Enhanced Ambulatory Patient Grouping (EAPG) Wisconsin Specific Policy

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What we will cover:

- Why use EAPG?
- EAPG Policy Decisions
- EAPG Payment Decisions
- EAPG Requirements
- Provider Administered Drugs
- EAPG Billing Topics
- National Correct Coding Initiative
- Edits and Audits
- Contact information

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

- Current HMO outpatient 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 Division of Health Care Access and Accountability (DHCAA) with transparent payment system regarding 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 will minimize the burden on Providers.

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Enhanced Ambulatory Patient Grouping Payment Policy Decisions

- No adjustments for differences in rate methodology for wages and capital costs.
- 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.
- ***Correction:*** HMO outpatient reimbursement in the capitation rates could be based on EAPG's starting in CY2015, not CY2017.
- There are services carved out of the EAPG pricing methodology. The pricing that will be applied to these services will be made available in a future presentation. Services that are carved out include the following:
  - Laboratory services
  - Services that are assigned to an EAPG that has a 0 weight on file.

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Calculation of Enhanced Ambulatory Patient Grouping Weights

- Wisconsin specific weights have been developed.
- These weights are calculated by using historical hospital cost data available from CMS's Healthcare Cost Report Information System
- Factors in the calculation of EAPG weights.
  - Average cost of individual EAPG.
  - Average cost of all EAPGs.
- EAPG Outpatient weights and rates will be posted to the Portal.
  - *www.forwardhealth.wi.gov/* > Providers > Provider-specific Resources > Hospital > More information > Inpatient DRG Weights and Outpatient EAPG Weights and Inpatient and Outpatient Hospital Rates.

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EAPG Billing– Revenue Code Requirements & Exemptions

- Effective July 2012, outpatient hospital claims required Healthcare Common Procedure Coding System (HCPCS) or *Current Procedural Terminology* (CPT) codes with all revenue codes.
  - CPT and HCPCS codes will be used by the EAPG System for processing.
- 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

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EAPG Billing— Provider-Administered Drugs

Billing for provider-administered drugs:

- Drugs billed with a HCPCS code are not carved out when billed on an institutional claim.
- HCPCS codes are required, such as J or Q codes.
- Do not need to indicate a National Drug Code.
- Details for provider-administered drugs and other outpatient hospital services on the same day should be included on the same claim and will process through the EAPG system.
- With the implementation of EAPG for FFS, drugs were included in the grouper software. It will be the same for Managed Care Organizations.
- The Department is reviewing the Provider-Administered Drugs 'Carve-Out' policy and will send out updates on this at a later date.

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Enhanced Ambulatory Patient Grouping Billing — Modifiers

- 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

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Enhanced Ambulatory Patient Grouping Billing – Multiple Visits

- For multiple unrelated visits on the same day, providers should:
  - Bill separate claims per DOS.
  - Use condition code G0 (a 'Distinct Medical Visit') on the second unrelated claim.
  - This use of G0 is different than using Modifier 25 because this scenario includes multiple claims.
- For multiple visits with different DOS, providers:
  - May bill one claim for each unrelated visit.
  - For claims billed with different DOS service at the detail, EAPG will process different DOS as separate visits, unless rev codes 45X and or 762 are used.
- Revenue codes 45X (Emergency Room codes) and/or 762 (Specialty services for observation hours) on the same claim with different DOS will be considered one stay.

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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.

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Enhanced Ambulatory Patient Grouping Billing — Codes

The EAPG System assigns an EAPG code to applicable details on the claim in order to categorize the services for payment.

- EAPG code 999 identifies a service that cannot be assigned to any valid EAPG.
- EAPG code 993 identifies procedures that ForwardHealth will not reimburse on an outpatient hospital claim.
- EAPG code 994 identifies procedures that are defined as inpatient only but are considered payable as an outpatient hospital procedure.
  - Note: This code is in the system but not currently in use.
- A complete list of EAPG codes may be found in the Inpatient DRG Weights and Outpatient EAPG Weights and Inpatient and Outpatient Hospital Rates list under Hospital on the Provider-specific Resources page of the Providers area of the Portal.
  - https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/Provider/medicaid/hospital/drg/drg.htm.spage#

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EAPG Billing— Single Date of Service Per Line

- It is recommended that providers send a single DOS per detail line.
- EAPG software only recognizes the first, or from, DOS at the detail level.

