

# NEBRASKA MEDICAID EAPG PRICING TRAINING

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REVISED MAY 14, 2020

NEBRASKA ASSOCIATION OF MEDICAID HEALTH PLANS

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Department of Health & Human Services

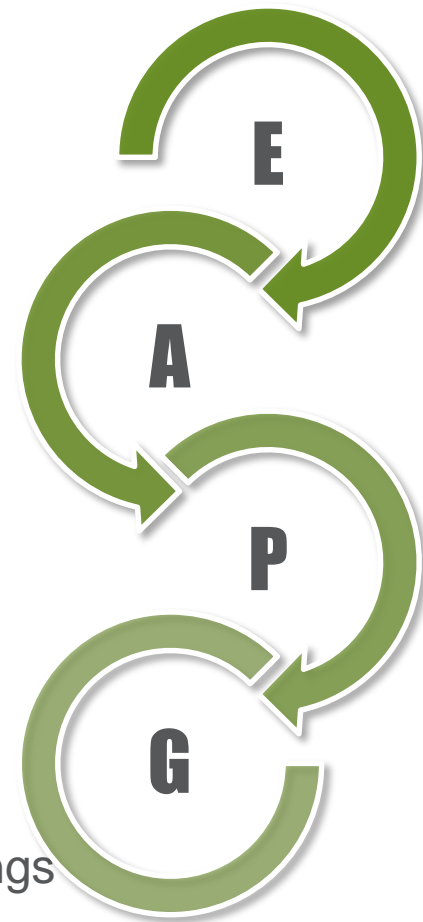


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NAVIGANT

## TOPICS

- ▲ EAPG Grouping and Pricing - Basics
- ▲ NE Medicaid Implementation of EAPGs
- ▲ EAPG Grouping and Pricing - Details
- ▲ 5 EAPG Scenarios
  - Bundling
  - Discounting
  - Bilateral / Terminated
  - Observation
  - Nebraska Medicaid Specific
- ▲ NE Medicaid EAPG Grouping/Pricer Settings
- ▲ Transition Support



# EAPG GROUPING AND PRICING – BASICS

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# EAPG GROUPING AND PRICING – BASICS

## WHAT ARE EAPGs

- ▲ EAPG stands for **E**nhanced **A**mbulatory **P**atient **G**rouping
- ▲ Developed by 3M™ Corporation
- ▲ EAPG grouper is an outpatient visit-based patient classification system designed by 3M
  - EAPG grouper assigns an EAPG classification to each claim detail line
    - 574 different EAPGs under version 3.14
    - Services within each EAPG have similar clinical characteristics and similar resource requirements
- ▲ EAPG encompass the full range of ambulatory settings and outpatient services across the all-payer population
  - EAPG classifications are available for all the outpatient services (including laboratory and therapies)
  - EAPG classifications are available for all outpatient settings, including same day surgery units, hospital emergency rooms, and outpatient clinics

# EAPG GROUPING AND PRICING – BASICS

## HOW DO EAPGs WORK

- ▲ EAPG payments are made on a per visit basis, where payment is directed to the main significant procedure or treatment provided during an outpatient visit
  - EAPG payment for the main significant procedure considers the average cost of associated ancillary services
  - Uses packaging and bundling of payment for related services to create incentives to provider services in the most efficient way
  - Allows for higher payment for the main procedure, rather than diluting the payment across individual services
- ▲ A separate EAPG code is assigned to each line item on a claim
- ▲ Pricing is performed at the line level **with interaction between separate lines**

# EAPG GROUPING AND PRICING – BASICS

## EAPG PAYMENT FORMULA



Term	Description	Value / Range
Base Rates	Determined by Nebraska DHHS in coordination with Nebraska Medicaid Health Plans	
EAPG Relative Weights	Relative amount of resources used by the treating hospital/ASC to render services; defined by 3M™	0.0000 – 47.9208 in version 3.14
Policy Adjuster	Multiplier to protect access to care for some services and/or providers by increasing payment; may reduce payment; updated when base rates get updated	<ul style="list-style-type: none"> <li>• Out of state participating children’s hospital</li> <li>• Out of state participating non-children’s hospital</li> <li>• Specific services</li> </ul>
Discount Factor	Depends on the scenario (bundled, discounted, bilateral/terminated) – determined by EAPG logic	0% - 150%
EAPG Payment	Final calculation of the values above multiplied	\$

# EAPG GROUPING AND PRICING – BASICS

## POLICY ADJUSTERS



Category	Description	Value / Range
Provider	<ul style="list-style-type: none"> <li>Out of state participating children's hospital</li> <li>Out of state participating non-children's hospital</li> </ul>	Calculated to limit payment decrease to 5%
Specific Service Adjusters	<ul style="list-style-type: none"> <li>a) Physical Therapy and Rehab (EAPG Type 21)</li> <li>b) Mental Health and Counseling (EAPG Type 22)</li> </ul>	<ul style="list-style-type: none"> <li>a) 50%</li> <li>b) 25%</li> </ul>
Budgetary Increase	Mental Health and Substance Abuse budgetary increase	2% effective January 1, 2020 (the "other 2%" is built into the EAPG base rates)

# EAPG GROUPING AND PRICING – BASICS

## FINAL ALLOWED AMOUNT FORMULA



Term	Description	Value / Range
Base Payment	Formula on previous slide	
Charge Cap Adjuster	Applicable only when claim header-level submitted charges are greater than allowed amount	Determined so that allowed amount is reduced to submitted charges
Non-Emergent ED Adjuster	Applicable if services are provided in a Emergency Department for non-emergent diagnoses	50%



# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING

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# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING

## EAPG PAYMENT METHODOLOGY OVERVIEW

- ▲ Convert from cost-based payment method to acuity-based payment method for hospital outpatient services
  - Current outpatient payment system based on 84 percent of provider-specific ratio of cost-to-charges (RCCs) and a clinical lab fee schedule
- ▲ New payment method applicable for hospital outpatient services provided to Nebraska Medicaid managed care enrollees
- ▲ Due to the small remaining FFS population, the Division will not be changing its outpatient FFS methodology
- ▲ Critical Access Hospitals carved out – will continue to be reimbursed via combination of RCC and lab fee schedule
- ▲ Implementation January 1, 2020
- ▲ Initial EAPG version will be 3.14, released January 1, 2019
  - Using national relative weights

# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING

## BASE RATE CALCULATIONS

- ▲ Used calendar year 2017 encounter data reviewed by Optumas and used for MCO rate-setting (paid through end of May 2018)
  - Excluded claim lines that posted a denial reason prior to the point in the adjudication process in which EAPG grouping/pricing will occur
  - Included claim lines that posted a denial reason after the point in the adjudication process in which EAPG grouping/pricing will occur
  - Repriced the claims using current FFS payment method (84% of cost, lab fee schedule) to determine basis for target expenditures under EAPGs
- ▲ Applied inflation percentage equal to 2.4% for lab services and 8.7% for all other services
- ▲ Base rates “solved for” such that aggregate simulated EAPG payments are equal to aggregate payments under FFS rates
  - Final hospital rates are negotiated between Medicaid managed care plans and hospitals
- ▲ 6 base rates were determined for 6 provider peer groups

# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING FFS PEER GROUP BASE RATES EFFECTIVE 1/1/2020

Base Peer Group	Number of Providers	Visits	Base Payment	Base Rate
Urban	7	62,357	\$ 28,749,118	\$ 822.40
Childrens	3	56,714	33,691,043	1,012.85
Metro	16	185,211	63,981,865	716.38
Rural	4	7,479	5,457,164	993.37
Rehab	1	1,876	687,157	871.31
Surgical	2	695	980,936	399.93

Border hospitals (within 50 miles) treated as in-state (Northwest Iowa, Marian, Sacred Heart, Bergan Council Bluffs, Jennie Edmundson, Siouxland Surgery Center).

# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING FFS HOSPITAL BASE RATES EFFECTIVE 1/1/2020

Hospital Name	Peer Group	Base Rate
Alegent Health Bergan Council Bluffs	Metro	\$716.38
Alegent Health Bergan Mercy	Metro	\$716.38
Alegent Health Immanuel Med Cntr	Metro	\$716.38
Saint Elizabeth Hospital	Metro	\$716.38
Saint Francis Medical Center	Urban	\$822.40
Good Samaritan Hospital	Urban	\$822.40
Alegent Creighton Health Lakeside	Metro	\$716.38
Alegent Creighton Health Midlands	Metro	\$716.38
Nebraska Heart Hospital	Metro	\$716.38
Jennie Edmundson Memorial Hosp	Metro	\$716.38
Nebraska Methodist Hospital	Metro	\$716.38
Nebraska Medical Center	Metro	\$716.38
Fremont Health	Urban	\$822.40
Bellevue Medical Center, LLC	Metro	\$716.38
Childrens Hosp & Med Ctr Omaha	Children's	\$1,012.85
Boys Town Natl Res Hosp	Children's	\$1,012.85
Children's Hospital Colorado	Children's	\$1,012.85

Hospital Name	Peer Group	Base Rate
PSL Medical Center	Metro	\$716.38
Northwest Iowa Hospital Corporation	Metro	\$716.38
Marian Health Center	Metro	\$716.38
Sacred Heart Health Services	Rural	\$993.37
Siouxland Surg Ctr LP	Rural	\$993.37
Bryan Medical Center	Metro	\$716.38
Mary Lanning Memorial Hospital	Urban	\$822.40
Reg West Med Ctr	Urban	\$822.40
Faith Regional Health Services	Urban	\$822.40
Great Plains Health	Urban	\$822.40
Columbus Comm Hosp	Rural	\$993.37
Kearney Regional Med Ctr LLC	Rural	\$993.37
Madonna Rehabilitation Hospital	Rehab	\$871.31
Nebraska Orthopaedic Hospital	Metro	\$716.38
Midwest Surgical Hospital	Surgical	\$399.93
Lincoln Surgical Hospital	Surgical	\$399.93
Nebraska Spine Hospital	Surgical	\$399.93
Non-Participating Hospital	Metro	\$716.38

# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING ADDITIONAL POLICY DECISIONS

