

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



California  
Department of  
Health Services

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Director

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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 05-05  
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 (DHS) 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 every July 1<sup>st</sup> thereafter through Fiscal Year (FY) 2004/2005. This All County Welfare Directors' Letter provides information on the latest extension, which is effective July 1, 2005, for FY 2005/2006.

### **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, the 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, DGS agrees to maintain the level of MEQC effort.

### **GSP PILOT PROJECT**

Based on the 2005/2006 GSP, MEQC case reviews will be conducted in the 25 large counties that 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 2,688 cases (16 cases monthly x 12 months x 14 staff persons). 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 (FR) issues.

Enclosed for your information is a chart of California counties MAO population size. The chart reflects the MAO population for the July 2004 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 percentage 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, 2005, 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 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 citable errors, procedural errors, and/or pertinent information.

DHS provides a base period report to CMS on the findings of the MEQC pilot project. DHS 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, 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 2,688 MEQC reviews in 2005/2006.
- Implementation of the GSP has resulted in significant efficiency and reduce travel cost and time.
- Much more reliable data concerning error trends have resulted from limiting MEQC reviews to the 25 large counties.
- The dollar error threshold has increased from \$5, which had been in effect from at least 1979 to June 30, 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. DHS is confident the extension of the pilot project effective July 1, 2005, 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. Tom Welch, Chief of the Program Review Section, at (916) 552-9445.

Original signed by

Tameron Mitchell, R.D., M.P.H., Chief  
Medi-Cal Eligibility Branch

Enclosure

**PROPOSED GSP LARGE AND SMALL COUNTIES  
FOR APRIL 2005 THROUGH SEPTEMBER 2005 AND  
OCTOBER 2005 THROUGH MARCH 2006 BASE PERIODS**

<b>Medi-Cal Eligibility Quality Control Counties 25 Largest Counties (94% of CA MAO population)</b>		<b>Periodic Case Review Counties 33 Smallest Counties (6% of CA MAO population)</b>	
<b>County</b>	<b>Total</b>	<b>County</b>	<b>Total</b>
Los Angeles	1,427,093	Santa Cruz	21,093
Orange	236,853	Kings	17,447
San Diego	180,836	Shasta	17,290
San Bernardino	177,067	San Luis Obispo	17,042
Riverside	149,552	Yolo	14,592
Fresno	136,537	Placer	12,588
Santa Clara	132,104	Humboldt	12,382
Sacramento	115,525	Mendocino	11,501
Kern	110,004	Sutter	10,887
Alameda	94,029	Marin	9,471
Tulare	76,127	El Dorado	8,329
San Joaquin	72,985	Napa	7,937
Ventura	68,393	Yuba	7,916
Stanislaus	67,256	Tehama	7,079
San Francisco	53,303	Lake	6,443
Contra Costa	51,311	San Benito	4,655
Monterey	47,923	Nevada	4,565
Santa Barbara	42,688	Siskiyou	4,440
San Mateo	38,379	Glenn	3,970
Merced	37,753	Tuolumne	3,671
Solano	29,006	Colusa	3,252
Sonoma	28,252	Del Norte	3,041
Imperial	24,490	Calaveras	2,570
Butte	24,003	Lassen	2,295
Madera	21,984	Inyo	1,918
<b>Total</b>	<b>3,443,453</b>	Amador	1,786
		Plumas	1,334
		Mariposa	1,321
		Modoc	1,236
		Trinity	1,147
		Mono	824
		Sierra	200
		Alpine	117
		<b>Total</b>	<b>224,339</b>

Data from Elig0410\_Benes\_by\_Month Report for July 2004  
Medically Indigent+, Medically Needy+, and Other+ categories  
were used for this Enclosure