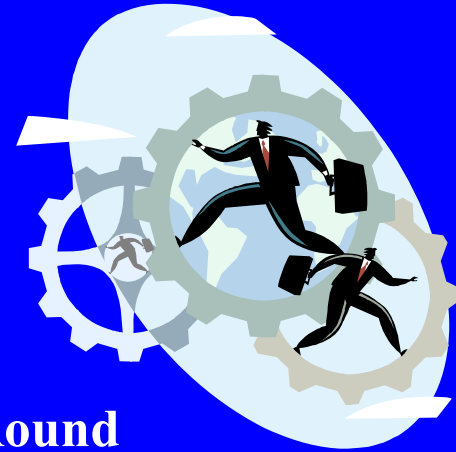
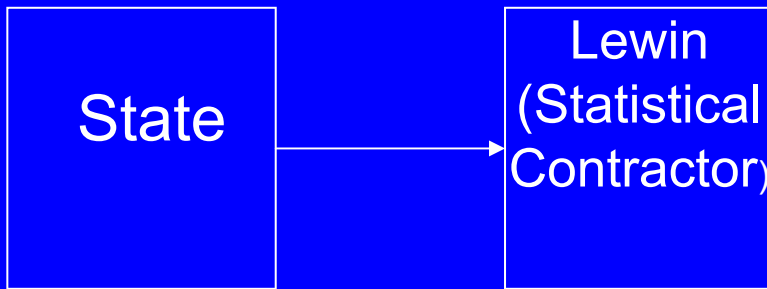


# FFS Data Submissions to the Statistical Contractor



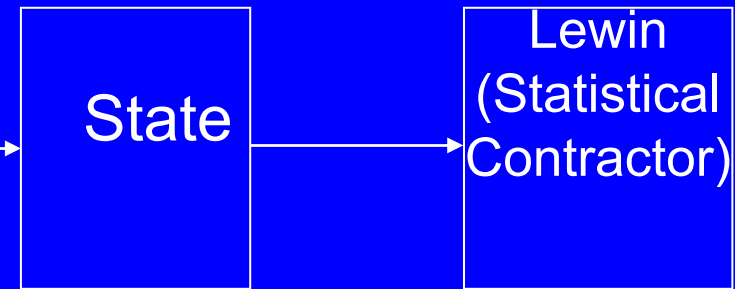
## Round One



State sends Lewin claims universe extract.

Lewin selects sample (250 per quarter) and returns sampled claims to the state for detailed claims information.

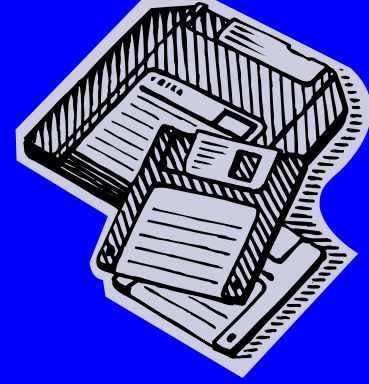
## Round Two



State sends Lewin details and 60 day adjustment for sampled claims.



# Information Submission Requirements

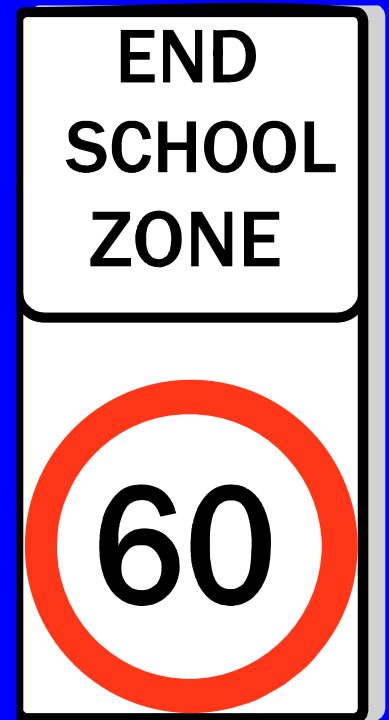


- FFS claims stratified by service, each quarter
- Provider contact information as requested
- Medical and other related policies in effect; quarterly updates
- Data processing systems manuals
- Any other information requested (conference calls, contractor education, resources, etc.)

