FLORIDA'S

PAYMENT ERROR RATE MEASUREMENT

PROGRAM

FALL 2020

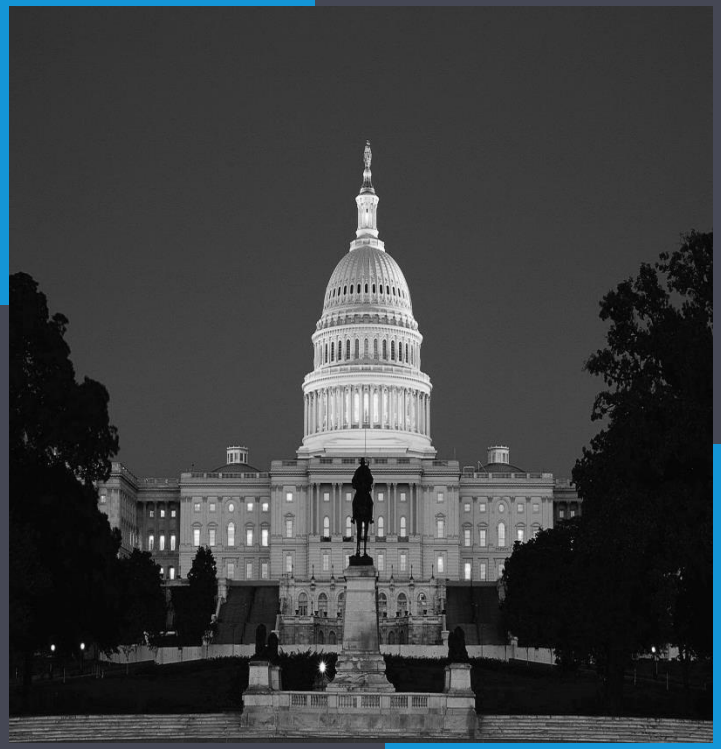
LEARNING OBJECTIVES

- Provide an overview of the Payment Error Rate Measurement Program (PERM)
- Share the findings of the Federal Fiscal Year 2017 PERM Cycle
- Prepare Florida Medicaid and CHIP Providers for the upcoming medical records requests for Federal Fiscal Year 2021

SECTION 1

INTRODUCTION

Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA)



- Identifies Medicaid and CHIP as programs susceptible to improper payments
- Emphasizes the importance of not only measuring improper payments but recovering and reducing improper payments
- Replaced the Improper Payments Information Act of 2002 (IPIA) and Improper Payments Elimination and Recovery Act of 2010 (IPERA)

PERM

STATE ROTATION

Cycle	Medicaid and CHIP States Measured by Cycle
Cycle 3 (RY21)	Alaska, Arizona, District of Columbia, **Florida**, Hawaii, Indiana, Iowa, Louisiana, Maine, Mississippi, Montana, Nevada, New York, Oregon, South Dakota, Texas, Washington
Cycle 1 (RY19)	Arkansas, Connecticut, Delaware, Idaho, Illinois, Kansas, Michigan, Minnesota, Missouri, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, Virginia, Wisconsin, Wyoming
Cycle 2 (RY20)	Alabama, California, Colorado, Georgia, Kentucky, Maryland, Massachusetts, Nebraska, New Hampshire, New Jersey, North Carolina, Rhode Island, South Carolina, Tennessee, Utah, Vermont, West Virginia

HISTORY OF PERM

The Office of Management and Budget (OMB) has identified Medicaid and the Children's Health Insurance Program (CHIP) as programs at risk for significant improper payments

As a result, the Centers for Medicare and Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program to comply with the IPERIA and related guidance issued by OMB

The PERM program measures improper payments in Medicaid and CHIP and produces error rates for each program

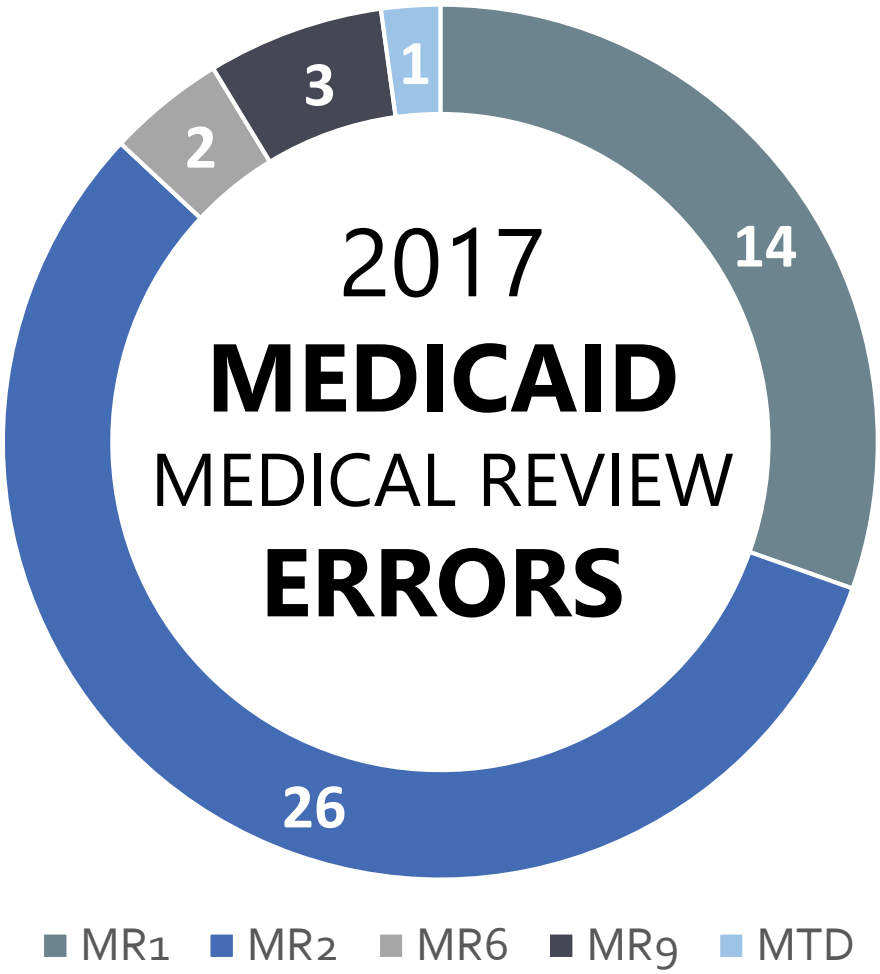
The error rates are based on reviews of:
- fee-for-service
- managed care
- eligibility components

