

## Attachment 110-A: Corrective Action Plan Template and Instructions

Form Approved  
OMB No. 0938-0974  
0938-0994; 0938-1012

### Enclosure 1: Instructions for Completing the Payment Error Rate Measurement (PERM) Medicaid and CHIP Corrective Action Plan Summary Form

The corrective action plan summary will provide a summary (at-a-glance) of the State's measurement under PERM and resulting planned corrective actions. Attached to the summary sheet is the detailed description of the data analysis, program analysis, corrective action planning, implementation and evaluation.

#### **I. Instructions for Completing the Corrective Action Plan Summary**

The Corrective Action Plan summary provides an overview of the major causes of errors in each component of Medicaid and CHIP as identified by the State, and a summary of planned corrective actions for purposes of reducing improper payments.

**Line A:** Enter the name of the State submitting this report.

Enter the Federal fiscal year in which the State is being measured in the PERM program. This should also be the same year for which the corrective action plan addresses.

**Line B:** Enter the date that the plan is submitted to CMS (e.g., October 31, 2008).

**Line C:** Enter the name, phone number and e-mail address of the State person assigned as the contact person for the corrective action plan.

**Line D:** Enter the State's payment error rate for the Medicaid program as reported by CMS.

**Line 1:** Enter the State's Medicaid fee-for-service error rate as reported by CMS.

**Line 2:** Enter the State's Medicaid managed care error rate as reported by CMS.

**Line 3:** Enter the State's eligibility payment error rate as reported by the State.

**Line E:** Enter the State's payment error rate for the Children's Health Insurance Program (CHIP) as reported by CMS.

**Line 1:** Enter the State's CHIP fee-for-service error rate as reported by CMS.

**Line 2:** Enter the State's CHIP managed care error rate as reported by CMS.

**Line 3:** Enter the State's eligibility payment error rate as reported by the State.

**LINE F:** Provide a summary of causes of errors found in each component (fee-for-service, managed care and eligibility) of the State's Medicaid and CHIP programs. Include a general description of the State's planned corrective actions designed to address the major cause of the errors. It may be more cost effective to place first priority on errors that are wholly within your control. Examples of a general description of the corrective actions are systems edits, provider education, and staff training.

**Payment Error Rate Measurement (PERM)  
Corrective Action Summary**

A. (State) \_\_\_\_\_ Fiscal Year: \_\_\_\_\_

B. (Date) \_\_\_\_\_

C. State Contact: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

D. Medicaid Error Rate: \_\_\_\_\_

Fee-for-service rate: \_\_\_\_\_

Managed care rate: \_\_\_\_\_

Eligibility payment rate: \_\_\_\_\_

E. CHIP Error Rate: \_\_\_\_\_

Fee-for-service rate: \_\_\_\_\_

Managed care rate: \_\_\_\_\_

Eligibility payment rate: \_\_\_\_\_

**F. Summary of Error Causes and Applicable Corrective Actions**

**Medicaid**

**Fee-for-service:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

**Managed care:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

**Eligibility:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

**CHIP**

**Fee-for-service:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

**Managed care:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

**Eligibility:**

**Error Causes:** \_\_\_\_\_

**Corrective Actions:** \_\_\_\_\_

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control numbers for this information collection are **0938-0974, 0938-0994, and 0938-1012**. The time required to complete this information collection is estimated to average 2,000 per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## **Enclosure 2: Instructions for Completing the Payment Error Rate Measurement (PERM) Medicaid and CHIP Detailed Corrective Action Plan Form**

### **Line-by-Line Instructions – complete one form for each component of each program.**

**Line A:** Enter the name of the State submitting this report. Enter the Federal fiscal year in which the State is being measured in the PERM program. This should be the same year for which the corrective action plan addresses.

**Line B:** Enter the name, phone number and e-mail address of the State person assigned as the contact person for the corrective action plan.

**Line C:** Enter the program for which this corrective action plan addresses (i.e., Medicaid or CHIP).

**Line D:** Enter the component for which this corrective action plan reflects (i.e., fee-for-service, managed care or eligibility).

**Line E: Narrative Instructions** - for each component of each program, provide a discussion of the results of following elements.

