

Enhanced Ambulatory Patient Grouping System (EAPG) Reimbursement Methodology for Outpatient Hospital Services

February 2014

Why Use the Enhanced Ambulatory Patient Grouping System?

- Reimbursement for hospital outpatient services based on the resources required for each visit.
- Accounts for high-intensity and low-intensity services.
- Allows for greater homogeneity for comparable services across all hospital outpatient services.
- Provides a more granular and transparent payment methodology.

Overview of Wisconsin Division of Health Care Access and Accountability Approach

- EAPGs apply to BadgerCare Plus, Medicaid, and Wisconsin Chronic Disease Program (WCDDP).
- There will be no change to the existing Access Payment Reimbursement Methodology for HMOs.
- There will be minimal use of grouper options to lessen provider impact.
- The goal is to align HMO and FFS reimbursement policy for outpatient services.
- HMO outpatient reimbursement in the rates will be based on EAPG's starting in CY2017.
- EAPG's were developed in conjunction with Wisconsin Hospital Association and Medicaid Advisory Committee meetings.

Implementation Information

- Implemented for Fee-for-service: April 1st 2013.
- HMO encounters: January 1, 2015.
 - CY 2014: Encounters will continue to price using per diem methodology.
- State Implementation High-level Timeline
 - Training 02/01/2014 – 08/01/2014
 - Testing 08/01/2014 – 12/31/2014
 - Implementation 01/01/2015
 - Claims received on and after January 1, 2015, with FDOS prior to January 1, 2015, will not process through the EAPG System and will pay rate per visit.
- HMO's will have HP as a resource to test claims pricing through EAPG from 08/01/2014 – 12/31/2014

Training Schedule

- March – 3M EAPG Presentation
- April – Policy Discussion
 - State/HP
- May – State Specific EAPG Configuration
 - Edits/Audits
 - Schedule Mapping
 - Exclusions
- June – State Specific EAPG Configuration II
 - If needed
- July – Testing Approach
 - HMO's will have HP as a resource to test claims pricing through EAPG from 08/01/2014 – 12/31/2014

Overview of Current Outpatient Hospital Reimbursement System Versus Enhanced Ambulatory Patient Grouping System

- Current outpatient hospital reimbursement system is an all-inclusive payment methodology.
 - Does not adjust payment based upon acuity or complexity of case.
 - Rewards higher-cost providers without regard to quality.
 - Does not provide DHCAA with transparent payment system in which DHCAA understands the services it is purchasing.
- Benefits of EAPG reimbursement system.
 - Discrete service-specific reimbursement system.
 - Providers are reimbursed accurately and DHCAA is paying based on case mix (more complex cases receive a higher reimbursement, less complex cases receive a lower reimbursement), similar to DRG methodology.
 - Covers multiple types of ambulatory care settings.
 - Groupings developed using data available on claim and should not be too administratively burdensome for providers.

Overview of Enhanced Ambulatory Patient Grouping Payment Policy Decisions

- No adjustments are made for differences in wages and capital costs within the rate methodology.
- As of 2014 there are new adjustments to the rates for direct medical education.
- No implementation of outlier payments.
- Critical Access Hospitals will continue to be paid under a prospective cost based payment methodology under EAPGs.

Enhanced Ambulatory Patient Grouping Billing – Revenue Codes Requirement CPT/HCPCS

- Procedure code is required by the EAPG system for grouping and assignment of an EAPG.
- Certain revenue codes are exempt from the procedure code requirement. However, EAPG will consider these details ungroupable.
- Refer to the July 2010 *Update* (2010-59), titled “Additional Revenue Codes Exempt from Requirement to Include HCPCS or CPT Codes on Outpatient Hospital Claims.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2010-59.pdf>
- ForwardHealth reinstates the complete exempt code list in the October 2012 *ForwardHealth Update* (2012-53), titled “Revenue Codes Exempt from the Procedure Code Requirement for Outpatient Hospital Services.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2012-53.pdf>

EAPG and Other Pricing Methods

○ Pricing Methods Used Other Than EAPG

– Laboratory services

- Outpatient: Services billed will be reimbursed at the lower of the usual and customary charge or the maximum allowable fee, or manually priced if there is no maximum allowable fee on file.
- Outpatient Crossover: Services billed will be reimbursed at the lower of the usual and customary charge or the maximum allowable fee, or at 80 percent of the billed amount if no maximum allowable fee is on file.

