



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



EDMUND G. BROWN JR.
Governor

September 27, 2012

TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 12-26
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: 2012/2013 Medi-Cal Eligibility Quality Control (MEQC) Geographic
Sampling Plan (GSP) Pilot Project

The purpose of this letter is to inform counties of the Centers for Medicare and Medicaid Services (CMS), approved extension of the GSP pilot project. The renewed GSP authorizes the Department of Health Care Services (DHCS) to continue conducting geographic sampling of Medi-Cal Assistance Only (MAO) cases. The initial pilot was implemented on July 1, 1999, and has been extended effective first of July, thereafter, through Fiscal Year (FY) 2011/2012. This All County Welfare Directors' Letter provides information on the latest extension, which is effective July 1, 2012, for FY 2012/2013.

BACKGROUND

Prior to approval of the GSP pilot project, the Program Review Branch (PRB) annually reviewed random samples of MAO cases for all 58 counties. The number of 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. This minimal number 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 has minimized travel time and costs, increased MEQC efficiency, and enhanced the accuracy and usefulness of county reports. In consideration of the GSP, DHCS agrees to maintain the level of MEQC effort.

GSP PILOT PROJECT

As with prior iterations of GSP, MEQC case reviews will continue to be conducted in the 25 large counties which comprise approximately 94 percent of the statewide MAO population for 2012/2013. As a result of the extension of the GSP pilot project, the annual MEQC coverage for the 25 large counties is projected to be 2,520 cases (15 cases monthly x 12 months x 14 staff persons). This will provide more MEQC data and should ensure a more accurate measurement of state and county performance in the MAO program as well as suggesting possible Focused Review issues.

Enclosed is a chart by MAO population size for the California counties. The chart reflects the MAO population for the Summary Pivot Table, Most Recent 24 Months, Report Date of November 2011, September 2011 Beneficiary Count Medically Indigent, Medically Needy, Undocumented and Other Categories. The 33 smallest and 25 largest counties are identified as well as the MAO numbers for each county.

CMS' 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 lowest level of statistical certainty for 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, 2012, the dollar threshold level for a citable 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 citable error. This dollar error threshold will allow both PRB and the 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, PRB will conduct Corrective Action Reviews on all MEQC cases with citable errors and procedural errors.

DHCS provides an annual report to CMS on the findings of the MEQC pilot project. PRB anticipates that the pilot will be renewed annually and will continue for an indefinite period of time.

ACCOMPLISHMENTS

Under the GSP pilot project thus far, PRB 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 2,520 MEQC reviews for 2012/13.
- More reliable data concerning error trends has resulted from the concentrating MEQC reviews in the 25 large counties.

- The dollar-error threshold has increased from \$5, which had been in effect since 1979 to June 30, 1999, to \$400 which has been in effect since July 1, 2002.

SUMMARY

In addition to increasing efficiency and use of PRB staff time, GSP should enhance the accuracy and usefulness of reported findings. DHCS is confident that the extension of the pilot project effective July 1, 2012, 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 of my staff at (415) 904-9702.

Original Signed By

Azadeh Fares, Chief (Acting)
Medi-Cal Eligibility Division

Attachment

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