§ 431.988 Eligibility case review completion deadlines and submittal of reports.

(a)(1) States must complete and report to CMS the findings, including total number of cases in the eligibility universe, the error causes for all case reviews listed on the monthly sample selection lists, including cases dropped from review due to active fraud investigations, and cases for which eligibility could not be determined.

(2) States must submit a summary report of the active case eligibility and payment review findings to CMS by July 1 following the review year.

(b) The agency must report by July 1 following the review year, information as follows:

(1) Case and payment error data for active cases.

(2) Case error data for negative cases.

(3) Identify the last action on a case, either application or redetermination for States that do not stratify the eligibility sample in accordance with § 431.978(d)(3)(i) of this subpart.

(4) The number and amounts of undetermined cases in the sample and the total amount of payments from all undetermined cases.

(5) The number of cases dropped from review due to active fraud investigations.

[71 FR 51081, Aug. 28, 2006, as amended at 75 FR 48851, Aug. 11, 2010]

§ 431.992 Corrective action plan.

(a) The State agency must develop a separate corrective action plan for Medicaid and CHIP, which is not required to be approved by CMS, designed to reduce improper payments in each program based on its analysis of the error causes in the FFS, managed care, and eligibility components.

(b) In developing a corrective action plan, the State must take the following actions:

(1) Data analysis. States must conduct data analysis such as reviewing clusters of errors, general error causes, characteristics, and frequency of errors that are associated with improper payments.

(2) Program analysis. States must review the findings of the data analysis to determine the specific programmatic causes to which errors are
attributed (for example, provider lack of understanding of the requirement to provide documentation) and to identify root error causes.

(3) Corrective action planning. States must determine the corrective actions to be implemented that address the root error causes.

(4) Implementation and monitoring.

(i) States must develop an implementation schedule for each corrective action initiative and implement those actions in accordance with the schedule.

(ii) The implementation schedule must identify all of the following:

(A) Major tasks.

(B) Key personnel responsible for each activity.

(C) A timeline for each action including target implementation dates, milestones, and monitoring.

(5) Evaluation. States must evaluate the effectiveness of the corrective action by assessing all of the following:

(i) Improvements in operations.

(ii) Efficiencies.

(iii) Number of errors.

(iv) Improper payments.

(c) The State agency must submit to CMS and implement the corrective action plan for the fiscal year it was reviewed no later than 90 calendar days after the date on which the State’s Medicaid or CHIP error rates are posted on the CMS contractor’s Web site. The State must complete all of the following:

(1) Have a factual basis for filing the difference.

(2) Provide the Federal contractor with valid evidence directly related to the error finding to support the State’s position that the claim was properly paid.

(b) For a claim in which the State and the Federal contractor cannot resolve the difference in findings, the State may appeal to CMS for final resolution, filing the appeal within 10 business days from the date the contractor’s finding as a result of the difference resolution is posted on the contractor’s Web site. There is no minimum dollar threshold required to appeal a difference in findings.

(c) For eligibility error determinations made by the agency with personnel functionally and physically separate from the State Medicaid and CHIP agencies with personnel that are responsible for Medicaid and CHIP policy and operations, the State may appeal error determinations by filing an appeal request.

(1) Filing an appeal request. The State may:

(i) File its appeal request with the appropriate State agency or entity; or

(ii) If no appeals process is in place at the State level, differences in findings—

(A) Must be documented in writing and submitted directly to the agency responsible for the PERM eligibility review for its consideration;

(B) May be resolved through document exchange facilitated by CMS, whereby CMS will act as intermediary by receiving the written documentation supporting the State’s appeal from the State agency and submitting that