



EAPG IMPLEMENTATION – OBSERVATIONS FROM THE FIRST SIX MONTHS

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AGENDA & OBJECTIVES

- Overview of EAPGs
- Observations & Reminders
 - ODM & Managed Care Plan Issues
 - EAPG Payment Exceptions
- EAPG Payment Monitoring & Analysis
- OHA & BKD Monitoring Project Update



OVERVIEW OF EAPGS

- Outpatient claims classification system developed by 3M
- Accommodates all patients, not just Medicare population
- Uses discounting, packaging & consolidation
- Uses CPT/HCPCS & ICD-10 Diagnosis Codes
- Weights and rates set by Ohio Department of Medicaid
 - <http://medicaid.ohio.gov/PROVIDERS/ProviderTypes/HospitalProviderInformation/HospitalPaymentPolicy.aspx#1786182-outpatient-relative-weights>
 - Went live August 1, 2017



OVERVIEW OF EAPGS: EAPG DEFINITIONS

- OP Claim
 - A claim that represents services rendered to one eligible Medicaid beneficiary on one date of service
- OP Invoice
 - A claim that represents services rendered to one eligible Medicaid beneficiary on one or more date(s) of service
- Procedure Code
 - Current Procedural Terminology (CPT) or Healthcare Common Procedure Coding System (HCPCS)



OVERVIEW OF EAPGS: EAPG DEFINITIONS

- Packaging
 - The inclusion of payment for certain services within payment for significant procedure or medical services
- Discounting
 - A reduction in the standard EAPG payment rate when multiple significant procedures are performed
- Consolidation
 - When a patient has multiple related significant procedures performed on the same date



OVERVIEW OF EAPGS: MODIFIERS

Impact to Payment	No Impact to Payment
25 – distinct service	GN, GO & GP – therapy modifiers
27 – multiple E&M encounters	Anatomical/Select Modifiers (RT, LT, TA, T1, E1, F5, etc.)
50 – bilateral procedure	Distinct Procedure Modifiers (XE, XS, XP, & XU)*
59 – separate procedure	
52 – reduced service	
73 & 74 - terminated surgery	
PA, PB & PC – never event	



OHIO POLICY DECISIONS: PAYMENT FORMULA

$$A \times B \times C = \$$$

A = Hospital specific base rate adjusted for risk corridors

B = EAPG relative weight

C = Applicable discounting factor(s)

\$ = Payment (rounded to the nearest penny)



OBSERVATIONS & REMINDERS

- ODM & Managed Care Plan Issues
 - Improper payments
 - Consolidating & discounting issues
 - Pharmacy fee schedule issues
 - Mass adjustments
- Reminders
 - 3M Grouper
 - Payment Exceptions



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Laboratory Services

- Codes 36415, 36416, 78267, 78268 and/or 80000-89999
- Reimbursed the **LESSER OF** charges or the assigned EAPG payment

Radiology Services

- Codes 36251-36254, 62302-62305 and/or 70000-79999
- Reimbursed the **LESSER OF** charges or the assigned EAPG payment



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Pharmaceuticals

- Reimbursement for outpatient hospital pharmaceuticals will be **LESSER OF** the charge or payment amounts from the provider-administered pharmaceutical fee schedule, when applicable
- Discounting factors apply
- Pharmaceutical line items without a “National Drug Code” will be denied payment by the department.
 - <http://medicaid.ohio.gov/PROVIDERS/FeeScheduleandRates/SchedulesandRates.aspx#948343-provider-administered-pharmaceuticals>



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Durable Medical Equipment (DME)

- Additional payments for DME may be made for all line items grouping to EAPGs 01001 – 01020
- Reimbursement will be the **LESSER OF** the charge or payment amounts from the DME fee schedule
- Discounting factors still apply
- <http://medicaid.ohio.gov/PROVIDERS/FeeScheduleandRates/SchedulesandRates.aspx#948339-durable-medical-equipment>



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Dental Services

- EAPGs 00350-00372 will have a special rate applied to calculate reimbursement during the ***interim period***
 - **Interim Period** - *the initial time after EAPG implementation when data collection will occur to determine EAPG relative weights. The interim period will be the effective date of this rule and will last at least six months*
- Children's Hospitals = \$1,062 All other Hospitals = \$1,192
- Discounting factors apply



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Designated Free Vaccines

- Immunizations covered under the Vaccines for Children (VFC) program & non-designated vaccines (OAC 5160-4-12)
- Reimbursement for immunizations under the VFC program are \$10 for patients 18 years old or younger, **contingent upon EAPG grouper**
- Discounting factors apply
- <http://medicaid.ohio.gov/PROVIDERS/FeeScheduleandRates/SchedulesandRates.aspx#948343-provider-administered-pharmaceuticals>



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Observation Services

- Need to bill HCPCS G0378
- Payment for G0378 will be made using an average rate during the interim period.
- EAPGs 00450, 00500, 00501 & 00502 limited to one per day with maximum of two consecutive days
 - Payments will be made on G0378 for up to 24 units per day or 48 consecutive units (could extend over 3-day period)
- Discounting factors apply



