

# PROVIDER RESPONSES TO PERM REQUESTS LIKELY TO RECEIVE OMIG SCRUTINY

*Health Alert*

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In December 2008, the Centers for Medicare and Medicaid Services (CMS) and its contractors mailed letters to many New York providers requesting medical documentation related to Medicaid claims made during federal fiscal year 2008. These requests are part of the federal Payment Error Measurement Rate (PERM) program, which in New York will involve the review of claims for fee-for-service payments and managed care capitation payments. The stated purpose of the PERM program is to determine the extent of improper payments of Medicaid funds.

Providers who received letters must submit the requested information to the CMS contractor, to the Department of Health (DOH), and to Office of the Medicaid Inspector General (OMIG). The OMIG Work Plan for 2008-2009 indicates that OMIG will use the collected information for purposes beyond the stated objective of the PERM program in order to identify “potential threats to the integrity of the Medicaid program.” Accordingly, providers should bear in mind that all submitted documentation will be scrutinized by OMIG and may result in follow-up requests or even enforcement actions.

If you would like assistance preparing a response to the CMS/contractor request letters, please contact a member of our Health Law Practice Group.