



Payment Error Rate Measurement (PERM) 2018

The Centers for Medicare & Medicaid Services (CMS), in partnership with the Minnesota Department of Human Services (DHS), is measuring improper payments in Medicaid and Children's Health Insurance Program (CHIP) under the Payment Error Rate Measurement (PERM) program. CMS follows a 17-state rotation for PERM, reviewing each state once every three years. They conduct a medical record review of fee-for-service payments to determine the appropriateness of the payment.

Claim selection and submission

The CMS review contractor, Chickasaw Nation Industries (CNI), randomly selects a claim for review that you or your organization submitted to DHS for payment, or that was submitted on your behalf. CNI customer service representatives (CSRs) will call all providers in the sample to explain the purpose of the audit and the authority for CMS to collect medical records for audit purposes. They will determine the appropriate point of contact for each provider.

CNI will identify which patient's record is needed for review for a specific date of service that matches the provider's claim. If your claim is randomly selected for the sample, CNI will request the medical record. They will confirm the location of the medical record needed, and fax or mail a written request for the medical record to that address. The request will specify the types of documents needed for each claim type. It will provide instructions for how to submit records to the PERM review contractor by fax, mail, a password-protected CD, or the electronic submission of medical documentation (esMD).

Process for 2018 audit cycle

Medical record requests for the current PERM cycle begin in July of the state fiscal year in review and continue through the following year. The current cycle is from July 2017 through June 2018.

Providers have 75 calendar days from the date of the request letter to submit the record. During this 75-calendar day period, the PERM review contractor and the state liaisons will call to remind you of your requirement to comply with the request. You will receive a second request from the PERM review contractor if they have not received your records 60 days after the date of the first request letter.

Documentation requirements

If documentation in the record submitted is insufficient to support the claim, the PERM review contractor will request additional documentation before the review is completed. You will then have 14 calendar days from the date of the insufficient documentation request letter to submit this additional documentation.

All claims with no documentation or insufficient documentation from the provider will be determined as a payment error. DHS will pursue recovery of payment for a claim determined a payment error.

Record request documentation guidelines

Providers should be knowledgeable about DHS' policies for their provider type. Monitor the DHS website for policy updates and maintain documentation required by DHS policies. Follow these guidelines:

- Designate a point of contact to handle record requests.
- Make the request a priority and begin to process the request as soon as you receive it.
- Read the request thoroughly, paying close attention to the dates of service requested.
- Research thoroughly with appropriate areas within your agency if you are unable to locate the recipient's record for the date of service requested.
- Cross-reference records for name changes, including for newborns. Assure that the recipient's name on the record is the same as on the claim sampled.
- View the record for document or image readability quality and monitor photocopy service turnaround time.
- Understand that sending billing information is not sufficient proof that services were provided.
- Understand the importance of submitting records requested no matter how small the amount of the payment.
- Maintain a copy of documentation for services performed elsewhere that supports the claim.
- Understand that if it wasn't documented, it was not done.

2015 PERM results

For PERM federal fiscal year 2015, the medical record claim reviews were very successful due to the diligence of the providers sending in their records to the review contractor timely. DHS had four errors out of 581 medical records reviewed. The total dollar amount of the errors was \$230.75 (total amount paid \$924,622.62). Our error rate was 0.68 percent. The PERM contractor did not identify any errors in 99.32 percent of the medical record claims reviewed. Over the past four PERM cycles, the number of errors have gone down, and the total dollar amount of the errors has gone down substantially, as well.

Resources

Remember that DHS is your partner in this PERM audit.

Review the PERM overview video on the CMS HHS YouTube channel, PERM: Responding to Medical Records/Documentation Requests –

<https://www.youtube.com/watch?v=9uZZM6OQIuQ&feature=youtu.be>

If you have questions, please call any of the following:

Don Skoy, Manager, Program Compliance and Audits (PC & A): 651-431-5879

Connie Thomas, Supervisor, PC & A: 651-431-3991

Eileen Dejdard, RN, PC & A: 651-431-3944