

PERM – Federal Fiscal Year 2007

**Statistical Sampling Training:
Part I, FFS Claims**

October 19, 2006



Introduction

- ◆ Today we will discuss PERM FFY 2007 Medicaid and SCHIP fee-for-service statistical sampling
- ◆ Purpose of today's call:
 - Introduce states to the PERM FFS statistical sampling process
 - Let you know what to expect in the upcoming year
- ◆ What's not covered:
 - Managed care – we'll discuss this tomorrow (Friday) at 1 p.m. eastern time
 - State-specific issues – wait for the one-on-one
 - Eligibility and eligibility sampling plans

Why Have This Kick-off Call Now?

- ◆ FFY 2007 Quarter 1 submission due January 15, 2007
- ◆ Why are we discussing this now?
- ◆ Include IT staff early!

Lessons learned – PERM FFY 2006

Include your IT staff and fiscal agents early! If they are not on this call, invite them tomorrow and to the one-on-ones. Their understanding of this process is key to successful data submissions

PERM National Contracting Strategy Uses Three Contractors

Statistical Contractor (SC)

Lewin

- Collect claim extracts
- Select random sample
- Collect full details for sampled claims
- Collect data documentation including record layouts, data dictionary

Data documentation Contractor (DDC)

Livanta

- Request providers' medical records
- Collect state policies and procedures

Review Contractor (RC)

HDI

- Review records for medical necessity
- Review claims for processing accuracy

All beneficiary-specific Claims Belong in One of Four Program Areas

- ◆ Every individually-priced service paid at the beneficiary level and adjudicated by Medicaid/SCHIP for payment should have the opportunity to be sampled once, but only once
- ◆ Each claim meeting this criteria is captured in one of the four program areas below

Medicaid FFS	SCHIP FFS
Medicaid Managed Care	SCHIP Managed Care

For PERM Purposes, Medicaid and SCHIP Are Treated Separately

- ◆ Medicaid = claims that are paid (or would have been paid if not denied) with Title XIX funds
- ◆ SCHIP = claims (or would have been paid if not denied) with Title XXI funds
 - Medicaid expansion programs or others innovate state programs paid with SCHIP funds go in the SCHIP program area universe

Rule of thumb:

follow the money source, not the “program”

Fee-for-Service Universe: What's In

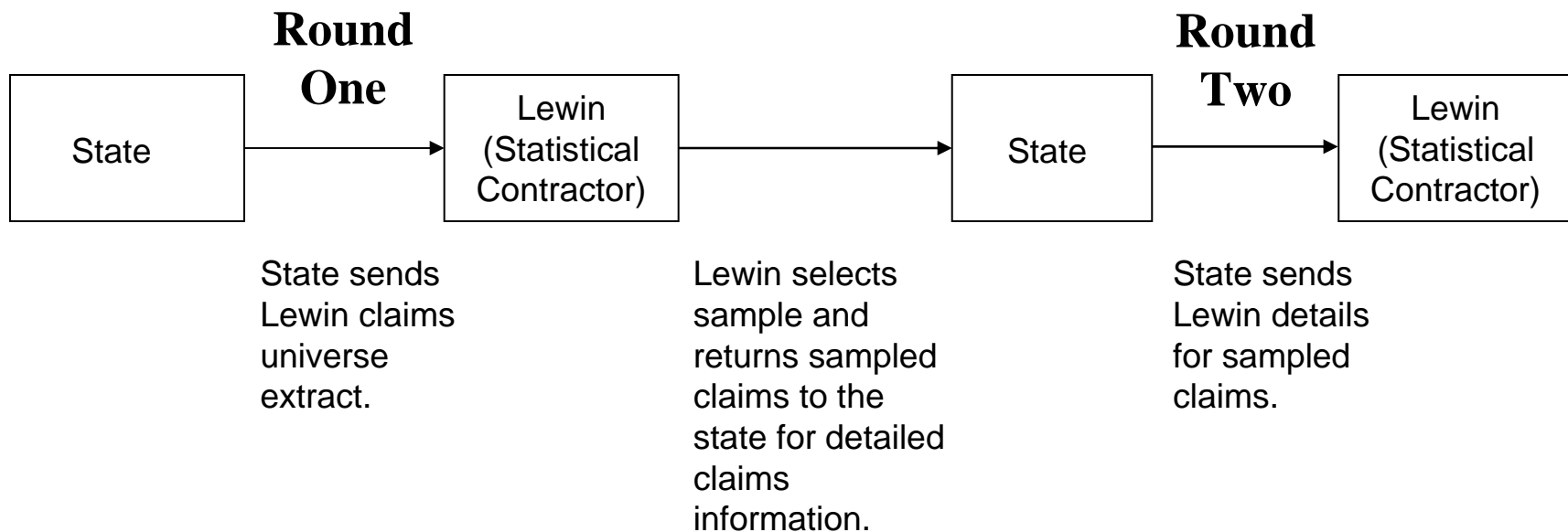
- ◆ Includes all payments made on a fee-for-service/indemnity basis
 - Traditional fee-for-service or indemnity payments to physicians, hospitals, pharmacies, home health agencies, long term care facilities, etc.
 - Medicare crossover claims
 - FFS claims for services carved out of managed care
 - FFS claims paid for retroactive eligibility periods
- ◆ PERM FFS universe also includes certain regular fixed payments made on a beneficiary's behalf:
 - Medicare Part A and Part B premiums
 - HIPP payments
 - Primary care case management payments

