Introduction to 3M EAPGs
(3M™ Enhanced Ambulatory Patient Groupings)

February 23, 2017

Anne Boucher
3M Health Information Systems
Outline

1. Definition of the EAPG Classification System
   - Reference systems - DRGs and APCs
   - Grouping Under EAPGs
   - Procedure Groups
   - Medical Groups
   - Special Groups (Observation)

2. Features
   - Consolidation
   - Packaging
   - Modifiers

3. Reimbursement
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.
Who is using/converting to EAPGs for payment (OPPS)?

Current users:

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

...and now Florida ACHA
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

• Designed to be applicable to all patients, all age
  ➢ APCs are Medicare Based
Definition – What they are

• 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 example: therapy for a rotator cuff that would include 8 visits in a month, billed monthly on one claim)
  - 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?

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<th>Version#</th>
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<th>Supported through</th>
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<td>3.5</td>
<td>January 2011</td>
<td>December 2016</td>
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3M supports 6 years of versions. What does that mean?

- Changes to all codes sets are included in each supported version (HCPCS procedures and ICD-10-CM diagnoses)
Inputs for defining EAPGs

- ICD-9-CM or ICD-10-CM diagnosis codes (RVDX, PDX, SDX)
- HCPCS level I (CPT) & level II (Alphanumeric) procedure codes
- From and through dates (from-date used to determine code sets used)
- Service Date
- Gender
- Age
- Optional:
  - HCPCS level I and level II modifiers
  - Units
  - Revenue code (for clinics)

Claims can be submitted for either UB or CMS-1500 claim format
Outputs from EAPGs

- 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: Florida ACHA
# EAPG types

<table>
<thead>
<tr>
<th>EAPG Type</th>
<th>Description</th>
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<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>
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<td>7</td>
<td>DME</td>
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<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.
   • *Examples: excision of lesion; biopsy; colonoscopy; CT scan*

2. **ANCILLARY TESTS AND PROCEDURES:**
   Ordered by the primary physician to assist in patient diagnosis or treatment
   • *Includes: Pathology, Laboratory, Chemotherapy & Pharmacotherapy, and other Ancillary Tests*

3. **INCIDENTAL PROCEDURE:**
   An integral part of a medical visit and is usually associated with professional services (“incident to”)
   • *Examples: Range of motion measurements, Category II CPT codes for performance measurement, PQRI (Physician Quality Reporting Initiative) codes (HCPCS G-codes)*
Medical EAPGs

• Patients who receive medical treatment **without a significant procedure** performed during the visit

• EAPG Assignment is driven from the primary diagnosis of the patient coded in ICD-10-CM (or ICD-9-CM for claims prior to Oct 1, 2015)
EAPG logic

1. Significant procedures or therapies present
   - **NO**
   - **YES**

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

   3. Ancillary tests or other services present?
      - **NO**
      - **YES**

Type of procedure or therapy

Significant procedure or therapy visit EAPG (EAPG types: 2; 21 - 25)

Major signs, symptoms or findings present?

Major SSF EAPG (EAPG Type 3) - any dx code

Other types of EAPGs assigned

Assign other (additional) EAPGs

Assignment of additional SP or therapy EAPGs

Ancillary/other service visit EAPG

Error EAPG
What does the logic flow teach us?

1. HCPCS codes are required for grouping and payment
2. More than one line item will be assigned an EAPG
3. More than one line item may be paid
4. The quality of diagnosis coding will impact outcomes for Medical Visits
5. If there is a significant procedure, any Medical Visit will get packaged
## Importance of medical visit indicator

<table>
<thead>
<tr>
<th>Primary Diagnosis:</th>
<th>(No procedure entered)</th>
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<tbody>
<tr>
<td>L03211 Cellulitis of face</td>
<td>Rev Code: 250</td>
</tr>
<tr>
<td>Procedures:</td>
<td>Final EAPG: 999 UNASSIGNED</td>
</tr>
<tr>
<td>(No procedure entered)</td>
<td>Final EAPG Type: 8 Unassigned (EAPG = 999)</td>
</tr>
<tr>
<td>Rev Code: 270</td>
<td>Final EAPG Category: 99 No EAPG assigned</td>
</tr>
<tr>
<td>Final EAPG: 999 UNASSIGNED</td>
<td>Item Unassigned Flag: Invalid procedure, cannot be blank.</td>
</tr>
<tr>
<td>Final EAPG Type: 8 Unassigned (EAPG = 999)</td>
<td>Service Line Indicator: 99</td>
</tr>
<tr>
<td>Final EAPG Category: 99 No EAPG assigned</td>
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<tr>
<td>Item Unassigned Flag: Invalid procedure, cannot be blank.</td>
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</table>