SECTION 2

MEDICAL REVIEW FINDINGS

2017 PERM REVIEW

Cycle 3 / FY 21 FLORIDA



MR1

No Documentation Error

MR2

Document(s) Absent from Record

MR6

Number of Unit(s) Error

MR9

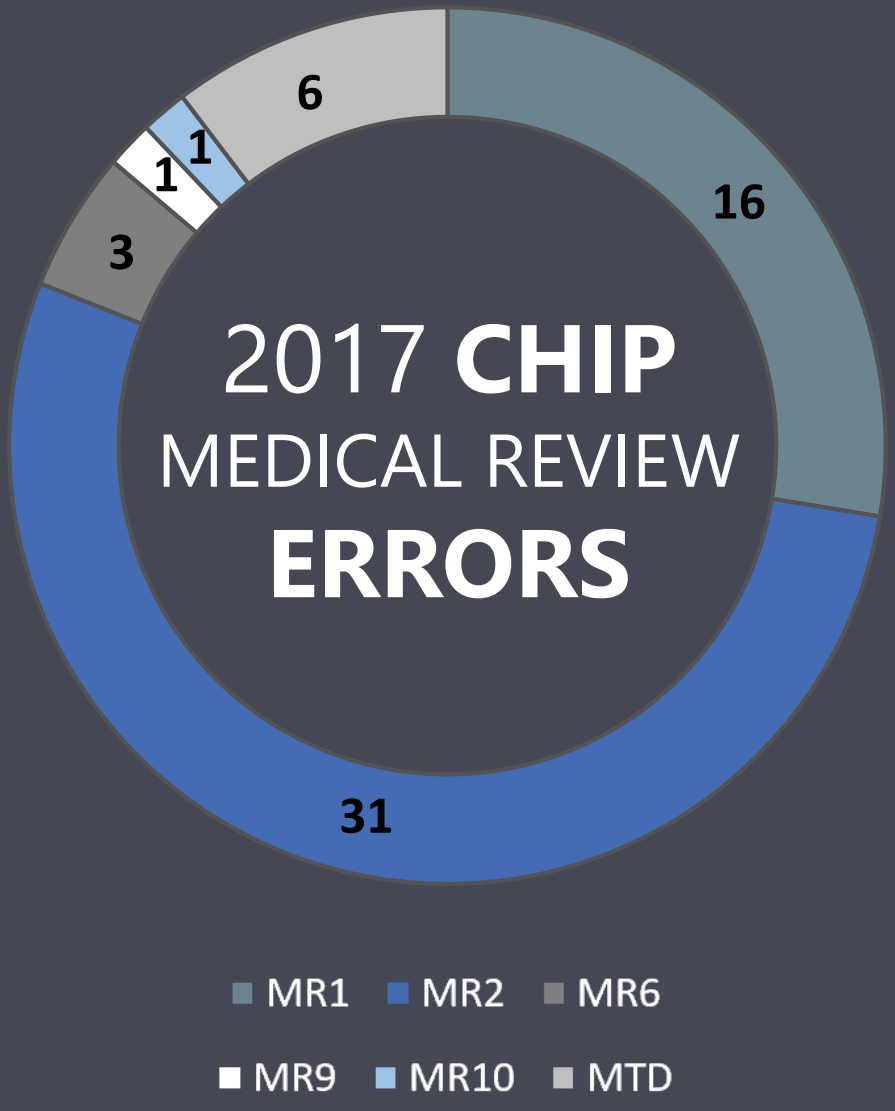
Improperly Completed Documentation

MTD

Medical Technical Deficiency

Cycle 3 / FY 21 FLORIDA

2017 **CHIP** MEDICAL REVIEW **ERRORS**



MR1
No Documentation Error

MR2
Document(s) Absent from Record

MR6
Number of Unit(s) Error

MR9
Improperly Completed Documentation

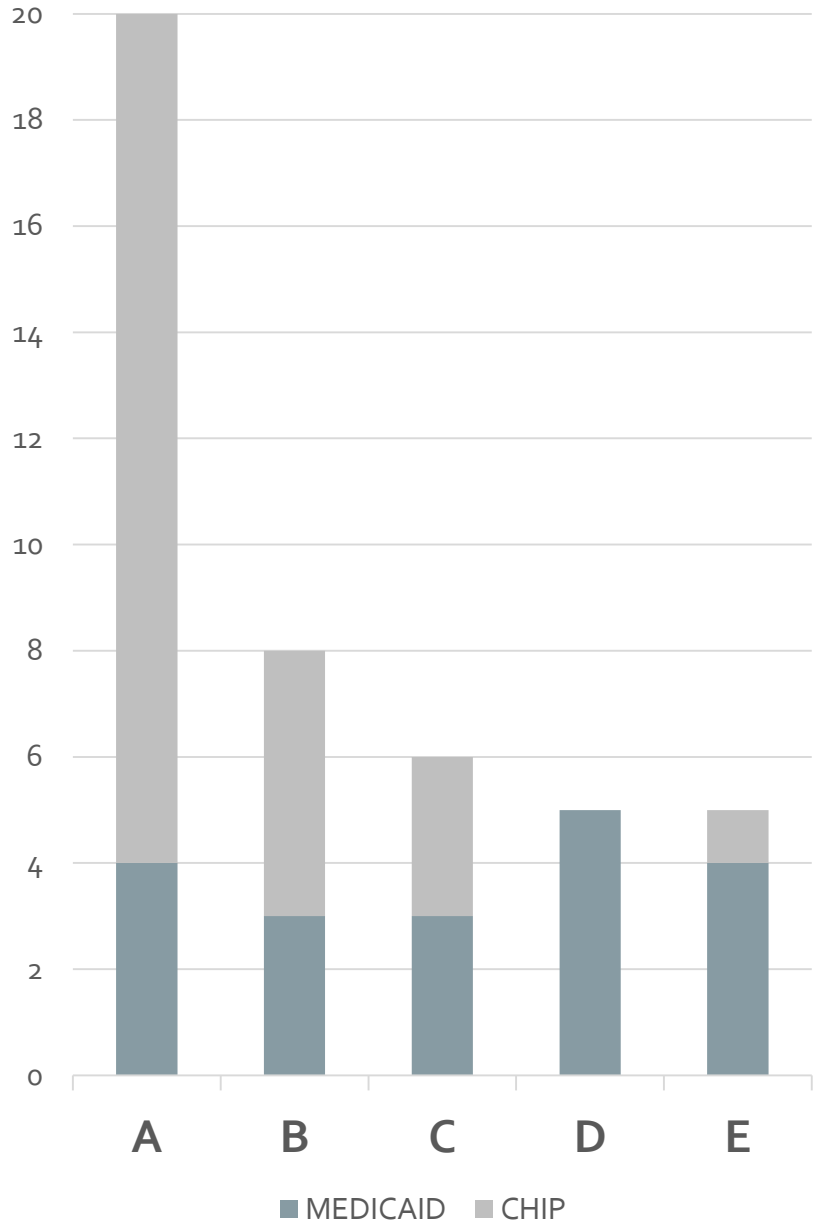
MR10
Administrative/Other Error

MTD
Medical Technical Deficiency

MR2

Document(s) Absent from Record

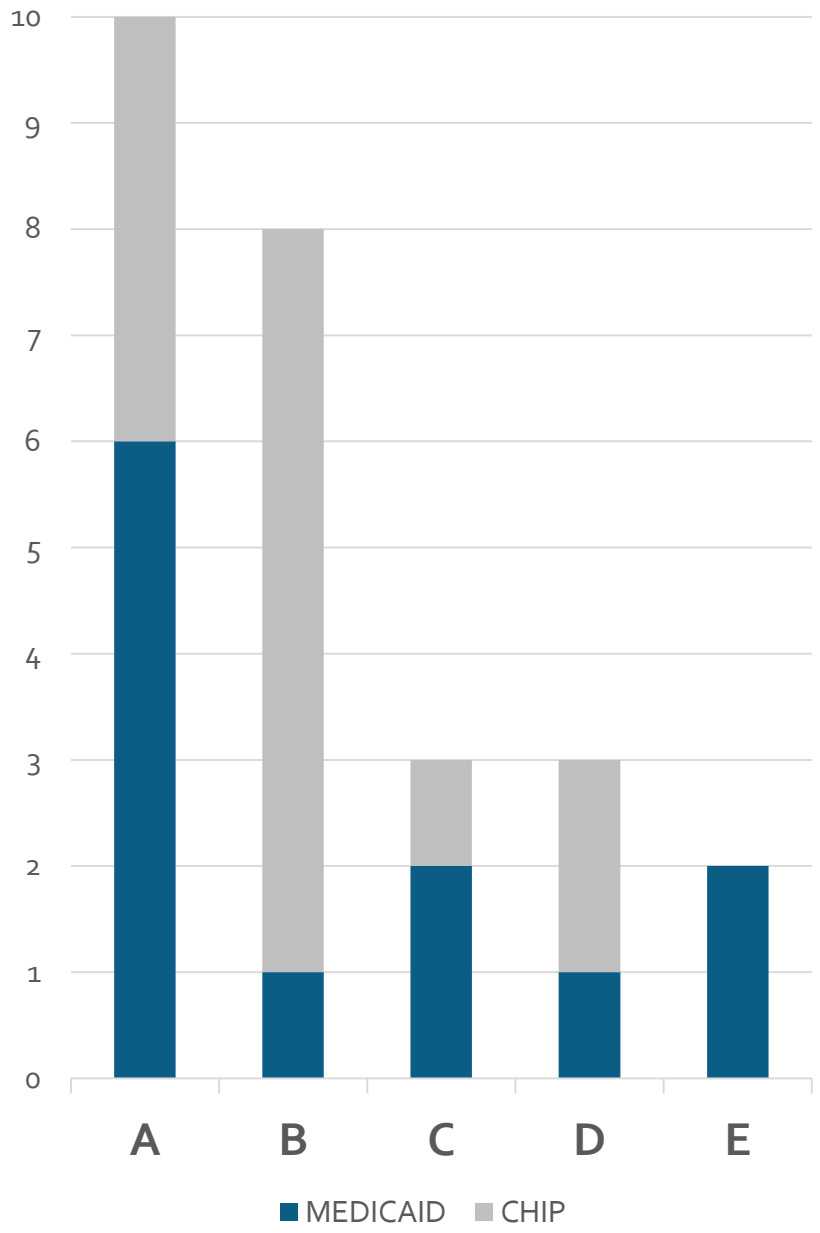
A. Provider did not submit the pharmacy signature log and/or documentation of patient counseling
B. Provider did not submit the service plan
C. Provider did not submit a record with daily documentation of specific tasks performed on the sampled DOS
D. Individual plan (ISP, IFSP, IEP, or POC) was present, but not applicable to the sampled DOS
E. Provider did not submit required progress notes applicable to the sampled DOS



MR1

No Documentation Error

A. Provider did not respond to the request for records
B. Provider responded with a statement that the beneficiary was not seen on the sampled DOS
C. Provider responded with a statement that the provider had billed in error
D. Provider responded that he or she did not have the beneficiary on file or in the system
E. State could not locate the provider



SECTION 3

NOTES FOR PROVIDERS

BEST PRACTICES

Closing Business

- The provider must notify the Medicaid fiscal agent if it is closing its business
- The notification must include the provider's Medicaid ID and the effective date of the business closure

Change of Address

- To ensure accurate communication, including prompt payment for services rendered, Providers must report address changes
- To report a change of address, the provider must obtain and complete the Medicaid provider change of address request or by calling the Medicaid fiscal agent's Provider Services Contact Center at 1-800-289-7799 and selecting Option 4

PERM

RECORD RETENTION

The provider must retain all records related to services rendered to Florida Medicaid recipients for a period of at least five years from the date of service.

In order to qualify as a basis for reimbursement, the records must be signed and dated within two business days from the date and time of service, or otherwise authenticate the record by signature, written initials, or computer entry. Electronic signatures are permissible as defined in Chapter 668, Part I, F.S.

