

3M Science.
Applied to Life.™

Introduction to 3M EAPGs

(3M™ Enhanced Ambulatory Patient
Groupings)
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Ground Rules

Interactive – please ask questions as they surface

Presentation is an overview

- Does not cover all the detailed options within the EAPG grouper

For this diverse group: too little detail for some and too much for others. Follow-up will be needed

All numbers are fictitious, and are for illustrative purposes only.

Outline

Definition of the EAPG Classification System

- Reference systems - DRGs and APCs
- Grouping Under EAPGs
- Procedure Groups
- Medical Groups
- Special Groups (Per Diems, Observation)

Structure/Features

- Consolidation
- Packaging – Uniform/Differential
- Modifiers

Reimbursement

Definition of EAPGs – What they are

Classification system designed specifically for outpatient services

Groups services with similar resource use and costs

Applicable in all ambulatory settings

- Same Day Surgery, Hospital Emergency Department, Outpatient clinics/Diagnostic & Treatment Centers
- Can address phone contacts, home visits, physician services

Definition – What they are

Designed to be applicable to all patients, all ages

- APC applies only to the Medicare population

Based on the ambulatory “visit”

- Generally reported by date of service, not length of stay
- EAPGs allow for segregation of multiple visits reported on a single claim using line item dates of service (for services reported by the same entity as provider of services)
- EAPGs allow for consolidation of multiple visits reported on a single claim into an ‘episode’ (for example: an emergency room visit with additional services that extends into an additional day(s))

How many versions of EAPGs are available?

<u>Version number</u>	<u>Date introduced</u>
3.11	January 2016
3.10	January 2015
3.9	January 2014
3.8	January 2013
3.7	January 2012
3.6	July 2011
3.5	January 2011

What version is Ohio using?

Version 3.9 beginning July 1, 2016

Single Visit (Episode) vs Multiple Visit Processing

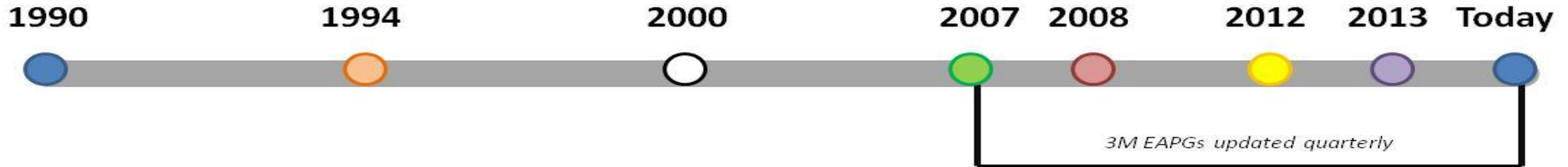
Multiple visit claims (claims with different from and through dates)

- Most claims treated as multiple claims
- Determined by the line item dates of service
- A single claim may include services provided on two or more days
 - Ex: surgical work up and then a same day surgery a few days later
 - Series services, such as therapies, or wound care
- For payment purposes services provided on a single day (based on line item dates of service) are treated a logic visits
- Packaging and discounting performed based on the visit and not the claim

Single visit claims (episodes)

- All services reported on a claim are treated as a single visit for payment purposes
 - Claims when the from and through date are equal, and
 - When specific revenue codes are present regardless if the from and through dates are equal
- Packaging and discounting performed for the entire claim

Outpatient prospective payment system (OPPS): A brief history



1990 - 3M Health Information Systems delivers an OPPS under contract with HCFA (now CMS) —APGs are introduced

1994 - Iowa Medicaid implements the first APG-based OPPS, and other payers follow. APG v2.0 released.

2000 - CMS implements APCs (an APG derivative) as the Medicare OPPS. APCs are Medicare-focused and not fully prospective. Payers move to APC-based OPPS.

2007 - Non-Medicare cost controls renew interest in APG-based OPPS. 3M undertakes a major clinical update and introduces 3M™ Enhanced APG System.

2008 - New York Medicaid implements the first 3M EAPG-based OPPS.

2012 - Massachusetts Medicaid implements 3M EAPG-based OPPS.

3M EAPGs are ICD-10 ready.

2013 - Washington (state) Medicaid, Wisconsin Medicaid, Virginia Medicaid for hospitals, and New Hampshire Medicaid implement 3M EAPG-based OPPS.

Today - Other major payers continue to adopt 3M EAPGs. 3M Health Information Systems **consistently delivers quarterly regulatory updates** to the 3M EAPG methodology and grouping software and also continues to refine the 3M EAPG products to reflect current outpatient clinical practice.

Who is using/convertng to EAPGs for payment (OPPS)?

Current users:

- Illinois Medicaid
- Mass Health
- Minnesota BCBS
- NY DoH
- Oklahoma BCBS
- Virginia Medicaid (ASC & Hospitals)
- Washington Medicaid
- Washington DC Medicaid
- Wellmark BCBS (IA & SD)
- Wisconsin Medicaid

Planned /announced users

- Colorado Medicaid – November 2016
- Ohio Medicaid – July 2016
- Texas Medicaid – TBD

Why a prospective payment system?