### J0696 Ceftriaxone sodium injection

<table>
<thead>
<tr>
<th>Rev Code: 636</th>
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<tbody>
<tr>
<td>Units: 4</td>
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<tr>
<td>Final EAPG: 496 MINOR PHARMACOTHERAPY</td>
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<td>Final EAPG Type: 6 Drug</td>
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<tr>
<td>Final EAPG Category: 24 Chemotherapy and other drugs</td>
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<tr>
<td>Service Line Indicator: 34</td>
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</table>
Importance of medical visit indicator

Outcome **without** E&M code:

<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>
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**Claim Total:**

- 0.00
- 0.00
- 0.00
- 0.00
- 0.00
- 0.00

Note: all dollars are for illustration purposes only and are not intended to reflect actual payment.

Outcome **with** E&M code:

<table>
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<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Perc.</th>
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**Claim Total:**

- 163.38
- 0.00
- 0.00
- 0.00
- 0.00
- 163.38
### Medical visit – Example 1

#### Primary Diagnosis
- **Z3403**: Encntr for suprsvn of normal first preg, third trimester
- Present On: Exempt from POA reporting/unreported/not used
- Admission (POA): None

#### Procedures
- **99213**: Office/outpatient visit est
  - Rev Code: 761
  - Units: 1
  - Charge: $509.00
  - Date: 03/01/2016
  - Procedure EAPG: 491 MEDICAL VISIT INDICATOR
  - Final EAPG: 766 ROUTINE PRENATAL CARE
  - Final EAPG Type: 3 Medical Visit
  - Final EAPG Category: 66 Pregnancy, childbirth and the puerperium

#### Financial Information - Outpatient Payment Calculation Toolkit - EAPGS

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
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**Visit ID: 1**

**Claim Total:**

| 170.87 | 0.00 | 0.00 | 0.00 | 0.00 | 170.87 |

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Medical visit – Example 2a

Primary Diagnosis
- Code: Z4802
- Description: Encounter for removal of sutures
- Present On: Exempt from POA reporting/unreported/not used
- Admission (POA):

Secondary and External Cause of Injury Diagnoses
- Code: S0101XD
- Description: Laceration without foreign body of scalp, subs encntr
- Present On: Exempt from POA reporting/unreported/not used
- Admission (POA):

Procedures
- Code: 99281
- Description: Emergency dept visit
- Rev Code: 451
- Units: 1
- Charge: $450.00
- Date: 02/01/2016
- Procedure EAPG: 491 MEDICAL VISIT INDICATOR
- Final EAPG: 871 SIGNS, SYMPTOMS & OTHER FACTORS INFLUENCING HEALTH STATUS
- Final EAPG Type: 75 Rehabilitation, aftercare, other factors influencing health status and other health services

Financial Information - Outpatient Payment Calculation Toolkit - EAPGS

<table>
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<th>Code</th>
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Medical visit – Example 2b

**Primary Diagnosis**
- S0101XD: Laceration without foreign body of scalp, subs encntr
  - Present On: Exempt from POA reporting/unreported/not used
  - Admission (POA): 

**Secondary and External Cause of Injury Diagnoses**
- Z4802: Encounter for removal of sutures
  - Present On: Exempt from POA reporting/unreported/not used
  - Admission (POA): 

**Procedures**
- 99281: Emergency dept visit

**Financial Information - Outpatient Payment Calculation Toolkit - EAPGS**

<table>
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<tr>
<th>Code</th>
<th>Final EAPG</th>
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Claim Total: 195.30 0.00 0.00 0.00 0.00 195.30
What about claims with significant procedure(s) and medical visit?

