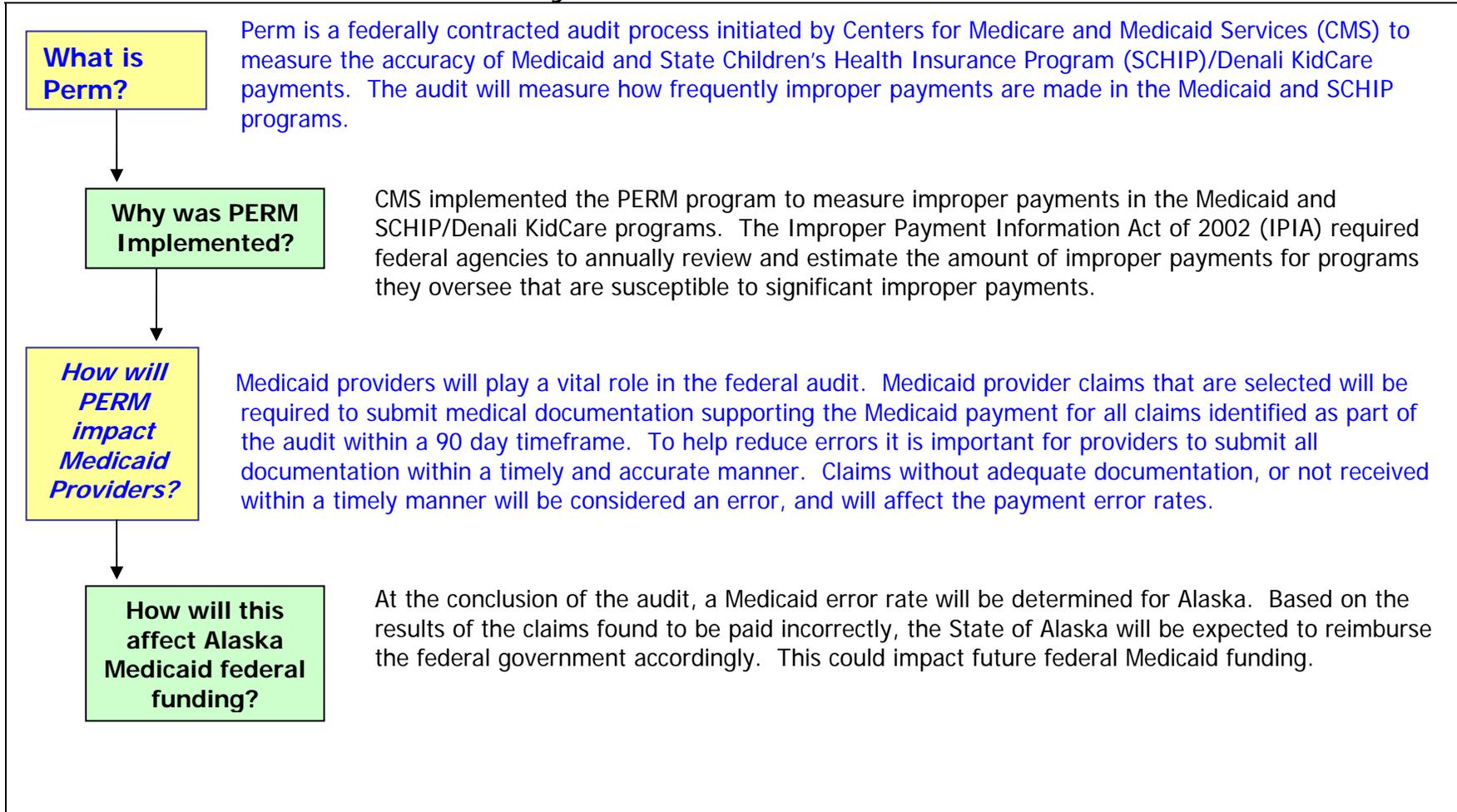


# FREQUENCY ASKED QUESTIONS

## About

### PERM – Payment Error Rate Measurement



**When will Alaska's PERM audits start?**

A statistical sample of payments and denials will be submitted to the federal contractors on January 2008. This will impact claims with payment dates from October 1, 2007 – September 30, 2008. The State of Alaska will submit samples of claims on a quarterly basis based on the dates of payment or denials. The first quarter audits consist of claims with payment dates from October 1, 2007 to December 31, 2007.

<b>FFY 2008</b>	<b>Sample Claims submitted with Dates of Payment</b>
Quarter 1	October 1 – December 31, 2007
Quarter 2	January 1 – March 31, 2008
Quarter 3	April 1 – June 30, 2008
Quarter 4	July 1 – September 30, 2008

The sample of claims will be collected based on payment dates. This could impact the dates of service back to October 1, 2006 within the 12 month timely filing limit if the claim has a payment date of October 1, 2007. During this process, Medicaid providers will be expected to provide documentation that supports the Medicaid payment.

**When will a payment error rate be determined for Alaska?**

The process of measuring improper payments, called the "production cycle" will take approximately 23 months per cycle. At the conclusion of the cycle, an Alaska Medicaid payment error rate will be calculated. For the reviewed claims found to have been paid improperly, the State will be expected to refund the federal government accordingly.

**Is Alaska the only state selected for this type of audit?**

All 50 states will take part in this federal audit to measure both Medicaid and SCHIP (Denali KidCare) programs. Alaska has been selected to participate in the FY 2008, and will be measured once every three years for each program. This will allow states to plan for the reviews, because they will know in advance which year they will be measured.

**How many claims will be reviewed as part of the PERM Project?**

Approximately 1,000 Medicaid claims will be selected for this federal audit for payment dates from October 2007 through September 2008. Approximately 250 claims will be reviewed each quarter.

**What affects the error rate?**

"No documentation" will be considered an error, because there is no evidence to adequately determine whether the services were provided; were medically necessary; and were properly coded and paid. A claim with insufficient documentation will be considered an error because it does not support that the payment was correct. The national contractors will determine the error rate based on Alaska regulations.

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