What others have said:

- Some method to manage the growing cost of outpatient care
- Fairness
 - Payment based on patient acuity
 - Rational among providers
- Provide incentive for efficiency

Diversity of charges from hospitals by HCPCS code (CMS)

HCPCS	Description	Total Frequency	Minimum Cost	Maximum Cost	Median Cost	Geometric Mean Cost	CV
10021	Fna w/o image (fine needle aspiration)	7358	\$18.24	\$3,313.94	\$209.38	\$233.19	108.514
10022	Fna w/image	74172	\$84.09	\$3,471.73	\$507.69	\$529.35	66.647
10030	Guide cathet fluid drainage	2064	\$46.81	\$6,416.33	\$645.34	\$617.45	83.784
10040	Acne surgery	1057	\$7.38	\$1,590.24	\$121.44	\$115.10	109.074
10060	Drainage of skin abscess	73623	\$5.89	\$4,236.23	\$114.64	\$139.58	177.586
10061	Drainage of skin abscess	19855	\$7.16	\$9,557.87	\$171.87	\$225.23	153.207
10080	Drainage of pilonidal cyst	765	\$11.87	\$7,394.08	\$151.71	\$204.07	164.571
10081	Drainage of pilonidal cyst	157	\$40.82	\$2,888.74	\$379.68	\$439.61	97.074
10120	Remove foreign body	7558	\$8.87	\$7,876.00	\$217.81	\$299.37	125.482
10121	Remove foreign body	889	\$115.06	\$10,438.02	\$1,652.89	\$1,446.30	58.204
10140	Drainage of hematoma/fluid	12002	\$36.95	\$25,168.57	\$1,283.72	\$982.71	99.383
10160	Puncture drainage of lesion	8822	\$10.94	\$5,026.93	\$264.08	\$228.56	111.297
10180	Complex drainage wound	1107	\$160.20	\$13,822.17	\$1,941.56	\$1,798.72	65.699
11000	Debride infected skin	1542	\$8.91	\$15,061.92	\$332.41	\$344.08	129.080
11000	Debride infected skin	1502	\$8.91	\$15,061.92	\$332.41	\$344.08	129.080
11010	Debride skin at fx site	423	\$163.96	\$4,394.58	\$1,474.31	\$1,019.97	81.714



EAPGs vs DRGs

DRGs

- Inpatient admission
- Discharge date defines code sets
- Uses ICD-9-CM or ICD-10-CM diagnosis & procedure codes
- Only one DRG per admission

EAPGs

- Ambulatory visit
- Claim FROM date defines code sets
- Uses ICD-9-CM or ICD-10-CM diagnosis codes & HCPCS (Healthcare Common Procedure Coding System), including CPT, procedure codes
- Multiple EAPGs may be assigned per visit

EAPGs vs. APCs

Category	APCs	EAPGS
Groups	<ul style="list-style-type: none"> - 700 total - 15 medical groups - 317 drug groups 	<ul style="list-style-type: none"> - 568 total - 191 medical groups - 23 drug groups
Complex grouping logic	<ul style="list-style-type: none"> - Comprehensive APCs - Composite APCs 	- not utilized
Editing	Extensive edits –	Almost no editing by grouper Outpatient Code Editor <ul style="list-style-type: none"> - code validation - limited gender validation
Modifier	Subset for grouping/payment	Smaller subset & purpose <ul style="list-style-type: none"> - 25, 27, 50, 52, 59, 73, XE, XS, SP, XU - Therapy modifiers GN, GO, GP - Anatomical modifiers - Other select: 24, 57, 76, 77, 91

EAPGs vs. APCs

Category	APCs	EAPGS
Status indicators	Used for type of service Examples: <ul style="list-style-type: none"> • A – fee schedule • S & T- sig procedures • G, K - drug • N – no separate payment • V – medical visit 	‘Type’ indicates type of service - <ul style="list-style-type: none"> • (No fee schedule) • Significant procedures • Ancillary procedures • Incidental procedures • Medical visit • Drugs
Categories	None	Similar to MDCs - - 56 EAPG categories (procedure & diagnostic) Examples: <ul style="list-style-type: none"> • Musculoskeletal system procedures • Diseases & disorders of the nervous system
Packaging	Standard packaging - <ul style="list-style-type: none"> • Status indicator N • Conditional packaging 	Extensive - <ul style="list-style-type: none"> • Significant procedure consolidation • Ancillary packaging

Data set (input) for defining EAPGs

EAPG

- ICD-9-CM or ICD-10-CM diagnosis codes (RVDX, PDX, SDX)
- HCPCS level I (CPT) & level II (Alphanumeric) procedure codes
- Service Date
- Gender
- Line item action flag (user/payer input, not claim input)
- Age
- Optional:
 - HCPCS level I and level II modifiers
 - Units
 - Revenue code (for clinics)

EAPG claims can be submitted for either UB or CMS-1500 claim format

Outputs

Overall claim type

EAPG groups (the type of group output depends on the diagnosis and/or procedure codes reported)

EAPG types

EAPG categories

EAPG visits

Flags used for determining payment (for example):

- Consolidation
- Packaging
- Discounting
- Grouper options

3M™ Enhanced Ambulatory Patient Groups

Logical Functions within Product

What will be paid?



Editing if defined

Grouping function performed

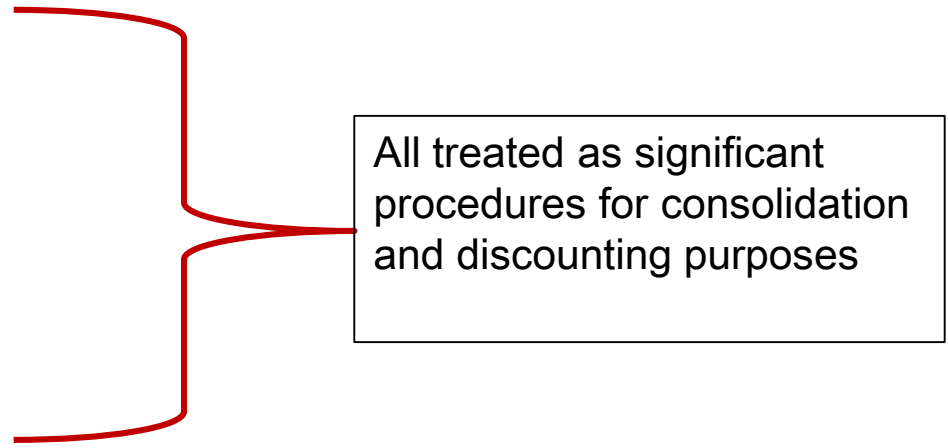
Reimbursement Calculated*

*Policy decisions made by implementing payer: Ohio Medicaid

EAPG types

<u>EAPG Type</u>	<u>Description</u>
------------------	--------------------

1	Per Diem
2	Significant Procedure
21	Physical Therapy & Rehab
22	Mental Health & Counseling
23	Dental Procedure
24	Radiologic Procedure
25	Other Diagnostic Procedure
3	Medical Visit
4	Ancillary
5	Incidental
6	Drug
7	DME
8	Unassigned



Three Major Types of Procedures in the EAPG System

1. SIGNIFICANT PROCEDURES: Normally scheduled procedures, constitutes the reason for the visit and dominates the time and resources expended during the visit.