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EAPG Billing – Medicare Crossovers and Other Insurance

Medicare crossover claims:

- For Medicare crossover claims missing a procedure code at the detail, that detail may show an allowed amount of $0.
  - If an Encounter processes through Medicare Part B cutback logic, the Medicare deductibles will be added into the allowed amount. In those instances, the allowed amount displayed on the response file may not be $0.
- Medicare crossover claims will process:
  - Through the EAPG system.
  - EAPG system will calculate the allowed amounts.
    - Crossover Encounters are also subject to the same pricing methods/carve outs as regular outpatient claims, like labs.
  - Medicare cutback logic may also be applied
- Claims with other commercial insurance payments will process through the EAPG system.

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EAPG Billing– Encounter Response File Changes

- EAPG codes will appear on the Encounter Response File transactions.
  - Providers and trading partners should refer to the User Guides for detailed information.
    - The User Guides can be found at:
      - https://www.forwardhealth.wi.gov/WIPortal/Default.aspx
      - https://www.forwardhealth.wi.gov/WIPortal/Tab/42/icscontent/managed%20care%20organization/reports_data/hmomatrix.htm.spage
- EAPG codes will appear in the payable detail section of the Response File.
- New EOB codes will be used with the EAPG System and will appear on the Response File where they are currently.

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EAPG 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

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National Correct Coding Initiative — Overview

As part of the Federal Patient Protection and Affordable Care Act of 2010, CMS is required to promote correct coding and control improper coding leading to inappropriate payment of claims under Medicaid:

- The National Correct Coding Initiative (NCCI) is the CMS response to this requirement.
- ForwardHealth is required to implement the NCCI edits to monitor outpatient services submitted on Encounters for Wisconsin Medicaid, BadgerCare Plus, and Family Planning Only Services for compliance.
- The NCCI implemented claims processing edits to ensure correct coding. A list of Edits/Audits that have an impact to HMOs begins on Slide 18.
- For claims with date of service on and after January 1, 2015.
- For more information, refer to the CMS's Web site at *https://www.cms.gov/NationalCorrectCodInitEd/*

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Edits and Audits for EAPG

- The implementation of EAPG started with the FFS side of claims and required the creation of a series of Edits and Audits or modifications to existing ones. These previously had no impact on HMOs since EAPG was not in effect for them.
- With the implementation of EAPG for HMO Encounters, the disposition (turning on or off) of these Edits and Audits will be updated to include the HMO regions.
  - Some Edits and Audits were written to align with the new EAPG pricing methodology and match Fee-For-Service policy.
  - Other existing Edits and Audits had to be modified to still allow HMO Encounters to process and not error due to EAPG.
- A list of Edits/Audits that have an impact to HMOs begins on the next slide. If more updates are needed, HMOs will be made aware of those changes as well.

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Edit and Audit Changes for EAPG (1 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Edit 817**:
    - Detail 'to date of service' not within header range
    - The disposition will be changed to DENY on Outpatient Crossover Encounter claims. This edit is already set to DENY for Outpatient Encounter claims.
  - **Edit 528**:
    - Detail 'from date of service' not within header range
    - The disposition will be changed to DENY on Outpatient Crossover Encounter claims. This edit is already set to DENY for Outpatient Encounter claims.
  - **Edit 940**:
    - Occurs when any critical, unexpected error related to EAPG processing occurs.
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.

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Edit and Audit Changes for EAPG (2 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Edit 4088**:
    - Revenue code requires a procedure code.
    - This edit does not post on Outpatient Crossover claims.
    - Outpatient Encounter Claims already DENY for this Edit but a similar rationale is used as part of EAPG processing. While this is not new for EAPG Processing, we wanted to remind HMOs that Outpatient Encounter Claims will continue to DENY for this reason.
    - The EAPG grouper needs a procedure code to group the detail. If a procedure code is not present, the EAPG grouper will return EAPG error 999 (Unassigned) and a $0 allowed amount. This will result in a $0 paid amount for the detail.
  - **Edits 4890-4899:**
    - Discharge diagnosis specificity on all sequence numbers
    - The disposition will be changed to DENY on both Outpatient Encounter Claims and Outpatient Crossover Encounter claims.

