03-92 SAMPLING METHODS APPENDIX B

CRITERIA FOR ADJUSTING ANTICIPATED ERROR RATES

PURSUANT TO 42 CFR 431.865(d)

Initial Calculation of Anticipated Error Rate

Unless you submit rebuttal evidence as described below, your anticipated error rate is the lower of (1) the Medicaid eligibility quality control (MEQC) payment error rate for the latest 6-month period, or (2) the weighted average of the error rates for the latest two 6-month periods completed by you and the Health Care Financing Administration (HCFA).

Basis for Rebuttal

Effective May 31, 1990, program changes published in the Federal Register (see 42 CFR 431.865) state that any State may rebut its anticipated error rate only if its anticipated error rate is based on erroneous data. This applies to subsample findings or Federal data entry errors only. Data errors do not include State-transmitted original State review findings, except for the situations outlined in §7500.

Timeframes

Inform HCFA at least 70 days prior to the beginning of a quarter that you intend to submit valid evidence to rebut the anticipated error rate. Submit the evidence to HCFA at least 40 days prior to the beginning of the quarter. You may request copies of data used to compute your error rate within 7 days of receiving notification of your projected error rate.

Criteria for Acceptance of State Evidence

Acceptable examples of erroneous data regarding Federal data errors include keypunching of universe or monitor data or regional office changes to State data. State challenges of the methodology used to compute the error rates are unacceptable, as specified in 42 CFR 431.865(d)(2)(vi). Also, citing incorrect HCFA instructions in the State Medicaid Manual is not accepted.

Documentation Requirements

Your submittal must include all documentation necessary for HCFA to verify that the evidence requirements are met (i.e., the list of erroneous subsample cases, the error rate computation, and your projected error rate).

Time Validity of State Evidence

You may submit the above-specified evidence and request that it be considered to rebut the error rates for both the quarter in question and the following quarter preceding the availability of another review period's data.

**The next page is 7-2-47.**

Rev. 48 7-2-41