



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

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**TO:** All providers – **For Action**  
Health Maintenance Organizations – **For Information Only**

**SUBJECT:** **Information Regarding Provider Error Rate Measurement (PERM) Audits**

**EFFECTIVE:** Immediately

**PURPOSE:** To provide NJ FamilyCare/Medicaid fee-for-service (FFS) providers information regarding the intent of PERM audits conducted by a Contractor, on behalf of the Centers for Medicare and Medicaid Services (CMS), and a provider's responsibility to respond to any PERM audit request.

**BACKGROUND:** CMS conducts PERM audits every two to three years to ensure appropriate Medicaid payments of healthcare claims. As a component of the audit process, certain providers and/or claims may be randomly selected and requested to provide documentation that support a request for a FFS claim payment.

**ACTION:** Providers are required to respond to the receipt of any PERM audit request within the timeframe(s) established by CMS. The provider's failure to respond timely may result in payments for previously adjudicated claims being recovered by the State of New Jersey.

If you have any questions concerning this Newsletter, please contact Molina Medicaid Solutions Provider Services at 1-800-776-6334.

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