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Edit and Audit Changes for EAPG (3 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Edit 4182:**
    - National Correct Coding Initiative (NCCI) edit monitoring Medically Unlikely Events (MUE) for Outpatient Hospital Services. MUEs define for each Healthcare Common Procedure Coding System (HCPCS) / Current Procedural Terminology (CPT) code the maximum units of service that a provider would report under most circumstances for a single beneficiary on a single date of service.
    - The disposition will be changed to DENY on Outpatient Encounter claims. This edit does not post on Outpatient Crossover claims.
  - **Edit 4185:**
    - NCCI edit monitoring Procedure-to-Procedure (PTP) for Outpatient Hospital Services. PTP edits define pairs of HCPCS / CPT codes that should not be reported together for a variety of reasons. The purpose of the PTP edits is to prevent improper payments when incorrect code combinations are reported.
    - The disposition will be changed to DENY on Outpatient Encounter claims. This edit does not post on Outpatient Crossover claims.

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Edit and Audit Changes for EAPG (4 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Edit 4358:**
    - To post when all details are flagged as professional services by the EAPG software.
    - The disposition will be changed to DENY on Outpatient Encounter claims. This edit does not post on Outpatient Crossover claims.
  - **Edit 4359:**
    - To monitor scenarios when EAPG has a zero weight on file for a procedure code
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.
  - **Edit 4360:**
    - To deny all details of a particular visit when the purpose for the visit is denied.
    - The disposition will be changed to DENY on both Outpatient Encounter Claims and Outpatient Crossover Encounter claims.

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Edit and Audit Changes for EAPG (5 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Edit 4363**
    - To post when reimbursement rules call EAPG pricing method, but claim doesn't have EAPG information on it.
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.
  - **Audit 6300-6301:**
    - NCCI audits monitoring Procedure-to-Procedure (PTP) for Outpatient Hospital Services. This is similar to the PTP edit 4185 except the audits will look for PTP comparing services on the current claim against services on claims in history.
    - The disposition will be changed to DENY on Outpatient Encounter claims. These audits do not post on Outpatient Crossover claims.

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Edit and Audit Changes for EAPG (6 of 10)

- The following changes were made to Edits and Audits for EAPG:
  - **Audit 6302:**
    - Occurs when an x-ray professional or technical component is billed in addition to the global component/service on the same date of service. Services billed on outpatient claims are always considered the technical component.
    - The disposition will be changed to DENY on Outpatient Encounter claims. This audit does not post on Outpatient Crossover claims.
  - **Audit 6939:**
    - Occurs when a second claim is received for the same detail date of service of a previously paid claim.
    - If there is a legitimate reason for billing more than one claim for the same date of service, the subsequent claim should be billed using the G0 modifier.
    - The disposition will be changed to DENY on Outpatient Encounter claims.
    - The disposition will also be changed to DENY on Outpatient Crossover Encounter claims for instances where the claim in history is also an Outpatient Crossover Encounter claim. When the claim in history is an Outpatient Encounter claim an automated adjustment to the history claim will be created to recoup the duplicate service billed.

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Suppressed EAPG Edits (7 of 10)

- 3M provides the option of suppressing EAPG edits from within the EAPG software so they will have no impact on claims as they process through the Encounter/Claims engine.
  - Below is a list of EAPG edits that Wisconsin has suppressed. For anyone who is trying to replicate their system to match ours, we suggest you suppress the following EAPG Edits:
    - 3020 3021 3040 3048 3132 3022 3133 3074 3135 3103 3143 3104 3144 3105 3145 3106 3162 3107 3163 3108 3170 3111 3171 3112 3201 3118 3120 3121 3124 3128 3600 3129 3601 3130 3602 3603 3604 3605 3606 3607 3609 3610 3611 3613 3614 3615 3617 3618