– Services that have 0 weights on file. These are services that should be billed on the 1500 claim form, or are procedures that occur so minimally that a weight could not be determined.

- Outpatient: Services that should be billed on the 1500 claim form will be denied.
- If the services should be billed on the UB but have a 0 weight, they will be reimbursed at the lower of the usual and customary charge or the maximum allowable fee, or manually priced if there is no maximum allowable fee on file.
- Outpatient Crossovers: Services billed will be reimbursed at the lower of the usual and customary charge or the maximum allowable fee if a maximum allowable fee is on file. If no maximum allowable fee is on file the service will be priced at 80 percent of the Medicare maximum allowable fee. If no Medicare maximum allowable fee is on file the service will be priced at 80 percent of the usual and customary charge.

Enhanced Ambulatory Patient Grouping Billing — Usual and Customary

- Providers continue to bill usual and customary charges:
 - EAPG's may pay more than the billed amount for some procedures.

Enhanced Ambulatory Patient Grouping Billing — Provider Modifiers

- Providers are required to use modifiers appropriately, examples include:
 - 25 (Significant, separately identifiable evaluation and management service by the same physician on the same day of the procedure or other service).
 - 27 (Multiple outpatient hospital E/M encounters on the same date).
 - 59 (Distinct procedural service).
 - 76 (Repeat procedure or service by same physician or other qualified health care professional).
 - 77 (Repeat procedure by another physician or other qualified health care professional).
 - RT (Right side).
 - LT (Left side).
- For more information, refer to the June 2012 *Update* (2012-26), titled “Appropriate Modifiers and Most Specific Diagnosis Codes Required on Outpatient Hospital Claims.” <https://www.forwardhealth.wi.gov/kw/pdf/2012-26.pdf>

Enhanced Ambulatory Patient Grouping Billing – Medicare Crossovers and Other Insurance

- Medicare crossover claims will process:
 - Through the EAPG system.
 - EAPG system will calculate the allowed amounts.
 - Medicare cutback logic may be applied
- Claims with other commercial insurance payments will process through the EAPG system.

Enhanced Ambulatory Patient Grouping Billing – Claim Adjustments

Adjustments are allowed:

- To correct billing or processing errors.
- To correct inappropriate payments (overpayments and underpayments).
- To add and/or delete services.
- To supply additional information that may affect the amount of the reimbursement, such as other insurance payments.

Survey Question

The Department is requesting that the HMOs provide the following information by Feb 28th, 2014 on their plans associated with EAPG's;

- Will your HMOs implement EAPG's for outpatient reimbursement?
- Will your HMO configure the EAPG software in an identical manner as the State to ensure the same groupings and weight/rates?

Can respond the survey by email at:

DHSDHCAABFM@dhs.wisconsin.gov

Enhanced Ambulatory Patient Grouping Billing – *ForwardHealth* Updates

The following is a list of *Updates* that pertain to EAPG implementation:

- 2012-26, titled “Appropriate Modifiers and Most Specific Diagnosis Codes Required on Outpatient Hospital Claims.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2012-26.pdf>
- 2012-49, titled “Entering Dates for Outpatient Continuous Visits.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2012-49.pdf>
- 2012- 55, titled “Implementation of the Enhanced Ambulatory Patient Group Reimbursement Methodology.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2012-55.pdf>
- 2012-53, titled “Revenue Codes Exempt from the Procedure Code Requirement for Outpatient Hospital Services.”
 - <https://www.forwardhealth.wi.gov/kw/pdf/2012-53.pdf>

Additional Information

- ForwardHealth Portal – Managed Care Organization.
 - Enhanced Ambulatory Patient Groups (EAPG) Information page
 - <https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/html/EAPG/EAPGHome.htm.spag#e#>
 - Hospital EAPG rates and weights
 - <https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/provider/medicaid/hospital/drg/drg.htm.spage>

Contact/Resource Information

- E-mail for EAPG questions — vedsEAPGHMO@wisconsin.gov

- 3M Contact Information

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Thank You