Expanded into 6 sub-groups in 2011 with grouper version 3.5 (Significant Procedures, Physical Therapy & Rehab, Mental Health & Counseling, Dental, Significant Diagnostic, Radiology)

2. ANCILLARY TESTS AND PROCEDURES: Ordered by the primary physician to assist in patient diagnosis or treatment

Includes Pathology, Laboratory, Chemotherapy & Pharmacotherapy, Durable Medical Equipment and other Ancillary Tests

Three Types of Procedures in the EAPG System (Continued)

3. INCIDENTAL PROCEDURE: An integral part of a medical visit and is usually associated with professional services (“incident to”)

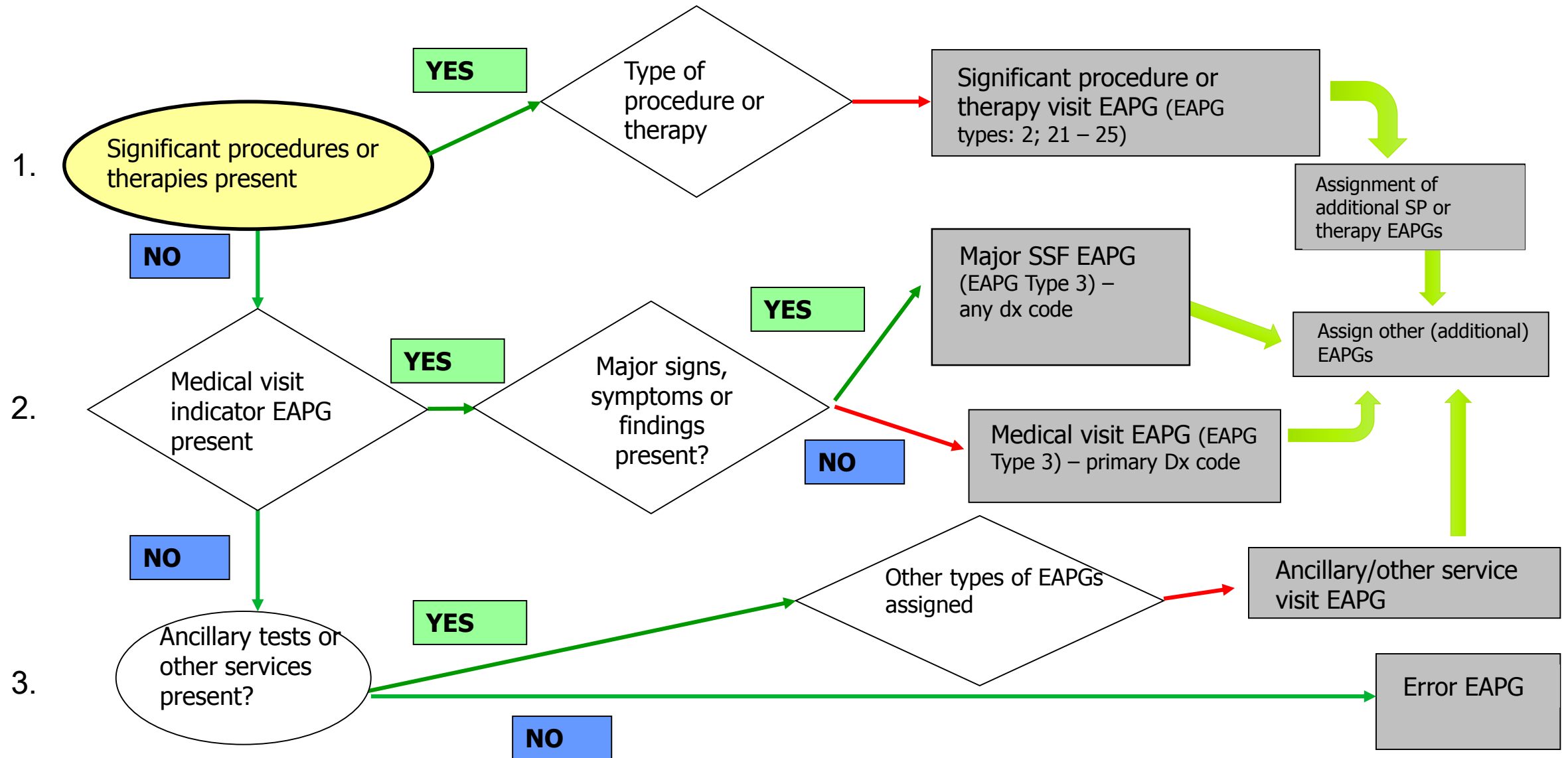
- Examples include: Range of motion measurements, Category II CPT codes for performance measurement, PQRI (Physician Quality Reporting Initiative) codes (HCPCS G-codes)
- Includes Evaluation & Management Codes (EAPG 491 – Medical Visit Indicator) and incidental services assigned to EAPG 490 (Incidental to medical, significant procedure or therapy visit)

Medical EAPGs

Describe patients who receive medical treatment but do not have a significant procedure performed during the visit.

