Outpatient Classification Systems and Enhanced Ambulatory Patient Groups (EAPGs)

Payment equity is achieved through:

Pay utilizing one set of payment weights that reflect the relativity of costs for all services in the payment system.

Consistent definition of the 'unit of service' to be paid. The unit of services will be defined as a visit.

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Key Characteristics of EAPGs

- Visit based payment decisions.

- Ambulatory visits reflect similar resource use.

- Patients in each APG have similar clinical characteristics.

- Encompass full range of ambulatory care settings including same day surgery units, hospital emergency departments, outpatient clinics (excluding phone contacts and home visits)

- Use administrative data readily available on claim forms in the classification logic.

- Developed to represent ambulatory patient across entire patient population, not just Medicare.

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EAPGs are a similar concept to DRG-based inpatient payments.

APR-DRGs

- Describes an inpatient admission as unit of service

- Uses discharge date to define code sets

- Based only on standard code sets (ICD-10)
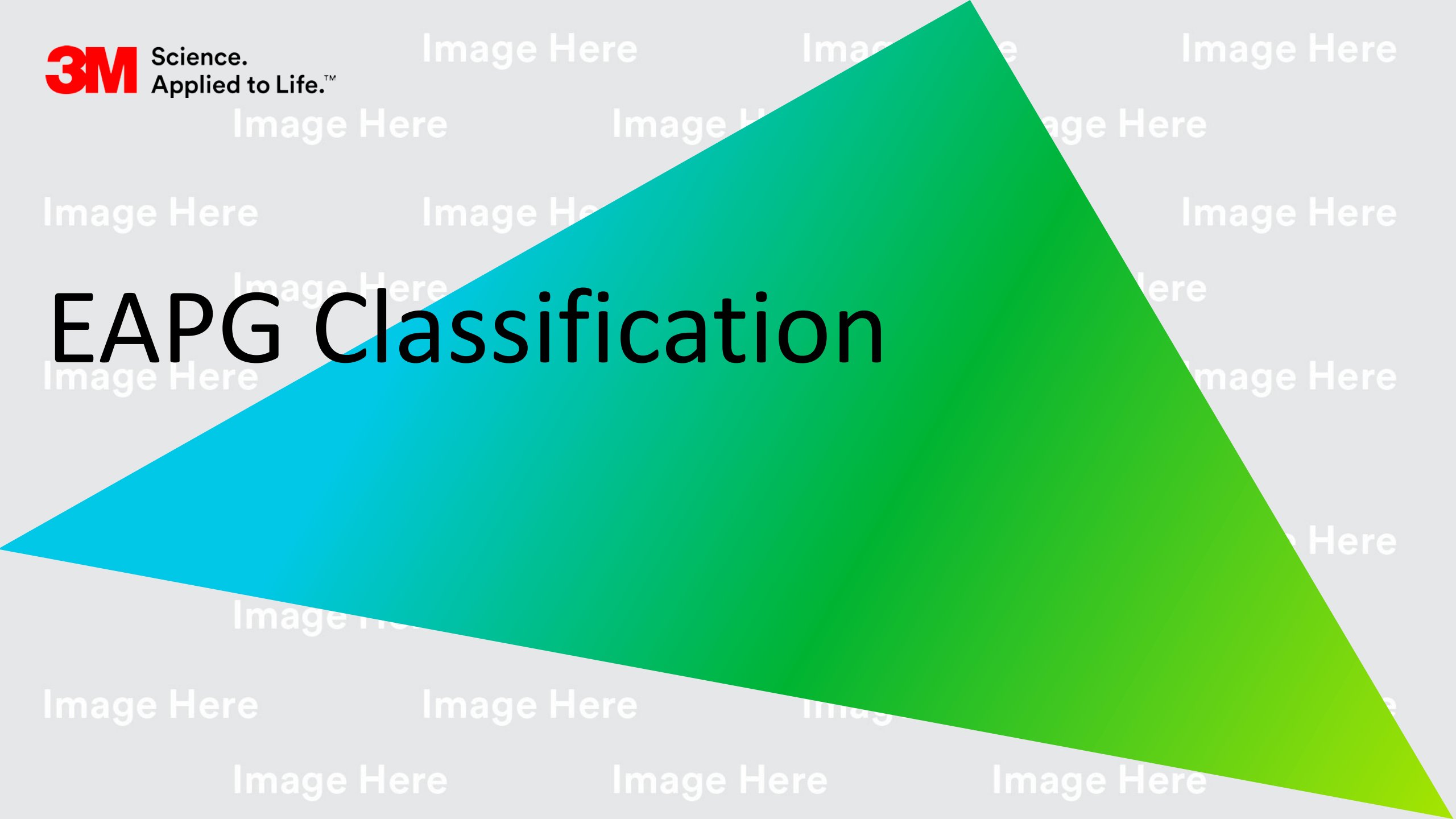
Differences:

- Each admission assigned only 1 DRG

EAPGs

- Defines ambulatory visit as unit of service

Uses "from date" to define code sets

- Based on standard code sets (ICD-10 and HCPCS Px)

- Multiple EAPGs may be assigned per visit

- Each Line assigned an EAPG

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EAPG Classification

EAPG Key Features

Utilize 8371 Data

Processes claims with multiple Dates of Service

Packaging

Per Diem Identification for MHSA

Use of discounting algorithms

- Multiple procedure

- Repeat Ancillary

- Bilateral procedure

- Terminated procedure
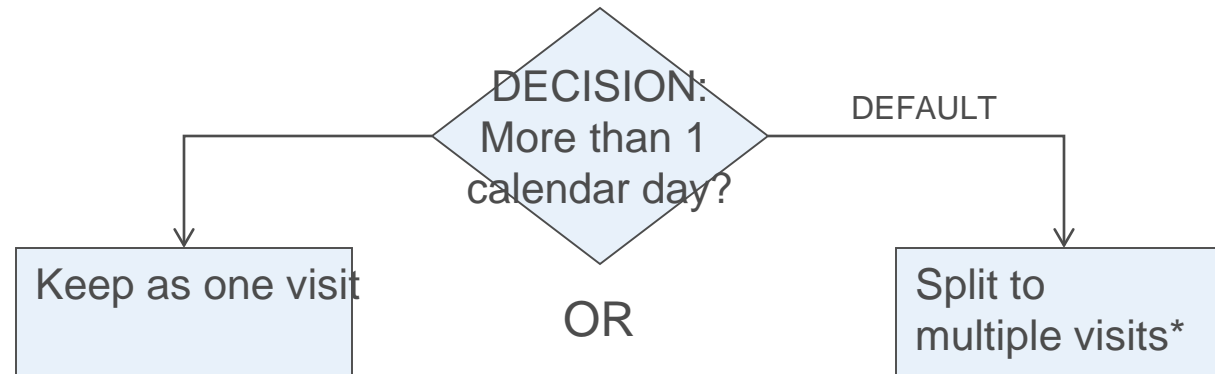
Direct Admission for Observation

Inpatient Only Procedure List (additions only)

Supports 5 years of codes using *'from date'* lookup logic: historical mapping"

Changes in code sets are maintained for all versions

EAPG unit of service

- The unit of service for EAPG is the *visit.*

```
                    ┌─────────────┐
                    │  DECISION:  │        DEFAULT
                    │ More than 1 │
                    │ calendar day?│
                    └──────┬──────┘
         │                                        │
         ▼                                        ▼
┌──────────────────┐                    ┌──────────────────┐
│ Keep as one visit │         OR         │ Split to          │
│                   │                    │ multiple visits*  │
└──────────────────┘                    └──────────────────┘
```

*Note: recent enhancements to EAPGs allow for exceptions to emergency department and direct admit for observation claims. (revenue codes 45x, 710, 762)

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Assigning EAPGs

Each line on a claim is assigned an EAPG. Based on the grouper 'rules' certain paths are followed and a final overall visit type is assigned.