Policy Option	Decision
Multiple dates of service on a claim	<ul style="list-style-type: none"> <li>Treated as separate outpatient visits unless there is an emergency department or observation revenue code on the claim</li> </ul>
Charge cap	<ul style="list-style-type: none"> <li>Applied at the claim header level</li> <li>Reductions in payment distributed across all paid lines</li> </ul>
Outlier payments	<ul style="list-style-type: none"> <li>No outlier payments</li> </ul>
Non-emergent ED services	<ul style="list-style-type: none"> <li>Discounted by 50%, consistent with current policy</li> </ul>
Clinic Services (Revenue Code 510)	<ul style="list-style-type: none"> <li>Not reimbursable, consistent with current policy</li> </ul>
Additional payment for mental health and substance abuse services	<ul style="list-style-type: none"> <li>Add-on equal to 2% applied to MH/SA EAPGs (EAPG Category 16) for provider IDs with MH/SA specialty</li> </ul>
Denied service lines	<ul style="list-style-type: none"> <li>Excluded from EAPG grouping if denied prior to grouping/pricing</li> <li>Included in EAPG grouping, but priced at \$0 if denied after grouping/pricing</li> </ul>
EAPG discounting factors	<ul style="list-style-type: none"> <li>Multiple Significant Procedure 0.5</li> <li>Repeat Ancillary Procedure 0.5</li> <li>Terminated Procedure 0.5</li> <li>Bilateral Procedure 1.5</li> </ul>

# NEBRASKA MEDICAID IMPLEMENTATION OF EAPG PRICING TIMING OF UPDATES TO EAPGs AND RATES

Policy Option	Decision
Timing of software updates post implementation	<ul style="list-style-type: none"> <li>• By end of first quarter of each calendar year</li> </ul>
Timing of EAPG version updates post implementation	<ul style="list-style-type: none"> <li>• No more than once per year and no less than once every three years</li> <li>• When a new version of EAPG codes and relative weights is implemented, the base rates and associated payment parameters will also be updated</li> </ul>
Covid-19	<ul style="list-style-type: none"> <li>• Lab procedure codes associated with Covid-19 are paid via fee schedule and are excluded from the EAPG grouping and pricing process</li> <li>• Affects the following procedure codes: 86238, 86769, 87635, C9803, G2023, G2024, G2025, U0001, U0002, U0003, U0004</li> </ul>

# EAPG GROUPING AND PRICING – DETAILS

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# OUTPATIENT EAPG PAYMENT METHODOLOGY



# OUTPATIENT EAPG PAYMENT METHODOLOGY

## EAPG Type

1 – Per Diem

2 – Significant Proc

- 21-Phys Ther & Rehab
- 22-Mental Hlth & Cnslg
- 23-Dental Proc
- 24-Radiologic Proc
- 25-Dx Sig Proc

