

TITLE 317. OKLAHOMA HEALTH CARE AUTHORITY
CHAPTER 30. MEDICAL PROVIDERS-FEE FOR SERVICE
SUBCHAPTER 3. GENERAL PROVIDER POLICIES
PART 1. GENERAL SCOPE AND ADMINISTRATION

317:30-3-2.1. Program Integrity Audits/Reviews

(a) This section applies to all contractors/providers:

(1) **"Contractor/provider"** means any person or organization that has signed a provider agreement with the Oklahoma Health Care Authority (OHCA).

(2) **"Extrapolation"** means the methodology of estimating an unknown value by projecting, with a calculated precision (i.e., margin of error), the results of a probability sample to the universe from which the sample was drawn.

(3) **"Probability sample"** means the standard statistical methodology in which a sample is selected based on the theory of probability (a mathematical theory used to study the occurrence of random events).

(b) An OHCA audit/review includes the following:

(1) An examination of provider records, by either an on-site or desk audit. Claims may be examined for compliance with relevant federal and state laws and regulations, written provider billing instructions, numbered memoranda, and/or medical necessity.

(2) A draft audit/initial review report, which contains preliminary findings.

(3) An informal reconsideration period in which the provider may supply relevant information to clear any misunderstandings and/or findings.

(4) The right to a formal appeal, if the contractor/provider requests it.

(5) A final audit/review report.

(c) When OHCA conducts a probability sample audit, the sample claims are selected on the basis of recognized and generally accepted sampling methods. If ~~sampling~~ audit reveals patterns of inappropriate coding, failure to adhere to ~~Medicaid~~ SoonerCare policies, issues related to medical necessity, consistent patterns of overcharging, lack of appropriate documentation, or other fiscal abuse of the ~~Medicaid~~ SoonerCare program, with an error rate of more than 10%, the provider may be required to reimburse OHCA the extrapolated amount.

(1) When projecting the overpayment, using statistical sampling, OHCA uses a sample that is sufficient to ensure a minimum 95% confidence level.

(2) When calculating the amount to be recovered, OHCA ensures that all overpayments and underpayments reflected in the probability sample are totaled and extrapolated to the universe from which the sample was drawn.

- (3) OHCA does not consider non-billed services or supplies when calculating underpayments and overpayments.
- (d) If sampling reveals an error rate of 10% or less, the provider will be required to reimburse OHCA for any overpayments noted during the review.
- (e) In those instances when the probability sample results in an error rate in excess of 10%, the results of a probability sample may be used by OHCA to extrapolate the amount to be recovered.
- ~~(f) Burden of Proof. When the provider disagrees with the findings based on the sampling and extrapolation methodology that was used, the burden of proof of compliance rests with the provider.~~
- ~~(1) The provider must present evidence to show that the sample was invalid. The evidence must include an additional sample of claims, from the same universe, selected on the basis of recognized and generally accepted sampling methods sufficient to ensure a minimum 95% confidence level.~~
- ~~(2) The provider's intent to perform additional audit/review work must be communicated to the agency within the time constraints of the designated appeal. Any such audit must:~~
- ~~(A) be arranged and paid for by the provider;~~
- ~~(B) be conducted by an independent certified public accountant or peer review organization;~~
- ~~(C) demonstrate that a statistically significant higher number of claims and records not reviewed in the agency's sample were in compliance with program regulations; and~~
- ~~(D) be submitted to the agency with all supporting documentation within 120 days of the agency's original final report. Time extensions may be granted, for an additional period not to exceed ninety days, upon written request from the provider.~~
- (f) SoonerCare contracted providers shall have the option of requesting OHCA perform a full-scope audit or utilize an extrapolation method to determine overpayments, if during a review a statistical sample indicates an error rate greater than 10% of paid claims.
- (1) The provider must select the overpayment determination method, full scope audit or extrapolation, within the time constraints of the designated appeal.
- (A) The additional labor cost to perform a full scope audit will be carried by the agency if the review produces an error rate less than the initial error rate;
- (B) The provider will be charged the cost of the full scope audit if the review produces and error rate equal to or greater than the initial error rate;
- (C) Costs will be determined through OHCA billable time plus all applicable overhead and/or the cost of contracted services.
- (2) The provider will be responsible for repayment of the

identified overpayment resulting from the review method chosen.