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Mapped EAPG Edits (8 of 10)

- EAPG edits that were not suppressed were mapped to ForwardHealth edits. These include:
  - **Map EAPG return errors/edits to new edits in interChange**
    - EAPG return edit #--> interChange Edit#
    - 3025---->4350 Invalid age (claim header)
      - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update
    - 3026---->4350 Invalid sex (claim header)
    - 3115------>4350 From date is invalid or blank. This is a required field (claim header)
    - 3116 ----->4350 Through date is invalid or blank. This is a required field (claim header)
    - 3119 ----->4350 From date cannot be after through date (claim header)
    - 3122 ---->4350 Primary or principal diagnosis code is blank; must be a valid code (claim header)
    - 3123 ---->4350 Type of bill is invalid, may affect claim processing (claim header)

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Mapped EAPG Edits – continued (9 of 10)

- **Map EAPG return errors/edits to new edits in interChange**
  - EAPG return edit #--> interChange Edit#
  - 3005---->4351 E-diagnosis code cannot be used as primary or principal diagnosis (claim header)
    - The disposition will be changed to DENY on both Outpatient Encounter Claims and Outpatient Crossover Encounter claims.
  - 3018 ---->4352 Service considered an inpatient procedure (claim detail)
    - The disposition will be changed to DENY on both Outpatient Encounter Claims and Outpatient Crossover Encounter claims.
  - 3024---->4353 From date is out of date range for grouper (claim header).
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update
  - 3101 ---->4354 Invalid diagnosis code, 4th or 5th digit required (claim header).
    - The disposition will be changed to DENY on both Outpatient Encounter Claims and Outpatient Crossover Encounter claims.

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Mapped EAPG Edits – continued (10 of 10)

- **Map EAPG return errors/edits to new edits in interChange**
  - EAPG return edit #--> interChange Edit#
  - 3172 ---->4355 Revenue code reported requires Reason for Visit diagnosis code (claim detail).
    - The disposition of the edit is set to Do Not Post. Reason for visit diagnosis is not currently being sent into the EAPG software. If this changes in the future, this edit may be turned back on at that time.
  - 3006---->4356 Invalid Procedure code (claim detail).
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.
  - 3041 ---->4356 Revenue code "XXXX" is invalid (claim detail).
  - 3117 ----->4356 Line item service date is invalid or blank. This is a required field. (claim detail).
  - 500 -----> 4357 This edit will post when a non-existent user key error returns from the EAPG Grouper.
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.
  - Other -----> 4361 This edit will post whenever an Edit is returned from the EAPG software that we neither suppressed nor mapped to something else in the system.
    - For both Outpatient Encounter and Outpatient Crossover Encounter claims the disposition will be updated to suspend them for further review similar to how we currently suspend for Edit 853, the annual HCPCS Update.

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EAPG: Looking Ahead

- Here is an updated list of scheduled trainings for EAPG
- These all occur during the regular HMO technical calls as the previous ones have
  - Today: Wisconsin Specific EAPG Policy
  - June 5, 2014: Wisconsin-specific EAPG configuration & EAPG Inputs and Outputs
    - This will cover the current Wisconsin EAPG version, 3.7, even though 3.9 will be used in 2015
  - July 10, 2014 (note date change due to July 4 holiday): EAPG Testing Approach
  - September 4, 2014: EAPG Version Update Approach & Update to Version 3.9
    - If the upgrade information for 3.9 is ready sooner, this could be moved back to the August technical call (August 7, 2014)

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Contact/Resource Information

- ForwardHealth Web site — *www.forwardhealth.wi.gov/*.
- Provider Services — for policy and billing questions, call (800) 947-9627.
- Professional Relations Representatives — Select the Find/Contact your Provider Relations Representative link from the Quick Links list on the Providers page of the Portal.
- E-mail for EAPG questions — *vedseapghmo@wisconsin.gov*.
- For non-policy questions, here is the 3M Contact Information:

  Gregg M. Perfetto - Account Manager
  Applied Research
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  100 Barnes Road
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Thank you

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