What is Payment Error Rate Measurement (PERM)?

PERM is a federally-mandated audit that occurs once every three years. The purpose of this program is to review claims payments and examine eligibility determinations made for the Medicaid and Child's Health Plan *Plus* (CHP+) programs for accuracy and to ensure that states only pay for appropriate claims.

Providers are required by section 1902(a)(27) of the Social Security Act and 10 CCR 2505-10, Sec.8.130.2.A to:

- Submit records to the federal and state government upon request.
- Retain records necessary to disclose the nature and extent of services provided to recipients.
- Maintain records which fully substantiate or verify claims submitted for payment.

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 (HIPPA) of 1996 and implementing regulations at 45 Code of Federal Regulations, parts 160 and 164.

2010 PERM Errors

Errors for the 2010 PERM cycle for Nursing Facilities, Chronic Care services, and Intermediate Care Facilities were due to:

Missing or unsigned physician progress notes.

2013 PERM Cycle

The Department of Health Care Policy and Financing (the Department) will participate in the 2013 PERM cycle. The Centers for Medicare and Medicaid Services (CMS) contractors may contact providers who provide Medicaid and CHP+ services to request copies of medical records for October 2012 to September 2013 dates of service for the PERM review. Providers have 75 business days to provide documentation to the CMS contractor. If additional documentation is requested, providers have 15 business days to provide additional documentation. If documentation is not provided, the provider's claim(s) will be considered an error, and the Department will recover the money associated with the claim from the provider, regardless of whether or not the service was provided.

More Information

Providers can attend provider education calls to learn more about PERM and provider responsibilities. CMS will host provider education calls on August 23, September 15 and October 24, 2012. You can find more information at http://www.cms.gov/PERM → Provider Education Calls.

Additional information may be obtained at http://www.cms.gov/PERM or by contacting the Department's PERM Program Manager, Matt Ivy, at Matt.Ivy@state.co.us or 303-866-2706.