



Payment Error Rate Measurement (PERM) Program
Office of Financial Management
Program Integrity Group
7500 Security Blvd.
Baltimore, Maryland 21244

PERM REVIEW CONTRACTOR

The Review Contractor (RC) in the Payment Error Rate Measurement (PERM) program performs 3 main tasks:

1. Conduct medical reviews on the sampled fee-for-service claims to determine if the services provided were medically necessary and were correctly paid.
2. Conduct data processing reviews on both fee-for-service and managed care claims on or off site to determine the accuracy of claims processing.
3. Conduct medical reviews in the difference resolution process prior to any CMS appeals.

Medical Reviews

Fee-for-service claims are subject to medical reviews based on medical records submitted by providers, states' medical policies and quarterly policy updates. The RC will post the error findings of the medical reviews and data processing reviews in a secured website that will be updated at least monthly.

Data Processing Reviews

The RC will conduct data processing reviews on both fee-for-service and managed care claims. The process may be performed on-site or remotely through a secure VPN to establish read-only access to States' MMIS for Medicaid and/or SCHIP claims. For stand-alone SCHIP programs, data processing reviews will be conducted during the same on-site visits for Medicaid claims or remotely, if the state prefers. When claims processing for SCHIP is performed at separate locations independent of states' MMIS, those locations will be visited at the same time as Medicaid scheduled visits to each state.

The on-site review will consist of an initial orientation visit, four visits by data processing review teams (first visit for Quarter 1, second visit for Quarter 2, third visit for Quarter 3 and fourth visit for Quarter 4 sampled claims) and an exit conference.

Difference Resolution

When a state disagrees with the RC's error findings, the state can dispute the error by requesting difference resolution and submit supporting documentation for a second review within 10 business days from the posting date of the disposition report for the claim. The RC will conduct the second review to determine if the review findings will be upheld or reversed.