Oregon

Kate Brown, Governor

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Information Memorandum
Nursing Facility Providers
IM-16-28-NF

Date: November 1, 2016
From: Nursing Facility Licensing Unit
Subject: PERM 2017

Summary:

Payment Error Rate Measurement (PERM).

PERM is a system of audit conducted by CMS contractors for identification of improper Medicaid payments to facilities for care of residents. Claims for review are selected randomly by the CMS contractor for this process.

If a claim is selected from your facility, your facility will receive a letter from the CMS review contractor, CNI Advantage, LLC. The letter will identify theselected claim and provide instructions on what actions need to be taken. Please share this information with the person who will be the contact person for your facility and will be submitting the required documentation to the CMS contractor.

Please see below as payment recovery occurs for cited errors.

Failure to provide signed physician notes and orders to support the billed claim so please check Oregon Administrative Rule (OAR) 411-086-0200 Physician Services to ensure compliance and prevent overpayments.
http://www.dhs.state.or.us/policy/spd/rules/411_086.pdf

Other rules lacking compliance

Review the following OARs to ensure adherence to state policies regarding RN care managers and nurse staffing:

OAR 411-086-0030 RN Care Manager

OAR 411-086-0100 (4) Minimum Nurse Staffing

For more information on PERM, click on links below.

CMS PERM Website: https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicaid-and-CHIP-Compliance/PERM/index.html?redirect=/PERM/#contractors

Oregon PERM Website: http://www.oregon.gov/DHS/BUSINESS-SERVICES/OPAR/perm/Pages/index.aspx

Auditors (review contractor) will compare the sampled paid claim against state and federal rules that directly correlate to the care of residents by the reviewing documentation maintained by the facility. The auditor will validate that the claim was paid correctly by assessing the following:

- Adherence to states' guidelines and policies related to the service type
- Completeness of medical record documentation to substantiate the claim
- Medical necessity of the service provided
- Validation that the service was provided as ordered and billed
- Claim was correctly coded

This audit occurs every three years An audit cycle has just been completed for Federal Fiscal Year FFY 2014 and the new cycle for FFY 2017 has commenced.

Contacts

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It is very important that all requested documentation be submitted to the auditors. Not receiving all the requested documentation could result in an error and recovery of payment.

For general information contact the DHS Office of Licensing and Regulatory Oversight or visit the DHS Web site at www.oregon.gov/DHS/

NF.Licensing@state.or.us