Fee-for-Service Universe: What's Out

- ◆ Excludes all payments not associated with an individual
 - Gross or mass adjustments
 - DSH
 - GME
 - Grants to state agencies, local health departments, non-profit providers for health services not tied to individual beneficiaries
 - Drug rebate reconciliations
 - Costs for program administration
- ◆ Also exclude FFS claims associated with aid categories/coverage groups other than Title XIX and Title XXI
- ◆ Exclude FFS adjudicated in the system for other state programs

FFS Data Submissions to the Statistical Contractor: Two Rounds of Data

- ◆ For each quarter, for Medicaid and SCHIP, we will ask states for two rounds of data
 - Round 1: Universe extract
 - Round 2: Claims detail



Two Rounds of Data Include the Universe Extract and Claims Detail

Round 1

Universe Extract

- ◆ All FFS claims for the quarter (Medicaid and SCHIP separately)
- ◆ Include only those with original payment dates in the quarter
- ◆ Only about six fields per claim; just enough data for Lewin to select sample
- ◆ No adjustments!

Round 2

Claims Detail

- ◆ Details for ~250 sampled claims per quarter
- ◆ Many fields for each claim; sufficient for Livanta to contact providers and HDI to complete medical/processing reviews
- ◆ All lines associated with sampled claims
- ◆ Adjustments made within 60 days of original paid date

Round 1: Universe Extract

What is a Claim for PERM Purposes?

- ◆ Depends on your program's payment method
- ◆ Lewin sampling unit: smallest, individually priced unit paid for a single beneficiary
- ◆ Smallest sampling unit is the line item
- ◆ Examples:
 - 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

Round 1: Universe Extract

Unusual Payments to Find and Include

- ◆ Beneficiary-specific payments outside MMIS are considered PERM claims!
- ◆ Includes payments that may be made by other state agencies:
 - Medicare Part A and Part B premiums
 - HIPP payments
 - Primary care case management
 - DD or mental health agencies
 - Other vendors

Lessons learned – PERM FFY 2006

Think about all the services for which your state collects FFP.

Are you capturing all the beneficiary-specific payments in one of the program area universes?

Round 1: Universe Extract

PERM Stratification

- ◆ Lewin will select a proportional, stratified random sample from the quarterly FFS universe
- ◆ States will send a stratum indicator for each claim in the program area universe
- ◆ We will spend time during the one-on-ones to discuss state-specific strata questions
- ◆ 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

Round 2: Claim Details

What Details Are Needed for PERM Review?

- ◆ For the sampled claims, states should return detailed claim information including:
 - Information Livanta needs to request medical records from providers: billing and rendering provider addresses, phone numbers
 - Information HDI needs to complete medical review: procedure codes and modifiers, DRGs, NDC and other codes used to price claims
 - FFS instructions will include a list of fields that should be included
- ◆ Adjustments made up to 60 days after original paid date
- ◆ Claim header and all other lines associated with the claim (if sampling was at the line level)
- ◆ Documentation and data dictionaries

How is Data Transferred to Lewin?

- ◆ Universe and sample files should be provided in text or ASCII files
 - We may be able to accommodate alternate formats; we can discuss during the state-specific calls
- ◆ States generally mail data on CDs or DVDs
 - Zip and password protect data
- ◆ Send passwords and cover sheet to `permsc.2007@lewin.com` email address the day the data are mailed
- ◆ Include cover sheet with data headers and control totals
 - We will provide a cover sheet template with instructions
- ◆ Be sure to comply with HIPAA and other state privacy rules

Next steps / Timeline

- ◆ Tomorrow's call
- ◆ One-on-ones – Lewin will send intake form
- ◆ Preliminary instructions
- ◆ Final instructions
- ◆ Optional FFY2006 data submission
- ◆ First data submission: January 15, 2007
 - A dataset from each of the four universes (Medicaid FFS, Medicaid managed care, SCHIP FFS, SCHIP managed care)
 - FFY07 Q1 data (date of payment October 1, 2006 – December 31, 2006)

Does Lewin have your contact form?

Tomorrow's Call

- ◆ Managed care sampling process
- ◆ What payments are in the managed care program area universes?
- ◆ Partial capitation and full capitation
- ◆ Managed care payments outside of capitation
- ◆ Carve outs and other fee for service claims
- ◆ Take-backs and adjustments

Please Send Your Questions to Our Central Email Inbox

permsc.2007@lewin.com

Sampling and Review Process Fee for Service Claims

