3M™ Enhanced Ambulatory Patient Groups (EAPGs)

Dave Fee

Let Me Introduce

EAPGs
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
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))
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.


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.

3M EAPGs are ICD-10 ready.
Who is using/converting to EAPGs for payment (OPPS)?

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

- **Planned /announced users**
  - Colorado Medicaid – TBD
  - Ohio Medicaid
  - Texas Medicaid – TBD
  - Washington DC Medicaid – TBD
Why a prospective payment system?

- What others have said:
  - Some method to manage the growing cost of outpatient care
  - Fairness
  - Provide incentive for efficiency
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

<table>
<thead>
<tr>
<th></th>
<th>APCs</th>
<th>EAPGS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Groups</strong></td>
<td>- &gt; 770 total &lt;br&gt;- 15 medical groups &lt;br&gt;- 317 drug groups</td>
<td>- 564 total &lt;br&gt;- 191 medical groups &lt;br&gt;- 23 drug groups</td>
</tr>
<tr>
<td><strong>Editing</strong></td>
<td>Extensive edits – &lt;br&gt;Outpatient Code Editor</td>
<td>Almost no editing by grouper &lt;br&gt;- code validation &lt;br&gt;- limited gender validation</td>
</tr>
<tr>
<td><strong>Modifier</strong></td>
<td>Subset for grouping/payment</td>
<td>Smaller subset &amp; purpose &lt;br&gt;- 25, 27, 50, 52, 59, 73, XE, XS, SP, XU &lt;br&gt;- Therapy modifiers GN, GO, GP &lt;br&gt;- Anatomical modifiers &lt;br&gt;- Other select: 24, 57, 76, 77, 91</td>
</tr>
</tbody>
</table>
## EAPGs vs. APCs

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

- **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 Products

What will be paid?

Editing if defined

Grouping function performed

Reimbursement Calculated*

*Policy decisions made by implementing payer: Ohio Medicaid
## EAPG types

<table>
<thead>
<tr>
<th>EAPG Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Per Diem</td>
</tr>
<tr>
<td>2</td>
<td>Significant Procedure</td>
</tr>
<tr>
<td>21</td>
<td>Physical Therapy &amp; Rehab</td>
</tr>
<tr>
<td>22</td>
<td>Mental Health &amp; Counseling</td>
</tr>
<tr>
<td>23</td>
<td>Dental Procedure</td>
</tr>
<tr>
<td>24</td>
<td>Radiologic Procedure</td>
</tr>
<tr>
<td>25</td>
<td>Other Diagnostic Procedure</td>
</tr>
<tr>
<td>3</td>
<td>Medical Visit</td>
</tr>
<tr>
<td>4</td>
<td>Ancillary</td>
</tr>
<tr>
<td>5</td>
<td>Incidental</td>
</tr>
<tr>
<td>6</td>
<td>Drug</td>
</tr>
<tr>
<td>7</td>
<td>DME</td>
</tr>
<tr>
<td>8</td>
<td>Unassigned</td>
</tr>
</tbody>
</table>

All treated as significant procedures for consolidation and discounting purposes.
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

1. Significant procedures or therapies present
   - **NO**
   - **YES**
     - Medical visit indicator EAPG present
       - **NO**
         - **NO**
           - Ancillary tests or other services present?
             - **YES**
             - Other types of EAPGs assigned
               - Error EAPG
             - **NO**
               - **NO**
     - **YES**
       - Major signs, symptoms or findings present?
         - **NO**
         - **YES**
          - Significant procedure or therapy visit EAPG (EAPG types: 2; 21 – 25)
          - Major SSF EAPG (EAPG Type 3) – any dx code
          - **NO**
            - Assign other (additional) EAPGs
          - **YES**
            - Assign other (additional) EAPGs

2. Medical visit indicator EAPG present
   - **YES**
   - **NO**

3. Ancillary tests or other services present?
   - **YES**
   - **NO**
EAPG assignment process
(for a single date of service or episode)

HCPCS codes

Look up initial EAPG from HCPCS code to EAPG table

Repeat for all line items on claim

Is there a significant procedure present?*

YES
Initial EAPGs becomes final EAPGs for all line items

NO
Assign MVI (E&M code) EAPG based on primary dx code

Is an MVI Present?

