

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Post Office Box 8206
Columbia, South Carolina 29202-8206
www.scdhhs.gov

March 13, 2007

MEDICAID BULLETIN

CHIR	07-03	OMP-NP	07-04
CLTC	07-03	OMP-NPS	07-03
DEN	07-07	OMP-PSY	07-05
DME	07-07	OMP-THER-AUD	07-03
EPSDT	07-01	OMP-THER-OT	07-03
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HOS-IP-IMD	07-08	PHY-ALG	07-06
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HOS-OP	07-08	PHY-CARD	07-06
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MC-ASC	07-04	PHY-ENT	07-06
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MC-MCHC	07-05	PHY-PC-INT	07-07
MC-PDN	07-03	PHY-PC-NEO	07-07
MC-RHC	07-06	PHY-PC-OG	07-07
MC-SHC	07-03	PHY-PC-PED	07-07
MHRC-ADA	07-05	PHY-PC-PED/SUB	07-07
MHRC-COC	07-02	PHY-PS	07-06
MHRC-MHC	07-04	PHY-RAD	07-06
MHRC-MRC	07-01	PHY-S	07-06
MHRC-PMHC	07-03	PHY-SPEC	07-06
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NF-GEN	07-03	POD	07-05
NF-ICF/MR	07-03	TRANS-AMB	07-03
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NF-SB	07-03	VIS	07-03
OMP-CRNA	07-04	XRAY-IND	07-03
OMP-NM	07-04		

TO: All Medicaid Providers

SUBJECT: Payment Error Rate Measurement (PERM)

The South Carolina Department of Health and Human Services (DHHS) is participating in the PERM program for Federal Fiscal Year 2007 (October 1, 2006 through September 30, 2007). Under PERM, the Centers for Medicare and Medicaid Services (CMS) will measure the accuracy of Medicaid and State Children's Health Insurance Program (SCHIP) payments made by States by choosing a sample of claims for review. CMS is using three national contractors to conduct the PERM reviews:

- The Lewin Group will choose the sample of claims to be reviewed,
- Livanta LLC will collect Medicaid claims data and policies from DHHS and medical records from providers, and
- Health Data Insights (HDI) will examine the accuracy of the DHHS payment system and review patient records.

SCDHHS and any enrolled providers chosen for the sample are mandated to provide all requested information. Medical records will be needed to support medical reviews in order to determine if the claims were correctly paid. If a claim is selected in the sample for a service that you rendered to a Medicaid recipient, Livanta LLC will contact you for a copy of your medical records supporting the claim.

Understandably, you are concerned with maintaining the privacy of patient information. However, providers are required by Section 1902(a)(27) of the Social Security Act to retain records necessary to disclose the extent of services provided to individuals

receiving assistance and to furnish CMS with information regarding any payments claimed by the provider for rendering services. This includes medical records. In addition, the collection and review of protected health information contained in individual-level medical records for payment review purposes is permissible by the Health Insurance Portability and Accountability Act (HIPAA) of 1996 and implementing regulations at 45 CFR, parts 160 and 164.

Generally, to obtain medical records for a claim sampled for review, Livanta LLC will contact you to verify the correct name and address information and to determine how you want to receive the request(s) (by facsimile or U.S. mail) for medical records. Once you receive the request for medical records, federal regulations require that you submit the information electronically or in hard copy within 90 days. Livanta LLC and SCDHHS officials will follow up to ensure that providers submit the documentation before the 90-day timeframe has expired.

It is important that you cooperate with sending in all requested documentation, because lack of response or insufficient documentation will count against SCDHHS as an error. Past studies have shown that the largest cause of errors in the medical reviews was no documentation or insufficient documentation. Therefore, information should be sent in timely and should be complete. If Livanta LLC requests medical records from you and you have questions, please call or email Robin Reed, Livanta's Medical Record Manager, (rreed@livanta.com), (301) 957-2317. If you have general questions about PERM, please contact Cindy R. Durrett, Senior Auditor, DCDHHS Division of Audits, (durrett@scdhhs.gov), (803) 898-8881.

Thank you for your continued participation in the Medicaid program

/s/

Robert M. Kerr
Director

RMK/ssm

NOTE: To receive Medicaid bulletins by email, please send an email to bulletin@scdhhs.gov indicating your email address and contact information.

To sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions: <http://www.scdhhs.gov/dhhsnew/serviceproviders/eft.asp>