

## **20203 Statistical Extrapolation for Direct Services Contract Reviews**

### **(a)**

Upon completion of an audit or examination using probability sampling to extrapolate the recoverable amount, the Department shall make a demand to recover the extrapolated recovery amount.

### **(b)**

Probability sampling shall be done in conformance with generally accepted statistical standards and procedures described in any textbook on statistical sampling methods.

### **(c)**

Whenever the results of a probability sample are used to extrapolate the amount to be recovered, the demand for recovery shall be accompanied by a clear description of: (1) The universe from which the sample was drawn, (2) The sample size and method used to select the sample, (3) The formulas and calculation procedures used to determine the amount to be recovered, and (4) The confidence level used to calculate the precision of the extrapolated overpayment.

#### **(1)**

The universe from which the sample was drawn,

#### **(2)**

The sample size and method used to select the sample,

**(3)**

The formulas and calculation procedures used to determine the amount to be recovered, and

**(4)**

The confidence level used to calculate the precision of the extrapolated overpayment.