YES
For all other line items initial EAPG becomes final EAPG

NO
For all line items initial EAPG becomes final EAPG
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

EAPG 711 DIABETES WITH OTHER MANIFESTATIONS & COMPLICATIONS
### Medical visit 2 – EAPGs

#### Primary Diagnosis

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0340</td>
<td>Strep sore throat</td>
<td>Exempt from POA reporting/unreported/not used</td>
</tr>
</tbody>
</table>

#### Secondary and External Cause of Injury Diagnoses

<table>
<thead>
<tr>
<th>Code</th>
<th>Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>0251</td>
<td>Streptobacillary fever</td>
<td>Exempt from POA reporting/unreported/not used</td>
</tr>
</tbody>
</table>

#### Procedures

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>99212</td>
<td>Office/outpatient visit est</td>
<td>Rev Code: 810, Units: 1, Charge: $55.00, Date: 01/20/2014, Final EAPG: 523 MULTIPLE SCLEROSIS &amp; OTHER DEMYELINATING DISEASES</td>
</tr>
<tr>
<td>36415</td>
<td>Routine venipuncture</td>
<td>Rev Code: 300, Units: 1, Charge: $25.00, Date: 01/20/2014, Final EAPG: 457 VENIPUNCTURE</td>
</tr>
<tr>
<td>86403</td>
<td>Particle agglut antbdy scrn</td>
<td>Rev Code: 300, Units: 1, Charge: $50.00, Date: 01/20/2014, Final EAPG: 394 LEVEL I IMMUNOLOGY TESTS</td>
</tr>
</tbody>
</table>

#### EAPG 562 INFECTIONS OF UPPER RESPIRATORY TRACT

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>99212</td>
<td>523</td>
<td>0.2124</td>
<td>1</td>
<td>$74.34</td>
</tr>
<tr>
<td>36415</td>
<td>457</td>
<td>0.2124</td>
<td>4</td>
<td>$0.00</td>
</tr>
<tr>
<td>86403</td>
<td>394</td>
<td>0.2124</td>
<td>4</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Claim Total:

