

Introduction

The PERM Eligibility Review Contractor (ERC) conducts eligibility reviews to determine if a beneficiary was eligible for Medicaid (Title XIX) or CHIP (Title XXI) benefits paid in the form of fee-for-service claims or managed care payments. States play an integral role in ensuring that the ERC completes eligibility reviews that are accurate and in accordance with the timelines required by the PERM program. This document describes the responsibilities of each state for each phase of the PERM process.

To ensure the PERM eligibility review process is successful overall, the state should assign eligibility review points of contact (POCs) to assist all eligibility review activities. Because of the different activities involved during each phase of the PERM reviews, states will want to have a well-rounded team that can assist with the various activities. A state’s PERM team could include the following:

- **IT and System Staff:** To assist with system access requirements, provide assistance with access issues, and answer questions about the system.
- **Eligibility Policy and Financial Staff:** To respond to questions about state policies, Federal Medical Assistance Percentage (FMAP), and funding source when questions arise during the review process.
- **Eligibility Operations Staff:** To respond to questions about eligibility processes, directions provided to caseworkers, and operational issues in the state that could impact reviews.
- **Eligibility Support Staff:** To assist with responding to additional documentation requests (ADRs) and has access to specific cases to respond to ERC questions.
- **Program Integrity/Quality Control Staff:** To maintain awareness of eligibility review findings and help formulate potential corrective actions.

Pre-Cycle Phase

During the Pre-cycle phase, the ERC will gather information on state-specific Medicaid and CHIP eligibility policies and systems, eligibility determination processes, and all required agreements. The ERC will also work with each state to receive access to its eligibility system(s) and complete all required paperwork to achieve access. Exhibit 1 provides a list of activities and the role that states will have during the Pre-Cycle phase.

Exhibit 1: States’ Role(s) During Pre-Cycle

Pre-Cycle Activities	States’ Role
Provide Copies of the State Policies	After the ERC identifies and obtains publicly available state eligibility policies, the state should review the <i>Eligibility Policy Survey</i> that the ERC sends to the state and provide any additional relevant policies, including waivers that the ERC may not have been able to access/find via public sources. These policies will be used to assess whether eligibility was determined appropriately.
Attend the Eligibility Intake Meeting and Review the Eligibility Intake Protocol	The state will participate in an Intake Meeting to assist the ERC’s collection of information about the state’s eligibility systems and policies. A pre-populated <i>Intake Protocol</i> will be sent to the state prior to the meeting for discussion. The state should review the <i>Intake Protocol</i> to make any changes to policy and process information since the state’s last cycle.
Execute any Data Use Agreements (DUA), Non-Disclosure Agreements (NDA), and Other Security Agreements	The state will need to provide the ERC with access to its eligibility data and systems. If ERC management needs to sign agreements on behalf of the review team for access to the state’s data and systems, those agreements must be negotiated and executed as early as possible.
System Access	The state must provide the ERC with remote access to its eligibility systems and provide any necessary training remotely, if needed. If there are forms or trainings that must be completed by the review team prior to the state granting access to the system, the forms and trainings must be forwarded to the ERC as early as possible so they can be completed and submitted timely.

Pre-Cycle Activities	States' Role
Review and Update the Eligibility System Access Questionnaire	The state will respond to a set of questions that detail each of its eligibility systems and requirements to access them. The <i>System Access Questionnaire</i> is pre-populated with information known about the system from previous cycles. If there are changes to the system access process—particularly regarding system access forms and requirements—states should review and update that information.
Eligibility Category Mapping	The state will confirm that the state's eligibility categories have been properly mapped to the federal eligibility categories, FMAP rates, and benefits. The ERC and the Review Contractor (RC) use the <i>Eligibility Category Mapping</i> to determine the amount of state and federal share of sampled claims when assigning errors.
Eligibility Review Planning Document	The state will review the planning document, which provides high-level summaries of state characteristics, eligibility and verification policies, and system descriptions. It also provides information for various ERC processes and the overall timeline of events in PERM for the review year.
State Eligibility Check-In Meetings	The ERC and state will participate in biweekly meetings throughout the PERM cycle to discuss the progress of eligibility reviews including findings and any issues that arise.

Eligibility Review Phase

In the Eligibility Review phase, the ERC will conduct reviews on the sampled claims and payments and provide the findings to the state using the established process in the State Medicaid Error Rate Finding (SMERF) system. The ERC will request additional documentation when information needed to complete the PERM eligibility case review cannot be accessed. The state will help the ERC complete the reviews by collecting this information and providing it to the ERC. Types of additional documentation that the ERC requests include hard copy verifications or data the caseworker(s) view and manually enter into the system. The ERC will post ADRs via SMERF, and the state will receive email notifications of the requests. During the Eligibility Review phase, the ERC will use biweekly check-in meetings with states as an informal avenue to discuss ADRs, communicate potential errors, and discuss specific process and system issues found during the reviews. Exhibit 2 provides a list of activities and the role that states will have during the Eligibility Review phase.

Exhibit 2: States' Role(s) During Eligibility Review

Eligibility Review Activities	States' Role
Assist in the Collection of Case Records	The state will be responsible for collecting relevant case materials to which the ERC does not have access (e.g., hard copy case files kept in county offices or confidential case information for adoption assistance/foster care cases).
Respond to ADRs	The state will review the pending report in SMERF and send additional documentation needed for case reviews within 30 calendar days of receipt of the email notification. States should provide the initial documentation that was used in the eligibility determination under review but can also submit other information to help determine beneficiary eligibility (i.e., Independent Verification). Note: The state can submit additional documentation up to the cycle cut-off date for errors related to missing documentation if ADRs expire before the documentation is found.
Review Eligibility Findings and Reports	The state will review findings in SMERF on the Sampling Unit Disposition (SUD) Reports. The state's review should include a review of the federal match rate assigned to claims with errors to ensure accurate reporting and to calculate an accurate payment error rate. States will also have the ability to review Advance Error Notices Reports, which includes all reviews completed that have an error finding before they are reported on an upcoming SUD Report.
Request Difference Resolution (DR) and Appeals	The state will determine if there is a disagreement with the ERC's findings and request DR within 25 business days after the posting of the SUD Report with the relevant errors. States have 15 business days to request a CMS appeal if the state disagrees with the ERC's DR decision. States must submit any new information that is relevant to the states' request at each phase of the dispute resolution process.

End-of-Cycle and Reporting Phase

In the End-of-Cycle and Reporting phase, the ERC concludes all case reviews and posts the final findings to SMERF. While the ERC performs consistency and accuracy checks throughout the cycle, the ERC completes an overall consistency analysis at the conclusion of the cycle. The ERC recommends states review the final findings for accuracy and highlight any questions; however, *this is not a time for the state to contest the final findings*. Findings are able to be contested during the open DR and appeal timelines during the Eligibility Review phase. The ERC can respond to questions about states' findings and provide context for which states can use to help develop corrective actions. The ERC will use the final findings to develop the Cycle Summary Reports and assist in developing the Corrective Action Plan (CAP) reports for each state's Medicaid and CHIP programs in collaboration with the SC and the RC. Exhibit 3 provides a list of activities and the role that states will have during the End-of-Cycle and Reporting phase.

Exhibit 3: States' Role(s) During End-of-Cycle and Reporting

End-of-Cycle and Reporting Activities	States' Role
Review the Final Eligibility Findings	The state will review the final findings in SMERF to confirm they match the state's understanding of the eligibility review processes.
State-Specific Reports	The state will review the state's findings within the Cycle Summary Report.
Corrective Action Plan (CAP)	The state will develop its CAPs based on the ERC's findings.