



## **RY 2027 Contractor Roles and Responsibilities**

### **RY 2027 Statistical Contractor (SC) – The Lewin Group – Responsible for Sample Selection, Populating Claims, and Improper Payment Rate Calculation**

Each quarter throughout the fiscal year, the SC collects the universe of claims data for Medicaid and Children's Health Insurance Program (CHIP) Fee-For-Service (FFS) and managed care from the states. The universe includes claims that are matched with Title XIX (Medicaid) or Title XXI (CHIP) Federal Financial Participation (FFP), including payments made outside of the state's Medicaid Management Information System (MMIS).

The SC draws a random sample of claims from the quarterly Medicaid FFS, CHIP FFS, Medicaid managed care, and CHIP managed care universes submitted by the states. There are also state-specific sample sizes based on the prior cycle improper payment rates and margin of error, as well as state expenditures, with a sample size cap for Medicaid (1,200 eligibility) and CHIP (800 for eligibility). Since claims data are submitted quarterly by the states, each quarter is treated as a separate universe and sampled accordingly. After drawing the samples, the SC sends the samples to the Eligibility Review Contractor (ERC) and the state.

For routine PERM states, the FFS sample list contains only essential data information. After the samples are populated and returned to the SC, the SC standardizes the format of the claims data and sends it to the ERC for eligibility review. For PERM+ states, comprehensive information is submitted in the original universe and the SC sends claims data to the ERC for eligibility review.

To ensure that states have submitted the entire universe of claims and payments for services provided to individual beneficiaries, the SC compares each state's PERM universe data to the state's CMS-64 and/or CMS-21 reports. If the dollars submitted for the PERM universes are substantially different than what the state reported on the same quarter's CMS-64 and/or CMS-21 reports, the SC is required to verify with the state reasons for the discrepancy to ensure that the state submitted all claims subject to sampling and review according to the PERM regulation and guidance.

At the end of the PERM process, the SC calculates state-specific and national Medicaid and CHIP improper payment rates overall and by component.

### **RY 2027 Eligibility Review Contractor (ERC) – Booz Allen Hamilton – Responsible for Eligibility Policy Collection, Eligibility Case Reviews, Federal Medicaid Assistance Percentage (FMAP) Assignments, and Maintenance of the State Medicaid Error Rate Findings (SMERF) System**

The ERC is responsible for obtaining, organizing, and maintaining federal and state eligibility policies for the PERM program by working with states and CMS to gather public and non-public policy information. This ensures the ERC is familiar with the eligibility policies in each state (policy content and application and location) prior to the PERM eligibility review.

The ERC is also responsible for obtaining remote access to state eligibility and document management systems, prior to the start of the eligibility review cycle, to collect case file documentation needed to complete eligibility reviews.



The ERC reviews state eligibility determinations that made individuals eligible on the Date of Service for each claim payment sampled. The ERC reviews the state's eligibility determination in accordance with federal and state policies. If the eligibility case file does not contain sufficient documentation to support the state's determination, states have 30 days to provide missing documentation. In RY 2027, the ERC will accept additional documentation submitted by the state in support of case reviews through the end of the cycle for ER1s, ER2s, and ER3s and will update error findings, when appropriate.

In addition to the ADR process, to determine beneficiary eligibility when there is insufficient documentation, the ERC may obtain access to state verification systems to independently verify the eligibility of the beneficiary. The ERC will look for any information that supports beneficiary eligibility despite verification documentation.

The ERC hosts the SMERF system as directed by CMS to allow use by PERM contractors, CMS, and state Medicaid and CHIP officials. The ERC provides website orientations and trainings, as needed, to stakeholders. Once reviews are completed, the findings are posted to the SMERF system. At the time that findings are posted to the SUD report, states can formally request DR or appeal the findings of the DR with CMS.

The ERC is also responsible for FMAP rates. With the state's confirmation, the ERC will align the state eligibility categories to a federal eligibility category and an FMAP rate. These FMAP rates are used to identify federal dollars assigned to a claim for each type of PERM review based on Category of Eligibility and Date of Payment.

Upon completion of the eligibility case reviews, the ERC assists CMS with reviewing findings, providing guidance on origin of errors, summarizing state findings, and answering any state findings questions. The ERC sends the full set of detailed findings eligibility reviews to the SC for use in the improper payment calculations.