



Medi-Cal Rx

# Centers for Medicare and Medicaid Services Payment Error Rate Measurement Review

February 17, 2025

## Background

The purpose of this alert is to notify pharmacy providers and prescribers that the Centers for Medicare and Medicaid Services (CMS) is conducting its Reporting Year 26 (RY26) Payment Error Rate Measurement (PERM) review.

## What Pharmacy Providers and Prescribers Need to Know

CMS is conducting its RY26 PERM review of Cycle 2 states, which includes California. CMS will randomly sample Medi-Cal Rx claims during the course of calendar year 2025 for payment accuracy and medical review. Providers whose claims are sampled will be contacted by the CMS Review Contractor, Empower AI, in order to request medical or service records associated with the sampled claim.

## What Pharmacy Providers and Prescribers Need to Do

Contacted providers should comply with the request for records within 75 days of receipt of the records request letter. For more information about PERM, access the [Payment Error Rate Measurement \(PERM\)](#) page.

Refer to the following table for examples of the types of records that may be requested from pharmacy providers, as defined by Category 8 in the *CMS Payment Error Rate Measurement (PERM) RY26 Provider Required Document List (Category Type)*.

Category	Type of Service	Documents Requested (if applicable to sampled claim)
8	Prescribed Drugs	<ul style="list-style-type: none"> <li>• <b>Copy of Prescription in Original, Facsimile, Telephonic, or Electronic Form: Front and Back (<i>if applicable</i>) with Patient Name, Date of Birth, Address, Telephone Number, Physician/Non-Physician Name, and Signature (<i>signature method as required/permitted by state regulations</i>)</b></li> <li>• <b>National Drug Code (NDC) Number</b></li> <li>• <b>Member Profile with Refill History for the <u>Billed Medication</u></b></li> <li>• <b>Documented Proof of Beneficiary Acceptance or Refusal of Counseling (<i>if documentation of pharmacy counseling is required by state policy</i>)</b></li> <li>• <b>Proof of Delivery</b> <ul style="list-style-type: none"> <li>– <b>Member Pharmacy Signature Log (<i>if picked up at pharmacy</i>)</b></li> <li>– <b>Signature or shipment tracking information (<i>if delivered to personal residence or shipped via third party vendor</i>)</b></li> <li>– <b>Manifesto if Delivered to Skilled Nursing Facility (SNF), Nursing Facility (NF), Intermediate Care Facility (ICF), or ICF for Individuals with Intellectual Disabilities (ICF/IID)</b></li> </ul> </li> <li>• <b>Physician Medication Order for SNF, NF, ICF, or ICF/IID (<i>signed and dated</i>)</b></li> <li>• <b>Name of Drug, Dose, Route, Number Dispensed, and Number of Refills</b></li> <li>• <b>Medication Administration Record (MAR) (<i>signed and dated</i>) if medication given in clinic/physician office, pharmacy, or infusion center</b></li> <li>• <b>Physician/Non-Physician Progress Note (<i>signed and dated</i>) if medication given in clinic/physician/non-physician office</b></li> <li>• <b>Proof of Timely Claim Reversal (<i>if applicable</i>)</b></li> </ul>

## Contact Information

You can call the Medi-Cal Rx Customer Service Center (CSC) at 1-800-977-2273, which is available 24 hours a day, 7 days a week, 365 days per year.

For other questions, email Medi-Cal Rx Education & Outreach at [MediCalRxEducationOutreach@primetherapeutics.com](mailto:MediCalRxEducationOutreach@primetherapeutics.com).