



Iowa Department of Human Services

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Governor

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Director

INFORMATIONAL LETTER NO. 1340

DATE: January 9, 2014
TO: All Iowa Medicaid Providers
FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)
RE: Iowa's Participation in the Federal Fiscal Year 2014 PERM Program
EFFECTIVE: Upon Receipt

The Improper Payments Information Act (IPIA) of 2002 (amended in 2010 by the Improper Payments Elimination and Recovery Act or IPERA) directs federal agencies to annually review programs they administer and identify those that may be susceptible to significant improper payments. If federal agencies identify programs that are indeed susceptible to significant improper payments, they should take necessary actions to estimate the amount of improper payments, to submit those estimates to Congress, and to submit a report on actions the agency is taking to reduce the improper payments.

The Office of Management and Budget (OMB) has identified Medicaid and the Children's Health Insurance Program (CHIP) as programs at risk for significant improper payments. As a result, the Centers for Medicare and Medicaid Services (CMS) developed the Payment Error Rate Measurement (PERM) program to comply with the IPIA and related guidance issued by the OMB.

The PERM program measures improper payments in Medicaid and CHIP and produces error rates for each program. The error rates are based on reviews of the fee-for-service (FFS), managed care, and eligibility components of Medicaid and CHIP in the fiscal year (FY) under review. It is important to note the error rate is not a "fraud rate" but simply a measurement of payments made that did not meet statutory, regulatory or administrative requirements.

Iowa is participating in the Federal Fiscal Year 2014 PERM program. This means that you may be contacted by the CMS national contractor, A+ Government Solutions, Inc., who will collect medical records from you either in hardcopy or electronic format. The medical records request letters will be sent to Iowa Medicaid enrolled providers between **June 1, 2014 and August 31, 2014.**

Medical records are needed to support fee-for-service Medicaid and CHIP claims to determine if the claims were correctly paid. If a claim, in which your National Provider Number (NPI) was identified on the claim to receive reimbursement, is selected, A+ Government Solutions, Inc. will contact you for a copy of the required medical records to support the medical review of the claim. A+ Government Solutions, Inc. will verify your correct name and address and will determine how you want to receive the request (i.e., facsimile or U.S. mail) for medical records. Once you receive the request for medical records, you must submit the information electronically or in hard copy within 75 days. Please note that it will be the responsibility of the provider who is identified on the claim to receive payment, to ensure that any and all supporting medical records, from any and all providers who rendered a service for which the claim payment under review was requested, is submitted in a timely manner. During this 75 day timeframe, A+ Government Solutions, Inc. will follow up to ensure that you submit the documentation before the timeframe

has expired. The IME may contact you to assist in identifying the required documentation for submission. For reviews that require extra information, A+ Government Solutions, Inc. may contact you for additional documentation. You will then have 15 days to respond to the request. It is important that you cooperate with submitting all requested documentation in a timely manner because no response or insufficient documentation will count against the state as an error. Past studies have shown that the largest cause of error in medical reviews is no documentation or insufficient documentation. As such, it is important that information be sent in a timely and complete manner. Failure to cooperate with the records request made by A+ Government Solutions, Inc. will result in CMS directing the IME to recover the provider payment associated with the records request.

Understandably, you may be concerned with maintaining the privacy of patient information. However, you are required by Section 1902(a)(27) of the Social Security Act to retain records necessary to disclose the extent of services provided to individuals receiving assistance and furnish CMS, or its contractors, with information regarding any payments claimed by the provider for rendering services. The furnishing of information includes medical records. As for CHIP, section 2107(b)(1) of the Act requires a CHIP state plan to provide assurances to the Secretary of Health and Human Services (Secretary) that the state will collect and provide to the Secretary any information required to enable the Secretary to monitor program administration and compliance and to evaluate and compare the effectiveness of states' CHIP plans. In addition, the collection and review of protected health information contained in individual-level medical records for payment review purposes is permissible by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and implementing regulations at 45 Code of Federal Regulations, parts 160 and 164.

For more information on the PERM program, please go to:
www.cms.gov/PERM/06_Cycle_3.asp#TopOfPage

If you have any questions, please contact the IME Provider Services Unit at 1-800-338-7909, locally at 515-256-4609, or by e-mail at: imeproviderservices@dhs.state.ia.us.