Fiscal Year 2011 PERM Review Now in Progress

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Texas is preparing for its next Payment Error Rate Measurement (PERM) review, which will cover all Texas Medicaid (Title XIX) and Children’s Health Insurance Program (CHIP) (Title XXI) services paid during federal fiscal year 2011, October 1, 2010, to September 30, 2011. The PERM contractors will review Texas Medicaid and CHIP claims for programs that are administered by the Health and Human Services Commission (HHSC), the Department of Aging and Disability Services (DADS), the Department of State Health Services (DSHS), and the Department of Assistive and Rehabilitative Services (DARS).

The PERM review process measures the accuracy of payments and is designed to comply with the Improper Payments Information Act of 2002. The PERM review was implemented by the Centers for Medicare & Medicaid Services (CMS). The primary CMS contractors are The Lewin Group and A+ Government Solutions, Inc. State health-care program providers are required to participate in the PERM review process.

Claims will be randomly selected by The Lewin Group and reviewed by Health Data Insights (HDI), a subcontractor for A+ Government Solutions, Inc. For claims that are selected as part of the review sample, providers will be required to provide medical record documentation that supports the payment made for each selected claim. HHSC anticipates that requests for medical records that are related to the federal fiscal year 2011 PERM review will begin in the fall of 2011.

Methods of Provider Notification

If a claim is selected for review, providers will receive a series of communications such as:

- For Long Term Care claims, a DADS representative will call the provider to verify the provider’s contact information, such as mailing address and fax number.
- The CMS contractor, A+ Government Solutions, Inc., will call the provider to request a copy of the selected medical records. A+ Government Solutions, Inc. will also ask the provider whether the written request for the medical records should be sent by fax or mail.
- The HHSC will contact the provider to request a duplicate copy of the selected medical record. HHSC will mail the provider a prepaid envelope in which the provider can mail the duplicate copy to HHSC. HHSC will keep a copy of medical records to evaluate in case a claim is identified as a potential PERM exception by the reviewers.

Deadlines for Providing Requested Medical/Pharmacy Records

Providers must submit requested medical records to both A+ Government Solutions, Inc., and to HHSC within 75 calendar days of receipt of the written request from A+ Government Solutions, Inc. If a provider receives a request from A+ Government Solutions Inc., for additional information, the provider must submit the requested information to both A+ Government Solutions, Inc., and to HHSC within 14 calendar days of the receipt of the written request.
Failure to Provide Timely, Complete, and Accurate Medical Records

If a provider fails to respond or fails to produce complete and correct documentation for a selected claim within the original time frame, A+ Government Solutions, Inc., will identify the claim as a PERM “exception,” and the provider will be required to reimburse the total amount paid for the claim in accordance with state and federal requirements. In addition to this direct impact to providers, high error rates among providers could negatively impact the amount of federal funding Texas receives for Medicaid, its associated programs, and CHIP.

To avoid exceptions for failing to respond with timely, complete, and accurate information, providers are encouraged to contact A+ Government Solutions, Inc., at 1-703-682-0820 with questions about medical records requests and requests for additional information.

Texas Medicaid appreciates all provider support of the PERM process. Providers are encouraged to monitor this website for additional PERM information in future articles.

For more information, call the TMHP Contact Center at 1-800-925-9126 or visit the CMS PERM Provider website located at: https://www.cms.gov/PERM/07_Providers.asp