

# PROVIDER BULLETIN

No. 10-15

April 8, 2010

TO: Nebraska Medicaid, Waiver and PAS Providers

FROM: Vivianne M. Chaumont, Director   
Division of Medicaid & Long-Term Care

BY: Betsie Steenson, Program Integrity Unit

RE: Payment Error Rate Measurement (PERM) Audit

The Centers for Medicare and Medicaid Services (CMS) is conducting the Payment Error Rate Measurement (PERM) audit to assess the occurrence of improper payments in Medicaid in accordance with the Improper Payments Information Act (IPIA) of 2002. As a part of this program, medical records of sampled claims will be reviewed to ensure that all paid claims were medically necessary. Nebraska Medicaid staff will be working with the contractor to ensure all requested documentation from providers has been received in order to avoid errors.

We recognize providers are concerned with maintaining the privacy of patient information. However, the collection and review of protected health information contained in individual-level medical records for payment review purposes is allowed by the Health Insurance Portability and Accountability Act (HIPAA) and implementing regulations at 45 Code of Federal Regulations, parts 160 and 164. This permits the collection and review of protected health information to meet the CMS PERM requirements. Nebraska Medicaid regulations also require providers to supply medical records upon request from the Department, the federal Department of Health and Human Services, other approved agency, or its authorized representatives (please refer to Provider Bulletin 09-25). In this instance, A+ Government Solutions, the federal Review Contractor (RC), will act as the Department's authorized representative.

The claims that will be selected are from all claims that are processed by Nebraska Medicaid from October 1, 2009 through September 30, 2010. Of all the claims that process during that time, between 500 and 1,000 will be randomly selected for review. This means that some providers may have more than one service selected to send medical documentation in on. It also means that there are some providers who will not

have any claims selected at all. The sampled claims will be selected by a federal contractor with no ties to the Nebraska Medicaid program.

April 8, 2010

Page Two

All providers who have claims that will be sampled by CMS will be receiving a letter from A+ Government Solutions. This letter will be on CMS letterhead. The letter will request medical records for a particular service that was performed by the provider. As soon as Nebraska Medicaid has a sample copy of this letter, it will be posted to the Program Integrity page of the DHHS Medicaid & Long-Term Care website under Audits – PERM. The provider will be given 60 calendar days to submit the requested documentation before the claim will be found to have been paid in error. The letter requesting records will have a date at the top identifying the date by when records must be submitted. You will also receive two follow-up notices if records have not yet been received by the contractor. The first will be 15 days after the original request, and the second will be 35 days after the original request. If records are not submitted and the claim is found to have been paid in error, Nebraska Medicaid will request a refund from that provider for that service.

If the submitted documentation is found to be insufficient to substantiate the service, a request for additional documentation will be sent by the RC. This request will allow 15 calendar days to return additional documentation to the federal contractor. This 15 day period is separate from the original 60 day period to submit documentation.

If you have any questions about the PERM reviews, please visit the CMS PERM website at [www.cms.gov/PERM/](http://www.cms.gov/PERM/) . If you have questions about Nebraska Medicaid's involvement in the review process, this provider bulletin, or if you want to verify that a request for records that you have received is genuine, please contact Betsie Steenson at 402-471-9353 or by email at [betsie.steenson@nebraska.gov](mailto:betsie.steenson@nebraska.gov) . Please do not include any Protected Health Information in unsecured email transactions.