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Independently Billed Services Drugs or Medical Supplies & Devices

- Hospital must initiate request for independently billed payment
- Report all services provided on the date of service
- UB modifier on primary procedure
- Payment made on independently billed item; all other lines paid zero



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Independently Billed Services Drugs or Medical Supplies & Devices

- Supplies & Devices
 - 027X
 - With or without HCPCS
 - 60% of your specific Medicaid outpatient cost-to-charge ratio



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Independently Billed Services Drugs or Medical Supplies & Devices

- **Drugs Scenario #1**
 - 025X or 636
 - With J-code or Q-code HCPCS listed in provider-administered pharmaceutical fee schedule
 - Paid according to Fee Schedule
- **Drugs Scenario #2**
 - 025X
 - No HCPCS
 - 60% of your specific Medicaid outpatient cost-to-charge ratio



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Independently Billed Services Drugs or Medical Supplies & Devices

- **Drugs Scenario #3**

- 025X or 636
- J-code HCPCS, except J0714, not listed in provider-administered pharmaceutical fee schedule -OR- listed as “by report” in the fee schedule
- 60% of your specific Medicaid outpatient cost-to-charge ratio

- **Drugs Scenario #4**

- 025X or 636
- Q-code HCPCS **not** listed in provider-administered pharmaceutical fee schedule
- **DENIED CLAIM**



OHIO POLICY DECISIONS: EAPG PAYMENT EXCEPTIONS

Behavioral Health (BH) & Substance Use Disorders (SUD)

- A hospital claim for BH or SUD services must contain:
 - Modifier HE for each CPT/HCPCS code
 - Revenue Code 0671, 0900, 0904, 0906, 0907, 0911, 0912, 0913, 0914, 0915, 0916, 0918, 0919 or 1002
 - Diagnosis Code for BH or SUD
- Reimbursement for BH or SUD will be paid the lesser of charges or the behavioral health fee schedule
- <http://bh.medicaid.ohio.gov/manuals>



EAPG PAYMENT MONITORING & ANALYSIS

Payment monitoring and analysis are crucial

- Are you getting paid what you expected?
 - Over and under payments
 - Risk corridors
- If not getting paid what you expected:
 - Correct 3M Grouper settings
 - Including all CPT/HCPCS codes
 - Correct diagnosis coding
 - Correct modifiers
 - Payment exceptions



SUMMARY OF OHA & BKD MONITORING PROJECT

- OHA & BKD have partnered to offer monitoring for:
 - Enhanced Ambulatory Patient Groups (EAPG) Implementation
 - Biennium Budget
- Using 837 (claim) & 835 (remit) files
- Two-year monitoring time frame
 - July 1, 2017 – July 31, 2019



SUMMARY OF OHA & BKD MONITORING PROJECT

- EAPG Monitoring
 - Outpatient payment methodology transition from fee-for-service to EAPGs
 - Claims and remits for Traditional Medicaid & Managed Care Plans
 - Utilize 3M EAPG Core Grouping Software
- Biennium Budget Monitoring
 - Proposed \$1 Billion cut to hospitals during 2017-2019 budget
 - Inpatient and Outpatient Claims
 - Claims and remits for Traditional Medicaid & Managed Care Plans



WHY MONITORING IS IMPORTANT

EAPG Monitoring

- Outpatient reimbursement methodology shift from fee-for-service to a prospective payment methodology
- Caveats to the EAPG methodology during the “interim period”
 - Opportunities and potential pitfalls for reimbursement
- Risk corridors
 - Stop loss/stop gain risk corridor of 0-5 percent



WHY MONITORING IS IMPORTANT

Biennium Budget Monitoring

- Proposed \$1 Billion in cuts to hospitals from 2017-2019
- Cuts on both inpatient and outpatient reimbursement
- Timely Medicaid budget spend reporting to OHA and the Ohio Department of Medicaid (ODM)
- Potential to delay and/or prevent cuts through monitoring



MONITORING PACKAGES: BASE VS. OPTIONAL

Base Package

- Contract directly with OHA
- Includes the following:
 - EAPG reimbursement and risk corridor monitoring
 - Budget monitoring (Inpatient and Outpatient claims)
- Eight quarters of reporting over two-year time frame

Optional Package

- Contract directly with BKD
- Includes the following:
 - EAPG reimbursement analysis for high cost drugs & supplies, lesser of language, flat rate reimbursed services, observation, etc.
 - Payer analysis for your hospital compared to your peer group
- Eight quarters of reporting over two-year time frame



CURRENT PROJECT STATUS

- OHA has contracted with close to 100 Ohio hospitals for the EAPG base package
- BKD working closely with hospitals and health systems to obtain the claim and remit information needed for the project
- Summary package delivery dates subject to getting contracts signed and obtaining claim and remit data
- BKD issuing engagement letters to interested hospitals for the optional package





QUESTIONS?





THANK YOU!

FOR MORE INFORMATION

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