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Payment Error Rate Measurement (PERM) Audit

As of August 11, 2020, the Reporting Year (RY) 2021 PERM Audit has resumed.

Current PERM Audit

The State of Maine is currently in the process of a federally mandated PERM audit for RY 2021. This audit covers randomly selected paid claims with a payment date from July 1, 2019 through June 30, 2020. PERM measures improper payments in Medicaid and the State Children's Health Insurance Program (CHIP) and produces state- and national-level error rates for each program.

Required Medical Records

If a provider's claims have been selected for the audit, they will receive a request for medical records from NCI, Inc., who has contracted with the Centers for Medicare and Medicaid Services (CMS) to conduct the audit. Please note, the PERM auditor is NCI, Inc., not CNI Advantage.

Because the claim samples are chosen randomly, **all providers** should be prepared to send requested medical records to support claims that were or will be paid during this time period.

[The MaineCare Benefits Manual, Chapter 1, Section 1.03](#) states that all providers must "Maintain and retain contemporaneous financial, provider, and professional records sufficient to fully and accurately document the nature, scope and details of the health care and/or related services or products provided to each individual MaineCare member" and that these records are kept "for a period of not less than five (5) years from the date of service or longer if necessary to meet other statutory requirements. If an audit is initiated within the required retention period, the records must be retained until the audit is completed and a settlement has been made."

Per MaineCare policy, providers who are contacted by NCI, Inc. for the purpose of the PERM audit are required to respond to their requests for information and provide the necessary documentation so they can conduct their reviews. Please see Maine's PERM webpage for more detail about federal requirements.

Financial Impact of Errors and Lack of Documentation

It is critical that providers respond to requests for documentation in a timely fashion. Records that are incomplete, submitted late, or not submitted at all will result in an automatic error and will be considered an improper payment. The State will have to reimburse the federal government for all improper payments and may seek reimbursement from providers who did not comply with federal law.

October 1, 2020

Resources for the Documentation Records Audit

CMS has produced a video titled [“PERM: Responding to Medical Records/Documentation Requests”](#) that providers may find useful in preparing their records for audit.

Provider Billing Reminders

As a MaineCare provider, it is your responsibility to make sure that all claims sent to MaineCare are true and accurate. For each claim submitted, you must be sure to include the correct member name, member status, date of service, bill type, billed units, charges, and procedure codes. Claims should also include modifiers, medical assessments, daily shift notes, physician’s orders, home support provider census sheets, pre-authorizations, RUGs, admission dates, etc., if applicable.

A provider’s failure to return the requested documentation in the proper format within the requested timeframe could result in recoupment of MaineCare payment on that claim.

Request for Medical Records Process:

1. NCI Inc. calls the provider to verify the mailing address to send a request for medical records.
2. NCI Inc. mails a request for medical records. The request will include:
 - a. A CMS letter noting authority to request records without a HIPAA release.
 - b. A PERM fax cover sheet with a list of requested documentation that is unique to each claim category.
 - c. Claim summary data provided for the claim sample.
 - d. Instructions with different options for record submission. Please send records only via the options listed in these instructions.
3. Providers have 75 calendar days from the date on the letter to send NCI Inc. medical records.
 - a. NCI Inc. Follows up with reminder calls and letters at 30 days, 45 days, and 60 days if the record has not been received.
 - b. A 75-day non-response letter is sent to providers via certified mail.
 - c. The 75-day letter triggers an automatic error and the claim is considered an improper payment.
4. When documents are received timely, NCI Inc. reviews them. If documents are missing, an Additional Documentation Request (ADR) is sent and providers have 15 calendar days from the date of the letter to provide the missing documentation.
 - a. NCI Inc. calls the provider to discuss the documents needed prior to sending the ADR letter.
 - b. NCI Inc. calls the provider and sends 7-day non-response letter.
 - c. NCI Inc. sends a 15-day non-response letter.
 - d. The 15-day letter triggers an automatic error and the claim is considered an improper payment.

PERM Webpage

Go to the State of Maine [PERM webpage](#) for more information about federal requirements, common errors found in previous cycles, Frequently Asked Questions (FAQs), and Record Request Guidelines.

Contact Information

- For questions about medical records requests, including questions on the terminology used in some of the communications from NCI, Inc., please contact the NCI, Inc. Medical Records Manager. The contact information is printed on the bottom of the documentation request letter that you received.
- You can email CMS with general questions about the federal PERM program as well as for provider specific questions at PERMProviders@cms.hhs.gov. Please DO NOT send medical records to this contact.
- Please contact Kealoha Rosso by phone at (207) 624-6929 or email at kealoha.e.rosso@maine.gov for State of Maine-specific questions. Please DO NOT send medical records to this contact.