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Attention all providers: Payment Error Rate Measurement (PERM) Audit

Current PERM Audit

The State of Maine is currently in the process of a federally mandated PERM audit for Reporting Year (RY) 2021. This audit covers randomly selected paid claims with a payment date from July 1, 2019 through June 30, 2020. . 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. 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

At this time, the RY 2021 PERM Audit is on pause, due to the COVID-19 pandemic. This does not mean that the audit will not happen. It just means that NCI, Inc. is not actively seeking information right now. Please use this time to organize your records so that if one or more of the cases that your organization has filed that was paid between July 1, 2019 and June 30, 2020 is selected you will have all of the documentation ready.

Required Medical Records

In the coming months, you may receive a request for medical records for a specific claim from NCI, Inc. Please be advised that this is a legitimate request and is part of the federally mandated PERM audit. NCI, Inc. may first contact a provider by telephone to get the correct contact information, after which they will send their request for medical records. The letter request for medical records will list the name of the contracted agency conducting the PERM audit. Please note, the PERM auditor is NCI, Inc., not CNI Advantage.

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 [MaineCare Benefits Manual - Chapter 1, Section 1.03](#) for more information about this requirement.

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.

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.

PERM Description and Federal Requirements

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 as required by the Improper Payments Information Act (IPIA) of 2002 (amended in 2010 by the Improper Payments Elimination and Recovery Improvement Act or IPERA, and the Improper Payments Elimination and Recovery Improvement Act of 2012 or IPERIA). See the [CMS PERM Laws and Regulations webpage](#) for more details. CMS also has a [dedicated page for providers](#), complete with a link to Frequently Asked Questions (FAQs).

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, and charges and be sure to use the correct 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.

[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.”

Failure for a provider to return the requested documentation in the proper format within the requested timeframe could result in recoupment of MaineCare payment on that claim.

The most common miscellaneous errors found in our last PERM cycle were the following:

- **Provider did not respond to the request for records** – If a provider does not respond to the request for records from NCI, Inc. it is automatically considered a payment error.
- **Provider responded that he or she did not have the beneficiary on file or in the system** – It is the provider’s responsibility to maintain accurate records for each member and for each service provided to that member.
- **State could not locate the provider** – if a provider has ceased operations, it is the provider’s responsibility to notify MaineCare through the proper channels that operations have ceased and also to maintain records as defined in [MaineCare Benefits Manual - Chapter 1, Section 1.03](#)

- **Providers moving locations and required storage of records** – if a provider is moving from one location to another, it is the provider’s responsibility to notify MaineCare through the proper channels of the provider’s new location as defined in [MaineCare Benefits Manual - Chapter 1, Section 1.03](#)
- **Billing two or more services on the same date** – providers may not bill an individual service on the same date in which that individual service is included in another bundled service.

PERM Webpage

Go to the [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 on the federal PERM program and provider specific 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.