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.2124</td>
<td></td>
<td>$74.34</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>EAPG</th>
<th>EAPG Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>373</td>
<td>LEVEL I DENTAL FILM</td>
</tr>
<tr>
<td>374</td>
<td>LEVEL II DENTAL FILM</td>
</tr>
<tr>
<td>375</td>
<td>DENTAL ANESTHESIA</td>
</tr>
<tr>
<td>376</td>
<td>DIAGNOSTIC DENTAL PROCEDURES</td>
</tr>
<tr>
<td>377</td>
<td>PREVENTIVE DENTAL PROCEDURES</td>
</tr>
<tr>
<td>380</td>
<td>ANESTHESIA</td>
</tr>
<tr>
<td>390</td>
<td>LEVEL I PATHOLOGY</td>
</tr>
<tr>
<td>394</td>
<td>LEVEL I IMMUNOLOGY TESTS</td>
</tr>
<tr>
<td>396</td>
<td>LEVEL I MICROBIOLOGY TESTS</td>
</tr>
<tr>
<td>398</td>
<td>LEVEL I ENDOCRINOLOGY TESTS</td>
</tr>
<tr>
<td>400</td>
<td>LEVEL I CHEMISTRY TESTS</td>
</tr>
<tr>
<td>402</td>
<td>BASIC CHEMISTRY TESTS</td>
</tr>
<tr>
<td>406</td>
<td>LEVEL I CLOTTING TESTS</td>
</tr>
<tr>
<td>408</td>
<td>LEVEL I HEMATOLOGY TESTS</td>
</tr>
<tr>
<td>410</td>
<td>URINALYSIS</td>
</tr>
<tr>
<td>411</td>
<td>BLOOD AND URINE DIPSTICK TESTS</td>
</tr>
<tr>
<td>412</td>
<td>SIMPLE PULMONARY FUNCTION TESTS</td>
</tr>
<tr>
<td>413</td>
<td>CARDIOGRAM</td>
</tr>
<tr>
<td>423</td>
<td>INTRODUCTION OF NEEDLE AND CATHETER</td>
</tr>
<tr>
<td>424</td>
<td>DRESSINGS AND OTHER MINOR PROCEDURES</td>
</tr>
<tr>
<td>425</td>
<td>OTHER MISCELLANEOUS ANCILLARY PROCEDURES</td>
</tr>
<tr>
<td>427</td>
<td>BIOFEEDBACK AND OTHER TRAINING</td>
</tr>
<tr>
<td>428</td>
<td>PATIENT EDUCATION, INDIVIDUAL</td>
</tr>
<tr>
<td>429</td>
<td>PATIENT EDUCATION, GROUP</td>
</tr>
<tr>
<td>448</td>
<td>EXPANDED HOURS ACCESS</td>
</tr>
<tr>
<td>449</td>
<td>ADDITIONAL UNDIFFERENTIATED MEDICAL VISITS/SERVICES</td>
</tr>
<tr>
<td>455</td>
<td>IMPLANTED TISSUE OF ANY TYPE</td>
</tr>
<tr>
<td>457</td>
<td>VENIPUNCTURE</td>
</tr>
<tr>
<td>459</td>
<td>VACCINE ADMINISTRATION</td>
</tr>
<tr>
<td>471</td>
<td>PLAIN FILM</td>
</tr>
<tr>
<td>495</td>
<td>MINOR CHEMOTHERAPY DRUGS</td>
</tr>
<tr>
<td>496</td>
<td>MINOR PHARMACOTHERAPY</td>
</tr>
<tr>
<td>1001</td>
<td>DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL I</td>
</tr>
<tr>
<td>1002</td>
<td>DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL II</td>
</tr>
<tr>
<td>1003</td>
<td>DURABLE MEDICAL EQUIPMENT AND SUPPLIES LEVEL III</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>CPT Code</th>
<th>EAPG Assigned</th>
<th>EAPG Description</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>11406</td>
<td>010</td>
<td>Level II excision and biopsy of skin and soft tissue</td>
<td>Consolidate with EAPG 137</td>
</tr>
<tr>
<td>45385</td>
<td>137</td>
<td>Therapeutic colonoscopy</td>
<td>Include in payment</td>
</tr>
<tr>
<td>88304</td>
<td>390</td>
<td>Level I pathology</td>
<td>Package</td>
</tr>
<tr>
<td>82947</td>
<td>402</td>
<td>Basic chemistry tests</td>
<td>Package</td>
</tr>
<tr>
<td>84233</td>
<td>399</td>
<td>Level II endocrinology tests</td>
<td>Include in payment</td>
</tr>
<tr>
<td>93000</td>
<td>413</td>
<td>Cardiogram</td>
<td>Package</td>
</tr>
</tbody>
</table>
Ancillary packaging

99214  Office/outpatient visit, est
Rev Code: 560
Units: 1
Date: 04/01/2010
Final EAPG: 564 LEVEL I OTHER EAR, NOSE, MOUTH, THROAT & CRANIAL/FACIAL DIAGNOSES
Final EAPG Type: 3 Medical Visit
Final EAPG Category: 54 Ear, nose, mouth, throat and craniofacial diseases and disorders

70120  X-ray exam of mastoids
Rev Code: 310
Units: 1
Date: 04/01/2010
Final EAPG: 471 PLAIN FILM
Final EAPG Type: 4 Ancillary
Final EAPG Category: 25 Radiology
Packaging Flag: Packaging applies.

<table>
<thead>
<tr>
<th>Financial Information - Wellmark BCBS (Iowa &amp; S. Dakota) - EAPGS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Code</strong></td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>Visit ID: 1</td>
</tr>
<tr>
<td>99214</td>
</tr>
<tr>
<td>70120</td>
</tr>
<tr>
<td>Claim Total:</td>
</tr>
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</table>
Ancillary service w/out medical visit or significant procedure EAPG

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Perc.</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Total Payment</th>
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<tbody>
<tr>
<td>70120</td>
<td>471</td>
<td>0.2629</td>
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<td>103.58</td>
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<td>Claim Total:</td>
<td>103.58</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>103.58</td>
</tr>
</tbody>
</table>

P. dx: 38300 Ac mastoiditis w/o compl
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)
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

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: Clinical SP consolidation applies.
### Financial Information - Outpatient Payment Calculation Toolkit - EAPGS

