

FILING A DIFFERENCE RESOLUTION



PERM RC FAST FACTS

UNDERSTANDING THE DIFFERENCE RESOLUTION (DR) PROCESS

States may first dispute error findings and deficiencies by filing a DR request. States initiate all DR requests in the State Medicaid Error Rate Finding (SMERF) system once the finding posts to the Sampling Unit Disposition (SUD) report. States may submit DR requests for errors and deficiencies cited during Eligibility Reviews (ER), Medical Reviews (MR) (except MR1), and Data Processing (DP) reviews. DRs are also used when the state agrees with the error but needs to “re-price” (re-calculate) the overpayment amount on a partial MR error. Please note that states may also request re-pricing via an email to the Review Contractor (RC) once the timeframe to file a DR expires.

Requirements:

The federal regulation, *42 C.F.R. § 431.998*, provides specific requirements for DRs including:

- ❖ *The State must file the DR within 25 business days after the review findings are shared with the State (i.e., published on the Sampling Unit Disposition (SUD) report).*
- ❖ *The State must be able to demonstrate all of the following:*
 - *Have a factual basis for filing the request.*
 - *Provide valid evidence directly related to the finding(s) to support the State’s position.*

FILING THE DR IN SMERF

States should carefully review the SUD reports published on the 15th and 30th of each month. States have 25 business days after SMERF publishes the SUD report to file a DR. The date of the SUD report counts as day one of the timeframe.

When the contractors cite error findings and deficiencies, SMERF sends automated advance notification of errors for DP, MR, and ER via email alerts to the state’s designated DP, MR, or ER contacts. These

advance notification alerts allow the state additional time to consider whether to file a DR as SMERF sends the alerts prior to the findings hitting SUD and before the timeframe to file a DR begins.

To view details of the advance error notice in SMERF, the user clicks **Errors** on the SMERF main menu, then selects the review type (**Data Processing, Medical Review, or Eligibility**), then **Advance Error Notice**. See Figure 1 below.

States should request DR when the state:

- Disagrees with the error finding or deficiency.
- Has located additional information for the RC or Eligibility Review Contractor (ERC) to consider.
- Agrees with the error and wishes to re-price (re-calculate) a partial MR error.

If states do not file a DR request within 25 business days of a finding posting on the SUD report, the finding is considered final.

To locate review errors available for DR in SMERF, the user clicks Errors on the SMERF main menu, then selects the review type (Data Processing, Medical Review, or Eligibility), then Difference Resolution, and then Available. See Figure 1 below.

