

## NOTICE TO PROVIDERS

### Payment Error Rate Measurement (PERM)

The Centers for Medicare & Medicaid Services (CMS) implemented the Payment Error Rate Measurement (PERM) program to measure improper payments in the Medicaid program and the State Children's Health Insurance Program (CHIP). PERM is designed to comply with the Improper Payments Information Act of 2002 (IPIA; Public Law 107-300). The PERM program is designed to evaluate the accuracy of Medicaid payments to providers, including medical records documentation. Mississippi has been selected as 1 of 17 states required to participate in PERM reviews of Medicaid and CHIP payments in federal fiscal year 2011 (**October 1, 2010, through September 30, 2011**).

CMS is using two national contractors to measure improper payments. The statistical contractor The Lewin Group will coordinate efforts with the State regarding the eligibility sample, maintaining the PERM eligibility website, and delivering samples and details to the review contractor. The review contractor, **A+ Government Solutions, will be communicating directly with providers and requesting medical record documentation associated with the sampled claims.** Providers will be required to furnish the records requested by the review contractor within a timeframe specified in the medical record request letter.

**It is anticipated that A+ Government Solutions will begin requesting medical records for Mississippi sampled claims by the summer of 2011. Providers are urged to respond to these requests promptly with timely submission of the requested documentation. Please note that there may be requests for additional documentation following your initial submission. Please respond to these specific requests promptly to avoid errors of insufficient or lack of documentation.**

Understandably, providers 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 furnish CMS with information regarding any payments claimed by the provider for rendering services. Also, 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 of 1996 (HIPAA) and implementing regulations at 45 Code of Federal Regulations, parts 160 and 164.

For information about the federal PERM regulations, contractor oversights, and overall project information, please refer to those items located on the CMS website at [www.cms.hhs.gov](http://www.cms.hhs.gov).

Medicaid Provider Bulletin for March and September 2011 at website:  
<https://msmedicaid.acs-inc.com/msenvision/providerBulletins.do>