Medicaid providers who maintain electronic records are required to implement a mechanism by which electronic records can be produced in a paper format within a reasonable time, upon request by the Agency

The records must be: Accessible, Legible, and Comprehensible

PERM

RECORD RETENTION

Medicaid requires that the following types of records, as appropriate for the type of service provided, must be retained (the list is not all inclusive):	
- Medicaid claim forms and any documents that are attached	- Tax records, including purchase documentation
- Professional records, such as appointment books, activity logs, patient treatment plans, physician progress notes, orders, and referrals	- Business records, such as accounting ledgers, financial statements, invoices, inventory records, check registers, cancelled checks, sales records, etc.
- Medical, dental, optometric, hearing, hospital, and other patient records	- Drug utilization reports by drug NDC
- Prescription records	- Partnership records
- Prior and post authorization, and service authorization information.	- Utilization review and continued stay approvals for psychiatric or substance abuse inpatient stays
- Orders for laboratory tests and test results	- Provider enrollment documentation
- X-ray, MRI, and CAT scan records	- Patient counseling documentation.

ss. 409.907 & 409.913, F.S.

- In accordance with ss. 409.907 and 409.913, F.S., authorized state and federal agencies and their authorized representatives may audit or examine a provider or facility's Medicaid-related records
- The provider must give authorized state and federal agencies and their representatives access to all Medicaid patient records and documentation
- The provider must send, at their expense, legible copies of all Medicaid-related information to the authorized state and federal agencies and their authorized representatives upon request
- Medical records must state the necessity for, and the extent of services provided

QUESTION

Will a provider be in violation of the Health Insurance Portability and Accountability Act (HIPAA) if they submit medical records to a CMS PERM Review Contractor?

ANSWER

No, the collection and review of protected health information contained in medical records for payment review purposes is authorized by HHS regulations at 45 C.F.R. 164.512(d), as a disclosure authorized to carry out health oversight activities, pursuant to the Health Insurance Portability and Accountability Act of 1996 (HIPAA); CMS PERM Review Contractor activities are performed under this regulation.

WHEN THERE ARE

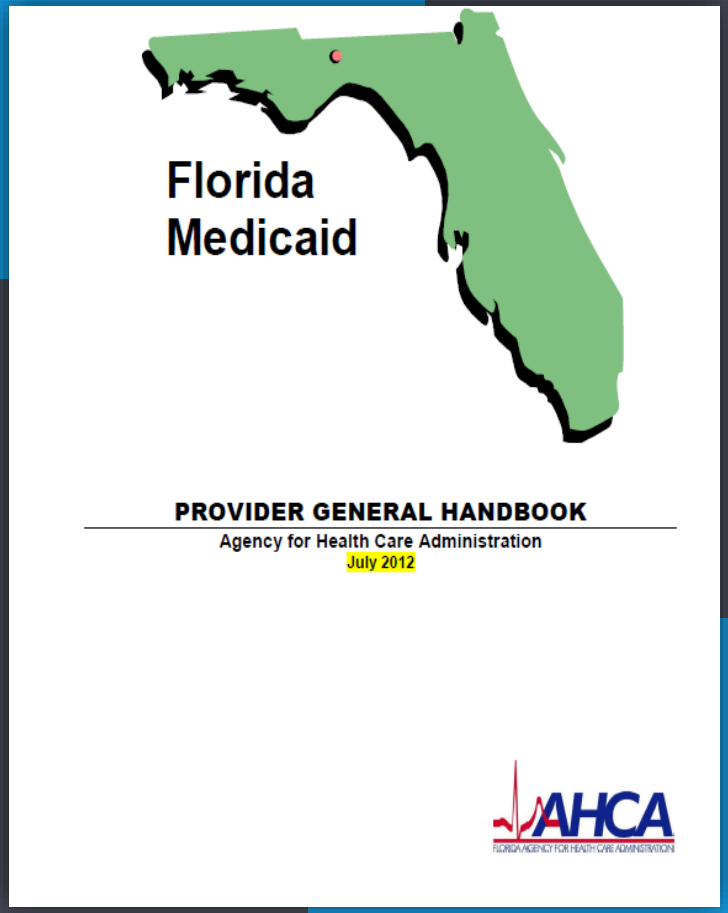
Incomplete Records

All providers that receive a final letter of non-response from the PERM review contractor will be sent a certified letter from the Agency requesting that the records be submitted within a specified timeframe prior to cycle cutoff. If the requested documentation is not provided to the Agency within the required timeframe, the provider and all PERM review documentation will be referred to Medicaid Program Integrity (MPI) where a case will be opened and an Agency sanction letter will be issued with applied fines per s. 409.913, F.S. Further non-compliance with the medical record request could lead to possible suspension and/or termination.

SECTION 4

FLORIDA MEDICAID HANDBOOKS

Florida Medicaid Provider General Handbook



The Florida Medicaid Provider General Handbook applies to all Medicaid providers and offers information regarding:

- The Florida Medicaid program
- Recipient eligibility
- Provider enrollment
- Fraud and abuse policy
- Resources

PROVIDER

HANDBOOKS

Coverage and Limitations Handbooks

The Coverage and Limitations Handbooks explain covered services and policies for each type of Medicaid Service

Reimbursement Handbooks

The Reimbursement Handbooks explain how to complete and file claims for reimbursement from Medicaid