Medical patients are described using the primary or principal diagnosis of the patient coded in ICD-9-CM or ICD-10-CM.

EAPG logic



Medical visits

Two patients make clinic visits

- Diabetes
- Strep throat

What would APCs do?

- One code: G0463

EAPGs

- Differentiates the two visits from each other

Medical visit 1 – EAPGs

Primary Diagnosis

25090 DMII unspf nt st uncntrl
Present On Admission (POA): Exempt from POA reporting/unreported/not used

Primary Diagnosis
25090 DMII unspf nt st uncntrl

Secondary and External Cause of Injury Diagnoses

58181 Nephrotic syn in oth dis
Present On Admission (POA): Exempt from POA reporting/unreported/not used

v5867 Long-term use of insulin
Present On Admission (POA): Exempt from POA reporting/unreported/not used

Procedures

99215 Office/outpatient visit est
Rev Code: 510
Units: 1
Charge: \$ 75.00
Date: 01/30/2014
Final EAPG: 711 DIABETES WITH OTHER MANIFESTATIONS & COMPLICATIONS
Final EAPG Type: 3 Medical Visit
Final EAPG Category: 62 Diabetes Mellitus

EAPG 711 DIABETES WITH OTHER
MANIFESTATIONS & COMPLICATIONS

80053 Comprehen metabolic panel
Rev Code: 300
Units: 1
Charge: \$ 75.00
Date: 01/30/2014
Final EAPG: 403 ORGAN OR DISEASE ORIENTED PANELS
Final EAPG Type: 4 Ancillary
Final EAPG Category: 22 Laboratory

36415 Routine venipuncture
Rev Code: 300
Units: 1
Charge: \$ 20.00
Date: 01/30/2014
Final EAPG: 457 VENIPUNCTURE
Final EAPG Type: 4 Ancillary
Final EAPG Category: 23 Other ancillary tests and procedures
Packaging Flag: Packaging applies

Code	Final EAPG	Adjusted Weight	Pay Action	Total Payment
99215	711	0.3511	1	\$122.89
80053	403	0.0224	1	\$7.84
36415	457	0	4	\$0.00
Claim Total:		0.3735		\$130.73

Medical visit 2 – EAPGs

Primary Diagnosis

0340 Strep sore throat
 Present On Admission (POA): Exempt from POA reporting/unreported/not used

Secondary and External Cause of Injury Diagnoses

None

Procedures

99212 Office/outpatient visit est
 Rev Code: 510
 Units: 1
 Charge: \$ 75.00
 Date: 07/01/2014
 Procedure EAPG: 491 MEDICAL VISIT INDICATOR
 Final EAPG: 562 INFECTIONS OF UPPER RESPIRATORY TRACT
 Final EAPG Type: 3 Medical Visit
 Final EAPG Category: 54 Ear, nose, mouth, throat and craniofacial diseases and disorders

86403 Particle agglut antbdy scrn
 Rev Code: 300
 Units: 1
 Charge: \$ 50.00
 Date: 07/01/2014
 Procedure EAPG: 394 LEVEL I IMMUNOLOGY TESTS
 Final EAPG: 394 LEVEL I IMMUNOLOGY TESTS
 Final EAPG Type: 4 Ancillary
 Final EAPG Category: 22 Laboratory
 Packaging Flag: Packaging applies

36415 Routine venipuncture
 Rev Code: 300
 Units: 1
 Charge: \$ 15.00
 Date: 07/01/2014
 Procedure EAPG: 457 VENIPUNCTURE
 Final EAPG: 457 VENIPUNCTURE
 Final EAPG Type: 4 Ancillary
 Final EAPG Category: 23 Other ancillary tests and procedures
 Packaging Flag: Packaging applies

Primary Diagnosis:
0340 Strep sore throat

EAPG 562: Infections of
upper respiratory tract

Code	Final EAPG	Adjusted Weight	Pay Action	Total Payment
99212	523	0.2124	1	\$74.34
36415	457	0	4	\$0.00
86403	394	0	4	\$0.00
Claim Total:		0.2124		\$74.34

Packaging

Sometimes referred to as bundling

General concept:

- For payment purposes, the inclusion of payment for certain services within payment for significant procedures or medical services.

A concept/phrase to learn and know:

- Just because something does not have separate payment, does not mean it receives no payment
- A bundled/packaged service receives no separate payment

Packaging – the general concept

EAPG standard logic includes

- Ancillary packaging (Packaging)
- Significant procedure consolidation (Consolidation)

EAPG packaging – standard grouping logic

Ancillary packaging

- Uniform list of ancillary EAPGS
- Always packaged when other EAPG is present

Significant procedure consolidation

Uniform Packaging List

<u>EAPG</u>	<u>EAPG Description</u>
373	LEVEL I DENTAL FILM
374	LEVEL II DENTAL FILM
375	DENTAL ANESTHESIA
376	DIAGNOSTIC DENTAL PROCEDURES
377	PREVENTIVE DENTAL PROCEDURES
380	ANESTHESIA
390	LEVEL I PATHOLOGY
394	LEVEL I IMMUNOLOGY TESTS
396	LEVEL I MICROBIOLOGY TESTS
398	LEVEL I ENDOCRINOLOGY TESTS
400	LEVEL I CHEMISTRY TESTS
402	BASIC CHEMISTRY TESTS
406	LEVEL I CLOTTING TESTS
408	LEVEL I HEMATOLOGY TESTS
410	URINALYSIS
411	BLOOD AND URINE DIPSTICK TESTS
412	SIMPLE PULMONARY FUNCTION TESTS
413	CARDIOGRAM

