



California
Department of
Health Services

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

March 24, 2004

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 04-09
ALL COUNTY ADMINISTRATIVE OFFICERS
ALL COUNTY MEDI-CAL PROGRAM SPECIALISTS/LIAISONS
ALL COUNTY HEALTH EXECUTIVES
ALL COUNTY MENTAL HEALTH DIRECTORS
ALL COUNTY MEDS LIAISONS

SUBJECT: MEDI-CAL ELIGIBILITY QUALITY CONTROL GEOGRAPHIC
SAMPLING PLAN PILOT PROJECT

The purpose of this letter is to inform counties of the Centers for Medicare and Medicaid Services (CMS) approved extension of the Geographic Sampling Plan (GSP) pilot project. The renewed GSP authorizes the Department of Health Services to continue conducting geographic sampling of Medi-Cal Assistance Only (MAO) cases. The initial pilot was implemented on July 1, 1999, and was extended effective July 1, 2002, for the Fiscal Year (FY) 2002/2003. It was extended once more effective July 1, 2003, for the FY 2003/2004. This All County Welfare Directors' Letter provides information on the latest extension, which is effective July 1, 2004, for FY 2004/2005.

BACKGROUND

Prior to approval of the GSP pilot project, the Program Review Section (PRS) annually reviewed random samples of MAO cases for all 58 counties. The number of Medi-cal Eligibility Quality Control (MEQC) case reviews selected for each county was proportionate to its share of the statewide MAO beneficiary population. Because of this, small counties had only limited numbers of cases reviewed annually. These minimal numbers of case reviews may not have accurately reflected the performance of these counties in determining Medi-Cal eligibility. Under the renewed GSP, this revised sampling strategy provides for MEQC case reviews in the 25 large counties in terms of MAO population. This sampling strategy should minimize travel time and costs, increase MEQC efficiency, and enhance the accuracy and usefulness of county reports. In consideration of the GSP, the Department agrees to maintain the level of MEQC effort.

GSP PILOT PROJECT

Based on the 2004/2005 GSP, MEQC case reviews will be conducted in the 25 large counties which comprise approximately 94 percent of the statewide MAO population. As a result of the extension of the GSP pilot project, the annual MEQC coverage for the 25 large counties is projected to be 2,340 cases. As this will provide more MEQC data, it should ensure more accurate measurement of State and county performance in the MAO program as well as suggesting possible Focused Review issues.

Enclosed for your information is a chart of California counties' MAO population size. The chart reflects the MAO population for November 2003 month of eligibility. The 33 smallest and 25 largest counties are identified, as well as the MAO numbers for each county.

CMS's approval of the GSP pilot project freezes the MEQC dollar error rate for the State of California at 0.635 percent. This percent is the computed dollar error rate for FY 1997, the most recently completed MEQC period prior to the inception of the GSP pilot project. The terms of the GSP pilot project preclude MEQC fiscal repercussions or sanctions for the duration of the pilot project.

As a part of the extension effective July 1, 2004, the dollar threshold level for a citeable Medi-Cal error will remain at \$400. Any discrepancy in the share of cost which is below \$400 will be reported as a procedural error, not a citeable error. This dollar error threshold will allow both PRS and county Medi-Cal program staff to focus attention on significant dollar issues. However, all MEQC findings will continue to be reported to the counties for corrective action where appropriate, including dollar discrepancies of less than \$400. As part of the GSP, PRS will conduct Corrective Action Reviews on all MEQC cases with citeable errors, procedural errors and/or pertinent information.

The Department provides an annual report to CMS on the findings of the MEQC pilot project. We anticipate that the pilot will be renewed annually and will continue for an indefinite period of time.

ACCOMPLISHMENTS

Under the GSP pilot project thus far, PRS has achieved the following accomplishments:

- Due to refinements in the MEQC review process, the number of MEQC case reviews has increased from 1,500 annually in 1998/1999 to an estimated 2,352 MEQC reviews in 2004/2005.

- Much more reliable data concerning error trends has resulted from limiting MEQC reviews to the 25 large counties.
- The dollar error threshold has increased from \$5, which had been in effect from 1979 to 1999, to \$400 effective July 1, 2002.

SUMMARY

In addition to increasing efficiency and use of Quality Control staff time, the GSP should enhance the accuracy and usefulness of reported findings. The Department is confident the extension of the pilot project effective July 1, 2004, will continue to provide counties with more complete MEQC information and assist in our common quest for excellence in the Medi-Cal eligibility determination process.

If you have any questions, please contact Mr. John Lim at (415) 904-9702.

Original signed by

Beth Fife, Chief
Medi-Cal Eligibility Branch

Enclosure

**PROPOSED GSP LARGE AND SMALL COUNTIES
FOR APRIL 2004 THROUGH SEPTEMBER 2004
OCTOBER 2004 THROUGH MARCH 2005 BASE PERIODS**

**Medi-Cal Eligibility Quality Control Counties
25 Largest Counties
(94% of CA MAO population)**

County	Total
Los Angeles	1,289,416
Orange	225,036
San Diego	172,918
San Bernadino	165,843
Riverside	141,957
Fresno	129,569
Santa Clara	118,426
Sacramento	105,446
Kern	99,663
Alameda	86,314
Tulare	70,500
San Joaquin	66,723
Stanislaus	64,453
Ventura	64,306
San Francisco	50,462
Contra Costa	48,027
Monterey	46,806
Santa Barbara	39,702
Merced	36,896
San Mateo	35,691
Sonoma	28,058
Solano	27,058
Imperial	23,203
Butte	22,881
Santa Cruz	20,326
Total	3,179,680

**Periodic Case Review Counties
33 Smallest Counties
(6% of CA MAO population)**

County	Total
Madera	20,130
San Luis Obispo	16,373
Kings	16,355
Shasta	16,321
Yolo	13,410
Humboldt	11,984
Mendocino	11,829
Placer	10,504
Sutter	10,070
Marin	8,907
El Dorado	7,946
Napa	7,561
Yuba	7,074
Tehama	6,774
Lake	5,926
Siskiyou	4,641
Nevada	4,449
San Benito	4,191
Glenn	3,695
Tuolumne	3,548
Del Norte	3,182
Colusa	3,008
Calaveras	2,558
Lassen	2,144
Amador	1,786
Inyo	1,752
Plumas	1,279
Mariposa	1,231
Trinity	1,139
Modoc	1,120
Mono	701
Sierra	212
Alpine	136
Total	211,936

Data from November 2003 Elig0401_Benes_by_Month_2004_01 Report

Medically Indigent+, Medically Needy+, and Other+ categories were used for this Enclosure