



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: October, 9, 2020 **PPL 18-004R.2**
Revised

TO: All Local Governmental Agency (LGA) Coordinators for the
Targeted Case Management (TCM) Program

SUBJECT: Payment Error Rate Measurement (PERM) Annual and Quarterly
Requirements

This Policy and Procedure Letter (PPL) notifies LGAs of the risk-based screening procedures and database checks for case managers required for provider enrollment prior to providing TCM services.

Background

The Centers for Medicare and Medicaid Services (CMS) developed the PERM program to comply with the Improper Payments Information Act (IPIA) of 2002. Per the IPIA, CMS is required to annually review Medicaid and Children's Health Insurance Program (CHIP) to identify significant erroneous payments and report improper payment estimates to Congress. Every 3 years, CMS reviews fee-for-service (FFS) paid claims by reviewing randomly selected paid claims to ensure that states are meeting all provider eligibility requirements.

During the 2016 PERM review, the Department of Health Care Services' (DHCS') TCM program had a PERM finding wherein a newly enrolled provider was not screened using the required risk based criteria prior to enrollment. Pursuant to 42 Code of Federal Regulations part 455.450, a risk based screening is a requirement when enrolling providers and their case managers.

To correct and prevent PERM findings, DHCS staff has registered with the following:

- Provider Enrollment, Chain, and Ownership System (PECOS) to verify if a provider has an active or inactive national provider identifier (NPI) number.
- System for Award Management (SAM) to verify if a provider is on the federal government exclusion list. SAM provides a list of individuals and entities

debarred from contracting with the federal government.

- Office of Inspector General (OIG) List of Excluded Individuals and Entities (LEIE) to verify if a provider is convicted of a criminal offense related to Medicare or Medicaid.

The PECOS, SAM, and OIG LEIE are all used as methods to verify that providers are eligible to participate in the TCM program.

LGA Requirements

Annually, to be eligible to claim for TCM services, LGAs are required to submit and perform the following items either with their Annual Participation Prerequisite (APP) submission and/or when any new providers and/or case managers enroll to provide TCM services.

1. Search the LEIE online database, located at: <https://exclusions.oig.hhs.gov>, and verify that each TCM case manager is not on the OIG LEIE database exclusion list.
2. Search the LEIE online database for each case manager by first and last name and take a screenshot of the page, verifying that each TCM case manager is not an excluded provider and thereby passing the OIG LEIE database check.
3. Submit to DHCS a list of TCM case managers and the OIG screen shots.

On a quarterly basis and when new providers and/or case managers enroll to provide TCM services, LGAs are required to submit and perform the following items each quarter to be eligible to submit claims for the TCM program.

1. Search the NPPES online database, located at: <https://npiregistry.cms.hhs.gov/>, to verify that each TCM case manager has a valid NPI number.
2. Search the NPPES online database for each case manager by first and last name and take a screenshot of the page, verifying that each TCM case manager has a valid NPI number.
3. Submit to DHCS a list of TCM case managers, NPI numbers, and the NPI verification screen shots.

Note: Refer to PPL 20-026 for the quarterly deadlines to submit the NPI screenshots.

Pursuant to 42 Code of Federal Regulations part 433.32, DHCS will maintain copies of the above verifications. LGAs will not be able to participate in the TCM program for the state fiscal year if the required documentation is not received.

DHCS Responsibility

To assist in eliminating PERM errors, DHCS will conduct the following annually and/or on a quarterly basis, or when any new providers or case managers enroll after the APP has been submitted that year.

1. DHCS will verify that the provider/case manager NPI number is active on a quarterly basis. If the NPI number of a provider/case manager(s) is no longer active, DHCS will contact the LGA and inform them that the ineligible provider/case manager(s) cannot submit claims. The LGA must contact DHCS once the NPI has returned to an active status. DHCS will then re-verify that the provider/case manager is eligible to participate in TCM.
2. Review SAM for existing entity registration or exclusion records to verify that TCM provider/case manager is not on the exclusion list.

DHCS updated the TCM Provider Participation Agreement (PPA) to include Form 6207, which is a Medi-Cal Disclosure Statement, to comply with the 2016 PERM review and federal enrollment and screening requirements.

Please e-mail the TCM program at dhcs-tcm@dhcs.ca.gov for questions regarding this PPL.

Sincerely,

ORIGINAL SIGNED BY

Shelly Taunk, Chief
County-Based Claiming and Inmate Services Section