<u>EAPG</u>	<u>EAPG Description</u>
423	INTRODUCTION OF NEEDLE AND CATHETER
424	DRESSINGS AND OTHER MINOR PROCEDURES
425	OTHER MISCELLANEOUS ANCILLARY PROCEDURES
427	BIOFEEDBACK AND OTHER TRAINING
428	PATIENT EDUCATION, INDIVIDUAL
429	PATIENT EDUCATION, GROUP
448	EXPANDED HOURS ACCESS
449	ADDITIONAL UNDIFFERENTIATED MEDICAL VISITS/SERVICES
455	IMPLANTED TISSUE OF ANY TYPE
457	<i>VENIPUNCTURE</i>
459	<i>VACCINE ADMINISTRATION</i>
471	PLAIN FILM
495	MINOR CHEMOTHERAPY DRUGS
496	MINOR PHARMACOTHERAPY
1001	DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL I
1002	DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL II
1003	DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL III

Ancillary packaging

Ancillary service is packaged when:

- The EAPG into which the service is grouped is on the packaging list
- A medical visit EAPG is present, OR
- A significant procedure is present

If ancillary service is provided alone

- No packaging is done

Example of Ancillary Packaging

CPT Code	EAPG Assigned	EAPG Description	Action
11406	010	Level II excision and biopsy of skin and soft tissue	Consolidate with EAPG 137
45385	137	Therapeutic colonoscopy	Include in payment
88304	390	Level I pathology	Package
82947	402	Basic chemistry tests	Package
84233	399	Level II endocrinology tests	Include in payment
93000	413	Cardiogram	Package

EAPG packaging – standard grouping logic

Ancillary packaging

- Uniform list of ancillary EAPGS
- Always packaged when other EAPG is present

Significant procedure consolidation (bundling)

Significant Procedure Consolidation

Definition: When a patient has multiple significant procedures, some of the significant procedures may require minimal additional time or resources. Significant procedure consolidation refers to the collapsing of multiple related significant procedure EAPGs into a single EAPG for the purpose of determining payment.

Example: If both a Level I incision and a Level II incision are coded on a patient bill, only the Level II skin incision will be used in the EAPG payment computation.

Types of consolidation

- Multiple same procedure EAPG
- Clinical (based on clinical algorithm)

Clinical significant procedure consolidation - extract

APPENDIX E - EAPG CONSOLIDATION

EAPG 002 SUPERFICIAL NEEDLE BIOPSY AND ASPIRATION

003 LEVEL I SKIN INCISION AND DRAINAGE

EAPG 004 LEVEL II SKIN INCISION AND DRAINAGE

003 LEVEL I SKIN INCISION AND DRAINAGE

EAPG 005 NAIL PROCEDURES

003 LEVEL I SKIN INCISION AND DRAINAGE

EAPG 006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION

003 LEVEL I SKIN INCISION AND DRAINAGE

EAPG 007 LEVEL II SKIN DEBRIDEMENT AND DESTRUCTION

003 LEVEL I SKIN INCISION AND DRAINAGE

005 NAIL PROCEDURES

006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION

EAPG 008 LEVEL III SKIN DEBRIDEMENT AND DESTRUCTION

003 LEVEL I SKIN INCISION AND DRAINAGE

005 NAIL PROCEDURES

006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION

007 LEVEL II SKIN DEBRIDEMENT AND DESTRUCTION

Example of consolidation – services and grouping

Primary Diagnosis

8799 Opn wound site NOS-compl

Secondary and External Cause of Injury Diagnoses

V9031 Retained quills/spines

Procedures

99211 Office/outpatient visit est

Rev Code: 510

Units: 1

Charge: \$ 75.00

Date: 05/05/2015

Final EAPG: 491 MEDICAL VISIT INDICATOR

Final EAPG Type: 5 Incidental

Final EAPG Category: 30 Incidental procedures and services

Packaging Flag: Packaging applies

10120 Remove foreign body

Rev Code: 510

Units: 2

Charge: \$ 150.00

Date: 05/05/2015

Final EAPG: 3 LEVEL I SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Clinical SP consolidation applies.

23930 Drainage of arm lesion

Rev Code: 510

Units: 1

Charge: \$ 100.00

Date: 05/05/2015

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

27603 Drain lower leg lesion

Rev Code: 510

Units: 1

Charge: \$ 100.00

Date: 05/05/2015

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Same SP consolidation applies.

Example of consolidation – payment

Financial Information - Outpatient Payment Calculation Toolkit - EAPGS											
Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
Visit ID: 1											
99211	491	0.0000	0.00		04	0.00			0.00		0.00
10120	3	0.0000	0.00		02	0.00			0.00		0.00
23930	4	2.1660	1.00		01	866.40			0.00		866.40
27603	4	0.0000	0.00		02	0.00			0.00		0.00
Claim Total:						866.40	0.00	0.00	0.00	0.00	866.40

Modifiers Used in Enhanced APGs

Modifiers are 2-digit codes that provide additional information about the service, appended to the HCPCS code)

25 distinct service - Yes

- Allows assignment of a medical visit EAPG on the same claim/day as a significant procedure EAPG (Distinct and Separate Medical visit + Significant Procedure)

27 multiple E/M encounters - Yes

- Allows assignment of additional medical visit/services ancillary EAPG (Distinct and Separate Medical Visit {E&M} + Medical Visit)

50 bilateral procedure - Yes

- Flags a code for additional payment (150%)

52 & 73 terminated procedure - Yes

- Flags a code for terminated procedure discounting

59 separate procedure - Yes

- Turns off consolidation – allows separate payment

Distinct procedural modifiers (XE, XS, XP, XU) - No

- Turns off consolidation – allows separate payment

Therapy modifiers (GN, GO, GP) - No

- Turns off consolidation – allows separate payment

Anatomical and select modifiers (E1-E4, F1-F9, FA, LT, RT, T1-T9, TA, 24, 57, 76, 77, 91, RC, RI, LC, LM and LD) - No

- Turns off consolidation – allows separate payment

Never event modifiers (PA, PB, PC) - Yes

- Causes line to not pay

Example of consolidation – services and grouping

Primary Diagnosis

8799 Opn wound site NOS-compl

Secondary and External Cause of Injury Diagnoses

V9031 Retained quills/spines

Procedures

99211 Office/outpatient visit est

Rev Code: 510

Units: 1

Charge: \$ 75.00

Date: 05/05/2015

Final EAPG: 491 MEDICAL VISIT INDICATOR

Final EAPG Type: 5 Incidental

Final EAPG Category: 30 Incidental procedures and services

Packaging Flag: Packaging applies

10120 Remove foreign body

Modifier 1: 59

Rev Code: 510

Units: 2

Charge: \$ 150.00

Date: 05/05/2015

Final EAPG: 3 LEVEL I SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Clinical SP consolidation applies.

