

Roles of Various Medicare Improper Payment Review Entities

Entity	Types of Claims	How Selected	Volume of Claims	Type of Review	Purpose of Review
<p style="text-align: center;"><u>QIO</u> Quality Improvement Organization</p>	Inpatient Hospital claims only	<p>All claims where hospital submits an adjusted claim for a higher-weighted DRG</p> <p>Expedited Coverage Reviews requested by beneficiaries</p>	Very small	<ul style="list-style-type: none"> • Prepay & Concurrent (Patient still in hospital) • Complex Only 	<p>To prevent improper payments through DRG upcoding</p> <p>To resolve discharge disputes between beneficiary and hospital</p>
<p style="text-align: center;"><u>CERT</u> Comprehensive Rate Testing Review Contractor</p>	All Medical Claims	Randomly	Small	<ul style="list-style-type: none"> • Postpay only • Complex only 	To measure improper payments
<p style="text-align: center;"><u>PERM</u> Payment Error Rate Measurement Contractor</p>	All Medical Claims Randomly	Randomly	Small	<ul style="list-style-type: none"> • Postpay only • Automated & Complex 	To measure improper payments
<p style="text-align: center;"><u>Medical Review Units</u> Medicare Administrative Contractors</p>	All Medicare FFS Claims	Targeted	Depends on number of claims with possible improper payments for this provider	<ul style="list-style-type: none"> • Prepay & Postpay • Automated, & Complex 	To prevent future improper payments
<p style="text-align: center;"><u>RACs</u> Medicare Recovery Auditors*</p>	All Medicare FFS Claims	Targeted	Depends on number of claims with possible improper payments for this provider	<ul style="list-style-type: none"> • Postpay • Automated & Complex 	To detect and correct past improper payments
<p style="text-align: center;"><u>PSC/ZPICS</u> Program Safeguard Contractors Zone Program Integrity Contractors</p>	All Medicare FFS Claims	Targeted	Depends on number of potentially fraudulent claims submitted by provider	<ul style="list-style-type: none"> • Prepay and Postpay • Automated & Complex 	To identify potential fraud
<p style="text-align: center;"><u>OIG</u> Office of Inspector General</p>	All Claims	Targeted	Depends on number of potentially fraudulent claims submitted by provider	<ul style="list-style-type: none"> • Postpay • Complex 	To identify fraud