

PERM – Federal fiscal year 2007

**Statistical Sampling Training:
Part II, Managed Care Payments**

October 20, 2006



Introduction

- ◆ Today we will discuss PERM FFY 2007 Medicaid and SCHIP managed care statistical sampling
- ◆ Purpose of today's call:
 - Introduce states to the PERM managed care statistical sampling process
 - Let you know what to expect in the upcoming year
- ◆ What's not covered:
 - Fee-for-service (separate presentation available on the website)
 - State specific issues – wait for the one-on-one calls
 - 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
- Note: for managed care, will not collect information on capitation payments*

Review Contractor (RC)

HDI

-
- Review records for medical necessity
 - Review claims for processing accuracy
- Note: for managed care, will conduct only processing review for most payments*

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

What's Not a PERM "Claim"?

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

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”

Managed Care Universe: What's In

- ◆ All full and partially capitated payments
 - Payments to HMOs, MCOs, PIHPs, HIOs
 - Payments to service-specific providers paid on a capitated/at-risk basis (e.g., pharmacy, mental health, transportation)
 - Condition-specific managed care payments for special needs beneficiaries (e.g., at-risk payments for HIV/AIDS, PACE)
- ◆ May include insurance premiums for indemnity insurance, if insurer is at risk for FFS claims
 - No doublecounting! FFS or managed care universe, not both
- ◆ Also includes certain non-capitated, beneficiary-specific payments made to managed care organizations
 - Delivery supplemental payments, “kick” payments
 - Beneficiary-specific reinsurance or stop-loss payments, if not in FFS universe

Managed Care Universe : What's Out

- ◆ Primary care case management payments
 - Although CMS considers these “managed care” payments, for PERM purposes they are part of the FFS universe
- ◆ Administrative or non-beneficiary-specific payments made to managed care organizations
 - Performance incentives
 - Mass retroactive rate adjustments
- ◆ Certain types of premium payments that are in the FFS universe
 - Medicare Part A and Part B premiums
 - HIPP payments
- ◆ FFS payments for persons enrolled in managed care (carve outs)

Managed Care Data Submissions to the Statistical Contractor: Two Rounds of Data

Round 1 **Universe**

- ◆ All managed care payments for the quarter (Medicaid and SCHIP separately)
- ◆ All fields associated with payment

Round 2 **Adjustments**

- ◆ Adjustments for only the sampled payments (approx. 125 payments per program per quarter)

First Round Includes Details for Payments Made within Managed Care Program

- ◆ Lewin sampling unit: smallest, individually priced unit paid for a single beneficiary
 - In managed care, this is usually the monthly capitation payment
 - May include a special payment (e.g., delivery supplemental payment, reinsurance payment) made on behalf of an individual beneficiary
- ◆ Submit all fields associated with payment
 - Unique record ID, date paid, paid amount, provider (MCO) ID
 - Beneficiary ID, county/service area indicator, rate cohort indicator, birthdate, gender
 - Full list of fields will be included in instructions
- ◆ States do not have to stratify managed care data
 - Lewin may develop state-specific dollar-based strata if there is significant variation in payment amounts

First Round Includes Details for Payments Made within Managed Care Program

- Payment should be included for month/quarter in which the payment was made, not the month for which the payment is effective

Payment date	Enrollment period	Report for PERM
November 25, 2006	December 1-31, 2006	11/25/06 (Q1)
December 10, 2006	December 1-31, 2006	12/10/06 (Q1)
January 2, 2006	December 1-31, 2006	1/2/2007 (Q2)

Second Round Includes Adjustments, If Any

- ◆ Lewin returns sampled payments to state in format state send Lewin the data
- ◆ States are asked to identify any adjustments made within 60 days of the original paid date, and submit those to Lewin
 - Retroactive rate changes
 - Rate cell assignment corrections
 - Takebacks for beneficiaries who lost eligibility after cut-off, moved, or died
 - Others? We will discuss with states

Unusual Managed Care Situations

- ◆ We will discuss the following situations, as they apply to individual states, in the state-specific calls
 - Handling of risk-adjusted capitation payments
 - Handling of retroactive rate adjustments that occur more than 60 days after original paid date
 - Additional documentation that may be required for special payments (kick payments, outlier payments, reinsurance payments)
 - Concept of a “denied” payment in managed care universe

How is Data Transferred to Lewin?

- ◆ Universe and sample files should be provided in text/ASCII format or Excel
 - 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

- ◆ 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?

Please Send Your Questions to Our Central Email Inbox

permsc.2007@lewin.com

Sampling and Review Process Overview

Managed Care Payments