*The **Unassigned EAPG (999)** can result for any of the following reasons:*

User Ignored	Invalid date (out of range)
Inpatient Procedure	Invalid Procedure
Invalid Procedure Code	Direct Per Diem code w/o qualifying Pdx
Code not used by APGs	Observation condition error
Invalid Dx for Medical Visit	DAO condition error
E-code Dx for Medical Visit	Gender Unknown
Non-covered care or settings	No HCPCS code (revenue code only)

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EAPG Types (classify services in a visit)

Significant Procedures, Therapies, Tests

Ancillary Services (test and procedures)
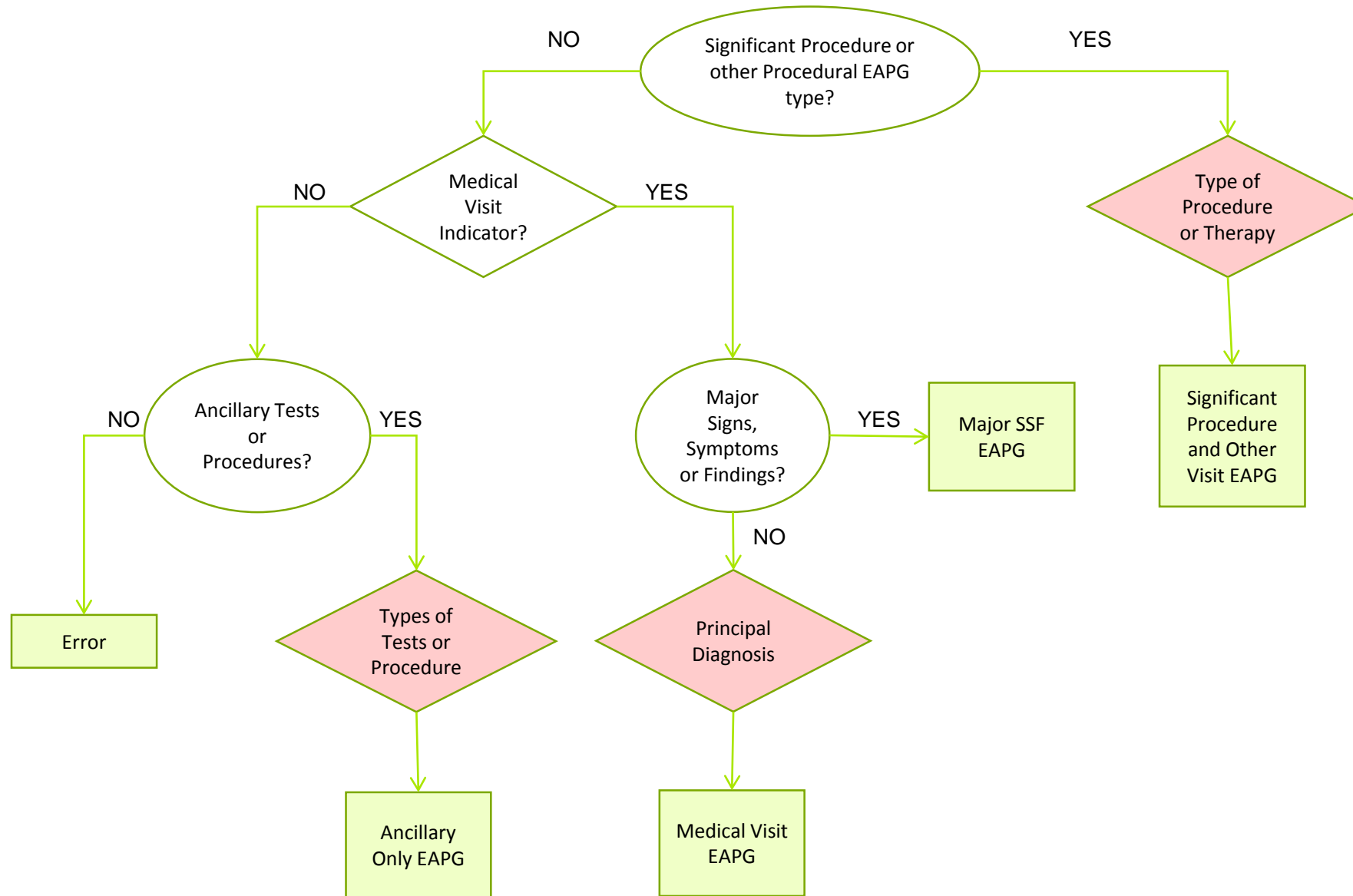
Incidental Procedures

Medical Visits

Drugs

Durable Medical Equipment

Per Diem (partial hospitalization and direct admit for observation)

Unassigned

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How does classification work?

Significant Procedures

Procedural service that constitutes the reason for the visit.

Dominates the time and resources expended during the visit.