3 – Medical Visit

4 – Ancillary

5 – Incidental

6 – Drug

7 – Durable Medical Equipment

8 - Unassigned

## Visit Type

04 - Significant Procedure Visit

05 - Medical Visit

06 - Ancillary Procedure Only Visit

Other Miscellaneous Visit Types

## Pricing Type

Full Payment

Consolidated

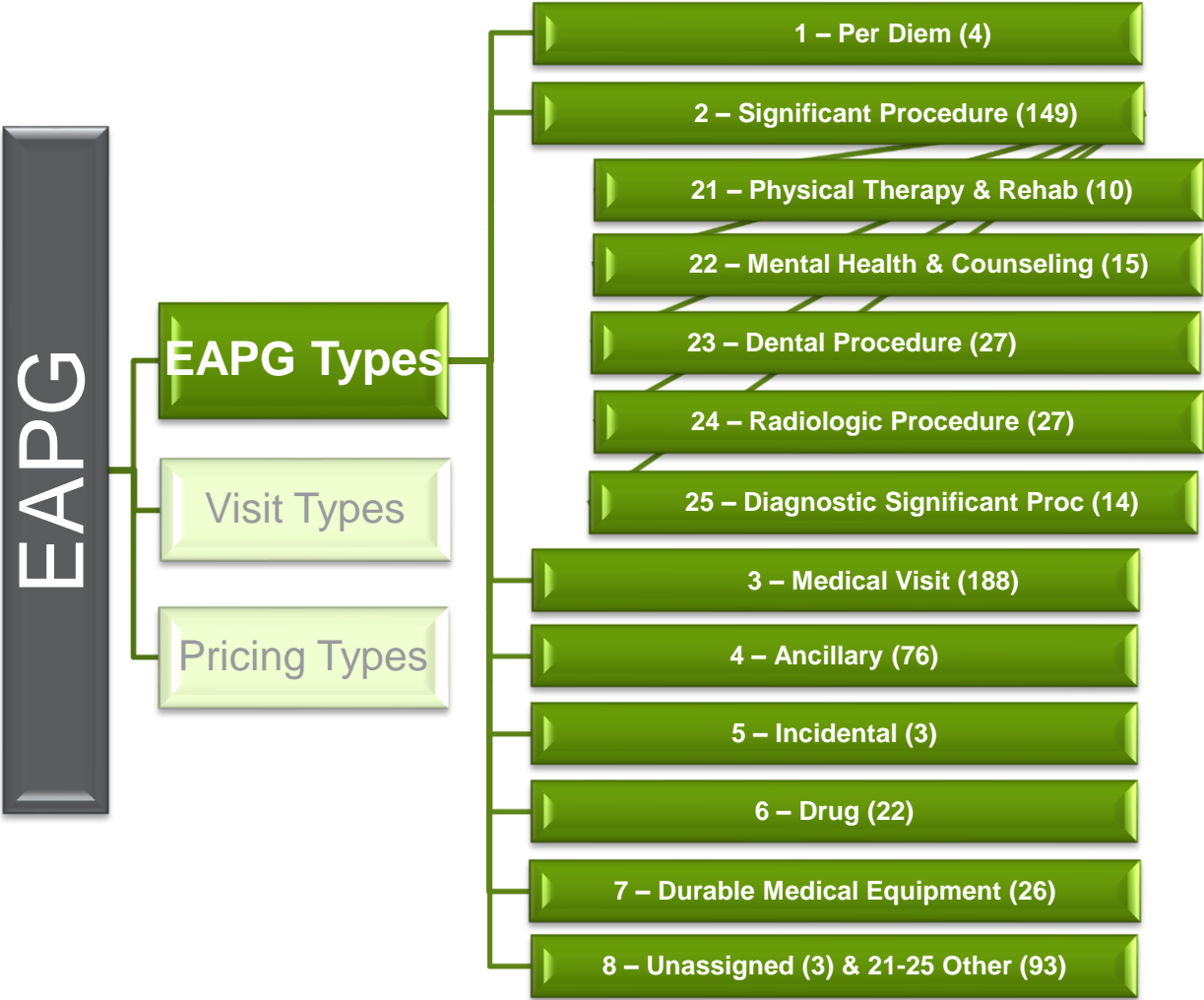
Packaged

Discounted

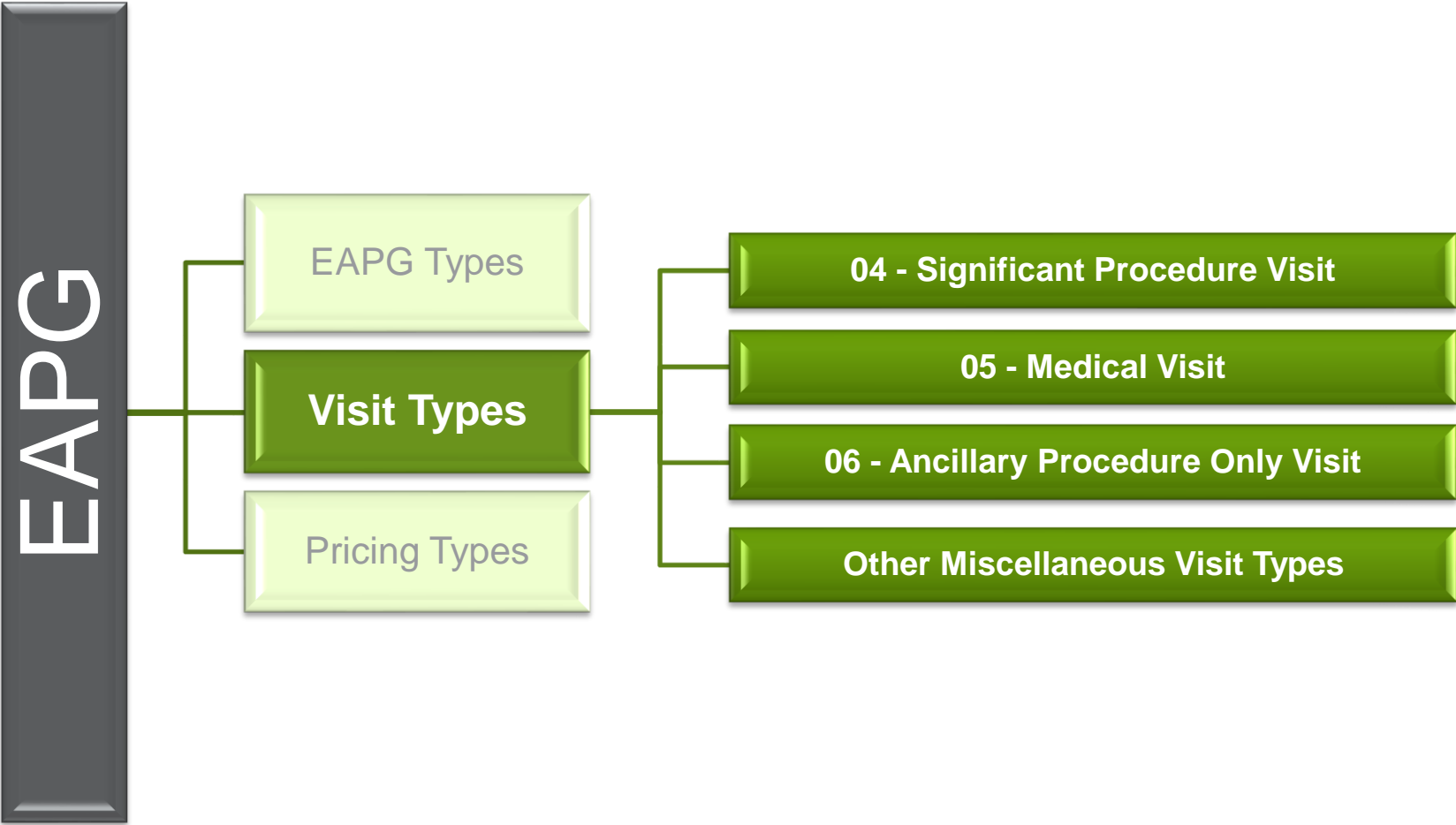
Per Diem

# OUTPATIENT EAPG PAYMENT METHODOLOGY

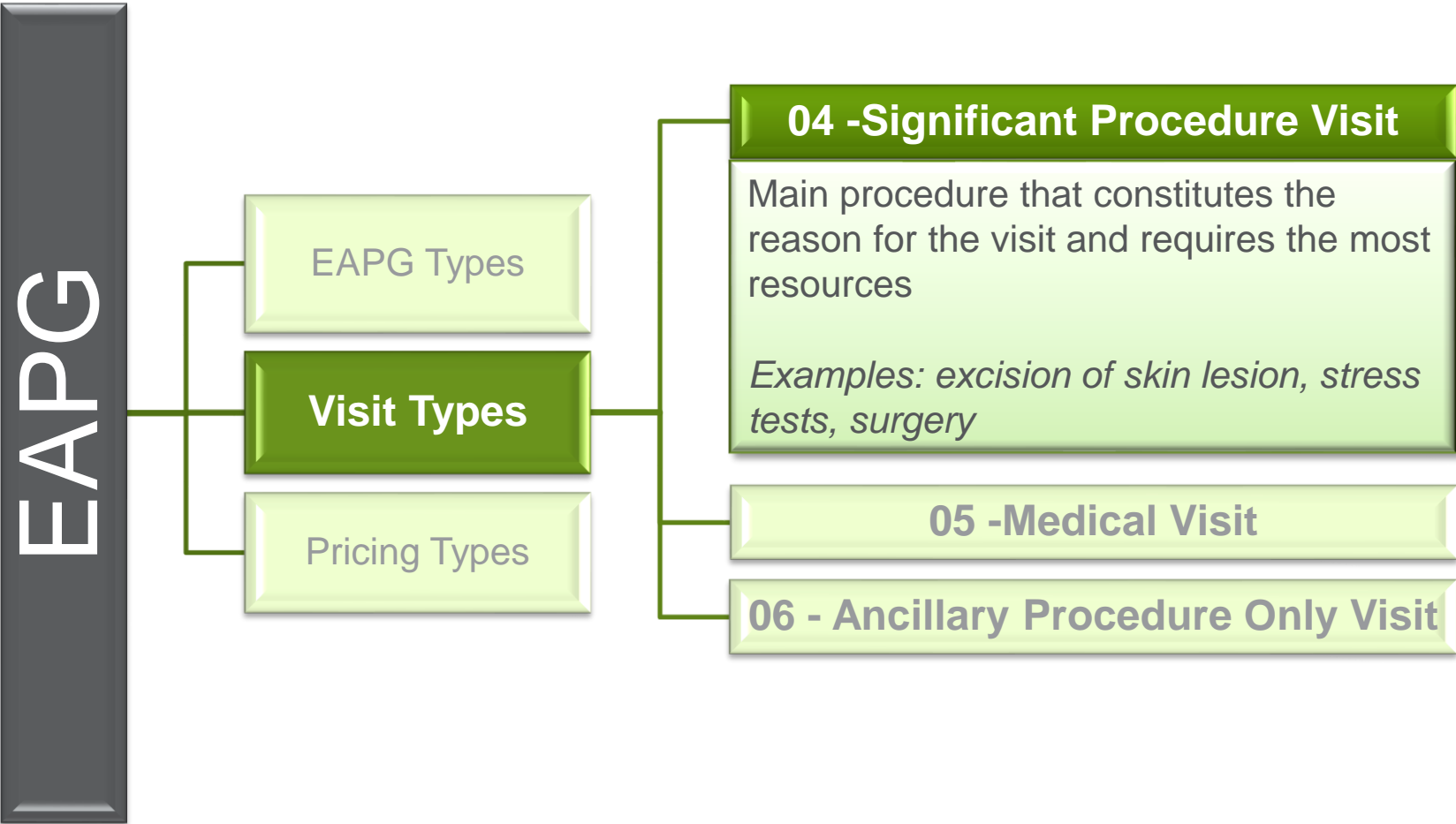
EAPG Type - Description (# of EAPGs)