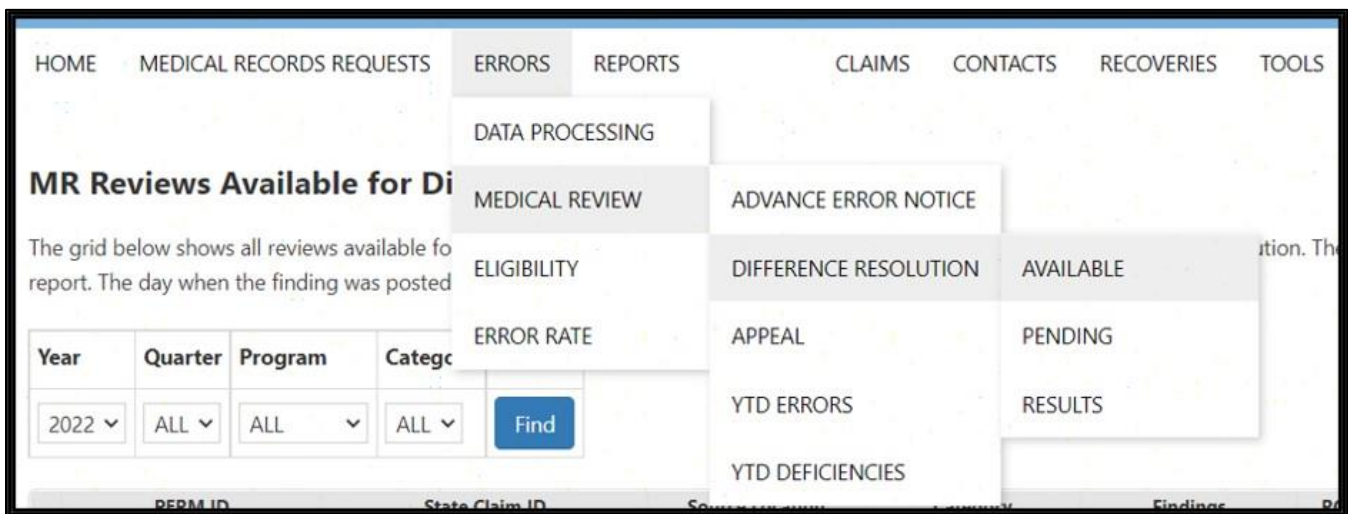


FIGURE 1: DR MENU

The **Reviews Available for Difference Resolution** page displays. See Figure 2 on the next page. Search for the preferred PERM ID by selecting the **YEAR** (defaults to current reporting year), **Quarter** (defaults to ALL), **Program** (defaults to ALL), and **Category** (defaults to ALL). To view all PERM IDs available for DR, leave all these categories on the default settings and click **Find**. The table displays a list of claims available for DR with the following information: **PERM ID, State Claim ID, Source Location, Category, Findings, Completed Date, State Notice Date, and DR Request Deadline**.

Open or collapse the claim detail using the + and – buttons on the left side of the list. When the claim detail is open, SMERF displays additional information including the **Finding Code, Qualifier, Error Amount, Over/Under** (overpayment or underpayment), a description of the **Reviewer Decision**, and the **Policy Reference**. This information appears for each finding if the PERM ID has multiple findings. See Figure 2 below.

The **Reviews Available for Difference Resolution** list displays a line item for each finding on a PERM ID. This provides the state the ability to DR each finding separately. To reach the DR request screen for a particular PERM ID and particular finding for that PERM ID, follow the PERM ID row all the way to the right side of the screen and click the **pencil icon** as shown in Figure 2 below to see details and access the Difference Resolution Request page. The selected claim in the figure below has two DP error findings on the same PERM ID.

Year	Quarter	Program	Category	Action	PERM ID	State Claim ID	Source Location	Category	Findings	RC Completed Date	State Notice Date	DR Request Deadline	
2023	ALL	ALL	ALL	Find	301M001		IC	50	DP3	03/07/2022	03/07/2022	03/10/2022	
					301M002		IC	50	DP2	03/07/2022	03/07/2022	03/10/2022	
					301M002		IC	50	DP3	03/07/2022	03/07/2022	03/10/2022	
					01M003		IC	50	DP5	03/07/2022	03/07/2022	03/10/2022	
					01M003		IC	50	DP8	03/07/2022	03/07/2022	03/10/2022	
					01M004		IC	50	DP10	03/07/2022	03/07/2022	03/10/2022	
					01M004		IC	50	DP9	03/07/2022	03/07/2022	03/10/2022	
					01M005		IC	50	DP11	03/07/2022	03/07/2022	03/10/2022	
					01M005		IC	50	DP12	03/07/2022	03/07/2022	03/10/2022	

FIGURE 2: REVIEWS AVAILABLE FOR DR PAGE

SMERF then displays the Difference Resolution Request page where the state begins the process of requesting a DR for the specific PERM ID. See Figure 3 on the next page.

A state must submit a DR request with supporting evidence for each applicable error finding for each PERM ID. SMERF does not support submitting one DR request for multiple PERM IDs. SMERF does not support submitting one DR request for multiple errors on a single PERM ID. A state must also submit a DR request for each review type for the applicable PERM ID. That is, if the state disagrees on the findings of the DP, MR, and ER reviews for a specific PERM ID, the state must enter a DR under the DP DR page to request a DR of DP findings, a DR under the MR DR page to request a DR on MR findings, and a DR under the ER DR page to request a DR of ER findings.

Click the **Request Difference Resolution** tab to begin the DR request. See Figure 3 below.

