

ICAHN

IL Medicaid Hospital Rate Reform

May 15, 2014

3M Enhanced Ambulatory Patient Groups (EAPGs)

Effective with dates of service
beginning July 1, 2014.

Groupers Version 3.7

How is the EAPG Payment Calculated?

- The EAPG methodology uses a facility base rate along with an EAPG specific weight for each revenue line.
- Illinois Medicaid will be using the National weights that are utilized by 3M.
- Illinois Medicaid will develop the base rates.

EAPG Payment Calculation

- CPT Code 99214 (Medical Visit)
- Diagnosis Code: 38300
- **EAPG Assignment: 564**
- EAPG Description: Level I Other Ear, Nose, Mouth, Throat & Cranial/Facial
- Example:
- $\text{Weight} = 0.1880 \times \text{base rate} = \text{EAPG Payment}$

Is the 3M EAPG Specific to IL Medicaid?

- There are two components of the EAPG payment system;
- 1) Grouper, specific to IL Medicaid
- 2) Reimbursement, specific to IL Medicaid.
- The Reimbursement Component will not be available to purchase until IL Medicaid finalizes the rates.

EAPG Version 3.7

Category	EAPG
Significant Procedures or Therapies	001 - 372
Ancillary Services	373 - 484
Incidental Services	490 - 492
Drugs	495 & 496
Medical Visits	500 - 881

Paper Remittance Advices & 835s

- IL Medicaid has made the decision to report the EAPGs only in the 835 not on the paper remittance advices.
- The paper remittance advice will report the total payment for the entire claim.

How can a provider obtain their 835s from IL Medicaid?

- The Medical Electronic Data Interchange (MEDI) System is available to providers and their authorized representatives
<http://www.myhfs.illinois.gov>

HFS Monitor File

- What payment information will IL Medicaid return in the monitor file (claims tracking)?
- The IL Medicaid claim status responses will remain the same.

3 Levels of Observation/APL

- The 3 levels of reimbursement will be eliminated.
- The minimum number of observation hours that can be billed is “1.”
- Revenue Code 0762 must be billed with one of the following HCPCS Codes: 99218, 99219, 99220, 99234, 99235 and 99236 **in addition to G0378.**
 - Observation services that span more than two days, can be billed electronically.

Outpatient Claims

- **Service Line Date Required**
- Form Locator 45 (Service Date) will now be required for all outpatient claims.

Expensive Drugs & Devices

- Hospital will no longer be paid an outlier for these expensive drugs and devices.
- These drugs and devices will be paid through the EAPG system at a much lower reimbursement.
- Expensive Drugs & Devices Listing
- <https://www2.illinois.gov/hfs/MedicalProvider/MedicaidReimbursement/Pages/Expensive.aspx>

Form Locator 70

Patient's Reason for Visit

- New Illinois Medicaid requirement with the implementation of the EAPG system:
- This field will be required if the claim contains Revenue Code 045X, 0516, 0526 or 0762.
- Enter the ICD-9-CM diagnosis code that describes the patient's reason for visit.

New Edits/Error Codes & Descriptions will be Required

Existing Edits/Error Codes & Descriptions will need to be revised and some eliminated.

The National Correct Coding Initiative (NCCI) Edits

- How will the National Correct Coding Initiative (NCCI) edits apply under the new payment method?
- The National Correct Coding Initiative is a federal requirement for all Medicaid programs under the Affordable Healthcare Act.
- The NCCI edits will be part of the EAPG payment processing.

CPT Modifiers with EAPG Impact

- Modifiers recognized in the EAPG payment system:
- **25 – Distinct service**
 - Allows reimbursement for a medical visit (E&M) EAPG on the same day as a distinct and separate significant procedure
- **27 – Multiple E&M encounters**
 - Allows reimbursement for multiple non-related medical visits (multiple E&M codes) on the same date of service.
- **52 – Discontinue service**
 - Payment discounted 50%

CPT Modifiers with EAPG Impact

- Modifiers recognized in the EAPG payment system:
- **73 – Terminated procedure**
 - Payment discounted 50%
- **59 – Distinct procedure**
 - Bypasses consolidation for line item with modifier
 - Line item paid 100%
- **50 – Bilateral procedure**
 - Flags PX code for additional payment – 150%

Billing Requirements Before EAPG & After EAPG

Claim Example

- The patient is seen in the emergency department on March 28, 2013 at 10:00 P.M. The patient is then admitted to observation on March 29, 2013 at 1:00 A.M.
 - The ER and observation are billed on one institutional claim.
 - From Date = March 28, 2013

Claim Example

- **APL Policy**
- The hospital may bill for both observation and ER and all other services rendered, but will be reimbursed only for the service with the highest APL rate.

