CA

51458.2 Statistical Extrapolation of Medi-Cal Provider Reviews

(a)

The Department shall make a demand to recover an amount due from a Medi-Cal provider (as specified in Section 51458.1) using probability sampling to extrapolate the recoverable amount when the extrapolated recovery amount exceeds the cost to the Department of doing the audit.

(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.

(d)

As used in this section, the following definitions shall apply:(1) "Probability sampling" means the standard statistical methodology in which a sample is selected based on the theory of probability (a mathematical theory used to study the occurrence of random events). (2) "Extrapolation" means the methodology whereby an unknown value can be estimated byprojecting the results of a probability sample to the universe from which the sample was drawn with a calculated precision (margin of error).

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"Probability sampling" means the standard statistical methodology in which a sample is selected based on the theory of probability (a mathematical theory used to study the occurrence of random events).

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"Extrapolation" means the methodology whereby an unknown value can be estimated byprojecting the results of a probability sample to the universe from which the sample was drawn with a calculated precision (margin of error).