• Normally, the significant procedure is processed and the medical visit is not processed

• Exceptions:
  • Modifier 25
  • Option Setting for specific significant procedure types e.g. (set by payer)
    • 21 Physical Therapy & Rehab
    • 24 Radiologic Procedure
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
- Relative weights take into consideration all services, including packaged services
- Important to code all services to reflect full treatment and costs
Packaging – Two Types

EAPG standard logic includes

1. Ancillary packaging (“Packaging”)
   ✓ Uniform list of ancillary EAPGS
   ✓ Always packaged when a Medical visit or Significant Procedure EAPG is present

2. Significant procedure consolidation (“Consolidation”)

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## Standard Ancillary packaging list

**Versions 3.12**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<tr>
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<td>ALLERGY TESTS</td>
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<td>373</td>
<td>LEVEL I DENTAL FILM</td>
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<td>374</td>
<td>LEVEL II DENTAL FILM</td>
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<td>BLOOD AND URINE DIPSTICK TESTS</td>
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<td>SIMPLE PULMONARY FUNCTION TESTS</td>
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<td>CARDIOGRAM</td>
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<td>423</td>
<td>INTRODUCTION OF NEEDLE AND CATHETER</td>
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<td>424</td>
<td>DRESSINGS AND OTHER MINOR PROCEDURES</td>
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<td>LEVEL I OTHER MISCELLANEOUS ANCILLARY PROCEDURES</td>
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<td>BIOFEEDBACK AND OTHER TRAINING</td>
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<td>PATIENT EDUCATION, INDIVIDUAL</td>
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<td>PATIENT EDUCATION, GROUP</td>
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<td>EXPANDED HOURS ACCESS</td>
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<td>ADDITIONAL UNDIFFERENTIATED MEDICAL VISITS/SERVICES (removed from list)</td>
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<td>IMPLANTED TISSUE OF ANY TYPE</td>
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<td>VENIPUNCTURE</td>
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<td>VACCINE ADMINISTRATION</td>
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<td>MINOR CARDIAC MONITORING</td>
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<td>MINOR DEVICE EVALUATION &amp; ELECTRONIC ANALYSIS</td>
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<td>1003</td>
<td>DURABLE MEDICAL EQUIPMENT AND SUPPLIES - LEVEL 3</td>
</tr>
</tbody>
</table>
Ancillary Packaging Logic

Ancillary service is packaged when:

• The EAPG is on the packaging list – AND
  • A medical visit EAPG is present, OR
  • A significant procedure is present

If ancillary service is provided alone

• No packaging is done
Packaging example with Significant Procedure

Primary Diagnosis:
S62241A Disp fx of shaft of first metacarpal bone, right hand, init

Secondary Diagnoses:
S63591A Other specified sprain of right wrist, initial encounter
S66911A Strain of unsp musc/fasc/tend at wrs/hnd lv, r hand, init
S43001A Unspecified subluxation of right shoulder joint, init encntr

Procedures:

99281 Emergency dept visit
Rev Code: 450
Date: 10/01/2016
EAPG: 491 MEDICAL VISIT INDICATOR
EAPG Type: 5 Incidental
Packaging Flag: Packaging applies

73130 X-ray exam of hand
Rev Code: 320
Date: 10/01/2016
EAPG: 471 PLAIN FILM
EAPG Type: 4 Ancillary
Packaging Flag: Packaging applies

73030 X-ray exam of shoulder
Rev Code: 320
Date: 10/01/2016
EAPG: 471 PLAIN FILM
EAPG Type: 4 Ancillary
Discounting Flag: Repeat Ancillary
Discounting applies
Packaging Flag: Packaging applies

77071 X-ray stress view
Rev Code: 320
Date: 10/01/2016
EAPG: 490 INCIDENTAL TO MEDICAL, SIGNIFICANT PROCEDURE OR THERAPY VISIT
EAPG Type: 2 Significant Procedure
Packaging Flag: Packaging applies

26600 Treat metacarpal fracture
Rev Code: 450
Date: 10/01/2016
EAPG: 42 CLOSED TREATMENT FX & DISLOCATION EXC FINGER, TOE & TRUNK
EAPG Type: 2 Significant Procedure

80050 General health panel
Rev Code: 300
Date: 10/01/2016
EAPG: 403 ORGAN OR DISEASE ORIENTED PANELS
EAPG Type: 4 Ancillary

36415 Routine venipuncture
Rev Code: 300
Date: 10/01/2016
EAPG: 457 VENIPUNCTURE
EAPG Type: 4 Ancillary
### Packaging example