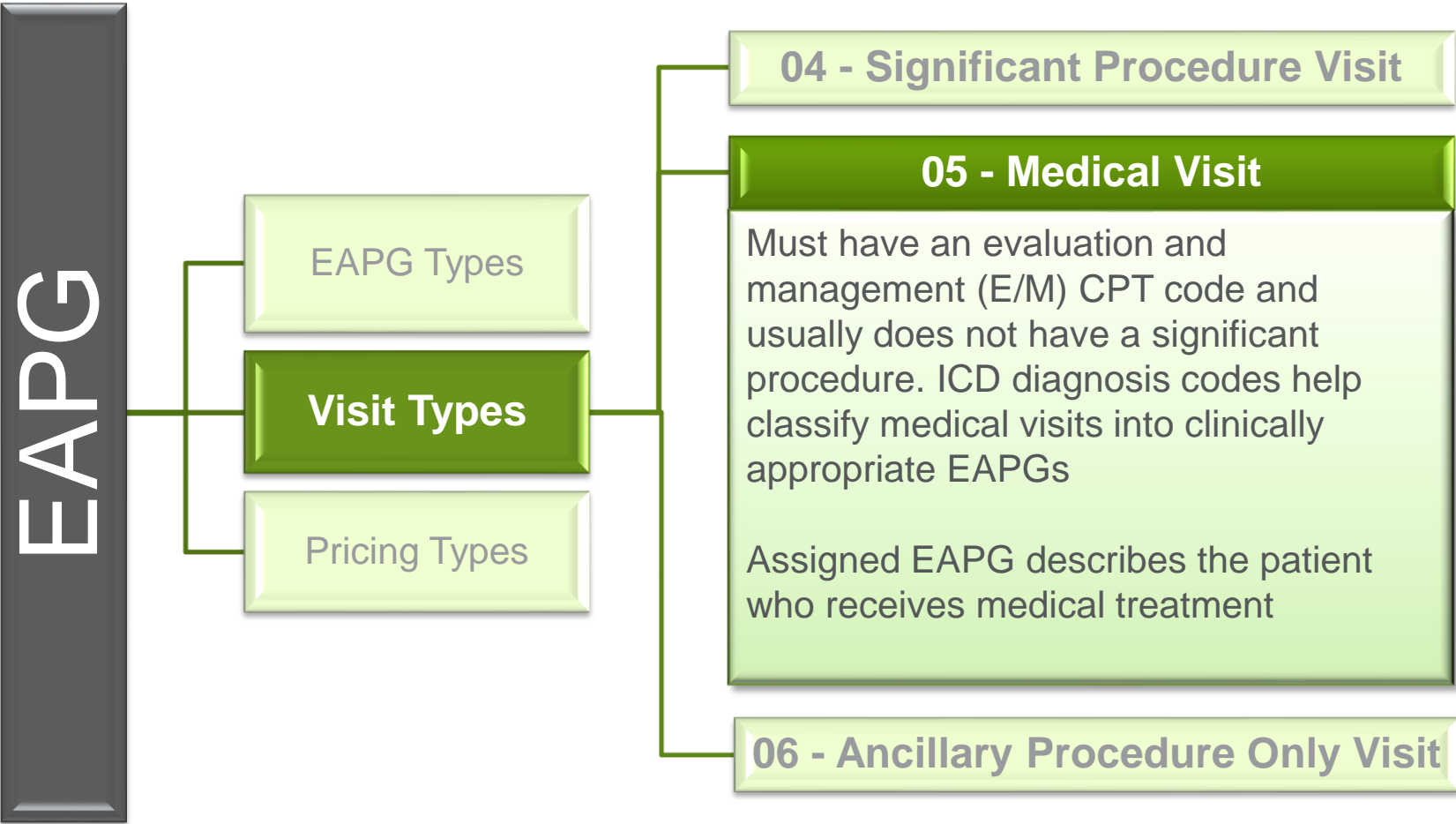
# OUTPATIENT EAPG PAYMENT METHODOLOGY



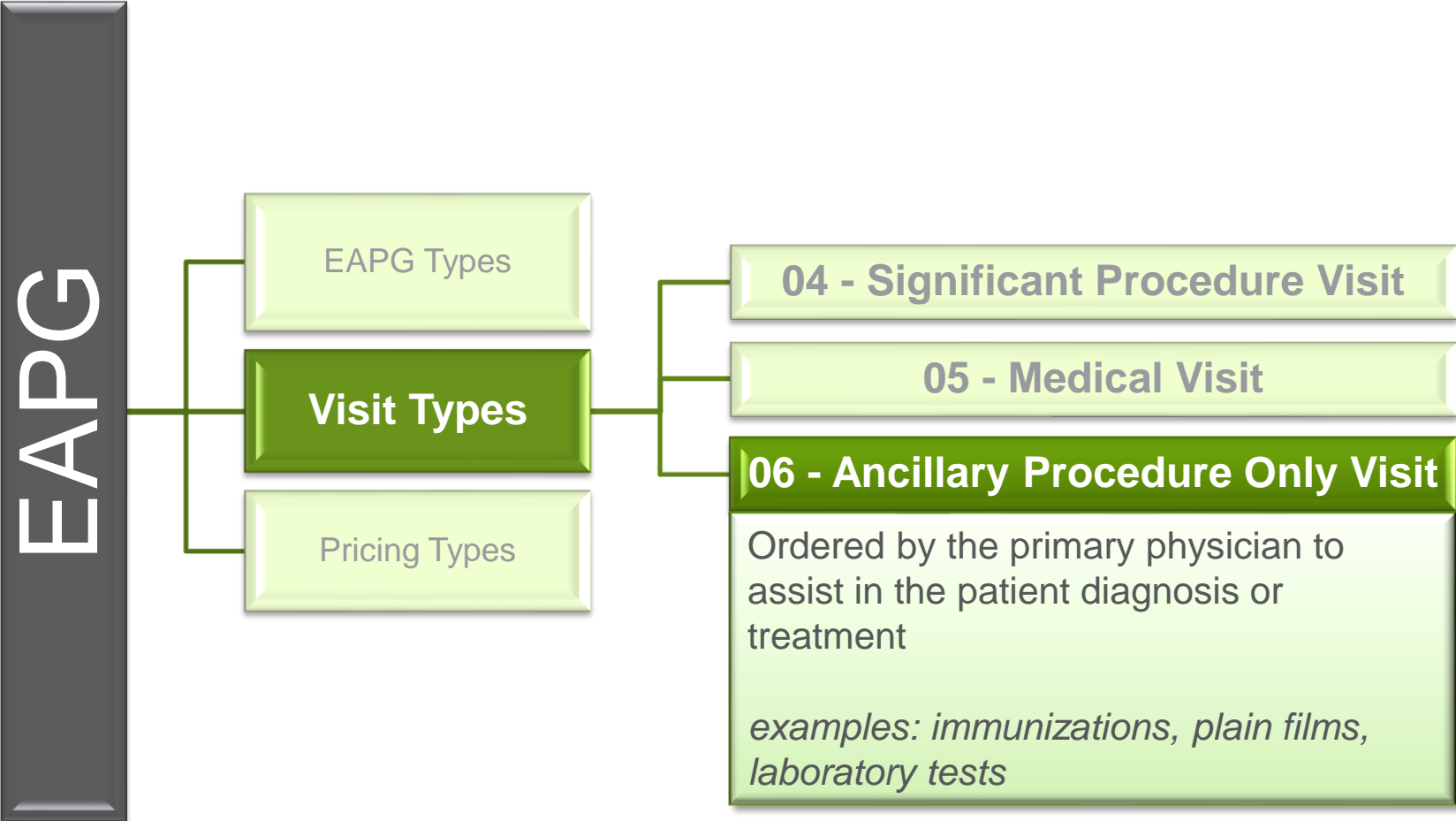
# OUTPATIENT EAPG PAYMENT METHODOLOGY



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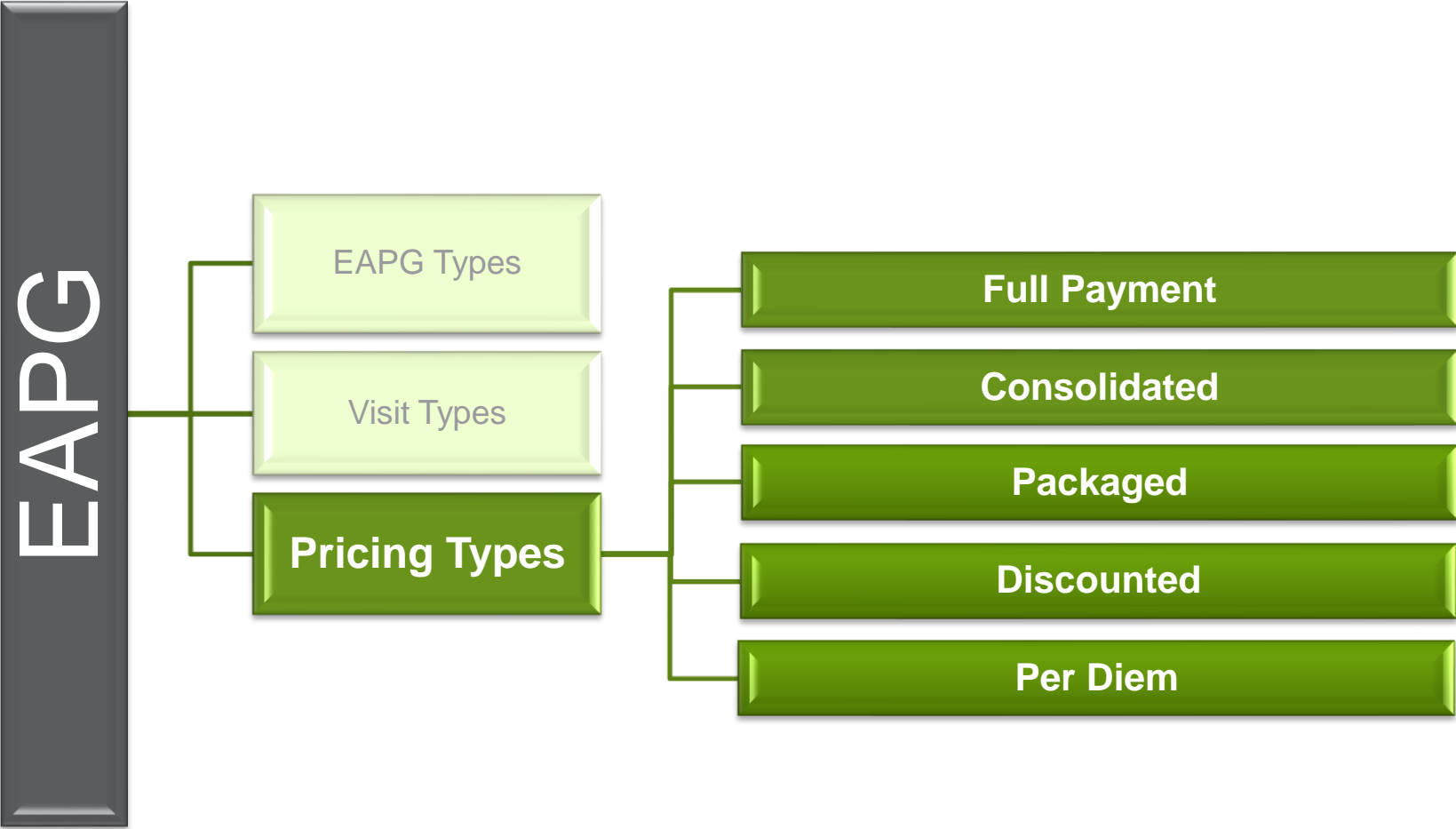
# OUTPATIENT EAPG METHODOLOGY

## Payment with the Three Major Visit Types

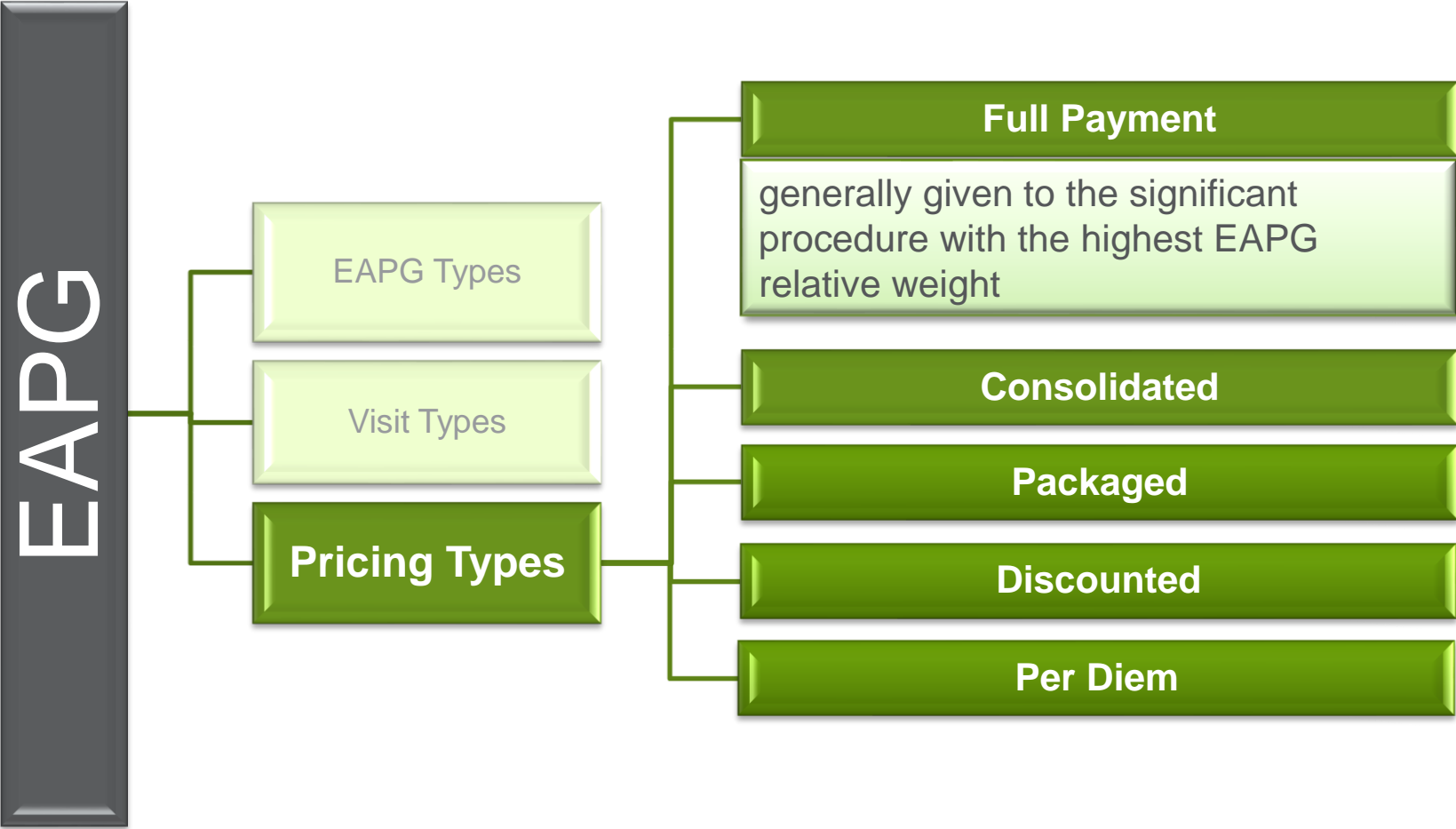
EAPG Visit Type	Items Included in Base EAPG Payment	Items for which Additional Payment is Permitted
Significant procedure or therapy visit	<ul style="list-style-type: none"> <li>• Routine ancillaries</li> <li>• Incidental procedures</li> <li>• Supplies</li> <li>• Routine drugs</li> <li>• Anesthesia</li> <li>• Additional related significant procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Significant unrelated procedures (with any applicable discounts)</li> <li>• Non-packaged ancillaries</li> <li>• Chemo and selected non-routine drugs</li> </ul>
Medical visit	<ul style="list-style-type: none"> <li>• Packaged routine ancillaries</li> <li>• Incidental procedures</li> <li>• Supplies</li> <li>• Routine drugs</li> </ul>	<ul style="list-style-type: none"> <li>• Non-packaged ancillaries</li> <li>• Chemo and selected non-routine drugs</li> </ul>
Ancillary only visit		<ul style="list-style-type: none"> <li>• All “ancillary only” items are paid separately</li> </ul>