23930 Drainage of arm lesion

Rev Code: 510

Units: 1

Charge: \$ 100.00

Date: 05/05/2015

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

27603 Drain lower leg lesion

Rev Code: 510

Units: 1

Charge: \$ 100.00

Date: 05/05/2015

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Same SP consolidation applies.

Example of consolidation – payment

Financial Information - Outpatient Payment Calculation Toolkit - EAPGS											
Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
Visit ID: 1											
99211	491	0.0000	0.00		04	0.00			0.00		0.00
10120	3	0.3063	0.50		03	122.52			0.00		122.52
23930	4	2.1660	1.00		01	866.40			0.00		866.40
27603	4	0.0000	0.00		02	0.00			0.00		0.00
Claim Total:						988.92	0.00	0.00	0.00	0.00	988.92

Observation logic

Observation is assigned based on several data elements:

- Diagnosis code
- HCPCS codes
- Units of service – as defined during setup
 - None
 - 4 hours – minimum requirement
 - 8 hours – minimum requirement
 - Conditional (specifically for maternity)

Observation logic

All observation is packaged in presence of significant procedure or per diem EAPGs

HCPCS G0378 is present

- Hour requirement based on option selected

Two types of observation

- Ancillary EAPG
- Medical EAPG

Ancillary observation

Medical visit indicator (MVI) present

- E&M codes (99201 – 99205; 99211 – 99214, 99281 – 99285, G0463)
- Medical visit EAPG assigned to MVI (based on primary DX)

EAPG 450 (“OBSERVATION”) assigned to G0378

Medical observation

Observation visit indicator (OVI) present

<u>HCPCS</u>	<u>HCPCS Description</u>	<u>EAPG</u>	<u>EAPG Description</u>
• 99217	Observation care discharge	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99218	Initial observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99219	Initial observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99220	Initial observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99224	Subsequent observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99225	Subsequent observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99226	Subsequent observation care	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99234	Observ/hosp same date	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99235	Observ/hosp same date	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• 99236	Observ/hosp same date	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR
• G0379	Direct refer hospital observ	492	ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR

No medical visit indicator present

Medical observation EAPG assigned based on primary dx code

<u>EAPG</u>	<u>EAPG Description</u>	<u>EAPG Type</u>	<u>EAPG Category</u>
• 500	ENCOUNTER/REFERRAL FOR OBSERVATION - OBSTETRICAL	3 (Medical)	50 (Observation)
• 501	ENCOUNTER/REFERRAL FOR OBSERVATION - OTHER DIAGNOSES	3 (Medical)	50
• 502	ENCOUNTER/REFERRAL FOR OBSERVATION - BEHAVIORAL HEALTH	3 (Medical)	50

Logical Functions within Products

How much will it be paid?

