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. 1a. **Definitions.** For purposes of this part, the following terms have the meanings given them.

A. "Cluster sampling" means a method of sampling in which a selection of groups of items are sampled rather than a selection of individual items.

B. "Extrapolation" means estimating an unknown overpayment 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. "Interval estimate" means the estimation of a parameter, in terms of an interval, for which one can assert with a given probability or degree of confidence that it contains the actual value of the parameter.

D. "90 percent confidence interval" means an interval estimate, or estimate with a margin of error, for a population parameter computed using a procedure that produces intervals that contain the true parameter for 90 percent of all random samples.

E. "Population" or "population of claims" means a defined set of paid claims for a specified period that exist at the time of the audit or investigation.

F. "Population parameter" means a measure such as mean, median, standard deviation, or proportion that is calculated or defined by using every item in the population.

G. "Probe sample" means a limited initial random sample of at least 50 units that can be used to provide guidance in selecting the sample size for a full random sample.

H. "Random sample of claims" means a subset of claims chosen from a population of claims using a random sampling method including simple random sampling, stratified sampling, cluster sampling, or another sampling method that the department determines is more likely to lead to greater precision, or a closer approximation to the population mean.

I. "Simple random sampling" means a method of sampling in which all individual items in the population have an equal probability of being included in the sample.

J. "Stratified sampling" means a method of sampling in which the population is divided into two or more parts and a simple random sample is selected for each part. An estimate is

determined separately for each part, and these are combined to form an estimate for the entire population.

K. "RAT-STATS" refers to the primary statistical software used by the Office of the Inspector General of the United States Department of Health and Human Services and the Centers for Medicare and Medicaid Services.

L. "Sampling plan" means the combination of the identified population, the random sampling method, the sample size, and the technique for implementing the random sampling method on the population.

M. "Statistical analysis system" or "SAS" means an analytics and statistics software system developed by the SAS Institute.

N. "SPSS" means an analytics and statistics software system licensed by IBM.

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

A. The sampling plan and extrapolation must be chosen and performed according to guidance from the Centers for Medicare and Medicaid Services including the most recent version of the Medicare Program Integrity Manual.

(1) The sampling plan must include a probe sample.

(2) The department must use tools that include RAT-STATS, SAS, or SPSS.

B. The department must tell the provider the sampling method the department is using prior to drawing the sample.

C. The vendor must pay an overpayment identified under this part only if the overpayment identified has a 90 percent confidence interval that does not contain zero dollars.

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