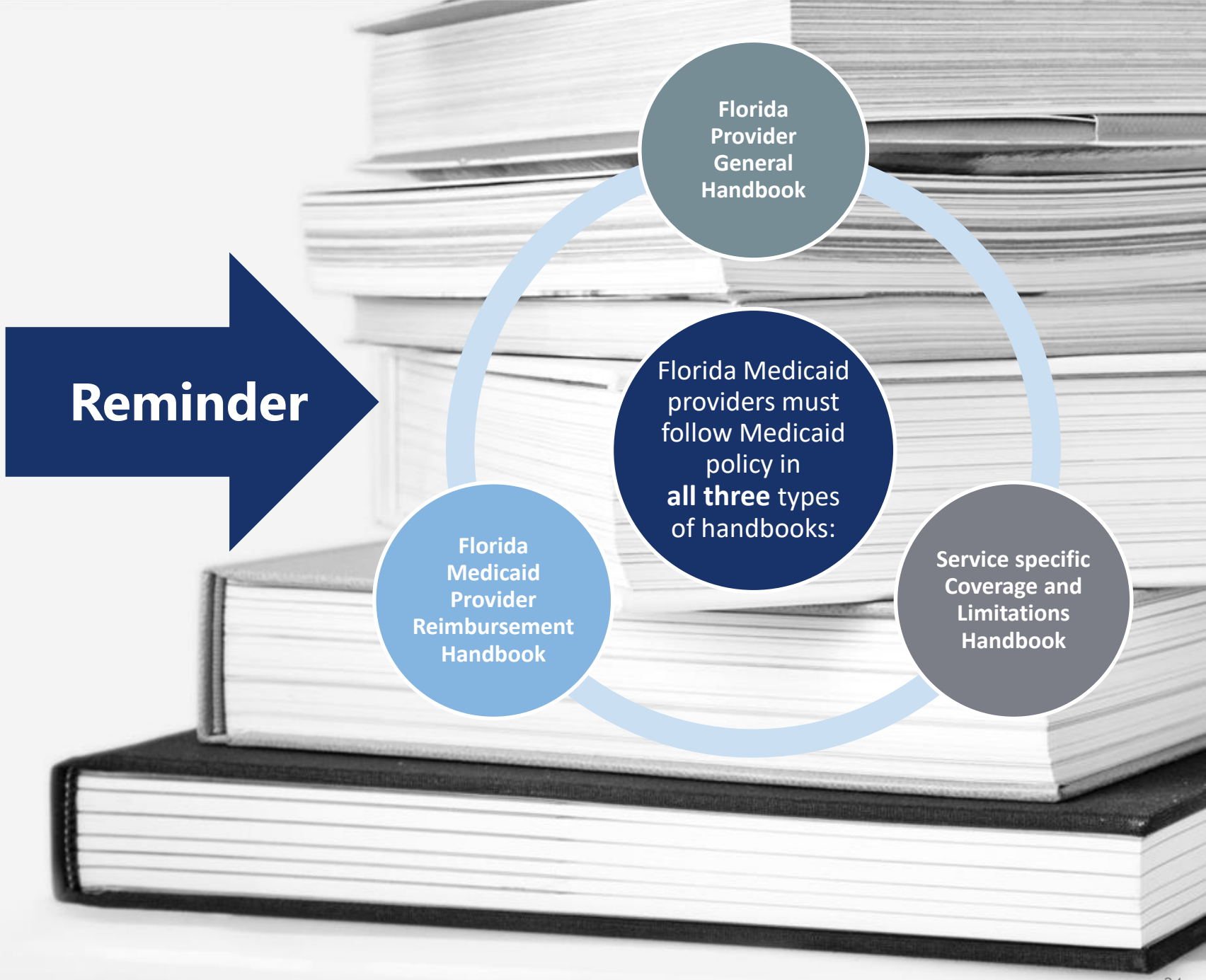
PROVIDER

FEE SCHEDULES

- The current Medicaid Provider Fee Schedules include the covered services codes and maximum fees for covered services
- The Medicaid Provider Fee Schedules are provided in PDF and Microsoft Excel format
- Procedures that are not listed on the provider's Medicaid fee schedule (procedure code table) are non-covered services

All Florida Medicaid handbooks, fee schedules, forms, provider notices, and other important Medicaid information are available on the Agency's website.