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Perc.</th>
<th>Paid Units</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Existing Payment</th>
<th>Blended Payment</th>
<th>Outlier Payment</th>
<th>Add-on Payment</th>
<th>Total Payment</th>
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</tbody>
</table>

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

- **50 bilateral procedure**
  - Flags a code for additional payment (150%)

- **52 & 73 terminated procedure**
  - Flags a code for terminated procedure discounting

- **59 separate procedure**
  - Turns off consolidation – allows separate payment

- **Distinct procedural modifiers (XE, XS, XP, XU)**
  - Turns off consolidation – allows separate payment

- **Therapy modifiers (GN, GO, GP)**
  - 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)**
  - Turns off consolidation – allows separate payment

- **Never event modifiers (PA, PB, PC)**
  - 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: 4 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 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 Type: 2 Significant Procedure
- Final EAPG Category: 1 Skin and integumentary system procedures
- Consolidation Flag: Same SP consolidation applies.
Example of consolidation – payment

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Perc.</th>
<th>Paid Units</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Existing Payment</th>
<th>Blended Payment</th>
<th>Outlier Payment</th>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>988.92</td>
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</table>
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

<table>
<thead>
<tr>
<th>HCPCS</th>
<th>HCPCS Description</th>
<th>EAPG</th>
<th>EAPG Description</th>
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</thead>
<tbody>
<tr>
<td>99217</td>
<td>Observation care discharge</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
<td>99218</td>
<td>Initial observation care</td>
<td>492</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
</tr>
<tr>
<td>99219</td>
<td>Initial observation care</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
</tr>
<tr>
<td>99220</td>
<td>Initial observation care</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
<td>99224</td>
<td>Subsequent observation care</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
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<td>99234</td>
<td>Observ/hosp same date</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
<td>99235</td>
<td>Observ/hosp same date</td>
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<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
<td>99236</td>
<td>Observ/hosp same date</td>
<td>492</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
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<tr>
<td>G0379</td>
<td>Direct refer hospital observ</td>
<td>492</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION INDICATOR</td>
</tr>
</tbody>
</table>

#### No medical visit indicator present

#### Medical observation EAPG assigned based on primary dx code

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>3 (Medical)</th>
<th>50</th>
</tr>
</thead>
<tbody>
<tr>
<td>500</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION - OBSTETRICAL</td>
<td>3 (Medical)</td>
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<tr>
<td>501</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION - OTHER DIAGNOSES</td>
<td>3 (Medical)</td>
<td>50</td>
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<tr>
<td>502</td>
<td>ENCOUNTER/REFERRAL FOR OBSERVATION - BEHAVIORAL HEALTH</td>
<td>3 (Medical)</td>
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</table>
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
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.)
### Sample EAPG Weights

<table>
<thead>
<tr>
<th>EAPG</th>
<th>EAPG Description</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>81</td>
<td>ECHOCARDIOGRAPHY</td>
<td>1.0999</td>
</tr>
<tr>
<td>82</td>
<td>CARDIAC ELECTROPHYSIOLOGIC TESTS AND MONITORING</td>
<td>14.2197</td>
</tr>
<tr>
<td>83</td>
<td>PLACEMENT OF TRANSVENOUS CATHETERS</td>
<td>3.0327</td>
</tr>
<tr>
<td>84</td>
<td>DIAGNOSTIC CARDIAC CATHETERIZATION</td>
<td>4.9494</td>
</tr>
<tr>
<td>85</td>
<td>PERIPHERAL TRANSCATHETER AND REVASCULARIZATION PROCEDURES</td>
<td>9.5749</td>
</tr>
<tr>
<td>86</td>
<td>PACEMAKER INSERTION AND REPLACEMENT</td>
<td>16.1763</td>
</tr>
<tr>
<td>87</td>
<td>REMOVAL AND REVISION OF PACEMAKER AND VASCULAR DEVICE</td>
<td>13.0255</td>
</tr>
<tr>
<td>88</td>
<td>LEVEL I CARDIOTHORACIC PROCEDURES W OR W/O VASCULAR DEVICE</td>
<td>4.5770</td>
</tr>
<tr>
<td>89</td>
<td>LEVEL II CARDIOTHORACIC PROCEDURES W OR W/O VASCULAR DEVICE</td>
<td>5.7849</td>
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<tr>
<td>90</td>
<td>SECONDARY VARICOSE VEINS AND VASCULAR INJECTION</td>
<td>1.5949</td>
</tr>
<tr>
<td>91</td>
<td>VASCULAR LIGATION AND RECONSTRUCTION</td>
<td>3.8244</td>
</tr>
<tr>
<td>92</td>
<td>RESUSCITATION</td>
<td>1.0071</td>
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<td>93</td>
<td>CARIOVERSION</td>
<td>0.8910</td>
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<tr>
<td>94</td>
<td>CARDIAC REHABILITATION</td>
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<td>95</td>
<td>THROMBOLYSIS</td>
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<tr>
<td>96</td>
<td>ATRIAL AND VENTRICULAR RECORDING AND PACING</td>
<td>10.6025</td>
</tr>
<tr>
<td>97</td>
<td>AICD IMPLANT</td>
<td>35.0332</td>
</tr>
</tbody>
</table>
Payment formula

