on PDE records.
- CMS contracts with Medicare Drug Integrity Contractors (MEDIC) to identify and investigate potential fraud, waste, and abuse related to the Part D benefit. MEDICs must submit a quarterly report to CMS describing vulnerabilities identified during the previous quarter.
- Two MEDICs identified problems with invalid prescriber identifiers on PDE claims in vulnerability reports provided to CMS in 2007 and 2008. They also expressed concerns about their inability to investigate Part D prescription fraud without valid prescriber identifiers.

Findings

- In 2007, \$1.2 billion in Medicare Part D prescription drug claims or 18 million claims contained 527,749 invalid prescription identifiers.

- Invalid prescription identifiers were those that were either not listed in the NPI, DEA number or UPIN registries or were deactivated or retired before January 1, 2006.
 - PDE records with invalid prescriber identifiers accounted for 2% of all PDE records submitted to CMS in 2007.
 - 98.24% of all PDE records with invalid identifiers involved in DEA numbers and 1.68% involved NPI numbers.
- In 2007, 17% of drug claims with invalid prescriber identifiers did not conform to format specifications and Medicare paid \$213 million for those claims.
 - Formatting errors accounted for 17% of the PDE records with invalid DEA number identifiers. 55% of those formatting errors involved identifiers that were too long or too short and 45% involved inappropriate numbers, letters or symbols, but were of the correct length.
 - Formatting errors accounted for 88% of the PDE records with invalid NPIs. Of those, 83% contained identifiers with too few or too many digits, while the rest contained incorrect characters, but were of the correct length.
 - One invalid identifier accounted 40,000 PDE records worth \$3.7 million.
- Ten invalid identifiers accounted for 17% of the drug claims with invalid prescriber identifiers, costing Medicare and enrollees \$237 million.
 - A single large pharmacy benefit manager and mail-order pharmacy accounted for the majority of the Prescription Drug Event (PDE) records with one of the top invalid prescriber identifiers.
 - Five of the top ten invalid identifiers appeared on individual claims for expensive drugs, with payment amounts or more than \$10,000 per claim.
- CMS contends that the number of PDE records with the top ten invalid identifiers decreased from 3.2 million PDE records in 2007 to 451,100 PDE records in the last half of 2009.
- OIG is concerned that CMS and Part D plans do not verify the prescriber identifiers are enumerated in DEA number, NPI or UPIN registries, nor do they apply claims processing edits to check prescriber identifiers against known format requirements.

OIG Recommendations

- OIG recommends that CMS conduct periodic reviews to ensure the validity of prescriber identifiers used on PDE records.
- OIG recommends that CMS require Part D plans to institute procedures to identify invalid identifiers in the prescriber identifier field on Part D drug claims and flag for review Part D drug claims that contain invalid identifiers in the prescriber identifier field.
- CMS has agreed to implement the OIG's two recommendations.

NCPA's Response to the OIG Report and Questions for CMS

- The OIG focused on invalid prescriber identifiers for PDE records from 2007. However, CMS was not even strongly enforcing the NPI requirement until a quarter of the way through 2007.
 - As late as April, 2007, CMS announced that it would not impose penalties for NPI non-compliance, provided pharmacies and health plans had contingency plans.
 - One of the largest Part D plans did not even start requesting provider NPI's until July 18, 2008.
 - Currently, one of the largest Part D plans' provider services manual still allows for DEA numbers and/or state license numbers as a substitute when the NPI is not available.
- For OIG. Does OIG intend to conduct an audit for the time period after CMS fully started imposing penalties related to the NPI requirement, i.e. after 2007, and use that data to determine the level of NPI fraud, waste and abuse? Isn't OIG's present data somewhat outdated, given that it involves records for a time period before CMS started imposing penalties related to the NPI requirement?
- For OIG. Did OIG make any effort to determine what proportion of invalid identifiers were a result of situations in which the pharmacy did not have access to a prescriber's DEA number when filling prescriptions for non-controlled substances?
- For OIG. In terms of the \$1.2 billion in invalid claims, what proportion of the claims had 36 of the 37 PDE data elements correct, even though the identifier was wrong or missing? What amount or percentage of the claims were actually valid claims despite the incorrect or missing identifier?
- For OIG. Were default prescriber NPI's a source of invalid prescriber identifiers?
- For CMS. How will CMS treat claims that use DEA numbers or state license numbers as a substitute for NPI's, when the NPI is unavailable?
- For CMS. Does CMS have any percentages for 2010 in terms of the percentage of PDE records with invalid DEA numbers?