Texas is currently preparing for its next Payment Error Rate Measurement (PERM) review, which will cover Medicaid and Children’s Health Insurance Program (CHIP) claims paid during federal fiscal year 2017 (October 1, 2016, to September 30, 2017).

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 Medicaid and CHIP payments. It is designed to comply with the Improper Payments Information Act of 2002 (as amended by the Improper Payment Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012), with groups of states measured every three years.

PERM was implemented by the Centers for Medicare and Medicaid Services (CMS). The primary CMS contractors are The Lewin Group and Chickasaw Nation Industries (CNI). 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 CNI. For claims 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. CMS anticipates that requests for medical records related to the federal fiscal year 2017 PERM review will begin in the late summer or early fall of 2017.

Methods of Provider Notification

If a claim is selected for review, providers will receive a series of communications, including the following:

- A TMHP, HHSC, or DADS representative will call the provider to verify the provider’s contact information, such as mailing address and fax number.
- An HHSC representative will send a letter to notify the provider that one or more claims have been selected for review. The notice will not include the specific claim(s) selected.
- A CNI representative will call the provider to ask if the review notice should be sent by fax or by mail.
- A CNI representative will send a review notice with the selected claim(s) and request copies of the supporting records for each claim.

Deadlines for Providing Requested Medical and/or Pharmacy Records

Providers must submit requested records to CNI within 75 calendar days of receipt of the written request from CNI. If a provider receives a request from CNI for additional information, the provider must submit the requested information to CNI within 14 calendar days of the receipt of the written request.

Failure to Timely Provide Complete and Accurate Records
If providers fail to respond or fail to produce complete and correct documentation for a selected claim within the original time frame, CNI will identify the claim as a PERM exception, and providers will be required to reimburse the total amount paid for the claim in accordance with state and federal requirements.

Providers are encouraged to ask and obtain answers to questions about a request for information quickly. A quick response will help avoid an exception for failing to respond in a timely manner with complete and accurate information. Providers with questions about the request for records should immediately contact CNI customer service representatives by calling (301) 987-1100.

The overall error rate is adversely affected when providers fail to provide complete documentation in response to PERM requests, so providers are encouraged to use this opportunity to learn about the PERM process. Texas Medicaid appreciates all provider support of the PERM process. Providers are encouraged to monitor this website for additional PERM information in future publications.

For more information, call the TMHP Contact Center at 1-800-925-9126.