Examples:

- Echocardiography

- Bone/Joint Manipulation

- Hernia Repair

- CT Scans

- Stress Tests

- Insertion of a Pacemaker

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Significant Procedures (continued)

Modifier 50 for an eligible service will trigger bilateral payments (150%)

Includes packaging algorithms

Discounting options include:

- Multiple significant procedures on same day

- Repeat ancillary APGs

- Bilateral with Modifier 50

- Terminated procedures (Modifiers 52 or 73)

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Medical Visits

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

Development was based upon the following variables: *(not EAPG distinctions, but considerations in development)*

Variable	Example
Etiology	Pregnancy, poisoning, etc...
Body system	Respiratory, digestive, etc...
Type of disease	Acute or chronic
Medical specialty	Ophthalmology, gynecology, etc...
Patient age	Pediatric, adult, etc...
Patient type	New or old
Complexity	Time needed to treat patient

Medical Visits (continued)

- Assigned based on principal diagnosis code

- Requires a medical visit indicator code = E&M CPT code

- The medical visit EAPG is assigned to the E&M code

- Examples:
  - Chest Pain
  - Headaches
  - Fracture of Femur
  - Hernia

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Medical Visits (continued)

Final Medical visit EAPG relies on principal diagnosis for assignment.

- Multiple medical visits indicators on the same day will be assigned the final EAPG associated with the principal diagnosis.

- Multiple medical visit indicators with separate dates will result in the same final EAPG associated with the principal diagnosis.

All other lines with a medical visit indicator will receive the same final EAPG and get packaged.

Ancillary Tests and Procedures

Ordered by the primary physician to assist in patient diagnosis or treatment

Examples:

- Immunizations

- Plain Films

- Laboratory Tests

- Pathology Tests

Basic ancillaries are eligible for packaging

Repeat ancillaries are eligible for discounting

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Durable Medical Equipment (DME)

- Weights are not developed for DME
- The distribution of DME is anticipated to occur at the time of the significant procedure and the costs associated with them will package into the cost for the overall service.
- The weight for the significant procedure will reflect the costs associated with the packaged lines that occur with that procedure.
- When DME is billed without a significant procedure it will not receive a payment.

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Mental Health and Substance Abuse Per Diem

Full day or half day

Establishes 'criteria' for per diem payments

- Direct Assignment (full or half day)

- Indirect Assignment (full day only)

Both types of assignments require the presence of an associated Pdx code

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Mental Health and Substance Abuse Per Diem (continued)

Direct Assignment

- Assigned based upon the HCPCS code

- Optional

- Packaging of related services may apply

- Direct assignment HCPCS codes without qualifying diagnoses are given a final APG assignment of *Unassigned (999)*

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Mental Health and Substance Abuse Per Diem (continued)

Indirect Assignment

- Need to develop qualifying lists A and B

- List A are always significant procedures

- List B can be the procedurally based or diagnosis based

- Establish counts of items from A and B and qualifying Pdx

- If counts meet criteria, claim is labeled per diem

- List A 1st line establishes EAPG, others are packaged

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Observation

Direct Admit or Ancillary observation is assigned based upon the HCPCS code.

Payment for direct admit requires a medical visit indicator or code indicating direct admission from MD office or emergency department.

Final EAPG depends on principal diagnosis: maternity and all other.

- Maternity
- Behavioral health
- Other

Observation

Packaging applies to observation on per diem and significant procedure visits.

Ancillary observation will be paid separately only on Medical Visits unless user applies option to add to packaged list.

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EAPG Grouper Functions

Two Key Elements

Ancillary packaging

Multiple ancillary discounting

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Multiple Significant Procedure (MSP) Discounting

MSP Discounting refers to a reduction in the standard payment rate for an significant procedure.

When multiple, un-related significant procedures or therapies are performed, a discounting of the EAPG payment is applied.

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.

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Example of MSP Discounting

Arthroscopic Knee Surgery				
Procedure Code	EAPG	EAPG Description	Payment Element	Payment Action
29888	38	Level II Arthroscopy	Significant Procedure	Full Payment
29868	38	Level II Arthroscopy	Significant Procedure	Discounted
12017	13	Level II Skin Repair	Significant Procedure	Discounted
27605	35	Level 1 Foot Procedure	Significant Procedure	Discounted

Multiple significant procedures results in discounting

Visit EAPG = 038 - Level II Arthroscopy
(highest weighted procedural service)

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Ancillary Packaging

Refers to the packaging of certain, routine ancillary services when they occur with a significant procedure or medical visit.