With significant procedure present

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>EAPG Type</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>99281</td>
<td>491</td>
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<td>0.0000</td>
<td>04-Packaged</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>73130</td>
<td>471</td>
<td>4</td>
<td>0.0000</td>
<td>04-Packaged</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>77071</td>
<td>490</td>
<td>5</td>
<td>0.0000</td>
<td>04-Packaged</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>73030</td>
<td>471</td>
<td>4</td>
<td>0.0000</td>
<td>04-Packaged</td>
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<td>$0.00</td>
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<tr>
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<td><strong>Claim Total:</strong></td>
<td><strong>2.0207</strong></td>
<td><strong>Standard Payment</strong></td>
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<td><strong>$708.85</strong></td>
<td><strong>$708.85</strong></td>
<td><strong>$708.85</strong></td>
</tr>
</tbody>
</table>
**Packaging example**

Without significant procedure or medical visit

**Primary Diagnosis:**
- **S62241A** Disp fx of shaft of first metacarpal bone, right hand, init

**Secondary Diagnoses:**
- **S63591A** Other specified sprain of right wrist, initial encounter
- **S66911A** Strain of unsp musc/fasc/tend at wrs/hnd lv, r hand, init
- **S43001A** Unspecified subluxation of right shoulder joint, init encntr

**Procedures:**
- **73130** X-ray exam of hand
  - Rev Code: 320
  - Date: 10/01/2016
  - EAPG: 471  PLAIN FILM
  - EAPG Type: 4  Ancillary
  - Packaging Flag: Packaging applies

- **77071** X-ray stress view
  - Rev Code: 320
  - Date: 10/01/2016
  - EAPG: 490  INCIDENTAL TO MEDICAL, SIGNIFICANT PROCEDURE OR THERAPY VISIT
  - EAPG Type: 5  Incidental
  - Packaging Flag: Packaging applies

- **73030** X-ray exam of shoulder
  - Rev Code: 320
  - Date: 10/01/2016
  - EAPG: 471  PLAIN FILM
  - EAPG Type: 4  Ancillary
  - Discounting Flag: Repeat Ancillary
  - Discounting applies
  - Packaging Flag: Packaging applies

- **80050** General health panel
  - Rev Code: 300
  - Date: 10/01/2016
  - EAPG: 403  ORGAN OR DISEASE ORIENTED PANELS
  - EAPG Type: 4  Ancillary

- **36415** Routine venipuncture
  - Rev Code: 300
  - Date: 10/01/2016
  - EAPG: 457  VENIPUNCTURE
  - EAPG Type: 4  Ancillary
## Packaging example

Without a significant procedure or medical visit

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>EAPG Type</th>
<th>Full Weight</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Base Payment</th>
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<td>36415</td>
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<td>01-Full Payment</td>
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<td>$ 5.53</td>
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<td>73030</td>
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<td>4</td>
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<td>$0.00</td>
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Claim Total: Standard Payment $ 351.54 $ 351.54
# Packaging example

## With Medical Visit and no significant procedure

<table>
<thead>
<tr>
<th>Primary Diagnosis:</th>
<th>N751 Abscess of Bartholin’s gland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedures:</td>
<td></td>
</tr>
<tr>
<td>81001 Urinalysis auto w/scope</td>
<td>Rev Code: 300</td>
</tr>
<tr>
<td>Units: 1</td>
<td>Date: 02/01/2016</td>
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<tr>
<td>Final EAPG: 410</td>
<td>Final EAPG Type: 4 Ancillary</td>
</tr>
<tr>
<td>84703 Chorionic gonadotropin assay</td>
<td>Rev Code: 300</td>
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<tr>
<td>Units: 1</td>
<td>Date: 02/01/2016</td>
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<tr>
<td>Final EAPG: 400</td>
<td>Final EAPG Type: 4 Ancillary</td>
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<tr>
<td>87070 Culture othr specimn aerobic</td>
<td>Rev Code: 300</td>
</tr>
<tr>
<td>Date: 02/01/2016</td>
<td>Final EAPG: 396 LEVEL I MICROBIOLOGY TESTS</td>
</tr>
<tr>
<td>Final EAPG Type: 4 Ancillary</td>
<td>Final EAPG Type: 4 Ancillary</td>
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<tr>
<td>87205 Smear gram stain</td>
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<tr>
<td>Date: 02/01/2016</td>
<td>Final EAPG: 396 LEVEL I MICROBIOLOGY TESTS</td>
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<td>Final EAPG Type: 4 Ancillary</td>
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<tr>
<td>99282 Emergency dept visit</td>
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<td>Units: 1</td>
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<tr>
<td>Final EAPG: 751</td>
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<td>Final EAPG Type: 6 Drug</td>
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<tr>
<td>J1170 Hydromorphone injection</td>
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<td>Date: 02/01/2016</td>
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<td>Final EAPG Type: 6 Drug</td>
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</table>