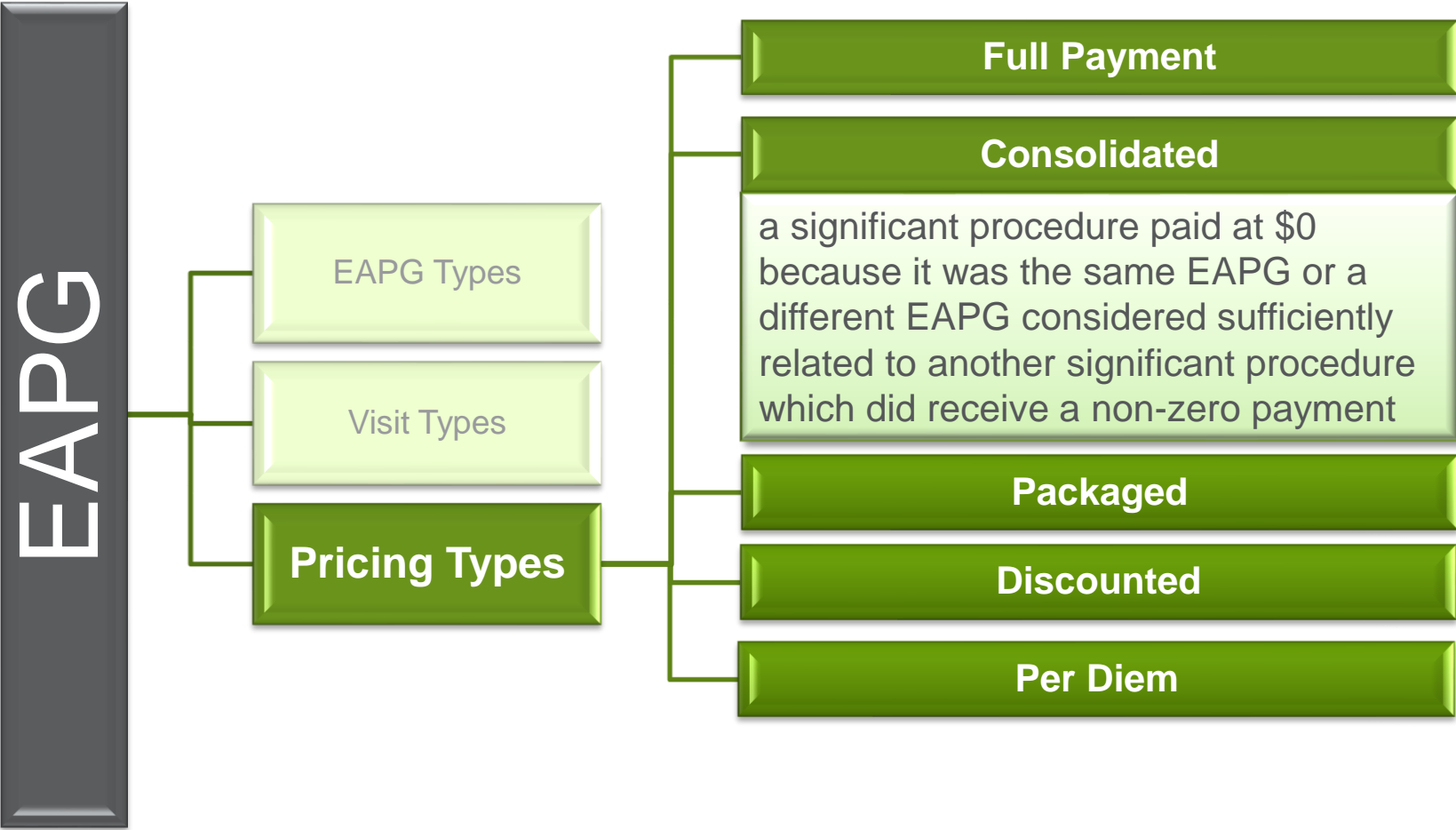
# OUTPATIENT EAPG PAYMENT METHODOLOGY



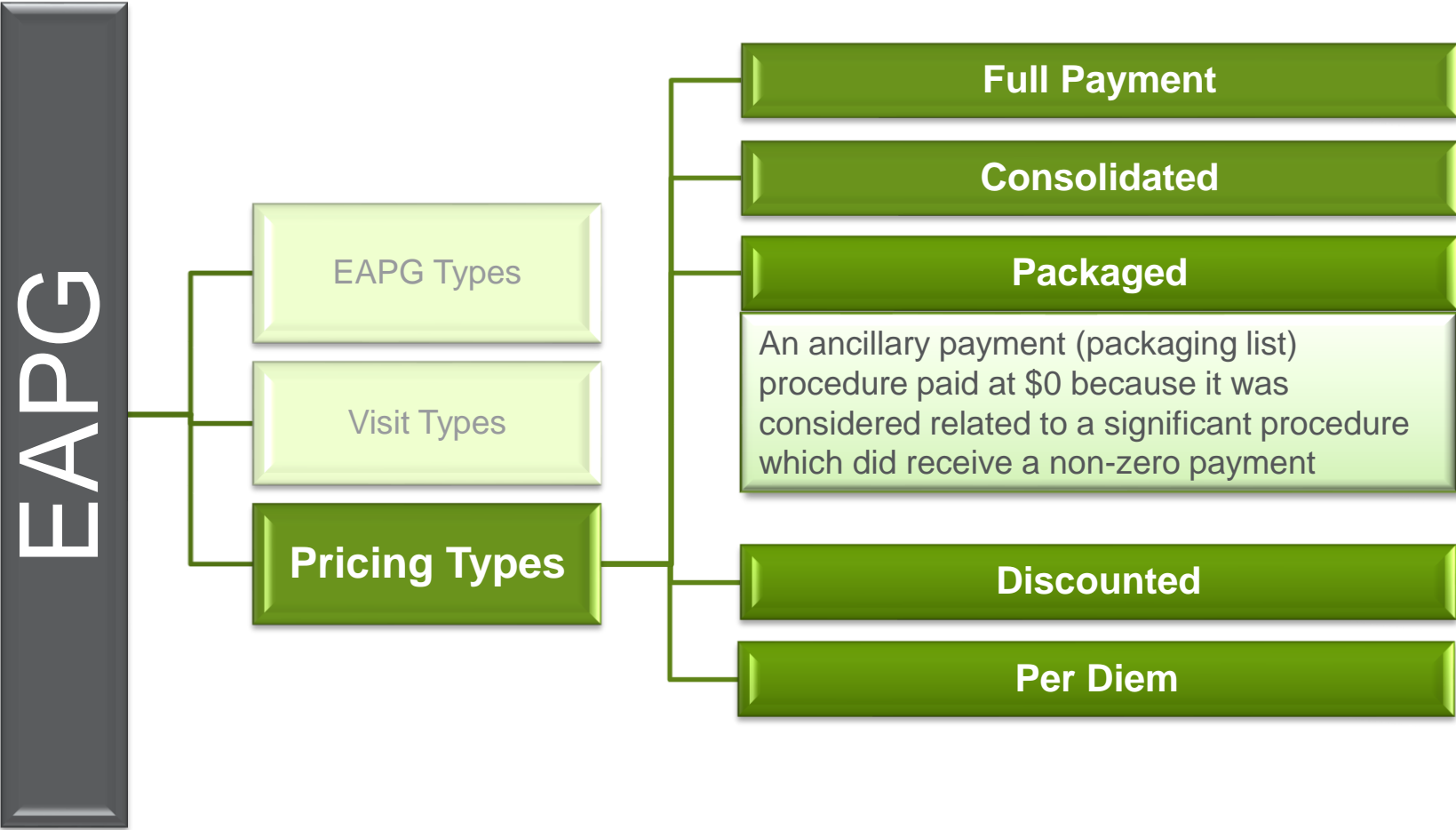
# OUTPATIENT EAPG PAYMENT METHODOLOGY



# OUTPATIENT EAPG PAYMENT METHODOLOGY



# OUTPATIENT EAPG PAYMENT METHODOLOGY



# STANDARD ANCILLARY PACKAGING LIST - 1



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Version 3.14 – Released January 1, 2019

Code	Description		Code	Description
40	Minor Splint and Strapping Application		395	Level II Immunology Tests
116	Allergy Tests		396	Level I Microbiology Tests
119	Immunotherapy Preparation Services		397	Level II Microbiology Tests
249	Minor ENT Procedures		398	Level I Endocrinology Tests
278	Injection(s) For Radiological Imaging		399	Level II Endocrinology Tests
373	Level I Dental Film		400	Level I Chemistry Tests
374	Level II Dental Film		401	Level II Chemistry Tests
375	Dental Anesthesia		402	Basic Chemistry Tests
376	Diagnostic Dental Procedures		403	Organ or Disease Oriented Panels
377	Preventive Dental Procedures		404	Toxicology Tests
380	Anesthesia		405	Therapeutic Drug Monitoring
390	Level I Pathology		406	Level I Clotting Tests
391	Level II Pathology Tests		407	Level II Clotting Tests
392	PAP Smears		408	Level I Hematology Tests
394	Level I Immunology Tests		409	Level II Hematology Tests