Payment for routine ancillary services is built into the payment of a significant procedure or medical visit for which they are routinely associated.

If ancillary services are not done as part of a significant procedure or medical visit, they do not package and are paid.

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Example of Ancillary Packaging

Arthroscopic Knee Surgery: EAPG 38, Level II arthroscopy				
Procedure Code	EAPG	EAPG Description	Payment Element	Payment Action
29888	38	Level II Arthroscopy	Significant Procedure	Full Payment
29868	38	Level II Arthroscopy	Significant Procedure	Discounted
12017	13	Level II Skin Repair	Significant Procedure	Discounted
27605	35	Level 1 Foot Procedure	Significant Procedure	Discounted
82800	400	Level I Chemistry Test	Ancillary	Packaged
01220	380	Anesthesia	Ancillary	Packaged

Routine ancillaries package only when there is a medical visit, direct admit for observation or significant procedure EAPG.

BCBSMN Standard Packaged EAPGs

EAPG	Description
116	Allergy Tests
373	Level I Dental Film
374	Level II Dental Film
375	Dental Anesthesia
376	Diagnostic Dental Procedures
377	Preventative Dental Procedures
380	Anesthesia
390	Level I Pathology
394	Level I Immunology Test
396	Level I Microbiology Test
398	Level I Endocrinology Test
400	Level I Chemistry Test
402	Basic Chemistry Test
406	Level I Clotting Test
408	Level I Hematology Test
410	Urinalysis
411	Blood and Urine Dipstick Test
412	Simple Pulmonary Function Test
413	Cardiogram
423	Introduction of Needle & Catheter
424	Dressings & Other Minor Procedures

EAPG	Description
425	Other Misc. Ancillary Procedures
427	Biofeedback and Other Training
428	Patient Education, Individual
429	Patient Education, Group
430	Class I Chemotherapy Drugs
431	Class II Chemotherapy Drugs
432	Class III Chemotherapy Drugs
433	Class IV Chemotherapy Drugs
434	Class V Chemotherapy Drugs
435	Class I Pharmacotherapy Drugs
436	Class II Pharmacotherapy Drugs
437	Class III Pharmacotherapy Drugs
438	Class IV Pharmacotherapy Drugs
439	Class V Pharmacotherapy Drugs
440	Class VI Pharmacotherapy Drugs
441	Class I Chemotherapy Drugs
443	Class II Chemotherapy Drugs
444	Class III Chemotherapy Drugs
448	Expanded Access Hours
449	Additional Undifferentiated Medical Services
455	Implanted Tissue of Any Kind

EAPG	Description
457	Venipuncture
459	Vaccine Administration
460	Class IV Chemotherapy Drugs
461	Class V Chemotherapy Drugs
462	Class I Pharmacotherapy Drugs
463	Class II Pharmacotherapy Drugs
464	Class III Pharmacotherapy Drugs
465	Class IV Pharmacotherapy Drugs
471	Plain Film
486	Basic Blood Typing
487	Minor Cardiac Monitoring
488	Minor Device Evaluation & Electronic Analysis
489	Level II Other Miscellaneous Ancillary Procedures
490*	Incidental to Medical, Significant Procedure or Therapy Visit
495	Minor Chemotherapy Drugs
496	Minor Pharmacotherapy
1001	DME and Supplies – Level 1
1002	DME and Supplies – Level 2
1003	DME and Supplies – Level 3

Note: EAPG 490 includes implantable supplies

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Multiple Ancillary Discounting

Ancillary Discounting refers to a reduction in the standard payment rate for multiple, non-routine ancillaries.

When the same, unpackaged ancillary is performed multiple times on the same visit, a discounting of the EAPG payment is applied.

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

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EAPG Process Review

1. Claim is submitted.

2. Claim split into visits based on date of service.

3. Each line assigned an EAPG based on the CPT or HCPCS present on the line = Line EAPG

4. Lines are flagged for discounting, and packaging based on the mix of other services included during the visit.

5. After line flags are applied, visit is described by the most resource intense procedure provided during the visit = Visit EAPG

6. Visits can further aggregated by service line, summary service line, category, or visit type.

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