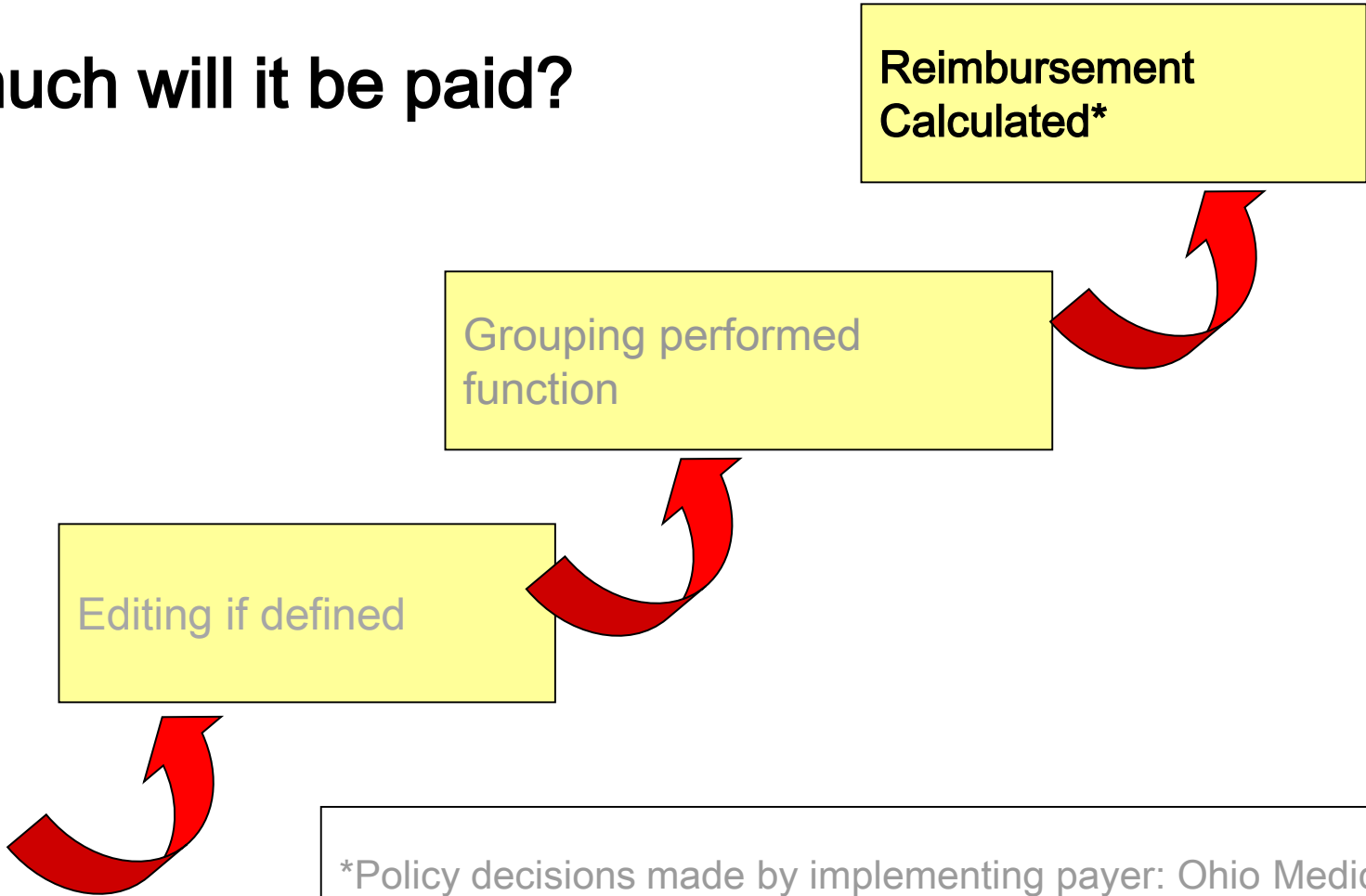
Reimbursement
Calculated*

Grouping performed
function

Editing if defined



*Policy decisions made by implementing payer: Ohio Medicaid



Is every line item priced/paid separately?

As a general rule, consider each line to have separate payment

Lines are not paid separately, if they are:

- Packaged
- Consolidated
- Modifier driven: e.g., never event
- Fails NCCI or MUE edit
- Inpatient only
- Home management
- Non-covered care/setting
- Not used by EAPGs

EAPG Based Payment System

Each EAPG has an associated relative weight for payment

Weights indicate the relative resource utilization among all ambulatory services

- Resource intensive services have higher weights

EAPG payment for a visit is computed as the sum of the payment weights for all non consolidated, non packaged EAPGs with applicable multiple procedure discounts applied.

Incentive for efficient use of routine ancillary services is created by significant procedure consolidation and by the packaging of routine ancillaries into base visit payment

- No incremental payment for routine, low cost ancillaries (blood chemistry, chest x-ray, ekg, etc.)

Examples of EAPG weights

<u>EAPG</u>	<u>EAPG Description</u>	<u>Weight</u>
81	ECHOCARDIOGRAPHY	1.0999
82	CARDIAC ELECTROPHYSIOLOGIC TESTS AND MONITORING	14.2197
83	PLACEMENT OF TRANSVENOUS CATHETERS	3.0327
84	DIAGNOSTIC CARDIAC CATHETERIZATION	4.9494
85	PERIPHERAL TRANSCATHETER AND REVASCULARIZATION PROCEDURES	9.5749
86	PACEMAKER INSERTION AND REPLACEMENT	16.1763
87	REMOVAL AND REVISION OF PACEMAKER AND VASCULAR DEVICE	13.0255
92	RESUSCITATION	1.0071
93	CARDIOVERSION	0.8910
94	CARDIAC REHABILITATION	0.2021
95	THROMBOLYSIS	2.2451
96	ATRIAL AND VENTRICULAR RECORDING AND PACING	10.6025
97	AICD IMPLANT	35.0332

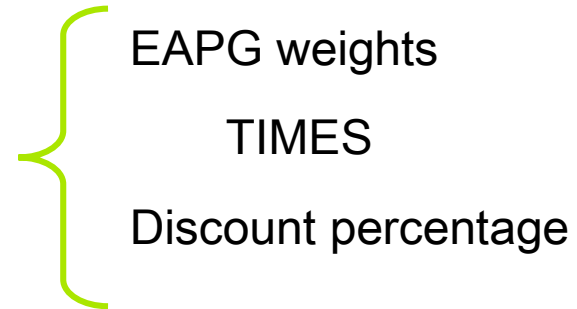
Payment formula

Items consolidated, packaged, not grouped paid \$0.00

Conversion factor (CF) [also called the base rate]

- TIMES

Adjusted weight (AW)



Line items summed for visit total

Are all lines paid using base rate times weight?