FIGURE 3: DR REQUEST PAGE

SMERF then displays the Request Difference Resolution screen as shown in Figure 3 above. States must enter the reason(s) (i.e., the factual basis) for requesting the DR in the Comments section shown in Figure 4 above. The reason should include the state’s factual basis for filing the DR rather than only stating that the state is submitting documentation to support DR. States re-pricing a claim should include the amount that should have been paid based on the appropriate code assigned by the RC in the Comments. **Never enter protected health information (PHI) or personally identifiable information (PII) in SMERF.**

Click the **Submit** button to submit the DR request. A pop-up message then appears confirming the DR request was submitted in SMERF.

SUBMITTING DOCUMENTATION TO SUPPORT DR REQUESTS

States must provide valid evidence (documentation) to support the DR request. States submit documentation to support ER DR requests to the ERC. If submitting documentation to the ERC, please refer to the ERC’s instructions for document submissions. The ERC’s fact sheet for document submissions, *PERM ERC SFTP Access for External Clients*, is available in SMERF under Tools > State Educational Resources.

States submit documentation to support DP and MR DR requests to the RC. If the DR is for re-pricing, states must submit written evidence such as screen prints and fee schedules to support the re-priced amount. When submitting documents to the RC, the state should clearly indicate the PERM ID on each document submission, and states should submit separate supporting documentation for each PERM ID.

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 secure file transfer. Transmit the documentation response by faxing to 804-515-4220 and including a cover sheet that indicates the documents are in support of a DR request, indicates the review type, and the PERM ID. A state sending documents via the RC's secure file transfer will direct the transmission to PERMRC_DOCS@empower.ai. Refer to the Fast Facts flyer *RC Secure File Transfer via Kiteworks* for information on using and requesting access to Kiteworks, the RC's secure file transfer solution.

DR DECISION PROCESS

SMERF sends an alert to the ERC or RC when states submit DR requests. The contractor reviews the state's factual basis and supporting evidence for the DR and then issues a decision upholding, modifying, or overturning the initial PERM error finding or deficiency. The contractor records the decision in SMERF. SMERF auto-generates a decision notice that is sent via a PERM alert email to the state's designated DP, MR, or ER contacts.

SMERF displays all DR results for disputed error findings. To view DR results in SMERF, the user clicks **Errors** on the SMERF main menu, then selects the review type (**Data Processing, Medical Review, or Eligibility**), then **Difference Resolution**, and then **Results**. See Figure 1 on page 2.

The **Difference Resolution Completed** page displays. See Figure 4 below. The table displays completed DRs with the following information: **PERM ID, State Claim ID, Source Location, Category, Error Code, Completed Date, DR Decision, Appeal Request Deadline, and Appeal Requested Date**. Search the DR results by **YEAR** (defaults to current reporting year), **Quarter** (defaults to ALL), **Program** (defaults to ALL), and **Category** (defaults to ALL). To view all DR decisions, leave all these categories on the default settings and click **Find**. Use the + and – buttons to collapse and open the DR results details.

Each PERM ID on the **Difference Resolution Completed** page shows a line item for each DR decision on the PERM ID. If the state submitted one DR for a given PERM ID and review type, only one line item appears for the PERM ID. In the example in Figure 4 on the next page, the state filed DRs on the DP1 and DP4 findings on the same day, and the state filed a DR for the DP2 finding on the same PERM ID on a different day.

DP Reviews Difference Resolution Completed

The grid below shows all reviews completed for difference resolution.

Year	Quarter	Program	Category	Action
2023	ALL	ALL	ALL	Find

PERM ID	State Claim ID	Source Location	Category	Error Code	RC Completed Date	DR Decision	Appeal Request Deadline	Appeal Requested Date
+ 12301F452		MMIS	06	DP1, DP4	02/25/2022	Modified	03/17/2022	DP1 : 2022-03-01, DP4 : 2022-03-01
+ 12301F452		MMIS	06	DP2	02/25/2022	Modified	03/17/2022	DP2 : 2022-03-01

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FIGURE 4: DR COMPLETED PAGE

The state then determines whether to accept the decision. If the state accepts the decision, the review is final. If the state does not accept the decision, the state may then file an appeal request within 15 business days of the notification of DR decision. Refer to the Fast Facts flyer *Filing an Appeal* for information on the appeals process.