

“Mini-PERM” Measurements

An opportunity for states to utilize federal resources to identify and eliminate state Medicaid and CHIP improper payments

WHAT: A “mini-PERM” measurement is a downscaled version of PERM designed to identify Medicaid and/or CHIP improper payments. “Mini-PERMs” provide states an opportunity to use federal resources to review Medicaid/CHIP payments made during an off-year from PERM or in any capacity that is out of scope of PERM. “Mini-PERM” measurements are state-specific and aspects such as sample size, universe composition, review procedures, error definitions, etc. are all determined by the state. “Mini-PERMs” can focus on a smaller sample, a particular component (FFS, managed care, or eligibility), a specific service type, or anything else a state may choose. Since many states have expressed the desire to conduct such a review but have been unable to due to state resource constraints, CMS is offering the resources necessary to conduct these measurements. CMS has reviewers, statisticians, and other resources available to assist states in conducting “mini-PERMs”. CMS aims to make these measurements as flexible and non-burdensome for states as possible and, therefore, the design of the measurement and the CMS resources used are up to the state.

WHEN: “Mini-PERM”s would occur during a state’s off-years from PERM. Conducting “mini-PERMs” during off-years allows states to look at payments not being reviewed under PERM and prevents the need to coordinate both efforts simultaneously.

WHY: Executive Order 13520, Reducing Improper Payments, aims at further intensifying efforts to eliminate payment error, waste, fraud, and abuse in federal programs including Medicaid and CHIP. The Executive Order encourages coordinated federal, state, and local government action in identifying and eliminating improper payments. Conducting “mini-PERM” measurements is a perfect opportunity for states to identify and eliminate improper payments in state-specific areas. “Mini-PERMs” will allow states to develop targeted corrective actions to decrease improper payments made in Medicaid and CHIP. In addition, if states identify problems through their PERM findings, they can include “Mini-PERM” measurements in their PERM Corrective Action Plan to focus in on those errors with the intent of improving their error rate in the next PERM cycle. “Mini-PERMs” are separate from PERM and results will not be reported/released and will not cause a state’s PERM sample size to go up (or down). In addition, “mini-PERM” work qualifies for the same federal administrative matching as normal PERM cycle work. In general, “Mini-PERMs” are a great program integrity effort where states don’t have to expend significant resources.

HOW: States interested in conducting a “mini-PERM” measurement or looking for more information can contact Tracy Smith at Tracy.Smith@cms.hhs.gov or 410-786-8418. CMS and interested states can discuss the focus of the “mini-PERM” and what CMS resources the state would like to utilize to conduct the measurement.