Reminder

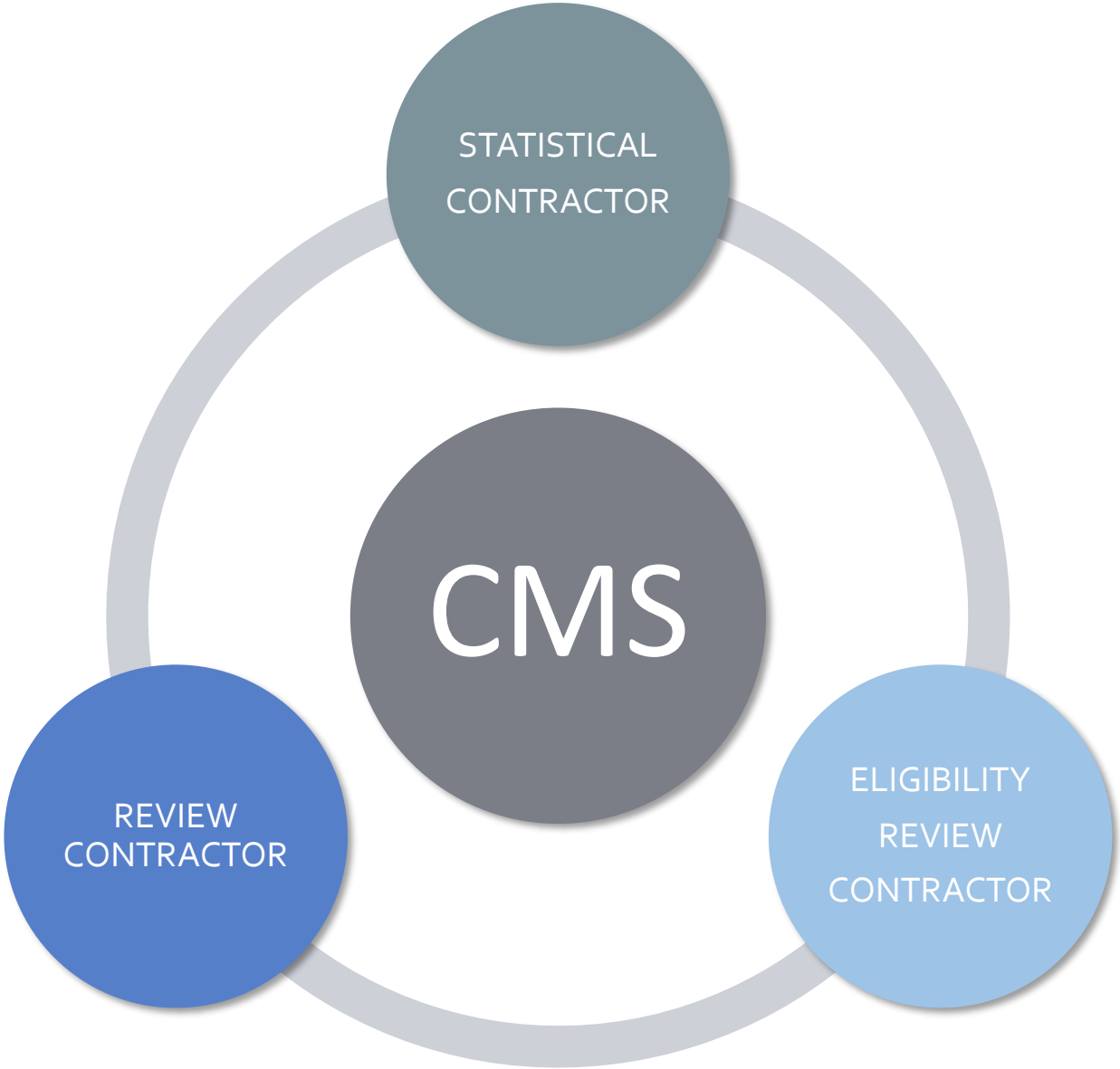

Florida Provider General Handbook
Florida Medicaid providers must follow Medicaid policy in **all three** types of handbooks:
Florida Medicaid Provider Reimbursement Handbook
Service specific Coverage and Limitations Handbook

SECTION 5

2021 FLORIDA PERM

IN FLORIDA, FOR FFY 2021, CMS WILL MEASURE BOTH THE MEDICAID AND CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP):

- Medicaid fee-for-service claim payments
- Managed care capitation and premium payments
- Measurement to estimate the level of error in its eligibility determinations



PERM NATIONAL

CONTRACTORS

STATISTICAL CONTRACTOR

The Lewin Group

The Federal Statistical Contractor, The Lewin Group, is responsible for sample selection and populating claims. The Statistical Contractor draws a random number of claims from the quarterly Medicaid fee for service, Medicaid managed care, and CHIP managed care universes submitted by the states.

After drawing the samples, the Statistical Contractor sends the quarterly samples to the Review Contractor and the state.

The Statistical Contractor also sends the quarterly samples to the Eligibility Review Contractor to conduct the eligibility reviews on the sampled claims.

REVIEW
CONTRACTOR

NCI INC.

The Federal Review Contractor (RC), NCI Inc., is responsible for policy collection, medical record requests, and medical and data processing reviews for state Medicaid and CHIP programs.
When the Review Contractor receives the sample list from the Statistical Contractor, the RC will conduct on-site or remote reviews for each of the states. Additionally, the RC will use the provider information received in the detail files submitted by the states, to contact providers and send request letters for medical records.

PERM Customer Service Representatives (CSRs) will contact billing providers listed in the sampled claims and establish a point of contact (POC) for records requests.

ELIGIBILITY REVIEW CONTRACTOR

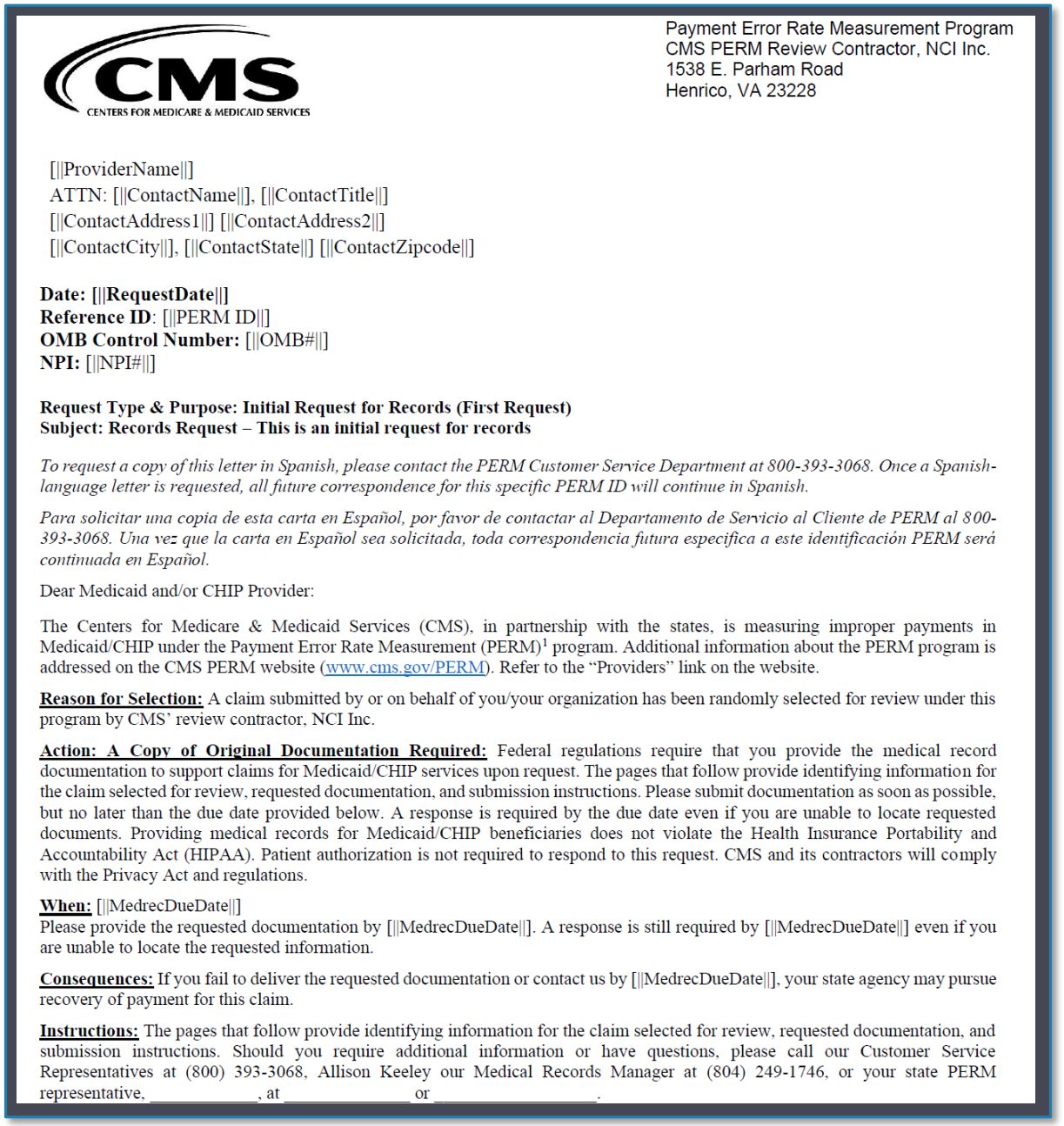
Booz Allen Hamilton

The Federal Eligibility Review Contractor, Booz Allen Hamilton, is responsible for conducting eligibility reviews to ensure the recipient was properly enrolled during the sampled date of service.