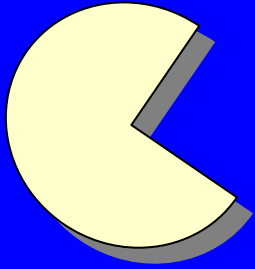


# Information Submission Requirements

- Repricing information for claims that are determined to be paid in error
- Information on sampled claims that changed, e.g. successful provider appeal
- Adjustment made within 60 days of the adjudication dates



# What is a Federal Fiscal Year and Quarter?



- The Federal Government operates on a Fiscal Year that starts on October 1<sup>st</sup> and ends on September 30<sup>th</sup>. Each year is divided into Quarters as follows:
  - 1st quarter - October 1 to December 31
  - 2nd quarter - January 1 to March 31
  - 3rd quarter - April 1 to June 30
  - 4th quarter – July 1 to September 30



# What is a Claim for PERM Purposes?



- Depends on the program's payment method
- Lewin sampling unit: smallest, individually priced unit paid for a single beneficiary
- For example
  - State pays professional services by line item: The line item is the sampled unit
  - State pays inpatient hospital claims by DRG or per diem: The DRG or per diem rate (claim header) is the sampled unit



# Universe Stratification



- Stratum 1: Inpatient Hospital Services
- Stratum 2: Long-Term Care Services
- Stratum 3: Other Individual Practitioners, Clinics
- Stratum 4: Prescription Drugs
- Stratum 5: Home and Community-Based Services
- Stratum 6: Other Services and Supplies
- Stratum 7: Fixed Payments on Behalf of Individual Beneficiaries (if applicable)
- Stratum 8: Denied Payments





# PERM Stratum 1 & 2

## Stratum 1: Hospital Services

**Stratum 2: Long-Term Care Services  
such as Nursing facility services,  
Inpatient psychiatric facility services  
for individuals 21 and under, other  
mental health facility services for  
individuals 65 or older, ICF/MR  
services and Religious non-medical  
health care institutions**



# PERM Stratum 3 & 4



**Stratum 3: Other Individual Practitioners such as Outpatient hospital services, Clinic services, Physician services, other licensed practitioner services, Physical / Occupational / Speech therapy, etc., Rehabilitative services, Dental services and Nurse midwife/nurse practitioner.**

**Stratum 4: Prescription Drugs: Separately billed prescribed drugs**





# PERM Stratum 5



**Stratum 5: Home and Community-Based Services such as Home health services, Private duty nursing, Personal care services, Hospice services and Targeted case management services.**



# PERM Stratum 6



**Stratum 6: Other Services and Supplies such as Lab and X-ray services, Transportation, Sterilization services, Abortions, prosthetics, eyeglasses, waiver services and others.**

