PROPOSED LANGUAGE

Subpart 1. Authorization.

For the purpose of part 9505.2215, the commissioner is authorized to calculate the amount of monetary recovery from a vendor based upon extrapolation from a random sample of claims submitted by the vendor and paid by the program or programs. The department’s random sample extrapolation shall constitute a rebuttable presumption regarding the calculation of monetary recovery. If the presumption is not rebutted by the vendor in the appeal process, the department shall use the extrapolation as the monetary recovery figure specified in subpart 4.

Subp. 2. Definitions.

A. Probe Sample. “Probe sample” is a limited initial random sample of at least 50 units, which can be used to provide guidance in selecting the sample size for a full random sample.
B. Extrapolation. “Extrapolation” means estimating an unknown population value by projecting, with a calculated margin of error, the results from a random sample to the population from which the random sample was drawn. The form and computations for the extrapolation and its confidence interval depend on the method of random sampling.
C. Ninety-Five Percent Confidence Interval. “Ninety-Five Percent Confidence Interval” is an interval estimate (estimate with margin of error) for a population parameter computed using a procedure that produces intervals that contain the true parameter for ninety-five percent of all random samples.
D. Population or Population of Claims. “Population” or “Population of claims” means a defined set of paid claims for a specified time period that are in existence at the time of the audit or investigation.
E. Random Sample of Claims. “Random Sample of Claims” means a subset of claims chosen from a population of claims using a random sampling method such as simple random sampling, stratified sampling, probability proportional to size sampling, or cluster sampling.
G. Sampling Plan. “Sampling plan” means the combination of the identified population, the random sampling method(s), the sample size(s), and the technique(s) for implementing the random sampling method on the population.
H. Statistical Analysis System. “Statistical Analysis System” or “SAS” is an analytics and statistics software system.

Subp. 3. Decision to use samples.

The department may use sampling and extrapolation to calculate a monetary recovery if:

A. the claims to be reviewed represent services to 50 or more recipients; or
B. there are more than 1,000 claims to be reviewed.

Subp. 4. Statistical method.

The department shall use the procedures in this subpart when calculating the amount of monetary recovery by extrapolation from the audit results of a random sample of claims.

A. The sampling plan and extrapolation shall be chosen and performed according to generally accepted statistical standards and practices, which may include guidance from the Centers for Medicare and Medicaid Services.
i. The sampling plan shall include a probe sample.
ii. The Department shall use tools which include but are not limited to RAT-STATS, SAS or any other generally accepted sampling software and methods.

B. The vendor shall be required to pay an overpayment identified under this section only if the overpayment identified has a ninety-five percent confidence interval that does not contain $0.

Statutory Authority: MS s 256B.04; 256D.03

History: 15 SR 2563; 19 SR 1898; 33 SR 127