The Eligibility Review Contractor then reports the final review findings to the states.

WHAT SHOULD YOU DO IF YOUR CLAIMS ARE SELECTED TO BE IN THE REVIEW SAMPLE?

If a claim for a service that you rendered to either a Medicaid or CHIP recipient is selected to be in the sample, NCI Inc. will contact you for a copy of your medical records to support the medical review of that claim.



CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Payment Error Rate Measurement Program
CMS PERM Review Contractor, NCI Inc.
1538 E. Parham Road
Henrico, VA 23228

[||ProviderName||]
ATTN: [||ContactName||], [||ContactTitle||]
[||ContactAddress1||] [||ContactAddress2||]
[||ContactCity||], [||ContactState||] [||ContactZipcode||]

Date: [||RequestDate||]
Reference ID: [||PERM ID||]
OMB Control Number: [||OMB#||]
NPI: [||NPI#||]

Request Type & Purpose: Initial Request for Records (First Request)
Subject: Records Request – This is an initial request for records

To request a copy of this letter in Spanish, please contact the PERM Customer Service Department at 800-393-3068. Once a Spanish-language letter is requested, all future correspondence for this specific PERM ID will continue in Spanish.

Para solicitar una copia de esta carta en Español, por favor de contactar al Departamento de Servicio al Cliente de PERM al 800-393-3068. Una vez que la carta en Español sea solicitada, toda correspondencia futura especifica a este identificación PERM será continuada en Español.

Dear Medicaid and/or CHIP Provider:

The Centers for Medicare & Medicaid Services (CMS), in partnership with the states, is measuring improper payments in Medicaid/CHIP under the Payment Error Rate Measurement (PERM)[1] program. Additional information about the PERM program is addressed on the CMS PERM website (www.cms.gov/PERM). Refer to the "Providers" link on the website.

Reason for Selection: A claim submitted by or on behalf of you/your organization has been randomly selected for review under this program by CMS' review contractor, NCI Inc.

Action: A Copy of Original Documentation Required: Federal regulations require that you provide the medical record documentation to support claims for Medicaid/CHIP services upon request. The pages that follow provide identifying information for the claim selected for review, requested documentation, and submission instructions. Please submit documentation as soon as possible, but no later than the due date provided below. A response is required by the due date even if you are unable to locate requested documents. Providing medical records for Medicaid/CHIP beneficiaries does not violate the Health Insurance Portability and Accountability Act (HIPAA). Patient authorization is not required to respond to this request. CMS and its contractors will comply with the Privacy Act and regulations.

When: [||MedrecDueDate||]
Please provide the requested documentation by [||MedrecDueDate||]. A response is still required by [||MedrecDueDate||] even if you are unable to locate the requested information.

Consequences: If you fail to deliver the requested documentation or contact us by [||MedrecDueDate||], your state agency may pursue recovery of payment for this claim.

Instructions: The pages that follow provide identifying information for the claim selected for review, requested documentation, and submission instructions. Should you require additional information or have questions, please call our Customer Service Representatives at (800) 393-3068, Allison Keeley our Medical Records Manager at (804) 249-1746, or your state PERM representative, _____, at _____ or _____.

WHEN THERE ARE

Medical Record Requests

- Initial letter request packets sent to providers include:
  - CMS letter (noting authority to request records w/o HIPAA release)
  - PERM fax cover sheet with specific list of requested documentation (unique to each claim category)
  - Claim summary data provided for specific claim sample
  - Instructions with different options for record submission
- From the date of contact, providers must submit these medical records within 75 calendar days.
- The medical review team assesses all documentation received. If documents are missing, an Additional Documentation Request letter is sent.
  - Customer Service Representatives call the providers and explain the specific documents needed prior to sending the ADR letter
  - You have 14 calendar days to submit the additional documentation requested

CONSEQUENCES OF

NON-RESPONSE

If a provider does not submit the requested supporting medical documentation, the claim will be coded as an error and any monies paid will be recouped

Since dollars estimated as being paid in error from the sample will be projected to the total claims, the actual impact of each claim error will be magnified several times

This will result in an exponentially negative impact on the Florida Medicaid program

If the error rate is excessive, the Agency may have to add controls or other limitations to address problem areas that are identified

SECTION 6

TIPS AND REMINDERS

TIPS FOR A SUCESSFUL REVIEW

Comply with all medical record requests from the CMS review contractor in a timely manner and be sure to submit all records requested

Check Medicaid Provider Alerts for upcoming PERM information and Provider Trainings offered by CMS

If your office is selected for medical records review, you will need to provide those as requested by NCI Inc.

Notification to DCF Regarding Change in Resident Medicaid Eligibility

Medicaid nursing home providers must notify DCF within 10 days of any changes which may affect a resident's eligibility.

Changes may be submitted via My ACCESS Account, faxing the Client Discharge and Change Notice, (CF- ES 2506 Form) to 1-866-658-4135, or by phone to the Customer Call Center, 1-866-762-2237.

A copy of this form may be obtained by going to: http://www.dcf.state.fl.us/dcfforms/Search/DCFFormSearch.aspx
Enter CF-ES 2506 under "Form Number," then click "Search."

REMINDER

CUSTODIAN OF RECORDS

If closing out a former custodian, list the individual's name and the date they departed.

If adding a new custodian, list the individual's:

- Name
- home address
- date of birth
- Social Security Number
- whether they are the financial or medical custodian, and
- the date they started

Background screening is required.

Please view the Background Screening page under Enrollment on the Medicaid Public Web Portal for more information.

FINAL

REMINDER

Bill in accordance with the billing procedures outlined in the Provider General Handbook and within the program policy handbook. Make sure the specific procedure code, units, and level of care are being billed or reversed on a claim.

Additionally, make sure when billing to double check recipient account information.

SECTION 7
RESOURCES

All Florida Medicaid handbooks, fee schedules, forms, provider notices, and other important Medicaid information are available on the Agency's website.

