



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

NEWSLETTER

Volume 31 No. 20

October 2021

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

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

EFFECTIVE: Immediately

PURPOSE: To provide NJ FamilyCare Fee-For-Service (FFS) providers information regarding the intent of PERM audits conducted by a contractor, on behalf of the U.S. 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 federal 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.

Additional information regarding PERM audits may be found at www.njmmis.com under the "Headlines" section on the front page of the website. On the website, providers should "Click [here](#) for more headlines" and see the articles entitled "Payment Error Rate Measurement (PERM) Accessing Information" and "Payment Error Rate Measurement (PERM) Important Information." This information is also available at:

- <https://www.cms.gov/research-statistics-data-and-systems/monitoring-programs/improper-payment-measurement-programs/perm>
- <https://www.njmmis.com/downloadDocuments/PERMAnnouncement.pdf>

ACTION: Providers are required to respond to the receipt of any federal 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 Gainwell Technologies Provider Services at 1-800-776-6334.

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