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Packaging example
With Medical Visit and no significant procedure

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<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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</thead>
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<tr>
<td>81001</td>
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<td>0.0000</td>
<td>0.00</td>
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<td>0.00</td>
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<td>0.00</td>
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<td>0.00</td>
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<tr>
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<td>0.0000</td>
<td>0.00</td>
<td>0.00</td>
<td>04</td>
<td>0.00</td>
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<td>0.00</td>
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<td>J1170</td>
<td>496</td>
<td>0.0000</td>
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<td>04</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
</tbody>
</table>

Claim Total: 169.61 0.00 0.00 0.00 0.00 169.61
Discounting Example:
Labs without medical visit or significant procedure present

**Primary Diagnosis:**
P599 Neonatal jaundice, unspecified

**Procedures:**
36415 Routine venipuncture
Rev Code: 300
Units: 1
Procedure EAPG: 457 VENIPUNCTURE
Final EAPG: 457 VENIPUNCTURE
Final EAPG Type: 4 Ancillary
Final EAPG Category: 23 Other ancillary tests and procedures
Service Line Indicator: 9

**82247 Bilirubin total**
Rev Code: 300
Units: 1
Procedure EAPG: 400 LEVEL I CHEMISTRY TESTS
Final EAPG: 400 LEVEL I CHEMISTRY TESTS
Final EAPG Type: 4 Ancillary
Final EAPG Category: 22 Laboratory
Service Line Indicator: 31

**82248 Bilirubin direct**
Rev Code: 300
Units: 1
Procedure EAPG: 400 LEVEL I CHEMISTRY TESTS
Final EAPG: 400 LEVEL I CHEMISTRY TESTS
Final EAPG Type: 4 Ancillary
Final EAPG Category: 22 Laboratory
Discounting Flag: Repeat Ancillary Discounting applies
Service Line Indicator: 31
**Discounting Example:**
Labs without medical visit or significant procedure present

<table>
<thead>
<tr>
<th>Code</th>
<th>Final EAPG</th>
<th>EAPG Type</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Total Payment</th>
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</thead>
<tbody>
<tr>
<td>36415</td>
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<td>0.0334</td>
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<td>$ 6.55</td>
</tr>
</tbody>
</table>

Claim Total: Standard Payment $26.50 $26.50
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.

Types of consolidation:
- ✓ Clinical (based on clinical algorithm)
- ✓ Multiple same procedure EAPG
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 – Clinical & Same Procedure

Primary Diagnosis:
S71141A Puncture wound with foreign body, right thigh, init encntr

Secondary Diagnoses:
S51841A Puncture wound w foreign body of right forearm, init encntr
Z1831 Retained animal quills or spines

Procedures:
99212 Office/outpatient visit est
Rev Code: 510
Units: 1
Date: 07/01/2016
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
Date: 07/01/2016
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
Date: 07/01/2016
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
Date: 07/01/2016
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 – Clinical & Same Procedure

Primary Diagnosis:
S71141A Puncture wound with foreign body, right thigh, init encntr

Secondary Diagnoses:
S51841A Puncture wound w foreign body of right forearm, init encntr

Z1831 Retained animal quills or spines

Procedures:
99212 Office/outpatient visit est  
Rev Code: 510  
Units: 1  
Date: 07/01/2016  
Final EAPG: 491 MEDICAL VISIT INDICATOR  
Final EAPG Type: 5 Incidental  
Final EAPG Category: 30 Incidental procedures and services  
Packaging Flag: Packaging applies

Clinical Procedure Consolidation

10120 Remove foreign body  
Rev Code: 510  
Units: 2  
Date: 07/01/2016  
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  
Date: 07/01/2016  
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  
Date: 07/01/2016  
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.
Primary Diagnosis:
S71141A Puncture wound with foreign body, right thigh, init encntr

Secondary Diagnoses:
S51841A Puncture wound w foreign body of right forearm, init encntr

Z1831 Retained animal quills or spines

Procedures:
99212 Office/outpatient visit est
Rev Code: 510
Units: 1
Date: 07/01/2016
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
Date: 07/01/2016
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
Date: 07/01/2016
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
Date: 07/01/2016
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 – Clinical & Same Procedure

