

LINDA LINGLE  
GOVERNOR



LILLIAN B. KOLLER, ESQ.  
DIRECTOR

HENRY OLIVA  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
Med-QUEST Division  
Finance Office  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

October 26, 2010

MEMORANDUM

ACS M10-13

TO: Fee-For-Service Providers and Childrens Health Insurance Program Providers

FROM: Kenneth S. Fink, MD, MGA, MPH *KF*  
Med-QUEST Division Administrator

SUBJECT: PAYMENT ERROR RATE MEASUREMENT (PERM) AUDIT FEDERAL  
FISCAL YEAR 2011 (FFY 2011)

All Med-QUEST Division (MQD) program Fee-For-Service providers and Childrens Health Insurance Program providers are subject to the PERM audit conducted by contractors selected by the Centers for Medicare and Medicaid Services (CMS). PERM was designed by CMS to comply with the Improper Payments Information Act of 2002. The PERM audit reviews improper payments based on eligibility determinations, data processing and medical necessity of claims paid.

The PERM audit cycle is every three years and the State of Hawaii's cycle is FFY 2011. CMS has begun its preliminary contact with the State and the purpose of this memorandum is to notify you of the upcoming audit and its potential impact on you as a provider. The review provider selected by CMS is A+ Government Solutions. The contractor will randomly select paid claims to be audited. If your claim(s) are selected you will receive a letter from A+ Government Solutions notifying you what documentation they are requiring, where to send that documentation and how many days you have to comply with their request. Contact information will be provided by A+ Government Solutions in the event you have any questions.

Please remember that as a provider of services to Medicaid clients you are required, by Federal and State statutes to provide the information requested. Failure to provide the information requested will result in action by the MQD as outlined in Hawaii Administrative Rules §17-1736 and Hawaii Revised Statutes §346.59-6.