



State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
GOVERNOR

DATE: June 23, 2016

MHSUDS INFORMATION NOTICE NO.: 16-028

TO: COUNTY BEHAVIORAL HEALTH DIRECTORS
COUNTY DRUG & ALCOHOL ADMINISTRATORS
COUNTY BEHAVIORAL HEALTH DIRECTORS ASSOCIATION OF CALIFORNIA
CALIFORNIA COUNCIL OF COMMUNITY BEHAVIORAL HEALTH AGENCIES
COALITION OF ALCOHOL AND DRUG ASSOCIATIONS
CALIFORNIA ASSOCIATION OF ALCOHOL & DRUG PROGRAM EXECUTIVES, INC.
CALIFORNIA ALLIANCE OF CHILD AND FAMILY SERVICES

SUBJECT: PAYMENT ERROR RATE MEASUREMENT REVIEW and WEBINARS

The California Department of Health Care Services (DHCS) wishes to notify all California Specialty Mental Health Services Medi-Cal providers of the Payment Error Rate Measurement (PERM) 2016 review that is being conducted in California by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS). CMS has contracted with the Review Contractor (RC) CNI Advantage to perform the review.

The PERM program is designed to measure improper payments in the Medicaid Program and the Children's Health Insurance Program (CHIP), as required by the Improper Payments Information Act of 2002 (amended in 2010 by the Improper Payments Elimination and Recovery Act, and in 2012 by the Improper Payments Elimination and Recovery Improvement Act). 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 that the error rate is not a "fraud rate," but simply a measurement of payments made that did not meet statutory, regulatory or administrative requirements. FY 2008 was the first year in which CMS reported error rates for each component of the PERM program.

Approximately 383 FFS Medi-Cal claims will be selected for the sample per quarter over four quarters, between October 1, 2015 and September 30, 2016. For each sampled claim, providers will be required to send the medical records to the RC for review and also send a duplicate copy to DHCS. DHCS is urging all providers to comply with requests for medical records from the RC and DHCS. Failure to comply with the request from the RC will result

in an error being counted against California, and DHCS will be required to recover the claim payment amount from providers.

Selected billing and rendering Specialty Mental Health providers for the 2016 PERM review will be notified in the imminent future by letter to provide copies of documentation related to the service for the claim(s) selected in the sample. You can also send your questions to California's email address at PERM@dhcs.ca.gov.

CMS will host four PERM provider education sessions during FY 2016. The purpose is to provide opportunities for the providers of the Medicaid and CHIP communities to enhance their understanding of specific provider responsibilities during the PERM cycle. The presentations will be repeated during each session, and you will have the opportunity to ask questions live through the conference lines, via the webinar, and through the dedicated PERM Provider email address at PERMProviders@cms.hhs.gov. The webinar will be held on the following days:

Tuesday, June 21, 2016 3:00-4:00pm EST [12:00 pm to 1:00 pm PST]

Access Information

1. Please call the following number: WebEx: 1-877-267-1577

2. Follow the instructions you hear on the phone.

Your WebEx Meeting Number: 996 196 415

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To join this meeting online

Go to <https://meetings.cms.gov/orion/joinmeeting.do?MeetingKey=996196415>

If requested, enter your name and email address.

Click "Join".

Follow the instructions that appear on your screen.

You MUST call in on the phone to hear the audio presentation

Wednesday June 29, 2016 3:00-4:00pm EST [12:00 pm to 1:00 pm PST]

Access Information

1. Please call the following number: WebEx: 1-877-267-1577

2. Follow the instructions you hear on the phone.

Your WebEx Meeting Number: 994 831 426

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To join this meeting online

Go to <https://meetings.cms.gov/orion/joinmeeting.do?MeetingKey=994831426>

Tuesday, July 19, 2016, 3:00-4:00pm EST [12:00 pm to 1:00 pm PST]

Access Information

1. Please call the following number: WebEx: 1-877-267-1577

2. Follow the instructions you hear on the phone.

Your WebEx Meeting Number: 997 909 667

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To join this meeting online

Go to <https://meetings.cms.gov/orion/joinmeeting.do?MeetingKey=997909667>

Wednesday, July 27, 2016, 3:00-4:00pm EST [12:00 pm to 1:00 pm PST]

Access Information

1. Please call the following number: WebEx: 1-877-267-1577

2. Follow the instructions you hear on the phone.

Your WebEx Meeting Number: 999 454 534

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To join this meeting online

Go to <https://meetings.cms.gov/orion/joinmeeting.do?MeetingKey=999454534>

For further information about the FY 2016 PERM, visit the CMS PERM website located at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicaid-and-CHIP-Compliance/PERM/Providers.html> or the DHCS PERM website located at http://www.dhcs.ca.gov/individuals/Pages/AI_MRB_PERM.aspx.

Sincerely,

Original signed by

Karen Baylor, Ph.D., LMFT, Deputy Director
Mental Health & Substance Use Disorder Services