<table>
<thead>
<tr>
<th>Code</th>
<th>Code Description</th>
<th>Final EAPG</th>
<th>EAPG Description</th>
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<th>Pay Perc.</th>
<th>Pay Action</th>
<th>Payment Description</th>
<th>Total Payment</th>
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<td>MEDICAL VISIT INDICATOR</td>
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<td>4</td>
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<td>10120</td>
<td>Remove foreign body</td>
<td>3</td>
<td>LEVEL I SKIN INCISION AND DRAINAGE</td>
<td>0.0000</td>
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<td>Drain lower leg lesion</td>
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<td>5.3997</td>
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<td>$2,429.87</td>
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</table>
Modifiers Used in Enhanced APGs

Modifiers are 2-character 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 & Discounting

Primary Diagnosis:
S7141A Puncture wound with foreign body, right thigh, init enctr

Secondary Diagnoses:
S51841A Puncture wound w foreign body of right forearm, init enctr

Z1831 Retained animal quills or spines

Procedures
99212 Office/outpatient visit est
Rev Code: 510
Units: 1
Date: 07/01/2016
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
Date: 07/01/2016
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
Date: 07/01/2016
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
Modifier 1: 59
Rev Code: 510
Units: 1
Date: 07/01/2016
Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE
Final EAPG Type: 2 Significant Procedure
Final EAPG Category: 1 Skin and integumentary system procedures
Discounting Flag: Multiple Procedure Discounting candidate
## Example of consolidation – payment

<table>
<thead>
<tr>
<th>Code</th>
<th>Code Description</th>
<th>Final EAPG</th>
<th>EAPG Description</th>
<th>Adjusted Weight</th>
<th>Pay Perc.</th>
<th>Pay Action</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>99212</td>
<td>Office/outpatient visit est</td>
<td>491</td>
<td>Medical visit indicator</td>
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<td>10120</td>
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<td>Level I skin incision and drainage</td>
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<tr>
<td>23930</td>
<td>Drainage of arm lesion</td>
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<td>Level II skin incision and drainage</td>
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**Claim Total:**  
Standard Payment 3,644.80
Observation logic

- All observation is packaged in presence of significant procedure or per diem
  
  EAPG types:
  1. Per Diem
  2. Significant Procedure
  21. Physical Therapy & Rehab
  22. Mental Health & Counseling
  23. Dental Procedure
  24. Radiologic Procedure
  25. Diagnostic Significant Proc

- HCPCS G0378 must be present
  - Include number of units/hours in observation

- Primary diagnosis code must be present

- Two types of observation
  - Ancillary EAPG
  - Medical EAPG
Ancillary observation

- Medical visit indicator (MVI) present:
  - Evaluation and management (E&M) codes:
    - 99201 – 99205; 99211 – 99214, 99281 – 99285, G0463, G0379
  - Medical visit EAPG assigned based on primary diagnosis code
- EAPG 450 (“OBSERVATION”) assigned to G0378
Example of ancillary observation

**Primary Diagnosis:**
R55 Syncope and collapse

**Procedures:**
- **99282** Emergency dept visit
  - Rev Code: 450
  - Units: 1
  - Date: 10/10/2016
  - Final EAPG: 605  SYNCOPE & COLLAPSE
  - Final EAPG Type: 3  Medical Visit
  - Service Line Indicator: 7  Cardiology

- **G0378** Hospital observation per hr
  - Rev Code: 762
  - Units: 5
  - Date: 10/10/2016
  - Final EAPG: 450  OBSERVATION
  - Final EAPG Type: 4  Ancillary
  - Service Line Indicator: 9  General Medicine

- **70250** X-ray exam of skull
  - Rev Code: 320
  - Units: 1
  - Date: 10/11/2016
  - Final EAPG: 471  PLAIN FILM
  - Final EAPG Type: 4  Ancillary
  - Packaging Flag: Packaging applies
  - Service Line Indicator: 37  Radiology

- **72240** Myelography neck spine
  - Rev Code: 320
  - Units: 1
  - Date: 10/11/2016
  - Final EAPG: 474  RADIOLOGICAL GUIDANCE FOR THERAPEUTIC OR DIAGNOSTIC PROCEDURES
  - Final EAPG Type: 4  Ancillary
  - Service Line Indicator: 37  Radiology
## Example of ancillary observation - reimbursement