# PERM Stratum 7 & 8



## **Stratum 7:**

Fixed Payments on Behalf of Individual Beneficiaries

Primary care case management payments

Medicare Part A premiums

Medicare Part B premiums

Health Insurance Premium Payments

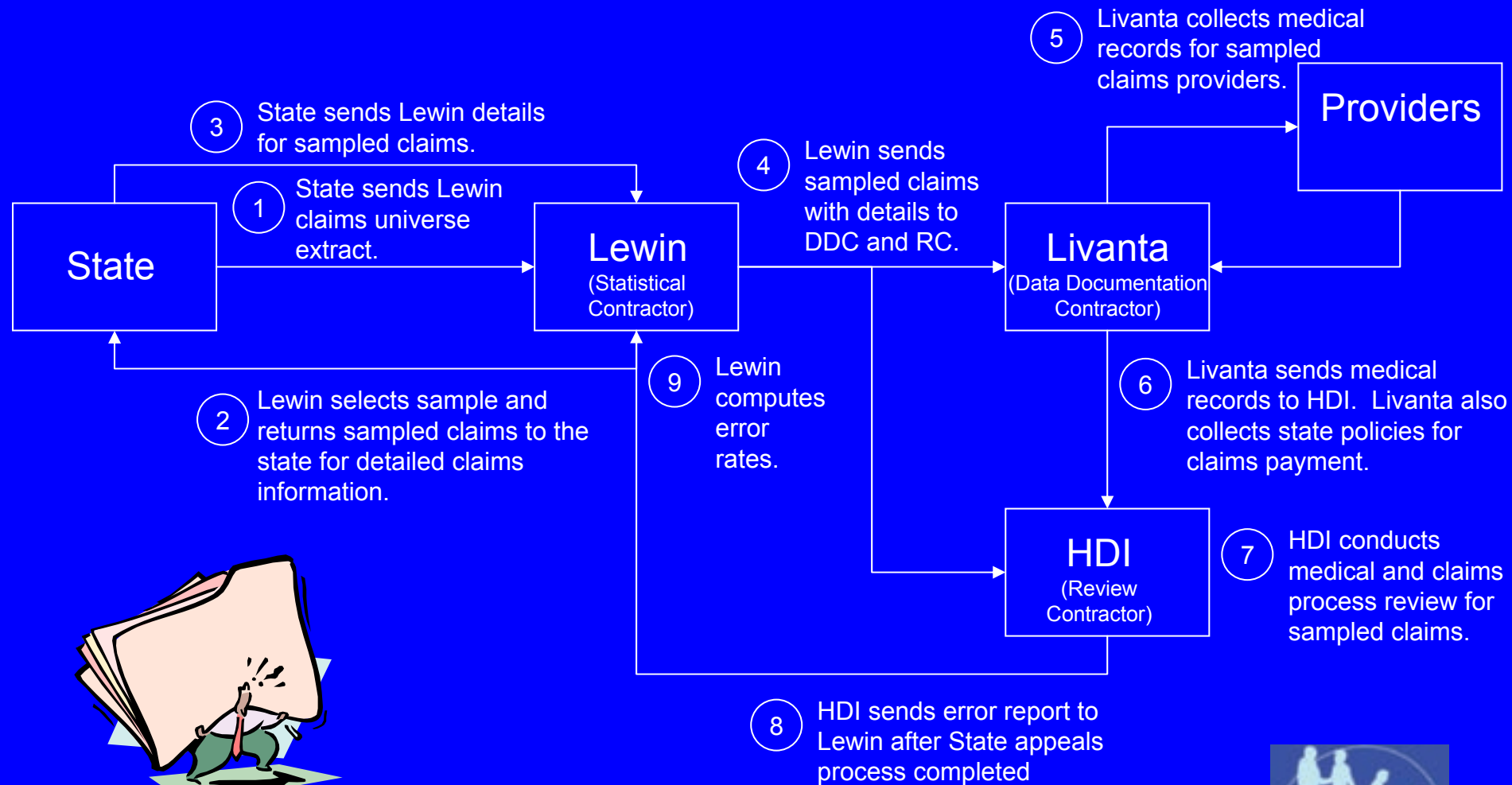
Other non-managed care payments made on a capitated basis

