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Providers Used Medicare Part D Eligibility Verification Transactions for Permissible Purposes

Why OIG Did This Audit

- Providers must use Part D eligibility verification transactions (E1 transactions) for the purposes of billing for a prescription or determining drug coverage billing order.
- An OIG audit of E1 transactions processed during calendar years 2013 through 2015 found that selected providers used E1 transactions for potentially impermissible purposes. In response to the prior audit, CMS officials implemented controls to monitor and help ensure the permissible use of E1 transactions.
- This audit of E1 transactions processed during calendar year 2019 determined whether providers used E1 transactions for the permissible purposes of billing for a prescription or determining drug coverage billing order.

What OIG Found

Providers used E1 transactions for the permissible purposes of billing for a claim or determining drug coverage billing order during our calendar year 2019 audit period. Of the more than 18.8 million E1 transactions covered by our audit, almost 13.5 million matched a prescription drug event (PDE) record. This match gave us reasonable assurance that the providers submitted the transactions for the permissible purpose of obtaining drug coverage information. For the remaining 5.3 million E1 transactions that providers submitted during our audit period but that did not directly match PDE records, we reviewed a statistical sample of 543 E1 transactions submitted by 24 randomly selected providers and determined that providers submitted the transactions for permissible purposes.

What OIG Recommends

Based on the results of this audit and the effectiveness of steps CMS and the Facilitator took during and after our prior audit of E1 transactions to improve provider compliance, we determined that any impermissible use of E1 transactions is not widespread. As a result, this audit report does not include any recommendations.