- Items consolidated, packaged, not grouped paid $0.00
- Conversion factor (CF) [also called the base rate]
  - TIMES
- Adjusted weight (AW)
  - EAPG weights TIMES
  - Discount percentage
- Line items summed for visit total
Calculating reimbursement for EAPGs.

<table>
<thead>
<tr>
<th>Line item #1</th>
<th>Base Rate</th>
<th>Adjusted Wt by EAPG</th>
<th><strong>Est. Reimb.</strong> For line item - $ $$</th>
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<tbody>
<tr>
<td>Line item #2</td>
<td>Base Rate</td>
<td>Adjusted Wt by EAPG</td>
<td><strong>Est. Reimb.</strong> For line item - $ $$</td>
</tr>
<tr>
<td>Line item #3</td>
<td>Base Rate</td>
<td>Adjusted Wt by EAPG</td>
<td><strong>Est. Reimb.</strong> For line item - $ $$</td>
</tr>
<tr>
<td>Line item #n</td>
<td>Base Rate</td>
<td>Adjusted Wt by EAPG</td>
<td><strong>Est. Reimb.</strong> For line item - $ $$</td>
</tr>
</tbody>
</table>

- Claim payment equals the sum of all line payments.
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, one example

- **Multiple unconsolidated significant procedure EAPGs**
  - Level 1 – 100% (highest weighted EAPG)
  - Level 2 – 50%

- **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%
## Discounting example

<table>
<thead>
<tr>
<th>HCPCS code</th>
<th>Description</th>
<th>Final EAPG</th>
<th>EAPG Type</th>
<th>Adjusted weight</th>
<th>Pay percent</th>
<th>Pay action</th>
<th>Payment</th>
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</thead>
<tbody>
<tr>
<td>35476</td>
<td>Repair venous blockage</td>
<td>85</td>
<td>Sign Px</td>
<td>14.0636</td>
<td>100.00%</td>
<td>Full payment</td>
<td>$3,886.90</td>
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<tr>
<td>36120</td>
<td>Establish access to artery</td>
<td>280</td>
<td>Sign Px</td>
<td>5.3728</td>
<td>50.00%</td>
<td>Discounted</td>
<td>$1,484.93</td>
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<tr>
<td>72193</td>
<td>Ct pelvis w/dye</td>
<td>301</td>
<td>Sign Px</td>
<td>0.6492</td>
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<td>Comprehen metabolic panel</td>
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<td>0.3618</td>
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<td>85610</td>
<td>Prothrombin time</td>
<td>406</td>
<td>Ancill</td>
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<td>0.00%</td>
<td>Packaged</td>
<td>$0.00</td>
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<tr>
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<td>Visualize A-V shunt</td>
<td>474</td>
<td>Ancill</td>
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<td><strong>Full payment</strong></td>
<td><strong>$820.74</strong></td>
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</tbody>
</table>
External References

- **EAPG Definitions Manual**
  - Provides an overview of how EAPGs were developed
  - Provides a listing of all EAPG categories, groups and procedure/diagnosis code assignments
  - Available on Customer Support website

- **EAPG Change Report**
  - Published each January when the new grouper is published
  - Provides a summary of changes made to the grouper for that version
  - Available on Customer Support website

- **EAPG Quarterly Change File Reports**
  - Created for marketing for distribution to payer clients
Questions?
THANK YOU!!