CMS PERM WEBSITE

The following slide is a representation of what you will see when you visit the CMS Payment Error Rate Measurement (PERM) website

Payment Error Rate Measurement (PERM)

- Laws and Regulations
- PERM Error Rate Findings and Reports
- Cycle 1
- Cycle 2
- Cycle 3
- Corrective Action Plan (CAP) Process
- Providers
- PERM Workgroups
- FY 2014-FY2017 Eligibility Review Pilots
- PERM Contacts
- Links and Downloads

Payment Error Rate Measurement (PERM)

PLEASE NOTE

August 11, 2020

The Centers for Medicare & Medicaid Services (CMS) remains committed to strengthening its program integrity efforts and safeguarding taxpayer dollars by taking steps to resume activities associated with the review of improper payment data.

Under provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, President Trump declared on March 13, 2020 that, as a result of the effects of the Coronavirus Disease 2019 (COVID-19), a national emergency exists, retroactive to March 1, 2020. On January 31, 2020, Secretary Azar of the Department of Health & Human Services (HHS) declared a nationwide public health emergency, retroactive to January 27, 2020.

On April 2, 2020, CMS announced that it was exercising its enforcement discretion to adopt a temporary policy regarding the Payment Error Rate Measurement (PERM) program. Accordingly, CMS suspended all improper payment-related engagement/communication or data requests to providers and state agencies, including calls and communications regarding existing PERM Corrective Action Plans (CAPs).

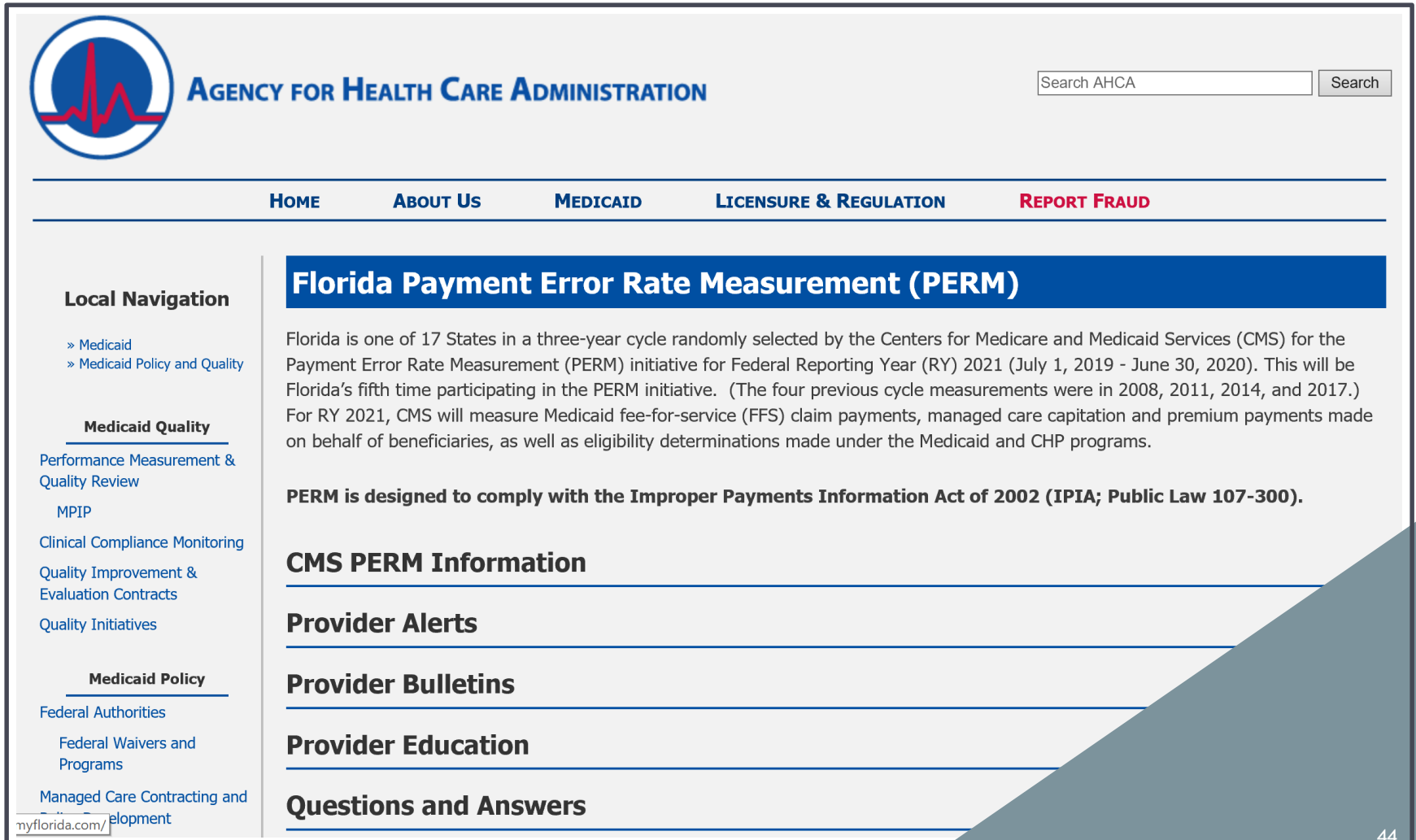
Effective August 11, 2020, CMS will resume PERM-related engagements with providers and states, as described below:

- **Cycle 2 (RY 2020)**: At the time of the PERM suspension, CMS had completed all data and documentation requests necessary to complete national reporting for RY 2020. CMS will hold a cycle call to follow up on end of cycle activities on August 12, 2020.
- **Cycle 3 (RY 2021)**: CMS will resume all improper payment-related engagement/communication and data requests to providers and state agencies. CMS will hold a cycle call on August 12, 2020 with all Cycle 3 states to follow up on next steps

AHCA'S PERM

WEBSITE

Become familiar with the Agency for Health Care Administration's PERM Website



FLORIDA'S

PAYMENT ERROR RATE MEASUREMENT

COORDINATOR/LIAISON

Elizabeth Wade

If you have questions, please contact:

Elizabeth Wade
MHC Program Analyst
Division of Medicaid
Agency for Health Care Admin.

850-412-4036

FL_PERM@
ahca.myflorida.com