RY2023 PERM Audit Information

**Please note:** The RY2023 (reporting year) PERM audit is reviewing claims from state fiscal year 2022, 7/1/21 – 6/30/22.

Every three years, DVHA is subject to the Centers for Medicare and Medicaid Services (CMS) Payment Error Rate Measurement (PERM) audit. This audit examines medical record documentation and beneficiary eligibility for claims paid through the Medicaid and CHIP programs.

For this cycle, CMS has again contracted with NCI Information Systems Inc., The Lewin Group, and Booz Allen Hamilton to conduct the audit.

**Background:** The Centers for Medicare and Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program in response to the Improper Payment Information Act, 2002 [IPIA, Public Law 107–300,] enacted November 26, 2002. This act requires federal agencies to review annually programs they oversee that are susceptible to significant erroneous payments, to estimate the amount of improper payments, to report those estimates to Congress and to submit a report of the actions the federal agency is taking to reduce erroneous expenditures. The Improper Payments Elimination and Recovery Act of 2010 (IPERA) enhances the IPIA of 2002 and aims to further reduce improper payments.

**Providers:** Providers that are included in the audit are selected based on a claims sample drawn by CMS from DVHA’s universe of Medicaid claims data. The universe includes claims data that fall between July 1, 2021 through June 30, 2022. Providers selected in the sample will be required to submit medical record and adjoining documentation on their claims. NCI Information Systems will be contacting these providers directly. Selected providers are required to participate, as stated in your signed Provider Enrollment Agreement: ¬Provider Enrollment Agreement (Section 6) and/or, if you have recently revalidated your enrollment, your signed General Provider Agreement (Article VI, Section 1). DVHA will provide assistive guidance and support during this process as well as issue ongoing PERM notices and direct communications to PERM selected providers.

**Medical Record Request Timeline:**

* Once you receive your letter from the CMS PERM Review Contractor, NCI Information Systems, Inc., please submit documentation as soon as possible but no later than the due date provided, which is 75 days after the date of this initial request letter. A written response is required by the due date even if you are unable to locate the requested documents.
* Providers who have not submitted required documentation within 30 days from the date of receipt of notice to submit required claims medical records and adjoining documents to NCI Information System. may be contacted by Vermont Medicaid to ensure compliance.
* Providers have 7 days from the date of receipt of notice of request for additional information to submit additional claims documentation for inaccurate medical record and adjoining documents to NCI Information Systems.

**Sanction for Non-Compliance:** DVHA will enforce a 10% withholding of all VT Medicaid payments for all providers that do not submit the required medical records and adjoining documents within 75 days or the additional documentation within 7 days, until the issue is resolved.