Observation

- **EAPG Policy**
- Payment for observation services is based on the EAPG, regardless of the number of units (hours) billed as long as units billed are at least 1.
- Hospitals should bill all services rendered and may be reimbursed for more than one EAPG per visit.
- Each service line will be assigned an EAPG.

Observation Logic

- **Billing Example:**
- Revenue Code 0762
- CPT Code 99218
- Total Charges = \$0.00
- Units = 0
- Revenue Code 0762
- HCPCS Code G0378 (Observation)
- Total Charges = Total charges associated with the service.
- Units => 1

Observation Services

- ***Billing for observation services that exceed two days:***
- Current Medicaid Policy/APL

837I (Statement Covers Period - Through)

- Required on outpatient claims when the Statement Covers Period is greater than one day.
- The “through date” cannot be left blank.

UB-04 Paper Claim Required

- Leave “through” date blank.

Observation Services

- EAPG Reimbursement
- **Dates of Service and Multiple Visits**
- Providers have the option of submitting either one claim per date of service or submitting one claim for a series of outpatient services.

Emergency Room Claim Example

Revenue Code	Description	CPT Code/NDC	Modifier	Diagnosis
0250	Pharmacy	00310027239		7847
0301	Lab	80048		
0301	Lab	85025		
0305	Lab	85610		
0305	Lab	85730		
0450	Emergency Services	99285	25	

Emergency Room Claim Example

- **APL Reimbursement**
- Emergency Level I – Revenue Code 0450
- The all-inclusive APL rate is considered to cover all services provided.

Emergency Room Claim Example

- **EAPG Assignment/Reimbursement**
- CPT Code 99285 (Medical Visit)
 - EAPG assignment based on diagnosis code.
- Lab services will be packaged
- EAPG assignment for Drug

Medicare/Medicaid Crossover Claims

- **This policy will be eliminated.**
- ▶ Enter Value Code 24 and the number of hospital departments visited for the treatment episode.
- The number of departments visited x \$57.50.
- ***With the implementation of the EAPGs, Medicare crossover claims will be billed & priced based on the EAPG system.***

Medicare Crossover Claim Example

Revenue Code	Description	CPT Code	Diagnosis Code
0341	NUC MED/DX	78452	41401
0343	NUC MED/DX RADIOPHARM	A9500	
0482	STRESS TEST	93017	
0636	DRUG	J2785	

Medicare Crossover Claim Example

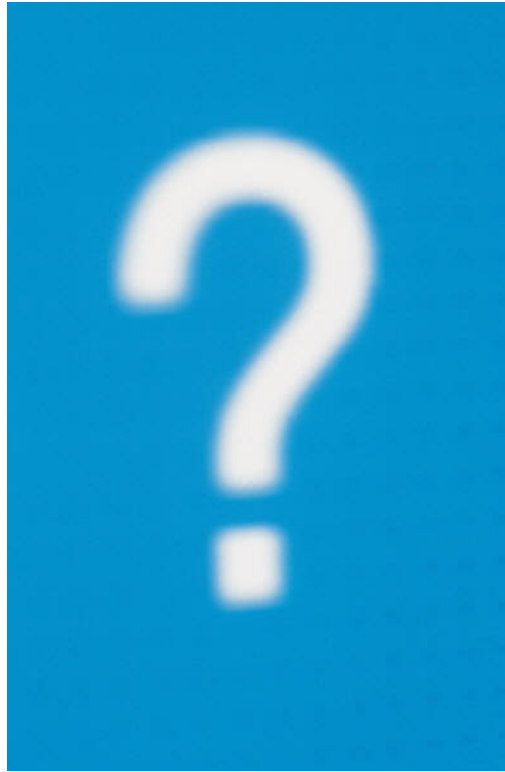
- **Current Reimbursement**
- Dates of Service through 6/30/14, reimbursement would be:
- $\$57.50 \times 3$ (departments visited) = $\$172.50$

Medicare Crossover Claim Example

- **EAPG Reimbursement**
- Dates of Service on or after 7/1/14:
- HCPCS Code A9500 (not covered by HFS)
- HCPCS Code J2785 (covered by HFS on the Physician Fee Schedule)
- CPT Codes 78452 & 93017 are on the APL.

Medicare Crossover Claim Example

- **EAPG Reimbursement**
- All services billed may be assigned an EAPG.
- Some services may be packaged or discounted.



Questions & Answers