# STANDARD ANCILLARY PACKAGING LIST - 2

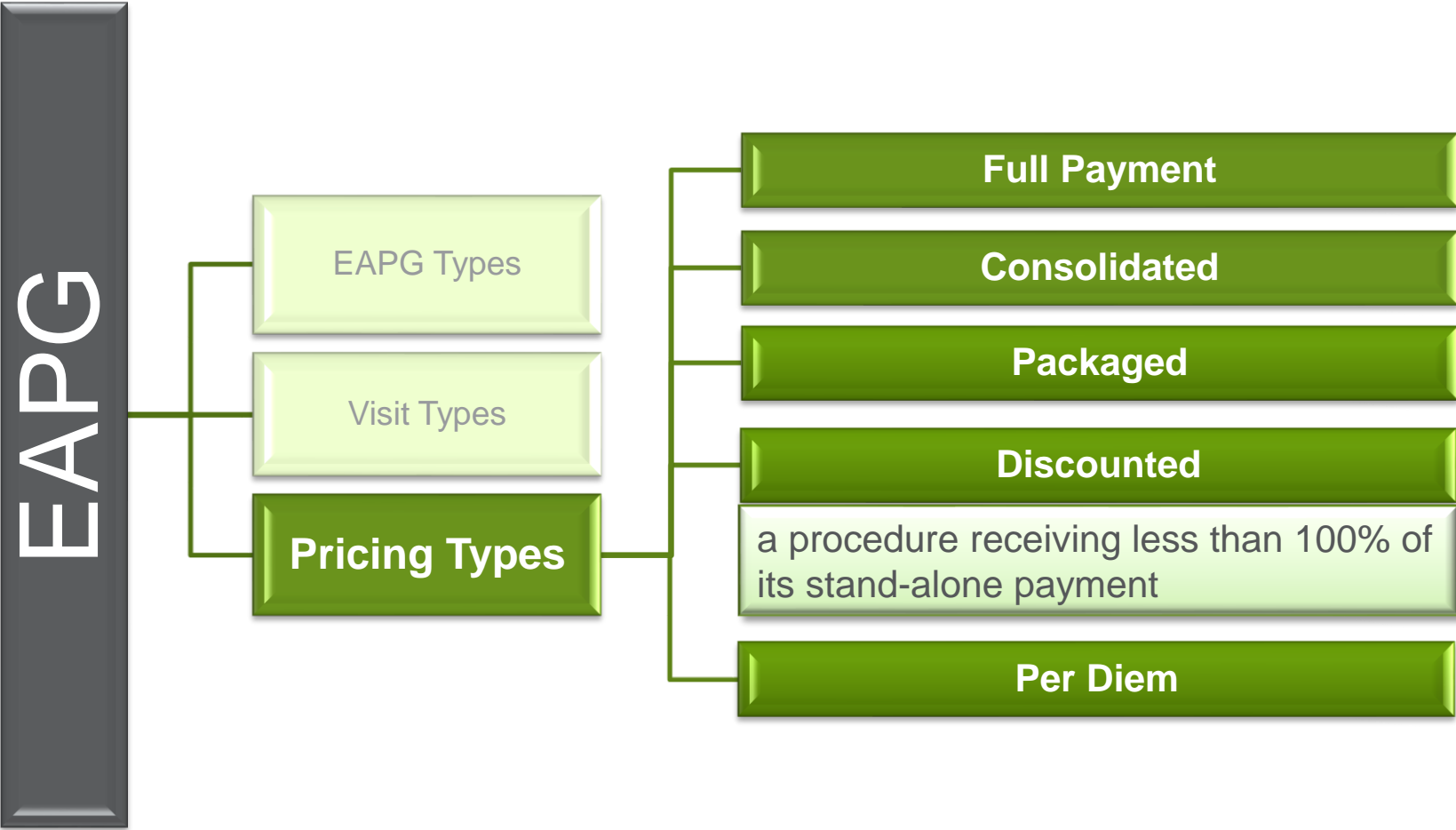


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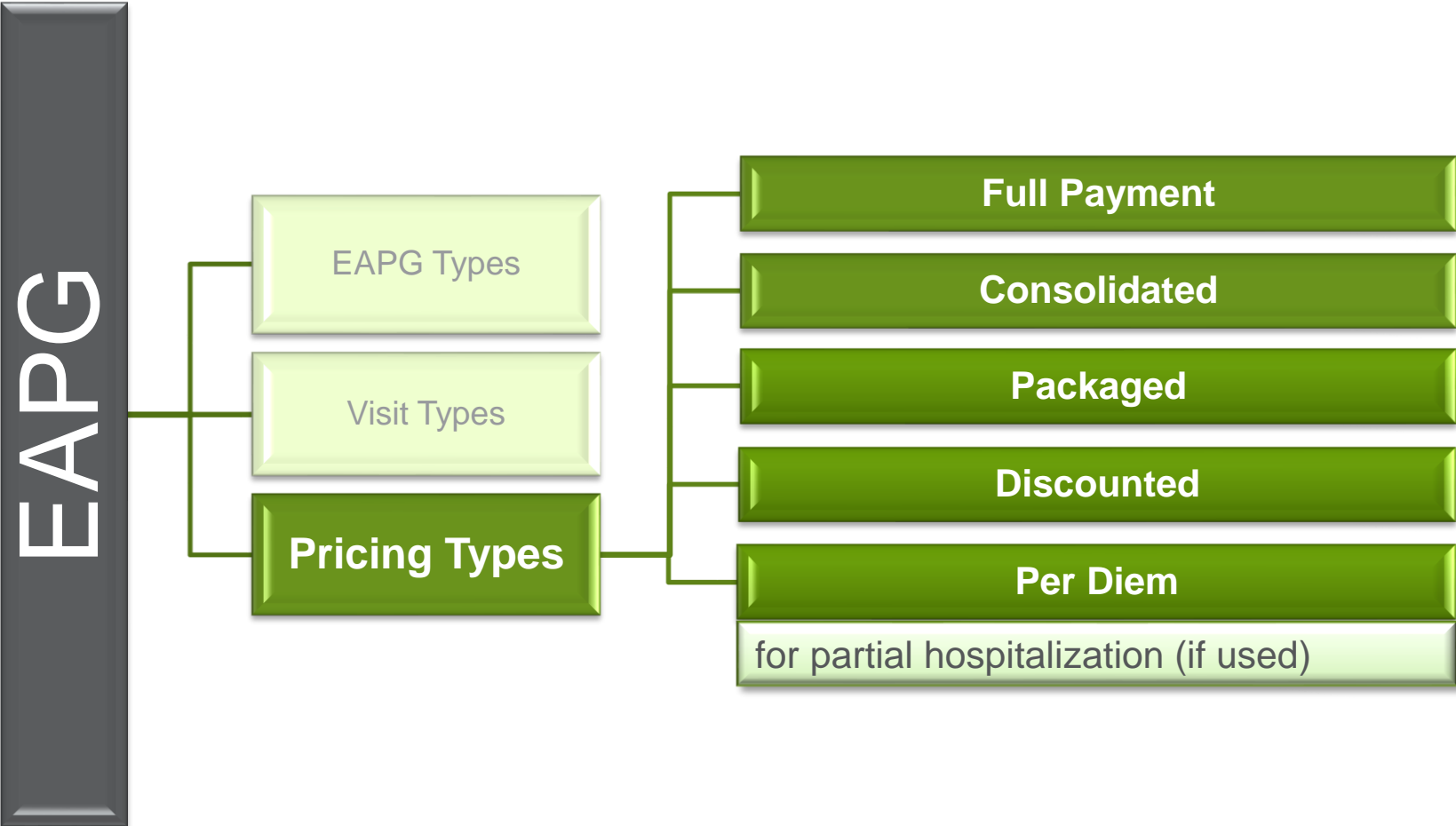
Version 3.14 – Released January 1, 2019

Code	Description		Code	Description
410	Urinalysis		471	Level I Conventional Radiology
412	Simple Pulmonary Function Tests		472	Ultrasound Guidance
413	Cardiogram		473	CT Guidance
418	Ambulatory Patient Monitoring and Related Assessments		474	Radiological Guidance for Therapeutic or Diagnostic Procedures
423	Vascular Access by Needle or Catheter		475	MRI Guidance
424	Dressings and Other Minor Procedures		486	Level I Blood and Tissue Typing Tests
425	Level I Other Miscellaneous Ancillary Services		488	Minor Device Evaluation and Interrogation
427	Biofeedback and Other Training		489	Level II Other Miscellaneous Ancillary Services
428	Patient Education, Individual		494	Complex Blood Collection Services
429	Patient Education, Group		495	Minor Chemotherapy Drugs
448	Expanded Hours Access		496	Minor Pharmacotherapy
449	Additional Undifferentiated Medical Visits/Services		1001	Durable Medical Equipment and Supplies - Level 1
455	Implanted Tissue of Any Type		1002	Durable Medical Equipment and Supplies - Level 2
459	Vaccine Administration		1003	Durable Medical Equipment and Supplies - Level 3
470	Obstetrical Ultrasound		1030	Ambulance Services

# OUTPATIENT EAPG PAYMENT METHODOLOGY



# OUTPATIENT EAPG PAYMENT METHODOLOGY





# 5 EAPG SCENARIOS

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BUNDLING

DISCOUNTING

BILATERAL AND TERMINATED

OBSERVATION

NEBRASKA MEDICAID SPECIFIC

# SCENARIO 1: BUNDLING



## What is Bundling?

- ▲ A bundled (also known as “packaged” or “consolidated”) service which receives no separate payment.
  - Ancillary services get “packaged;” Significant services get “consolidated”.
  - Relative weights take into consideration all services, including bundled services.
  - Payment for a bundled service is included in payment for another service provided during the visit
  - It is important to code all services to reflect full treatment and costs.