**1. Data Analysis:** What clusters of errors, causes, characteristics, and frequency were identified through the data analysis? Describe the results of the data analysis by:

- Element – specific type of classification of errors
- Nature – cause of errors

**2. Program Analysis:** Describe why a particular program/operational procedure caused the specific error and identify the root causes of errors (e.g., provider manuals are unclear or outdated; eligibility staff needs training on application of earned income).

**3. Corrective Actions:** Describe the corrective action initiatives to be implemented and how it will reduce or eliminate the improper payments. Be sure to include:

- the error causes being targeted; and
- the expected results.

**4. Implementation:** Implementation should describe the major and minor tasks necessary for implementation and each should include a timeline including milestones and implementation dates. Be sure to describe how the corrective action will be monitored for effectiveness.

**Payment Error Rate Measurement (PERM)  
Detailed Corrective Action Plan**

A. (State) \_\_\_\_\_ **Fiscal Year:** \_\_\_\_\_

B. State Contact: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

C. Program (Medicaid or CHIP) \_\_\_\_\_

D. Component (fee-for-service, managed care, eligibility) \_\_\_\_\_

E. Narrative:

- **Data Analysis:** (clusters of errors, causes, characteristics, and nature of each error)

Error Element:

Nature:

- **Program Analysis:** Describe why a particular program/operational procedure caused the error and identify the root causes of errors.

Specific Causes:

Root Causes of Errors:

- **Corrective Actions:** Identify the corrective actions planned for major error causes. For each corrective action planned, describe the expected results.
  - the errors causes being targeted; and
  - the expected results.
- **Implementation:** Provide an implementation schedule for each corrective action. Provide a timeline including target dates, milestones and monitoring.

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### **Enclosure 3: Instructions for Completing the Payment Error Rate Measurement (PERM) Medicaid and CHIP Evaluation of Previous Cycle Corrective Actions Form**

The purpose of the evaluation is to determine the effectiveness of the implemented actions using concrete data. This section documents the outcomes of previously implemented actions in the prior year's CAP and any updates to it.

#### **Line-by-Line Instructions – complete one form for each component of each program.**

**Line A:** Enter the name of the State submitting this report  
Enter the Federal fiscal year in which the State is being measured in the PERM program. This should be the year of the previous corrective action plan.

**Line B:** Enter the name, telephone number and e-mail address of the State person assigned at the contact person for the corrective action plan.

**Line C:** Enter the program for which this corrective action plan addresses (i.e., Medicaid or CHIP)

**Line D:** Enter the component for which this corrective action plan reflects (i.e., fee-for- service, managed care or eligibility)

**Line E:** Narrative instructions for each component of each program provide a discussion of the following elements.

**Corrective Action:** Identify the corrective action being evaluate (i.e., Insufficient documentation, Non-covered service, Not eligible)

**Implementation Schedule:** As reported in your previous year's corrective action Include a description of the actions taken and when they were finally implemented compared to the planned implementation schedule

**Evaluation Summary:** This should be a narrative that

- define the methods and procedures used for evaluation purposes including the effectiveness of implemented corrective actions using concrete data
- Discontinued or ineffective actions and/or actions not implemented and what actions were used as replacements
- Findings on short-term corrective actions; and
- A status of the long-term corrective actions.

**Payment Error Rate Measurement (PERM)  
Evaluation of Previous Cycle Corrective Actions**

A. (State) \_\_\_\_\_ **Fiscal Year:** \_\_\_\_\_

B. State Contact: \_\_\_\_\_

Phone number: \_\_\_\_\_

Email address: \_\_\_\_\_

C. Program (Medicaid or CHIP) \_\_\_\_\_

D. Component (fee-for-service, managed care, eligibility) \_\_\_\_\_

E. Narrative:

- **Corrective Actions:** Identify the corrective actions being evaluated (i.e., Insufficient documentation, Non-covered service, Not eligible)
  
- **Implementation:** As reported in your previous corrective action plan Include a description of the actions taken and when they were finally implemented compared to the planned implementation schedule
  
- **Evaluation Summary:** Provide a narrative updating the progress of previously implemented corrective actions which should include:
  - Effectiveness of implemented corrective actions using concrete data;
  - Discontinued or ineffective actions, and/or actions not implemented and what actions were used as replacements;
  - Findings on short-term corrective actions; and
  - A status of the long-term corrective actions.