<table>
<thead>
<tr>
<th>Code</th>
<th>Code Description</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>Pay Action</th>
<th>Base Payment</th>
<th>Total Payment</th>
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</thead>
<tbody>
<tr>
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<td>Emergency dept visit</td>
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<td>1.1459</td>
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<td>G0378</td>
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<td>1.4800</td>
<td>Full payment</td>
<td>$518.00</td>
<td>$518.00</td>
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</tbody>
</table>

**Claim Total:**

|               |               | **5.2979** |               |               | **$1,854.27** | **$1,854.27** |
Ancillary observation – Summary

✓ There is no significant procedure present

✓ The medical EAPG is assigned to the MVI and is paid separately

✓ The observation service (EAPG 450) is also paid separately

✓ The plain film (EAPG 471 is on the packaging list) still packages, even though it is on a different date than the medical visit
  
  o ED and observation claims are usually treated as a single episode

Note: the Myelography (EAPG 474) also pays separately since it is not on the ancillary packaging list
Observation, significant procedure present

Primary Diagnosis:
R55 Syncope and collapse

Procedures:
99282 Emergency dept visit
Modifier 1: 25
Rev Code: 450
Units: 1
Date: 10/10/2016
Final EAPG: 605 SYNCOPE & COLLAPSE
Final EAPG Type: 3 Medical Visit

G0378 Hospital observation per hr
Rev Code: 762
Units: 5
Date: 10/10/2016
Final EAPG: 450 OBSERVATION
Final EAPG Type: 4 Ancillary

72240 Myelography neck spine
Rev Code: 320
Units: 1
Date: 10/11/2016
Final EAPG: 474 RADIOLOGICAL GUIDANCE FOR THERAPEUTIC OR DIAGNOSTIC PROCEDURES
Final EAPG Type: 4 Ancillary

J7050 Normal saline solution infus
Rev Code: 636
Units: 1
Date: 10/10/2016
Final EAPG: 496 MINOR PHARMACOTHERAPY
Final EAPG Type: 6 Drug
Packaging Flag: Packaging applies

70250 X-ray exam of skull
Rev Code: 320
Units: 1
Date: 10/11/2016
Final EAPG: 471 PLAIN FILM
Final EAPG Type: 4 Ancillary
Packaging Flag: Packaging applies

96360 Hydration iv infusion init
Rev Code: 261
Charge: $150.00
Date: 10/10/2016
Final EAPG: 111 PHARMACOTHERAPY EXCEPT BY EXTENDED INFUSION
Final EAPG Type: 2 Significant Procedure
Packaging Flag: Packaging applies
### Financial Information - Payer - EAPGS (PDX = R55)

<table>
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<tr>
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<td>99282</td>
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<td>1.1459</td>
<td>Full Payment</td>
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<td>$401.05</td>
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<tr>
<td>G0378</td>
<td>5% dextrose/ normal saline</td>
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<td>$0.00</td>
</tr>
<tr>
<td>70250</td>
<td>X-ray exam of skull</td>
<td>471</td>
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<td><strong>$1,673.70</strong></td>
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</table>
Observation, significant procedure present – Summary

• This is the same set of services as the previous example with some additions:
  • Modifier 25 added to MVI (99282)
  • Significant procedure added (96360 - IV therapy)
  • Substance infused also added (J7050 – saline solution)

• With the modifier 25 present, the medical visit pays separately (w/out modifier 25 it would package)

• Observation (EAPG 450) packages – due to presence of significant procedure

• The plain film (EAPG 471) still packages, even though it is on a different date than the medical visit or significant procedure

• Note: the Myelography (EAPG 474) also pays separately. It is not on the packaging list.
Logical Functions within Products

How much will it be paid?

- Editing if defined
- Grouping performed function
- Reimbursement Calculated*

*Policy decisions made by implementing payer: Florida ACHA
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.)
**Payment formula**

Items consolidated, packaged, not grouped pay $0.00

Variables:
- Base Rate (also called ‘Conversion factor’ (CF))
- Adjusted weight (AW)

Formula:
- Base Rate x EAPG Adjusted Weight = payment

Line items summed for visit total
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 – Default settings

What services are discounted?