# SCENARIO 1: BUNDLING



- ▲ Discount factor will be 0
- ▲ Receives no separate payment
- ▲ Can be either Consolidation or Packaging

## Bundling Type 1: Consolidation (significant procedure)

- 1) Clinically similar EAPGs
  - 2) Multiple occurrences of same EAPG
- Significant procedure where additional service/procedure requires limited additional resources and time

## Bundling Type 2: Packaging (ancillary procedure)

- EAPG from published packaging list  
**PLUS**
- Either medical visit OR significant procedure

### Packaging will not occur when . . .

- ✘ an outpatient visit includes only ancillary procedures

# BUNDLING: EXAMPLE 1 - SIGNIFICANT PROC CONSOLIDATION

	Proc	EAPG	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt
Line 1	76830	00288 <i>Level I Diagnostic Ultrasound</i> <b>Type=24</b>	716.38	0.2804	1.0000	0%	\$ 0.00
Line 2	76856	00289 <i>Level I Diagnostic Ultrasound</i> <b>Type=24</b>	716.38	0.3643	1.0000	100%	\$ 260.98
						<b>EAPG Payment</b>	<b>\$ 260.98</b>



*Clinically similar significant EAPGs*



*Line with higher EAPG Relative Weight pays at 100% while other line is consolidated*

76830 - Ultrasound  
76856 - Ultrasound exam

# BUNDLING: EXAMPLE 2 – SIGNIFICANT PROC, ANCILLARY PACKAGING

Line	Proc	EAPG	EAPG Type	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Pmt
1	J3490	00435	06	\$822.40		0.0000		1.0000		1.00		\$0.00
2	J7030	00496	06	\$822.40		0.0000		1.0000		0.00		\$0.00
3		00999	05	\$822.40		0.0000		1.0000		0.00		\$0.00
4	82962	00402	04	\$822.40		0.0084		1.0000		0.00		\$0.00
5	82962	00402	04	\$822.40		0.0084		1.0000		0.00		\$0.00
6	96361	00110	02	\$822.40		0.8994		1.0000		1.00		\$739.67
7	96374	00490	05	\$822.40		0.0000		1.0000		0.00		\$0.00
8	99283	00491	05	\$822.40		0.0000		1.0000		0.00		\$0.00
											<b>EAPG Payment</b>	<b>\$ 739.67</b>

EAPG 110 – Pharmacotherapy by extended infusion

**Results:**

- Line 1 – Not packaged, but relative weight is 0; pays \$0
- Lines 2, 4 and 5 – Ancillary procedure on package list; pays \$0
- Line 3 – Error EAPG with a relative weight of 0; pays \$0
- Line 6 – Only significant procedure on claim; pays in full
- Line 7 – Incidental - relative weight is 0; pays \$0
- Line 8 – E&M code - packaged when billed with a significant procedure

# BUNDLING: EXAMPLE 2 – MEDICAL VISIT, ANCILLARY PACKAGING

Line	Proc	EAPG	EAPG Type	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Pmt
1		00999	06	\$822.40		0.0000		1.0000		0.00		\$0.00
2	87633	00388	04	822.40		0.2170		1.0000		1.00		\$178.46
3	87798	00397	04	822.40		0.0583		1.0000		0.00		\$0.00
4	87486	00397	04	822.40		0.0583		1.0000		0.00		\$0.00
5	87581	00397	04	822.40		0.0583		1.0000		0.00		\$0.00
6	87430	00396	04	822.40		0.0149		1.0000		0.00		\$0.00
7	71020	00471	04	822.40		0.0996		1.0000		0.00		\$0.00
8	99284	00562	03	822.40		0.2341		1.0000		1.00		\$192.52
											<b>EAPG Payment</b>	<b>\$ 370.98</b>

Primary Diagnosis J029 – Acute pharyngitis, unspecified  
 EAPG 562 – Infections of upper respiratory tract & Otitis Media

## Results:

- Line 1 – Relative weight is 0
- Line 2 – Ancillary procedure not on package list; pays in full
- Lines 3 through 7 - Ancillary procedures on package list; pays \$0
- Line 8 – Medical visit – pays in full

# SCENARIO 2: DISCOUNTING



## ▲ Significant Procedure EAPGs

- when claim is assigned multiple clinically unrelated significant procedure EAPGs with the same EAPG type in the same visit
- service with the *higher* EAPG relative weight receives full payment @ 100%

## ▲ Ancillary EAPGs

- claim is assigned multiple occurrences of the same ancillary EAPG
- second, third, fourth, etc ... occurrences of the ancillary EAPG are discounted at 50%

# DISCOUNTING: EXAMPLE 1 - UNRELATED SIGNIFICANT EAPGS

	Proc	EAPG	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Pmt
Line 1	77065	00286 <i>Mammography</i> <i>Type=24</i>	\$822.40		0.1183		1.0000		0.50		\$48.64
Line 2	77061	00286 <i>Mammography</i> <i>Type=24</i>	\$822.40		0.1183		1.0000		0.00		\$0.00
Line 3	76642	00288 <i>Diagnostic ultrasound</i> <i>Type=24</i>	\$822.40		0.2804		1.0000		1.00		\$230.60
										<b>EAPG Payment</b>	<b>\$ 279.24</b>

77065 – Diagnostic mammography, including CAD, unilateral  
 77061 – Breast tomosynthesis unilateral  
 76642 – Ultrasound of breast

## Results:

- Line 1 – Significant procedure with lower relative weight; discounted; pays at 50%
- Line 2 – Same significant procedure; bundled; pays \$0
- Line 3 – Significant procedure with higher relative weight; discounted; pays in full



# DISCOUNTING: EXAMPLE 2 – REPEAT ANCILLARY EAPG

	Proc	Proc	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt	
Line 1	81003	00410 <i>Urinalysis</i> <i>Type=4</i>	\$716.38	0.0057	1.0000	1.00	4.08	
Line 2	76811	00470 <i>Obstetrical ultrasound</i> <i>Type=4</i>	\$716.38	0.1775	1.0000	1.00	127.16	
Line 3	76817	00470 <i>Obstetrical ultrasound</i> <i>Type=4</i>	\$716.38	0.1775	1.0000	0.50	63.58	
							<b>EAPG Payment</b>	<b>\$ 194.82</b>

81003 – Urine analysis  
76811 – Obstetrical ultrasound  
76817 – Obstetrical ultrasound

## Results:

- Line 1 – First occurrence of ancillary procedure on ancillary-only claim; pays in full
- Line 2 – First occurrence of ancillary procedure on ancillary-only claim; pays in full
- Line 3 – Repeat ancillary procedure on ancillary-only claim; pays at 50%

## SCENARIO 3: **BILATERAL** & TERMINATED

- ▶ Includes Modifier 50
- ▶ Additional payment at 150%



**Mod 50**

used to indicate diagnostic, radiological and surgical procedures performed on both sides of the body in the same operative session

# BILATERAL & TERMINATED: EXAMPLE 1 – BILATERAL

	Proc	EAPG	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Base Pmt
Line 1	64490 Mod 50	00053 Spine Injection Type=2	\$716.38		1.4703		1.0000		150%		\$1,579.94
Line 2	64491 Mod 50	00053 Spine Injection Type=2	\$716.38		1.4703		1.0000		0% (Bundled)		\$ 0
Line 3	64492 Mod 50	00053 Spine Injection Type=2	\$716.38		1.4703		1.0000		0% (Bundled)		\$ 0
										<b>EAPG Base Pymt</b>	<b>\$1,579.94</b>

64490-Under Introduction/Injection of Anesthetic Agent (Nerve Block), Diagnostic or Therapeutic Procedures on the Paravertebral Spinal Nerves and Branches  
 64491-Under Introduction/Injection of Anesthetic Agent (Nerve Block), Diagnostic or Therapeutic Procedures on the Paravertebral Spinal Nerves and Branches  
 64492-Under Introduction/Injection of Anesthetic Agent (Nerve Block), Diagnostic or Therapeutic Procedures on the Paravertebral Spinal Nerves and Branches  
 Mod 50 – Bilateral Procedures

# BILATERAL & TERMINATED: EXAMPLE 2 – BILATERAL AND TERM

	Proc	EAPG	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Pmt
Line 1	27687 Mod 50	00026 <i>Level I Knee and Lower Leg Procedures</i> <i>Type=2</i>	\$716.38		5.0188		1.0000		150%		\$ 5,393.05
Line 2	28285 No Modifier	00035 <i>Level I Foot Procedures</i> <i>Type=2</i>	\$716.38		3.4776		1.0000		0% (flagged as same significant procedure)		\$ 0
Line 3	28755 Mod 50	00035 <i>Level I Foot Procedures</i> <i>Type=2</i>	\$716.38		3.4776		1.0000		75%		\$ 1,868.46
									<b>EAPG Payment</b>		<b>\$ 7,261.51</b>

27687-Repair, Revision, and/or Reconstruction Procedures on the Leg (Tibia and Fibula) and Ankle Joint  
 28285-Repair, Revision, and/or Reconstruction Procedures on the Foot and Toes  
 28755-Under Arthrodesis Procedures on the Foot and Toes  
 Mod 50 – Bilateral Procedures



*Bilateral pays at 150%, but Significant Proc discount cuts that in half.*

## SCENARIO 3: BILATERAL & **TERMINATED**

- ▲ Coded with Modifier 52 or Modifier 73
- ▲ Discounts at 50%



### Mod 52

used to indicate **partial reduction or discontinuation** of radiology procedures and other services that **do not require anesthesia**

### Mod 73

used by the facility to indicate that a surgical or diagnostic procedure requiring anesthesia was terminated due to extenuating circumstances or to circumstances that threatened the well being of the patient **after the patient had been prepared for the procedure** (including procedural pre-medication when provided), and been taken to the room where the procedure was to be performed, **but prior to administration of anesthesia.**

# BILATERAL & TERMINATED: EXAMPLE 3 – TERMINATED

	Proc	EAPG	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt
Line 1	76805 Mod 52	00470 <i>Obstetrical Ultrasound</i> Type=4	\$716.38	0.1775	1.0000	50%	\$ 63.58
Line 2	59025	00191 <i>Level I Fetal Procedures</i> Type=2	\$716.38	0.4677	1.0000	100%	\$ 335.05
Line 3	99284	00491 <i>Medical Visit</i> Type=5	\$716.38	0.0000	1.0000	100%	\$ 0

<b>EAPG Payment</b>	<b>\$ 398.63</b>
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Modifier 52 indicates Terminated procedure



Terminated proc pays at 50%

# SCENARIO 4: OBSERVATION



- ▲ HCPCS code **G0378** must be present
  - Include number of units/hours in observation
  
- ▲ Observation claims without a significant procedure are categorized as “Medical Visits” under EAPG grouping
  
- ▲ Diagnosis codes are used in assignment of EAPG code
  
- ▲ Includes an Evaluation and Management procedure code
  - 99201 – 99205; 99211 – 99214; 99281 – 99285; G0463, G0379
  
- ▲ Payment is assigned to the E&M code and to procedure code G0378

# OBSERVATION: EXAMPLE 1

	Proc	EAPG	Type	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt
1	36415	00425	04	\$716.38	0.0043	1.0000	0.00	\$0
2	80050	00403	04	\$716.38	0.0175	1.0000	0.00	\$0
3	80061	00403	04	\$716.38	0.0175	1.0000	0.00	\$0
4	83036	00400	04	\$716.38	0.0189	1.0000	0.00	\$0
5	84443	00398	04	\$716.38	0.0261	1.0000	0.00	\$0
6	85025	00408	04	\$716.38	0.0113	1.0000	0.00	\$0
7	99285	00825	03	\$716.38	0.2591	1.0000	1.00	\$185.61
8	G0378	00450	04	\$716.38	1.7256	1.0000	1.00	\$1,236.19
							<b>EAPG Payment</b>	<b>\$ 1,421.80</b>

