



California  
Department of  
Health Services

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**Department of Health Services**



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TO: ALL COUNTY WELFARE DIRECTORS Letter No.: 06-10  
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 California Department of Health Services (CDHS) 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 2005-2006. This All County Welfare Directors' Letter provides information on the latest extension, which is effective July 1, 2006, for fiscal year 2006-2007.

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

### **GSP PILOT PROJECT**

Based on the 2006-2007 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 each California county's MAO population size. The chart reflects the MAO population for the February 2005 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 fiscal year 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, 2006, 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 and procedural errors.

CDHS provides a base period report to CMS on the findings of the MEQC pilot project. CDHS 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 2006-2007.
- Implementation of the GSP has resulted in significant efficiency and reduced travel cost and time.
- Much more reliable data concerning error trends has 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, which has been effective since 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. CDHS is confident the extension of the pilot project effective July 1, 2006, 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 at (916) 552-9438.

**Original Signed by Richard Brantingham for**

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

Enclosure

**PROPOSED GSP LARGE AND SMALL COUNTIES  
FOR APRIL 2006 THROUGH SEPTEMBER 2006 AND  
OCTOBER 2006 THROUGH MARCH 2007 BASE PERIODS**

**Medi-Cal Eligibility Quality Control Counties  
25 Largest Counties  
(94% of CA MAO population)**

<b>County</b>	<b>Total</b>
Los Angeles	1,487,301
Orange	236,152
San Bernadino	196,349
San Diego	182,358
Riverside	167,186
Fresno	139,130
Santa Clara	130,166
Sacramento	117,643
Kern	110,110
Alameda	98,783
Tulare	78,656
San Joaquin	72,599
Ventura	70,335
Stanislaus	67,049
San Francisco	54,681
Contra Costa	53,361
Monterey	47,415
San Mateo	43,190
Santa Barbara	42,688
Merced	37,247
Solano	29,599
Sonoma	28,794
Imperial	25,336
Butte	23,482
Madera	21,968
<b>Total</b>	<b>3,561,578</b>

**Periodic Case Review Counties  
33 Smallest Counties  
(6% of CA MAO population)**

<b>County</b>	<b>Total</b>
Santa Cruz	21,305
Kings	17,401
San Luis Obispo	17,240
Shasta	16,870
Yolo	14,286
Placer	13,993
Humboldt	12,893
Mendocino	11,968
Sutter	10,886
Marin	9,742
El Dorado	8,430
Napa	7,895
Yuba	7,854
Tehama	7,182
Lake	6,670
San Benito	4,712
Nevada	4,652
Siskiyou	4,509
Glenn	4,063
Tuolumne	3,691
Colusa	3,225
Del Norte	2,875
Calaveras	2,468
Lassen	2,251
Amador	1,830
Inyo	1,819
Mariposa	1,334
Plumas	1,316
Modoc	1,277
Trinity	1,181
Mono	832
Sierra	240
Alpine	128
<b>Total</b>	<b>227,018</b>

**Data from Elig0508\_ Benes\_by\_Month Report for February 2005  
Medically Indigent+, Medically Needy+, and Other+ categories  
were used for this Enclosure**