

5 Common Questions for Reviewing Case Actions: PERM Eligibility Reviews

1. What case action does the Eligibility Review Contractor (ERC) review?

- The most recent eligibility action prior to the sampled Date of Service (DOS), which can be an initial application, renewal, or change in circumstance.
- Initial application actions and indicators (pass/fail, verified/not verified, check boxes, etc.) showing that the eligibility system verified income and other eligibility elements that must be verified at application.
- Passive renewal actions and indicators (pass/fail, verified/not verified, check boxes, etc.) showing that the eligibility system verified income and other eligibility elements that must be verified at renewal.
- Non-passive renewals and any hard copy documentation and electronic data source matches.
- Changes in circumstance such as updates to household composition or income changes that could result in a 12-month extension of coverage period.
- Case documentation provided by states to determine if the state complied with federal and state requirements and made the right eligibility determinations.
- That states obtained the required information and followed appropriate processes when adjudicating each case.

2. Where does the ERC look for information related to specific case actions?

- Eligibility source system (e.g., income screens, income budget, case comments, and notices).
- Document management system for hard copy documentation.
- Hard copy case file documentation.
- Detailed case comments in the system to show case worker actions.



3. How does the ERC review case action information?

For all case actions under review, the ERC determines whether the required eligibility elements are verified appropriately at initial application, at renewal, or during a reported change in circumstance, including whether the state followed up on any discrepant information in the case file. The review process may include the need for additional documentation from the state. If there is enough information to complete the review, the ERC will document the review outcome.

• Initial Applications

- The ERC reviews the information in the case file and eligibility system to determine whether the state appropriately determined eligibility. The ERC also confirms that the state verified all required elements correctly.

• Renewals

- The ERC reviews the information in the case file and eligibility system to determine whether the state conducted a timely renewal and if there is evidence that it re-verified all required eligibility elements correctly.

• Change in Circumstance

- The ERC will review verifications and documentation associated with a change in circumstance if it occurred prior to the DOS of the sampled claim.
- The ERC will review to determine that the appropriate changes were made to the eligibility elements that are impacted by the change.

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4. When are findings cited¹?

- There is no evidence in the case file to support an initial eligibility determination.
- The state did not conduct the redetermination within the 12 months prior to the DOS on the claim.
- A late redetermination occurred after the DOS but prior to the date of payment (DOP)².
- There is indication that an element is verified at initial application or renewal, but the documentation is not present in the case file.
- There is no evidence in the case file that an element was verified at initial application or renewal.
- Verified elements of eligibility do not support/match the information used in the determination made by the state.
- A change in circumstance is reported but not acted on, either by the caseworker or the eligibility system.

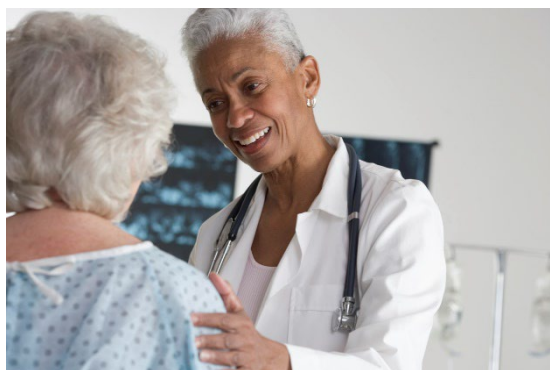
5. Why do we review these specific case actions?

To ensure compliance with federal requirements for the administration of the Medicaid program and the Children's Health Insurance Program (CHIP):

- The Medicaid regulations at [42 CFR 435.907](#) and CHIP regulations at [42 CFR 457.340](#) (Initial).
- The Medicaid regulations at [42 CFR 435.916](#) and CHIP regulations at [42 CFR 457.343](#) (Periodic Renewals).
- The Medicaid regulations at [42 CFR 435.916\(c\)](#) and CHIP regulations at [42 CFR 457.960](#) (Change in Circumstance).
- [The Payment Integrity Information Act of 2019 \(PIIA\)](#).
- [The Office of Management and Budget \(OMB\) Circular A-123, Appendix C](#) – related to types of improper payments.