99285 – Emergency Department Visit  
 G0378 – Hospital Observation service, per hour

EAPG 00825 – Adjustment disorders & neuroses except depressive diagnoses

Primary Diagnosis Code – F4324 – Adjustment disorder with disturbance of conduct

## Results:

- Lines 1 through 6 – Ancillary EAPGs on packaging list and visit type is Medical Visit – pay \$0
- Line 7 – E & M code on Medical Visit – EAPG assigned based on primary Dx – paid in full
- Line 8 – Procedure for number of hours of observation assigned EAPG 450 – paid in full



# NE SPECIFIC: EXAMPLES 1 & 2 – CLINIC, THERAPY AND REHAB

Rev Code	Proc	EAPG	EAPG Type	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt
0510	G0463	00999	08	\$716.38	0.0000	1.0000	1.00	\$0
0636	90686	00414	04	\$716.38	0.0409	1.0000	1.00	\$29.30
0771	90471	00459	04	\$716.38	0.0731	1.0000	1.00	\$52.37
<b>EAPG Payment</b>								<b>\$ 81.67</b>

*Clinic revenue code grouped to 00999 and did not impact EAPG assignment on other lines*

Rev Code	Proc	EAPG	EAPG Type	Base Rate	EAPG Rel Weight	Policy Adjuster	Disc Factor	EAPG Pmt
0324	71020	00471	04	\$716.38	0.0996	1.0000	0.00	\$0
0410	94640	00065	21	\$716.38	0.4280	0.5000	1.00	\$153.31
0450	99283	00575	03	\$716.38	0.2932	1.0000	1.00	\$210.04
<b>EAPG Payment</b>								<b>\$ 363.35</b>

*Physical Therapy and Rehab EAPGs discounted at 50%*

# NE SPECIFIC: EXAMPLE 3 – NON-EMERGENT ED VISIT

Rev Code	Proc	EAPG	EAPG Type	Base Rate	×	EAPG Rel Weight	×	Policy Adjuster	×	Disc Factor	=	EAPG Pmt
0250	J8499	00435	06	\$716.38		0.0000		1.0000		1.00		\$0
0250	J8499	00435	06	\$716.38		0.0000		1.0000		1.00		\$0
0450	99283	00627	03	\$716.38		0.4170		0.5000		1.00		\$149.37
											<b>EAPG Payment</b>	<b>\$ 149.37</b>

*Non-emergent visit to emergency department discounted 50%*

# NE SPECIFIC: EXAMPLE 4 – CHARGE CAP

Rev Code	Proc	EAPG	EAPG Type	Base Rate	×	EAPG Rel Weight	×	Disc Factor	×	Chrg Cap Adjstr	=	EAPG Pmt
0300	81001	00410	04	\$822.40		0.0057		0.00		0.93426		\$0
0762	G0378	00450	04	\$822.40		1.7256		1.00		0.93426		\$1,325.84
0762	G0379	00765	03	\$822.40		0.4432		1.00		0.93426		\$340.53
											<b>EAPG Payment</b>	<b>\$ 1,666.37</b>

Submitted charges on claim: \$1,666.37

*EAPG allowed amount reduced so that total claim payment is no more than total submitted charges*

# NEBRASKA MEDICAID EAPG GROUPER/PRICER SETTINGS

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# NE MEDICAID EAPG GROUPER/PRICER SETTINGS DISCOUNTING FACTORS

Scenario	Discount Factor		
<b>PAY IN FULL</b>		100%	
<b>CONSOLIDATION AND PACKAGING</b>		0%	
<b>SAME OR CLINICALLY SIMILAR EAPG</b>			
1 <sup>st</sup> service with higher EAPG relative weight		100%	
2 <sup>nd</sup> service		50%	
<b>REPEAT ANCILLARY PROCEDURE</b>			
2 <sup>ND</sup> , 3 <sup>RD</sup> , 4 <sup>TH</sup> , etc...		50%	
<b>BILATERAL &amp; TERMINATED</b>			
Bilateral		150%	
Terminated		50%	

# NE MEDICAID EAPG GROUPER/PRICER SETTINGS YES/NO OPTIONS

Parameter	Value
Repeat ancillary discounting – general	Yes
Repeat ancillary discounting – drugs	No
Repeat ancillary discounting – DME	No
Bilateral and terminated procedure discounting	Yes
Radiology procedure packaging	No
Cross-type multiple procedure discounting	No
Pre ranking bilateral adjustment flag	No
Direct admit observation logic	Yes
Observation hours minimum	No
Charge cap	Yes
Cost outliers	No

# NE MEDICAID EAPG GROUPER/PRICER SETTINGS

## OUTPATIENT VISITS PER CLAIM

Parameter	Value
<b>Visits allowed per claim</b>	<ul style="list-style-type: none"><li>• Multiple <i>unless</i> Emergency Department or Observation revenue code(s) exist on the claim</li><li>• Emerg. Dept. revenue codes – 0450 – 0459</li><li>• Observation revenue codes – 0760 – 0769</li><li>• Assumption is that many ED and observation claims with cross over midnight, thus having multiple dates of service, but really only apply to one outpatient visit</li></ul>

### Note:

- All services for a single outpatient visit must be submitted on one claim
- Multiple outpatient visits on the same day will require manual processing, or be billed using modifiers to allow additional payment

# NE MEDICAID EAPG GROUPER/PRICER SETTINGS MODIFIERS AFFECTING PAYMENT

## **27** multiple E/M encounters

- Allows payment of additional medical visit/services ancillary EAPG

## **50** bilateral procedure

- Flags a procedure for additional payment (150%)

## **52 & 73** terminated procedure

- Flags a procedure for discounting (50%)

## **59** separate/distinct procedure

- Allows separate payment of a significant procedure (turns off consolidation)



# NE MEDICAID EAPG GROUPER/PRICER SETTINGS MODIFIERS **NOT** AFFECTING PAYMENT

Anatomical and select modifiers

**E1 – E4, F1 – F9, FA, LT, RT, T1 – T9, TA, 24, 25, 57, 76, 77,  
91, RC, RI, LC, LM, LD, GN, GO, GP, XE, XS, XP, XU**

- Can be used to allow separate payment of a significant procedure (turns off consolidation)
- These overrides are not turned on in the Nebraska Medicaid implementation

# NE MEDICAID EAPG GROUPER/PRICER SETTINGS

## OTHER GROUPER SETTINGS

Grouping - Inpatient Only / Never Pay	Grouping - Packaging	Grouping - Acuity	Grouping - Conditional	Grouping - Consolidation		
Grouping - General	Grouping - Visits	Grouping - EAPG Type Processing	Grouping - Modifiers	Grouping - Per Diem		
	Significant Procedure	Physical Therapy & Rehab	Behavioral Health & Counseling	Dental	Radiologic Procedure	Diagnostic Significant Procedure
Same procedure consolidation for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Clinical procedure consolidation for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Multiple procedure discounting for:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Medical visit processed with:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Grouping - Inpatient Only / Never Pay	Grouping - Packaging	Grouping - Acuity	Grouping - Conditional	Grouping - Consolidation
Grouping - General	Grouping - Visits	Grouping - EAPG Type Processing	Grouping - Modifiers	Grouping - Per Diem
Type	Indirect list A count	Indirect list B count	Type	Direct assignment
Behavioral Health Full	2	2	Behavioral Health Full	Yes
Behavioral Health Full	3	0	Behavioral Health Half	Yes
Behavioral Health Half	0	0	Substance Abuse Full	Yes
Substance Abuse Full	3	0	Substance Abuse Half	Yes
Substance Abuse Half	0	0		

# TRANSITION SUPPORT

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# SUPPORT FOR EAPG TRANSITION

EAPG – Enhanced Ambulatory Patient Grouping

3M – [www.3m.com/his](http://www.3m.com/his)

Fact Sheet: <http://multimedia.3m.com/mws/media/472997O/3m-enhanced-apgs-fact-sheet.pdf>



Nebraska Medicaid Website

<http://dhhs.ne.gov/Pages/Heritage-Health-Resources.aspx>

- EAPG base rates
- EAPG relative weights
- EAPG Calculator spreadsheet

Nebraska Medicaid EAPG Support Email

Prior to 1/1/2020 – [NE EAPG Implementation Support@navigant.com](mailto:NE_EAPG_Implementation_Support@navigant.com)

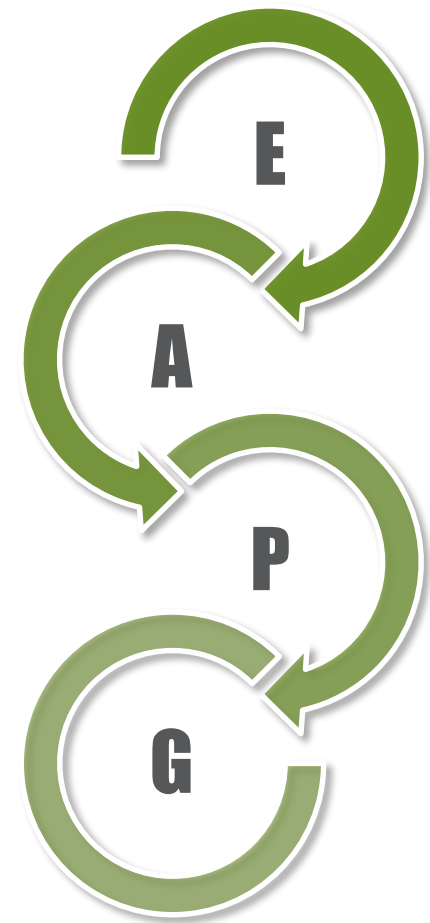
After 1/1/2020 – contact managed care plan

Post Implementation Question and Answer Session

Planned for late February 2020

## SUMMARY

- ▲ EAPG Grouping and Pricing - Basics
- ▲ NE Medicaid Implementation of EAPGs
- ▲ EAPG Grouping and Pricing - Details
- ▲ 5 EAPG Scenarios
  - Bundling
  - Discounting
  - Bilateral / Terminated
  - Observation
  - Nebraska Medicaid Specific
- ▲ NE Medicaid EAPG Grouping/Pricer Settings
- ▲ Transition Support



# QUESTIONS?

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