

PERM:

What Providers Need to Know

- The Payment Error Rate Measurement (PERM) is an audit program that was developed and implemented by the federal Centers for Medicare and Medicaid Services (CMS) to comply with the Improper Payments Information Act (IPIA) of 2002.
- The purpose of PERM is to examine claims payment in the Medicaid program and Children's Health Insurance Program (CHIP) for accuracy and to ensure that the States only pay for appropriate claims.
- South Carolina's next PERM cycle is federal fiscal year 2013 (October 2012 – September 2013).
- A sample of claims are selected for review to determine if they were processed correctly and that the services were actually provided, medically necessary, coded correctly, and properly paid or denied. These medical reviews examine the accuracy of the claim information by comparing it to the documentation in the medical record.
- The Review Contractor for CMS will contact providers and request a copy of their medical records to support the medical review. The Review Contractor will send out the request letters and, if necessary, follow-up letters and calls.
- Providers will need to submit all requested medical records and supported documents within 75 calendar days of the request date, either electronically or hard copies.
- Any claims for which documentation is not received upon request by the Contractor shall be an overpayment subject to recovery, regardless of whether services were provided.
- 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.
- The Review Contractor will notify SCDHHS about the errors identified, which has the option to agree or disagree with its findings.
- SCDHHS can file a request for a Difference Resolution and providers may be contacted to assist in the Difference Resolution process.
- States are required to return the federal share of overpayments to CMS. SCDHHS will pursue recoveries as part of the corrective actions according to applicable law and regulations.

Providers can visit the CMS website at <http://www.cms.gov/PERM/> and the SCDHHS website at <http://www.scdhhs.gov/pern> to learn more about PERM. Click on the Provider sections.

Providers can also call Cindy Durrett, SCDHHS PERM Contact, at (803) 898-3113 or e-mail Durrett@scdhhs.gov for more information.

Remember:

“If it is not documented, it never happened!”