



**All-State PERM Call Outline**  
**August 16, 2013 3:00 P.M. EDT**

**Purpose**

CMS scheduled the call to ensure that all states are clear on the impact SHO letter #13-005 titled *PERM eligibility reviews, MEQC Program, and development of an interim approach for assessing payment error for eligibility* has on the PERM program. The call only addressed the PERM program and did not provide information on the Medicaid and CHIP eligibility review pilots which will come at a later time.

**Impact of SHO letter on PERM program**

- All component measurements through the FY 2013 PERM cycle will continue as scheduled
  - Current eligibility measurements will continue and eligibility error rates will be calculated through the FY 2013 cycle
  - States should follow through on the eligibility Corrective Action Plan (CAP) process from previous eligibility measurements
- The FY 2014 through FY 2016 PERM cycles will not include an eligibility component. Fee-for-Service (FFS) and managed care components will continue as scheduled for these cycles
- For the FY 2014 through FY 2016 PERM cycles, state-specific error rates will be calculated based on the FFS and managed care components. No state-specific PERM eligibility error rates will be calculated during this time
- At the national level, CMS will report comprehensive Medicaid and CHIP error rates based on the continuing FFS and managed care reviews and an estimated eligibility component error rate based on historical data
  - Although CMS will not formally measure eligibility improper payments for FYs 2014-2016 through PERM, an estimated eligibility component error rate will be included in national error rates
  - CMS will freeze each state's eligibility error rate at the rate from the most recently completed PERM cycles which would be the FY 2011 through FY 2013 cycles to develop the estimated eligibility component rate
  - CMS will not require states to submit eligibility CAPs for FYs 2014 through FY 2016 based on the frozen rates
- CMS, in partnership with states, will revise the PERM eligibility program to align with the new Affordable Care Act eligibility environment
- CMS anticipates issuing a new PERM regulation in time to reinstate the eligibility component in the FY 2017 PERM cycle

**Impact on each PERM state cycle**

Cycle 3 States

- The target eligibility error rates and sample sizes for the FY 2014 cycle issued to cycle 3 states in November 2012 are no longer applicable
- Cycle 3 states are required to follow up with their CMS CAP liaison on their FY 2011 CAP for each component per usual
- The upcoming FY 2014 cycle will not consist of an eligibility component. The FFS and managed care portions of the cycle kicked off Wednesday, August 14<sup>th</sup> will continue as scheduled
- For FY 2014 national error rate reporting, cycle 3 state eligibility error rates will be frozen at the FY 2011 level
- The FY 2017 PERM cycle will be the next PERM eligibility measurement for the cycle 3 states

#### Cycle 1 States

- FY 2012 eligibility error rates will still be reported November 2013
- Cycle 1 states will be required to submit a CAP for the FY 2012 findings for all three components— including eligibility
- The FY 2015 cycle will not consist of an eligibility component. For FY 2015 national error rate reporting, cycle 1 state eligibility error rates will be frozen at the FY 2012 level

#### Cycle 2 States

- Cycle 2 states should continue to submit eligibility samples, eligibility case review results, and eligibility payment review results per the FY 2013 eligibility timeline
- FY 2013 eligibility error rates will still be calculated in November 2014
- Cycle 2 states will be required to submit a CAP for the FY 2013 findings for all three components— including eligibility
- The FY 2016 cycle will not consist of an eligibility component. For FY 2016 national error rate reporting, cycle 2 state eligibility error rates will be frozen at the FY 2013 level