

**Supporting Statement Part B**  
**Collection of Information Employing Statistical Methods**

1. Describe potential respondent universe.

The respondents include any of the 51 States that perform the traditional sampling process.

2. Describe procedures for collecting information.

The State mails the sampling plans to its respective CMS Regional Office 60 days prior to the corresponding review period. Detailed universe estimates and sampling intervals are submitted at least 2 weeks prior to the first sample selection of the period. Detailed universe estimates for each 6 month sampling period and interval calculations must be resubmitted for each sampling period if the estimates differ from the previous period. A State must submit a basic sampling plan only when a revision to the last approved plan is proposed.

The State estimates the average monthly sample frame size and determines the number of required completed case reviews (minimum required reviews vary from State to State ranging from 175 to 875 cases for each 6-month period). The average number of reviews to be completed monthly is calculated by dividing the number of case reviews to be completed for the 6-month review period by six. The number of cases selected for a review period must exceed the number of sample cases required to account for cases listed in error and cases dropped from review for other reasons. All States conducting a traditional sample and review MEQC program conform to these sampling procedures.

3. Describe methods to maximize response rates.

CMS Central Office asks the Regional Offices to send a reminder to any respective State that is operating a traditional program for the upcoming year and has not submitted a plan. Regional Offices have also been advised that they could send a letter notifying States of any non-compliance.

4. Describe any tests of procedures or methods.

To ensure compliance with federally required procedures for selecting cases for review, State MEQC systems must be operating under an approved MEQC sampling plan. The sampling plan must describe a statistically valid process and is reviewed against the following criteria. (See section 7130 of the State Medicaid

Manual (SMM), chapter 2).

- a. Description of populations to be sampled - must indicate the specific populations from which to sample and a description of the types of cases included in each population.
- b. Description of sample selection lists - complete description of the MAO sampling frames.
- c. Number of sample cases to be selected from each population - must be greater than or equal to the minimum sample size required for each stratum/substratum.
- d. Sample selection procedures - must be described in detail.
- e. Claims collection procedure - describe how the claims will be located and assembled and the timing of claims collection.
- f. States must specify in the plan if they (1) use billed amounts, (2) use denied claims in the payment review, and (3) opt to drop cases selected more than once in the sampling period. No indication in the plan will be interpreted to mean the contrary.

#### MEQC Pilots

States conducting pilot studies must submit a pilot proposal to their respective Regional Office at least 60 days prior to the planned implementation of the study. The CMS Regional Office will review and approve the proposal or work directly with the State to make the proposal acceptable. Basic contents of a pilot proposal include, but are not limited to:

- a. Description of the review,
- b. Identify a sampling unit,
- c. Description of the universe of sampling units, where it is contained and the size,
- d. Timeframe of the review,
- e. Sample size, and
- f. Method of selection, i.e. random number generator, random number table, systematic random sample.

#### PERM Eligibility Data Substitution

The CHIPRA allows States in their PERM year the option to use the samples, eligibility findings and payment review findings as a result of the PERM eligibility component to meet the requirements for MEQC in that year. This eliminates the burden of sampling for MEQC by replacing it with PERM sampling. States that elect not to use PERM eligibility samples and findings to meet the MEQC requirement are still responsible for sampling cases separately for PERM and MEQC. The estimate for PERM reporting burden is discussed under an already approved OMB control number: 0938-0994.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design.

At the initial implementation, CMS established requirements developed by statisticians Roger Buchanan and Stanley Nachimson in consultation with MESTAT, Inc. when implementing the statute. These requirements have been longstanding program policy.

Pilot proposal sampling recommendations were submitted by the CMS Region 2 Statistician. The Lewin Group and Livanta LLC were consulted on PERM data substitution and sampling.