## **Stratum 8:**

Denied Payments



# FFY 2006 Sampling and Review Process FFS Claims



# AFTER THE SAMPLE SELECTION

Livanta LLC



Collects  
Medical /  
Service  
Records



HDI

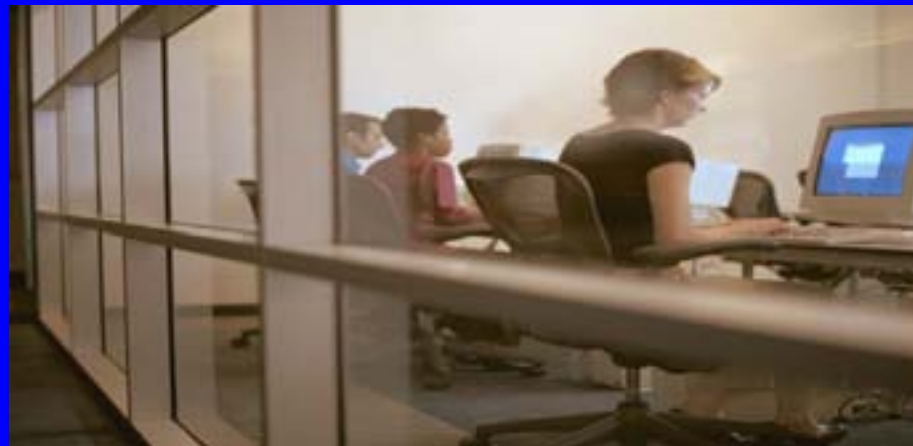


Reviews  
Claims and  
Medical /  
Service  
Records



# FFS Claims Processing Reviews

- Done by CMS contractors
- Onsite or Offsite
- Onsite usually one week long per Quarter
- Review sample to determine improper payments
- Looks at all aspects of claims processing



# Claim Processing Review

- Duplicate claim item
- Covered service
- Service covered by HMO
- Third Party Liability
- Logical edits (i.e. gender/  
provider conflict)
- Data entry errors



# 2006 Claims Processing Review

## Some Issues



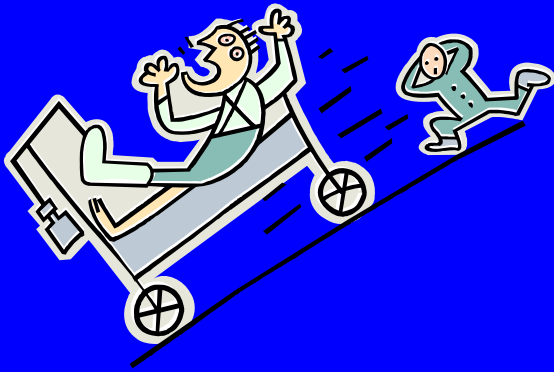
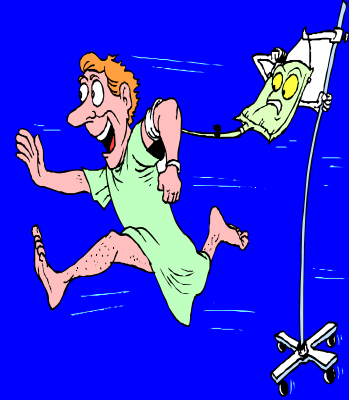
- Adjustments done after 60 days from the date of Adjudication considered an error (exception-mass adjustments)
- If Provider accidentally used the wrong date and “took” back the claim-potential error





# PERM Medical Necessity Review

- *Done offsite (sub-contractor HSAG)*
- *Smaller Sample than Data Processing*
- Documentation collected by Livanta from Providers
- Providers submit documentation to support the service that was rendered on the date billed
  - All documentation required as per State Provider Manuals & State and Federal laws



# Which Strata Affected?



- Stratum 1: Inpatient Hospital Services
- Stratum 2: Long-Term Care Services
- Stratum 3: Other Individual Practitioners, Clinics
- Stratum 4: Prescription Drugs
- Stratum 5: Home and Community-Based Services
- Stratum 6: Other Services and Supplies



# Excluded from Medical Review

- Stratum 7 which consists of Fixed Payments on Behalf of Individual Beneficiaries such as Primary care case management payments, Medicare Part A and Part B premiums and Health Insurance Premium Payments (HIPP)
- Stratum 8 which is Fee-For-Service Denied Payments
- Managed Care-capitated payment
- Cross-Over Claims



# Documentation Needed for Medical Necessity Review

- Documentation to support the service was rendered on the date/s billed
- Forms required per State MA policies
- Documentation to support the (medical) necessity for the service



# PERM Requested Documentation

## Strata 1: Inpatient Hospital

- Pre-authorization form, if applicable
- Face sheet to include coding for hospital stay
- **Complete billing listing of all charges, payments, or adjustments for the hospital stay (example: account ledger, billing statements)**
- Physician's orders and progress notes
- Operative reports
- Pathology reports
- Nurse's notes
- Anesthesia records including pre and post-op
- Admission history and physical
- Medication records

