


Statistical Sampling and Nebraska MFCU

Presented by:

J.O. Fitzgerald, CFE
Chief Auditor
Nebraska Medicaid Fraud and Patient Abuse Unit


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Why MFCUs use Statistical Sampling in a Civil and/or Criminal Investigation?

- Can calculate and extrapolate the amount of overpayment over a large number of claims
- Can determine if further investigation is warranted
- Can project onto period with unavailable records
- Can speed up an investigation
- Great negotiation tool

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Legal Authority for Use of Statistical Sampling for Overpayment Estimation

- Statistical sampling does not violate due process "so long as extrapolation is made from a representative sample and is statistically significant." *Chaves County Home Health Service, Inc. v. Sullivan*, 931 F.2d 914 (D.C. Cir. 1991), cert denied, 402 U.S. 1091 (1992).

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Factors Nebraska MFCU Considers before using Sampling

- Number of claims in universe
- Variability between claims
- Dollar values associated with claims
 - i.e. Unlikely to sample high dollar claims from hospitals
- Available resources

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Nebraska MFCU Uses Windows RAT-STATS 2007 – Version 2

- Designed and used by HHS-OIG
- Simple design for ease of use
- Can be used on any computer
- Documents your sampling parameters and results
- Free download:
<http://oig.hhs.gov/organization/oas/ratstats.asp>

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Nebraska MFCU Uses Windows RAT-STATS 2007 – Version 2 (Continued)

- Are the Random Numbers Really Random?
 - Tested using 13 certification programs from the National Bureau of Standards to test for various aspects of randomness. Software passed all 13 tests.

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Nebraska MFCU Statistician Expert

- Contract with University of Nebraska Statistician Professor
- Used to review RAT-STATS and gave the O.K.!
- Used to review and O.K. difficult sample plans (i.e. stratification of claims)
- Used when needed for expert testimony

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Nebraska MFCU Sampling Process

Process is similar to Medicare Program Integrity Manual §3.10

- Define Universe
- Define Sampling Unit
 - Claim #
 - Claim Line #
 - Day of Service
- Define Sampling Frame

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Nebraska MFCU Sampling Process (Continued)

- What Sample Design to Use
 - Simple vs. Stratified vs. Cluster
- Determine Sample Size
 - Is there a "Magic" Number?
- Pull Sample
- Request and Audit Documentation
- Determine Audited and Examined Amounts

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Uses of Sample results in MFCU Investigations

- Determining an overpayment amount
-In most situations the Nebraska MFCU uses the lower limit of a 90% confidence interval as the overpayment amount. This is a conservative method and works to financial advantage of provider (Better Safe than Sorry!)
- Determining a settlement amount (Civil)
- Determining a restitution amount (Sentencing and Plea Agreements)

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DOCUMENT EVERYTHING!

- Universe
- Sampling Unit - The item being sampled
- Sampling Frame - A list of all the sampling units
- Seed Number (Documented in RAT-STATS)
- Results from Sampling Software!

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THANK YOU!

- Discussion?
- Questions?

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**Nebraska Department
of Justice**

Office of Attorney General
Medicaid Fraud and Patient Abuse Unit
J.O. Fitzgerald, CFE
Chief Auditor
justin.fitzgerald@nebraska.gov
(402) 471-6034