- Medical visits: No
- Drugs: No
- DME: No
- Significant procedures: Yes
- Ancillary procedures: Yes
Discounting – ancillary services

Multiple unpackaged ancillaries

• Repeat same ancillary EAPGs
• Level 1 – 100%
• Level 2 – 50%
• Multiple different ancillary EAPGs
• Each paid at 100%
<table>
<thead>
<tr>
<th>HCPCS Code</th>
<th>Code Description</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>EAPG Type</th>
<th>Type Description</th>
<th>Payment %</th>
<th>Pay Action</th>
<th>Description</th>
<th>Total Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>35476</td>
<td>Repair venous blockage</td>
<td>85</td>
<td>9.5749</td>
<td>2</td>
<td>Significant procedure</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
<td>$3,351.20</td>
</tr>
<tr>
<td>36120</td>
<td>Establish access to artery</td>
<td>280</td>
<td>4.0713</td>
<td>24</td>
<td>Radiologic Procedure</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
<td>$1,424.96</td>
</tr>
<tr>
<td>72193</td>
<td>Ct pelvis w/dye</td>
<td>300</td>
<td>0.5039</td>
<td>24</td>
<td>Radiologic Procedure</td>
<td>50%</td>
<td>3</td>
<td>Discounted</td>
<td>$176.37</td>
</tr>
<tr>
<td>93975</td>
<td>Vascular study</td>
<td>288</td>
<td>0.1259</td>
<td>24</td>
<td>Radiologic Procedure</td>
<td>50%</td>
<td>3</td>
<td>Discounted</td>
<td>$44.07</td>
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<tr>
<td>80053</td>
<td>Comprehen metabolic panel</td>
<td>403</td>
<td>0.0224</td>
<td>4</td>
<td>Ancillary</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
<td>$7.84</td>
</tr>
<tr>
<td>85610</td>
<td>Prothrombin time</td>
<td>406</td>
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<td>Ancillary</td>
<td>0%</td>
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<td>$0.00</td>
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<tr>
<td>75791</td>
<td>Av dialysis shunt imaging</td>
<td>474</td>
<td>0.3217</td>
<td>4</td>
<td>Ancillary</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
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<tr>
<td>75978</td>
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<td>0.1608</td>
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<td>3</td>
<td>Discounted</td>
<td>$56.29</td>
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<td><strong>$5,229.61</strong></td>
</tr>
</tbody>
</table>
# Discounting example

1st Significant Procedure pays at 100%, 2nd and 3rd at 50% due to same type procedure

<table>
<thead>
<tr>
<th>HCPCS Code</th>
<th>Code Description</th>
<th>Final EAPG</th>
<th>Adjusted Weight</th>
<th>EAPG Type</th>
<th>Type Description</th>
<th>Payment %</th>
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<td>$3,351.20</td>
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<td>36120</td>
<td>Establish access to artery</td>
<td>280</td>
<td>4.0713</td>
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<td>Radiologic</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
<td>$1,424.96</td>
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<td>0.1259</td>
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<td>Radiologic</td>
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<tr>
<td>80053</td>
<td>Comprehen metabolic panel</td>
<td>403</td>
<td>0.0224</td>
<td>4</td>
<td>Ancillary</td>
<td>100%</td>
<td>1</td>
<td>Full payment</td>
<td>$7.84</td>
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<tr>
<td>85610</td>
<td>Prothrombin time</td>
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<td>Vein x-ray trunk</td>
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<td><strong>$5,229.61</strong></td>
</tr>
</tbody>
</table>
Discounting example
1st Ancillary pays at 100% (not on packaging list), 2nd packages (on packaging list)

<table>
<thead>
<tr>
<th>HCPCS Code</th>
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<th>Final EAPG</th>
<th>Adjusted Weight</th>
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</tr>
</tbody>
</table>
## Discounting example – Same EAPG (not on packaging list)

1st Ancillary pays at 100%, 2nd and 3rd discounted at 50%

<table>
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<tr>
<th>HCPCS Code</th>
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<th>Final EAPG</th>
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<td>1</td>
<td>Full payment</td>
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<td>0.1608</td>
<td>4</td>
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<td>3</td>
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<td>Vein x-ray trunk</td>
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Thinking about information systems

1. Is there anything a hospital needs to do to understand and be successful with EAPGs?
2. Education: have someone who really understands how they work
3. Have processes
   - For reviewing payments: are they what is expected?
   - Resolving in discrepancies
   - Resolving any edits
4. Have a grouper in house
5. Linkage between grouper and EHR/billing system
6. Make certain have in-house system that can store the EAPG grouper outputs for all claims
7. May be in addition to APC detail in cases with dual eligible patients
8. Be able to report and review related ambulatory services for efficient use of resources.
Questions?

THANK YOU!!