Short answer: NO

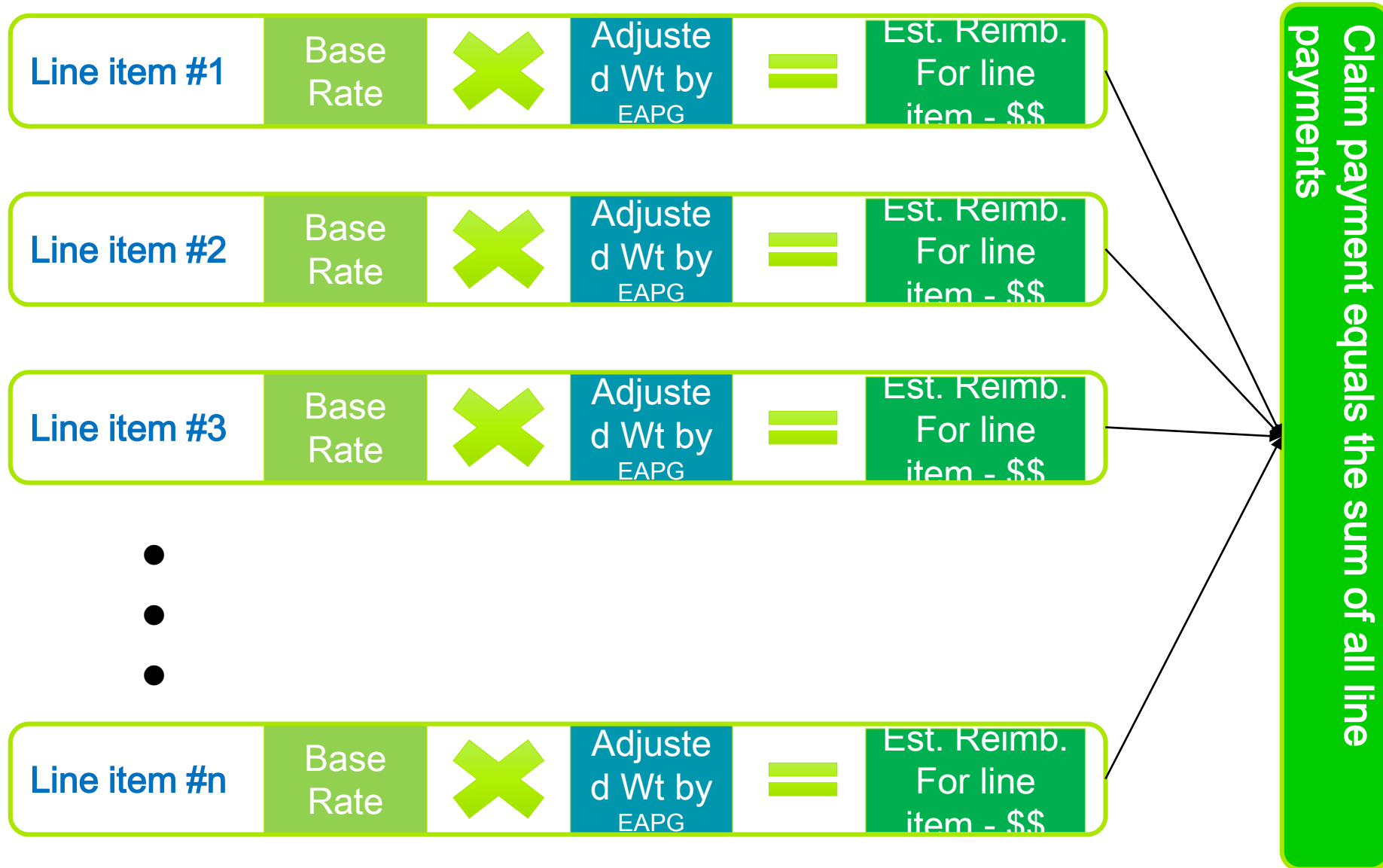
Observation paid at flat rate

Dental services (not packaged or consolidated) paid at flat rate

Lab services paid by fee schedule

DME medical supplies paid by fee schedule

Calculating reimbursement for EAPGs – sum individual line items



Discounting – significant procedures

Multiple unconsolidated significant procedure EAPGs

- Level 1 – 100% (highest weighted EAPG)
- Level 2 – 50%

Cross-type discounting does not apply

	EAPG type 2	EAPG type 21	EAPG type 22	EAPG type 23	EAPG type 24	EAPG type 25
Grouping - Conditional	Grouping - Consolidation		Facility Values	Agency Values		Statistics
Grouping - Per Diem	Grouping - Inpatient Only / Never Pay			Grouping - Packaging	Grouping - Acuity	
Grouping - General	Grouping - Visits	Grouping - EAPG Type Processing				Grouping - Modifiers
	Significant Procedure	Physical Therapy & Rehab	Mental Health & Counseling	Dental	Radiologic Procedure	Diagnostic Significant Procedure
Same procedure consolidation for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Clinical procedure consolidation for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Multiple procedure discounting for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medical visit processed with:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Discounting – ancillary services

Multiple unpackaged ancillaries

- *Repeat same ancillary EAPGs*
- *Level 1 – 100%*
- *Level 2 – 50%*
- *Multiple different ancillary EAPGs*

Modifiers

- 50 – Bilateral procedure
- Flags PX code for additional payment – 150%

Terminated procedures

- 50%

Multiple Significant Procedure Discounting

When multiple significant procedures are performed, a discounting of the EAPG payment is applied.

Discounting refers to a reduction in the standard payment rate for an EAPG.

Discounting recognizes that the marginal cost of providing a second procedure to a patient during a single visit is less than the cost of providing the procedure by itself.

Multiple significant procedure discounting is available for all significant procedure types

Discounting example

HCPCS code	Description	Final EAPG	EAPG Type	Adjusted weight	Pay percent	Pay action	Payment
35476	Repair venous blockage	85	Sign Px	14.0636	100.00%	Full payment	\$3,886.90
36120	Establish access to artery	280	Sign Px	5.3728	50.00%	Discounted	\$1,484.93
72193	Ct pelvis w/dye	301	Sign Px	0.6492	50.00%	Discounted	\$179.44
80053	Comprehen metabolic panel	403	Ancill	0.3618	100.00%	Full payment	\$99.99
85610	Prothrombin time	406	Ancill	0.00	0.00%	Packaged	\$0.00
75790	Visualize A-V shunt	474	Ancill	2.9696	100.00%	Full payment	\$820.74
75978	Repair venous blockage	474	Ancill	1.4848	50.00%	Discounted	\$410.37
						Total	\$6,882.37

Thinking about information systems

Is there anything a hospital needs to do to understand and be successful with EAPGs?

Education: have someone who really understands how they work

Have processes

- For reviewing payments: are they what is expected?
- Resolving in discrepancies
- Resolving any edits

Have a grouper in house

Linkage between grouper and EHR/billing system

Make certain have in-house system that can store the EAPG grouper outputs for all claims

May be in addition to APC detail in cases with dual eligible patients

Be able to report and review related ambulatory services for efficient use of resources.

Questions?



THANK YOU!!