9505.2220 MONETARY RECOVERY; RANDOM SAMPLE EXTRAPOLATION.

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 systematic 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 3.

Subp. 2. **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. 3. **Statistical method.** The department shall use the methods in items A to D in calculating the amount of monetary recovery by random sample extrapolation. The federal share of overpayment determined by the federal government under a federal random sample extrapolation method shall be recovered by the department from a medical assistance vendor according to Minnesota Statutes, section 256B.0641, subdivision 1, clause (1).

A. Samples of a given size shall be selected in such a way that every sample of that size shall be equally likely to be selected, these samples are called simple random samples. The department may choose to employ other sampling designs, such as the stratified random sampling, if it determines that those designs are more likely to lead to greater precision, or a closer approximation to the population mean. The department shall tell the provider the sampling method the department is using prior to drawing the sample.

B. Samples shall only be selected from claims for health services provided within the interval of time that coincides with the interval during which money allegedly was overpaid and for which recovery will be made.

C. The sampling method, including drawing the sample, calculating values, and extrapolating from the results of the sample, shall be performed according to statistical procedures published in the following text: W. Cochran, Sampling Techniques, John Wiley and Sons, New York 3rd Ed. (1977). Sampling Techniques is incorporated by reference and is available through the Minitex interlibrary loan system. Samples must consist of at least 50 claims. Each stratum in a stratified sample must contain at least 30 claims or, if a population stratum contains less than 30 claims, all of the claims in that population stratum.

D. The vendor shall be required to pay the department the estimated overpayment only if the null hypothesis that the mean overpayment is less than or equal to zero can be rejected with probability less than 0.05. The amount owed to the department shall be the mean overpayment multiplied by the number of claims in the population. With simple random samples, the mean overpayment is the sum of all differences between correct and actual charges in the sample, divided by the number of claims in the sample. With stratified samples, the mean overpayment is the sum of the products of the mean differences within strata and the proportion of all claims in the population that are in the strata.

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

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

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