PERM SC FAST FACTS FOR PROVIDER FRAUD SUPPRESSION

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What is Provider Fraud Suppression?

States may suppress a claim from a PERM medical review, for sampled claims, if the provider is under investigation for potential fraud and the state does not want the PERM contractors to contact the provider. Information concerning where requests for medical record documentation should be mailed is provided as part of the Details files that the Statistical Contractor (SC) submits to the Review Contractor (RC). The fraud suppression is applied at the sampled claim/PERM ID level and not at the provider level. If states provide information at the provider level the SC can then apply it at the PERM ID level. If claims for the same provider are sampled in multiple quarters, the state must notify the SC each quarter whether the sampled claims need medical review suppressed since the status/focus of the investigation may have changed over the course of the cycle.

Why is it important?

States may choose to suppress documentation requests for specific providers/claims to avoid interfering with impeding active fraud investigations. While PERM audits request documentation for a sample of randomly selected claims, states have expressed concerns about potential overlap with their active investigations. For any provider states request a suppression for, the SC will notify the RC via the Details File that documentation requests should not be mailed to the providers identified by the states. Once implemented, a fraud suppression remains in effect for the claim for the rest of the PERM cycle unless the state indicates otherwise.

What do states need to do?

There are several steps states can take before and during the cycle to make this process easier:

- Before any samples are selected, meet with the agencies in your state that lead fraud investigations (e.g., Office of Medicaid Inspector General [OMIG], Medicaid Fraud Control Units [MFCU]). Ask if they can provide you with a list of providers or provider locations under active investigation that should not be contacted. Ask how follow-up will be done:
    - Will the agency send over an updated list when new investigations are started, or existing ones closed?
    - Should you send over a list of providers and NPIs after each sample is received to verify none should be on the suppression list?
    - What timeframe will the information be provided within?
- After samples are selected, follow the agreed upon process:
    - Refer to the supplied list of providers that should not receive documentation requests and note any suppressions in an email to your SC Data Manager (PERM+ states) or in the Details file returned to the SC (routine PERM states).
        - These cases may be identified by state provider ID or NPI, if your state wishes to suppress requests for any claim billed by a particular provider, or by the PERM ID of the sampled claims, if your state wishes to suppress requests for only specific claims in each quarter.
        - Do not identify providers for suppression by their name but instead use their NPI or state provider ID. In previous cycles there have been instances where only one location of a system was under investigation, but other locations could be contacted. The clearer you can be in your communications to the SC, the more accurate the information that will be transmitted to the RC ahead of their reviews.
    - If the agency wants to review the list of providers/NPIs after sampling, provide that information to the agency conducting fraud investigations as quickly as possible after receiving the sampler file.
    - Follow-up with the agency if a response is not received within the agreed upon timeframe. This can vary based on your agreement, but **the SC requires a response within two weeks**.

  - If the SC is otherwise prepared to send finalized details to the RC and no response has been received from the state indicating the need for Provider Fraud Suppression by the end of that two-week period, the SC will proceed with sending details to the RC.
- The process for providing this information will be discussed during the Details Intake meetings held with the states after the first fee-for-service (FFS) sample is selected.

Can states change their minds?

If the state initially makes a determination but wants to amend it later, that can be done:

- If the provider was initially identified as needing to have contact suppressed, the state can reach out to the SC with notification of the change, and we can update the details and notify the RC that a request for documentation can be sent out. If your state wishes to make this change, please notify the SC as soon as possible so that the requests can be sent out timely. Depending on the timing of the change, the state and RC will work together to determine next steps. If the change occurs towards the end of the cycle, the state may be responsible for obtaining and submitting the required documents.
- If the provider was initially not identified as needing to have contact suppressed, the state can reach out to the SC with notification of a change and the RC will cease contact at that point. Keep in mind that late notification may not prevent initial outreach to the provider.

What is the impact on states' improper payment rates?

Claims associated with these providers will be represented as MR1 - No Reviewable Documentation Received errors in the state's improper payment rate. However, this generally impacts a limited number of claims and has a low impact on a state's overall improper payment rate. If a state is concerned that the identified claims would affect its improper payment rate, the state can notify the SC and ask how improper payments on these claims would impact the state's overall improper payment rate. This can help inform the state's decision on whether to have PERM contact the provider or not.

Can claims from impacted providers be dropped/replaced or can those providers be dropped from the sampling universe?

Claims that are impacted by fraud suppression cannot be dropped, replaced, or omitted from the sampling universe. CMS is required to include all claims receiving federal funding in the sampling universe, including those of suppressed providers, in order to guarantee the validity and completeness of the PERM review and estimations. Furthermore, PIIA requires federal agencies to measure ''improper payments'' and does not distinguish between different types of improper payments (for example, unintentional errors versus fraud). If sampled, a claim from a fraud suppressed provider would still be subject to reviews. Additionally, although fraud suppression applies only to medical review, claims impacted by fraud suppression receive other applicable reviews (data processing/eligibility). Dropping and replacing those samples using other claims from the same universe would also impact those other reviews.

Will errors due to fraud investigations be included in states' Corrective Action Plans?

Errors cited for providers under fraud investigation will appear in the state's Corrective Action Plan as MR1 errors. For these findings, the state may include "provider(s) under fraud investigation" as the corrective action taken by the state to address the error.