Special Considerations:

- If the state does not have evidence to support an eligibility determination, the ERC will request additional documentation to obtain the information from the state before citing any applicable errors.
- If the state did not conduct a determination or redetermination within the 12 months prior to the DOS, then the ERC also looks to see if a determination or redetermination was done after the DOS and prior to the DOP. This would be cited as a technical deficiency in most cases.



- If a case is sampled in which the beneficiary returned the renewal form at the end of the 12-month coverage period, and there is evidence that the state is working with the beneficiary in completing the renewal, the ERC will review according to state-specific application and renewal processing time frames and may not cite an error.
- If CMS or state policy has determined that an element will not or is unlikely to change, the element is not re-verified at the time of renewal unless it is questionable.
- The ERC works closely with CMS if there are questions regarding state processes or state-specific policies that may conflict with federal requirements.

¹ This is not an all-inclusive list. The ERC may cite errors based on other criteria that could lead to payment errors based on misapplication of state polices and federal regulation requirements.

² The ERC accounts for timeliness exceptions and permissible maintenance of coverage processes that states implemented during the COVID-19 public health emergency.

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Examples of Findings

The exhibits below provide examples of errors that could be cited for different case actions.

Example – Initial Determination Documentation Not Maintained	
Date of Service	8/15/2020
Date of Payment	8/28/2020
Date of Last Redetermination	2/25/2020
Case Details	Although case notes indicate an application was received on 2/4/2020, the case file did not contain the applications or associated verifications for the 2/25/2020 approval. On 12/15/2021, the ERC submitted an additional documentation request to the state for the application form and associated documents. Per an email from the state dated 12/20/2021, there is no additional information available. A payment error is cited because the state could not provide documentation obtained during the state's eligibility determination.

Example – Renewal Completed After DOS But Prior to DOP	
Date of Service	9/1/2018
Date of Payment	12/31/2018
Date of Last Redetermination	8/15/2017
Case Details	The renewal was signed and received by the state on 7/2/2018 and processed on 9/17/2018. The renewal was not completed by the DOS but was completed by the DOP. The system shows an effective date of 10/1/2018; therefore, a technical deficiency is cited.

Example – Renewal Not Completed Prior to the DOS or DOP	
Date of Service	8/1/2018
Date of Payment	8/31/2018
Date of Last Redetermination	12/1/2016
Case Details	The case file did not contain any applications or associated verifications to indicate a renewal had been conducted within 12 months prior to the DOS or the DOP. The only information on record shows the last redetermination date of 12/1/2016. On 7/23/2019, the ERC submitted an additional documentation request to the state for the renewal form and associated documents. Per an email from the state dated 8/13/2019, there is no additional information available. A payment error is cited because a redetermination was not completed within 12 months prior to the DOS or DOP.

Example – Change in Circumstance Not Acted Upon	
Date of Service	11/10/2018
Date of Payment	12/1/2018
Date of Last Redetermination	6/10/2018
Case Details	A redetermination was completed on 6/10/2018. The system sent an alert for a change in income for the beneficiary on 8/5/2018. The caseworker did not act on the alert and income was not updated in the system. A technical deficiency is cited because, although the beneficiary's income changed, updating the system with the correct income does not impact the beneficiary's enrolled category or program.

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Special Case Processing Considerations:

- **Title IV-E:** The ERC reviews whether the beneficiary was in foster care or receiving adoption assistance under Title IV-E to support Medicaid eligibility on the DOS.
- **Supplemental Security Income (SSI) Cases in 1634 States:** The ERC reviews whether the beneficiary was enrolled in SSI to support Medicaid eligibility. The ERC also reviews whether the last SSI payment was made to the beneficiary prior to the DOS.
- **SSI Cases in 209(b) States:** The ERC reviews whether the individual was enrolled in SSI, that the state made a disability determination, or that the state redetermined disability in accordance with state policy to support Medicaid eligibility and that income was calculated in accordance with the state's requirements.
- **Level of Care:** The ERC reviews whether home- and community-based services beneficiaries have a current level of care assessment in the case file. Case files must have evidence that an HCBS beneficiary has a nursing facility level of care to receive services in a home setting.
- **New 12-Month Coverage Period:** There may be other nuanced situations where a change in circumstance resulted in a new 12-month coverage period. In those situations, the ERC may only review the change that resulted in the new coverage period as all elements necessary are re-verified.