

Payment Error Rate Measurement (PERM) Program Medicaid Improper Payment Rates

Cycle-Specific Medicaid Improper Payment Rates

Year	PERM Cycle	Overall*	FFS	Managed Care	Eligibility
2020**	Cycle 2 – RY 2020	27.47%	12.67%	0.16%	22.32%
2021	Cycle 3 – RY 2021	13.68%	13.91%	0.00%	9.27%
2022	Cycle 1 – RY 2022	6.64%	3.72%	0.00%	5.36%
2023	Cycle 2 – RY 2023	6.26%	5.13%	0.00%	3.90%
2024	Cycle 3 – RY 2024	3.17%	5.46%	0.00%	1.53%
2025***	Cycle 1 – RY 2025	9.78%	2.97%	0.00%	8.74%

*The overall estimate is comprised of the weighted sum of the FFS and managed care components, plus the eligibility component, minus a small adjustment to account for the overlap between the claims and eligibility review functions. The cycle-specific rate represents only the 17 states sampled.

**Due to the COVID-19 Public Health Emergency, CMS suspended all improper payment-related engagement/communication or data requests to providers and state agencies in April 2020. Effective August 11, 2020, CMS resumed PERM-related engagements with providers and states. CMS determined that, at the time of the PERM suspension, CMS had completed all data and documentation requests necessary to complete national reporting and did not resume any state or provider outreach. Due to the public health emergency impact, the Cycle 2-specific rates may not be comparable to other cycles.

***Overall and component estimates include impact related to “unwinding” of COVID-19 Public Health Emergency flexibilities. Following the end of the Medicaid continuous enrollment period, states are expected to gradually return to normal operations for beneficiary and provider enrollment/renewal throughout the “unwinding period”. Unwinding period spans from April 1, 2023, to December 31, 2025.

Note: Information pertaining to cycle-specific and national rolling Medicaid improper payment rates prior to 2020 can be found in the [Archive section](#) of the PERM website.

National Rolling Medicaid Improper Payment Rates*

Year	PERM Cycles Included	Overall	FFS	Managed Care	Eligibility
2020	Cycle 3 – FY 2017 Cycle 1 – RY 2019 Cycle 2 – RY 2020	21.36%	16.84%	0.06%	14.94%
2021	Cycle 1 – RY 2019 Cycle 2 – RY 2020 Cycle 3 – RY 2021	21.69%	13.90%	0.04%	16.62%
2022	Cycle 2 – RY 2020 Cycle 3 – RY 2021 Cycle 1 – RY 2022	15.62%	10.42%	0.03%	11.89%
2023	Cycle 3 – RY 2021 Cycle 1 – RY 2022 Cycle 2 – RY 2023	8.58%	6.90%	0.00%	5.95%
2024	Cycle 1 – RY 2022 Cycle 2 – RY 2023 Cycle 3 – RY 2024	5.09%	4.83%	0.00%	3.31%
2025	Cycle 2 – RY 2023 Cycle 3 – RY 2024 Cycle 1 – RY 2025	6.12%	4.60%	0.00%	4.42%

*Considered the official rates reported by CMS.