

REPRICING MEDICAL REVIEW (MR) PARTIAL ERRORS



PERM RC FAST FACTS

WHAT IS A PARTIAL ERROR?

An error is considered ‘partial’ when a portion of the payment that was made is incorrect. For example, the provider billed and was paid for ten units of service, but the documentation only supports that five units of service were provided. In this scenario, the full amount of the original payment is cited in error; however, a portion of the payment (five units of service) was correct. To reduce the Medical Review (MR) error amount to the portion of the payment that was not correct, the state/district/territory (hereinafter referred to collectively as “state”) must provide the Payment Error Rate Measurement (PERM) Review Contractor (RC) with documentation supporting the dollar amount the corrected claim should have paid. In the example above, the state would provide the pricing information for the five units of service. Providing documentation to support the correct payment amount is known as repricing. States may request repricing on partial MR error findings when a portion of the claim would have been appropriate to pay had it been submitted by the provider correctly.

MR errors that may result in a partial error and be appropriate for repricing include the following:

- MR3 (Procedure Coding Error).
- MR4 (Diagnosis Coding/DRG Error).
- MR5 (Unbundling Error).
- MR6 (Number of Unit(s) Error).
- MR7 (Medically Unnecessary Error).
- MR10 (Administrative/Other Error).

This list is not all inclusive, but it represents the most common error codes resulting in MR partial errors. Depending on the finding, other errors may also result in a partial error.

Please consult with the RC if you have questions regarding repricing to reduce the dollar amount in error for an error finding. The RC is also happy to discuss repricing during the RC’s regularly scheduled check in call with the state.

THE IMPORTANCE OF REPRICING MR FINDINGS WITH PARTIAL ERRORS

All PERM errors have an associated error amount based on the amount paid. The number of errors and the error amounts are used in calculating the national and state payment error rates. Reducing the error amounts when partial errors are cited will result in more accurate reporting of PERM estimated incorrect payment amounts. States must reimburse the Centers for Medicare and Medicaid Services (CMS) for the federally funded portion of all overpayments identified in PERM. Therefore, ensuring overpayment amounts are accurate is in the states’ best interest.

Requesting repricing of a partial error is voluntary but highly encouraged. If the state does not request repricing for a claim that is eligible for repricing, the error amount will remain as the full payment.

When the state supplies the repriced dollar amount and the supporting documentation for the repriced amount, the RC will use that documentation to calculate the amount in error by taking the claim paid amount minus the amount that should have paid and:

- If the result is a positive dollar amount (indicating that the state should have paid less than it did), then the amount in error is an overpayment.
- If the result is a negative dollar amount (indicating the state should have paid more than it did), then the amount in error is an underpayment.

REQUESTING REPRICING

A state may request repricing of MR partial errors in one of the following two ways:

1. If the MR error is still within the 25-business day timeframe in which to file a Difference Resolution (DR), the state may file a DR request in the State Medicaid Error Rate Findings (SMERF) system to request repricing. Refer to the Fast Facts flyer *Filing a Difference Resolution* for more information on how to file a DR in SMERF.
2. If the timeframe to file a DR has expired, the state may file a repricing request through the end of the cycle by sending a communication through Kiteworks, the RC's secure file transfer solution, to PERMRC_DOCS@empower.ai advising that the state wishes to reprice the MR error. Please note in the subject line the PERM ID(s) and "MR Repricing." When requesting repricing using this method, the state will include documentation supporting the repriced amount as attachments to the transmission.

When requesting repricing, a state must always provide the repriced amount and documentation supporting the repriced amount to the RC. Refer to the section "[Documentation Supporting the Repriced Amount](#)" below for information on sufficient documentation to support the repricing request. Refer to the section "[Submitting Supporting Documentation to the RC](#)" below for information on how to submit the supporting documentation.

DOCUMENTATION SUPPORTING THE REPRICED AMOUNT

For both repricing request options listed above, states must submit written evidence such as screen prints, fee schedules, or other valid sources to support the repriced amount. The documentation the RC needs doesn't have to be based on an actual adjustment to the provider. The supporting documentation the RC needs is the "what if" evidence of how the system would have processed the claim if it had been billed correctly. The state should include the repriced amount and one of the following forms of written evidence:

- For MR3 (Procedure Coding Error), provide a system screenshot that shows how the claim would have paid had the correct code been billed. If a screenshot is not available, please include the payment calculation and applicable fee schedule as appropriate.

- For MR4 (Diagnosis/DRG Coding Error), provide a system screenshot that shows how the claim would have paid had the correct code been billed. If a screenshot is not available, please include the payment calculation and applicable fee schedule as appropriate.
- For MR5 (Unbundling Error), provide documentation to show how the claim would have paid had the separately billed codes been billed/paid under the appropriate bundle. Please include the payment calculation as appropriate.
- For MR6 (Number of Units Error), provide documentation showing pricing for the correct number of units billed. Please include the payment calculation and applicable fee schedule as appropriate.
- For MR7 (Medically Unnecessary Error), provide a system screenshot that shows how the claim would have been paid. Please include the payment calculation and fee schedule as appropriate.
- For MR10 (Administrative/Other Error), provide a system screenshot or new documentation that shows how the claim would have paid if billed correctly. Please include the payment calculation and applicable fee schedule as appropriate.

SUBMITTING SUPPORTING DOCUMENTATION TO THE RC

Repricing requests for multiple PERM IDs may be submitted in the same transmission; however, the state should submit separate supporting documentation for each PERM ID in the transmission. While the RC accepts documents in many formats, the RC prefers documentation in Microsoft Word or Adobe PDF formats if possible. The state may submit documentation via fax or Kiteworks.

A state sending documents via Kiteworks will direct the transmission to PERMRC_DOCS@empower.ai. Please include the PERM ID and document category “**MR Repricing**” in each file name and in the subject line of the transmission. Please do not include any Protected Health Information (PHI) or Personally Identifiable Information (PII) in the file name, subject line, or message body. PHI and PII may be included only within the attached files. Refer to the Fast Facts flyer *RC Secure File Transfer via Kiteworks* for information on using and requesting access to Kiteworks.

A state may also transmit the supporting documentation via fax to the RC. Transmit the documentation by fax to 804-515-4220 and including a cover sheet that indicates the documents are in support of a repricing request, indicates the review type (i.e., MR), and the PERM ID(s).

WHAT HAPPENS NEXT?

The RC will review the state’s repricing request and supporting documentation. If the information is sufficient to support repricing for the PERM ID, the RC will adjust the error amount in SMERF to the partial amount in error and notify the state via email or during the RC check in call with the state. If the RC needs additional information in order to reprice the claim, the RC will notify the state and provide details of the additional information required to support repricing the claim.