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Provider Information Notice

TO: All Early Intervention Providers

FROM: Benjamin Delgado, Jr., Chief
Bureau of Early Intervention 

DATE: May 06, 2024

RE: Payment Error Rate Measurement (PERM) Audit Compliance

This notice is to inform Early Intervention Providers that they may have been contacted or may be contacted by the Illinois Department of Healthcare Family Services (HFS) and/or Empower AI to request medical records. HFS is conducting a Payment Error Rate Measurement (PERM) audit for Illinois' Rate Year 2025 (RY25). The PERM program is designed to measure and report improper payments in the Medicaid and Children's Health Insurance Program (CHIP) programs. Centers for Medicare & Medicaid Services (US CMS) is conducting this audit through their contractor, Empower AI. Providers may be contacted by Empower AI with a request to provide records to support the payment review of randomly sampled claims. The RY25 cycle will sample claims paid on/between July 1, 2023 through June 30, 2024.

Notifications and record requests from Empower AI for this PERM audit are legitimate. EI Provider cooperation with the PERM audit is required (see line 18 of the IDHS Payee Agreement).

*18. Maintain accurate records, including daily documentation of services for each date of service billed, including IFSP development time, for a period of at least six years from the child's completion of EI services, and **permit access to these records by the local CFC, DHS, or if they are Medicaid reimbursable services, the Illinois Department of Healthcare and Family Services (HFS) and the Centers for Medicare/Medicaid Services (CMS), or the United States Department of Education.** In the absence of proper and complete documentation, no payments will be made, and payments previously made will be recouped by DHS or HFS.*

The Bureau understands that EI providers do not bill Medicaid directly; however, the EI program does receive Medicaid matching funds for services that Providers have rendered for families enrolled in the Medicaid/CHIP program. Providing the medical records requested helps us ensure that claims submitted meet statutory and regulatory requirements for payment. Failure to comply with the audit will result in audit findings and the recovery of subsequent overpayments.

Questions regarding this notice may be directed to DHS.EIQuestions@Illinois.gov.