

EFFECTIVE OCTOBER 1, 2015

**EAPG**



# Enhanced Ambulatory Patient Groups Implementation Guide

## Ambulatory Surgery Fee Schedule

The Workers' Compensation Board has transitioned from a Products of Ambulatory Surgery (PAS) based ambulatory surgery fee schedule to an Enhanced Ambulatory Patient Groups (EAPG) methodology effective October 1, 2015. This transition coincided with the Board's implementation of ICD-10.

## Reason for Change

The PAS ambulatory surgery fee schedule that the Board has had in place for several years has not kept pace with changes in fee schedules and diagnostic codes. To be compatible with other agencies and the medical community, and to support its implementation of ICD-10, the Board moved to an EAPG methodology.

The need to make this transition was based on the following points:

### Products of Ambulatory Surgery (PAS)

- PAS outpatient surgery codes have not been updated by the Department of Health (DOH) since 2008. Reimbursement has not changed in over 10 years.
- DOH moved from PAS to EAPG in 2009 (in a gradual transition).
- DOH no longer supports PAS and requested that the Board cease utilizing the system.
- PAS does not support ICD-10, which was implemented nationally on October 1, 2015.

### Enhanced Ambulatory Patient Groups (EAPG)

- EAPGs are similar to the All Patient Refined, Diagnostic Related Group (APR-DRG) methodology. Payment is based on severity of episode of care, and includes tests, drugs, implants, etc., in a single case rate.
- EAPGs were part of the Medicaid 2009 reform to encourage the move from inpatient to outpatient care.
- EAPGs are updated regularly by DOH.

## 3M Core Grouper Software

Most health care providers have already purchased the 3M Core Grouper software as a result of the DOH transition to EAPG. More information about the EAPG system can be found on the Department of Health's website at: [https://www.health.ny.gov/health\\_care/medicaid/rates/apg](https://www.health.ny.gov/health_care/medicaid/rates/apg)

Information regarding the 3M products that support EAPG reimbursement is available at: [http://solutions.3m.com/wps/portal/3M/en\\_US/Health-Information-Systems/HIS/Products-and-Services/Products-List-A-Z/Core-Grouping-Software](http://solutions.3m.com/wps/portal/3M/en_US/Health-Information-Systems/HIS/Products-and-Services/Products-List-A-Z/Core-Grouping-Software)

The Board will be using the 3M Core Grouper software. For dates of service on or after October 1, 2015, Hospital Outpatient NCCI edits, Medical Unlikely edits, and 3M Proprietary EAPG edits will be used by the Board. For dates of services on or after January 1, 2016, Hospital Outpatient NCCI edits, Medical Unlikely edits, and 3M Proprietary EAPG edits will be used by the Board. Annually, the Board will announce changes in the preferences and edits to be set within the 3M Core Grouper software. These settings are necessary to properly calculate ambulatory surgery bills under the NYS workers' compensation system.

## Observation Services

The Board will adopt NYS Department of Health regulations governing the provision and billing of observation services under the Medicaid program. Title 10 of the New York Code of Rules and Regulations, Section 405.19 establishes observation unit operating standards. The most recent Department of Health billing guidelines and requirements should be followed.

If the patient is admitted as an inpatient, emergency room and observation services may not be billed.

However, if the patient is treated in the emergency room and placed in observation status, the Board

recommends that emergency room and observation services be billed separately due to the different reimbursement methodologies for each of these services.

## Authorized Facilities

The Board does not authorize ambulatory surgery centers or hospitals. Any NYS hospital that performs outpatient surgery and/or NYS Dept. of Health Article 28 approved ASC submitting a bill should be reimbursed. If a facility-specific value is not present, the rate should be calculated generically. Directions for creating generic tables within the software can be found on the Board's website at [wcb.ny.gov/content/main/hcpp/MedFeeSchedules/SettingUp3MGenericTables.pdf](http://wcb.ny.gov/content/main/hcpp/MedFeeSchedules/SettingUp3MGenericTables.pdf)

## Out-of-State Facilities

Bills submitted by out-of-state facilities should be reimbursed using the EAPG-based ambulatory surgery fee schedule. The Board will follow the Department of Health's guidance regarding out-of-state billing in the Policy and Billing Guidance Ambulatory Patient Groups Provider Manual ([health.ny.gov/health\\_care/medicaid/rates/apg/docs/apg\\_provider\\_manual.pdf](http://health.ny.gov/health_care/medicaid/rates/apg/docs/apg_provider_manual.pdf)):

*Rates of payment for out-of-state providers in counties contiguous to New York City and New York's Dutchess, Putnam, Westchester, Rockland and Orange Counties will reflect the average APG payment for the same services applicable to New York State providers in those downstate areas. Out-of-state counties contiguous to the downstate rate region include: Sussex, Passaic, Bergen, Hudson, Essex, Middlesex, Union and Monmouth Counties in New Jersey; Pike County in Pennsylvania; and Litchfield and Fairfield Counties in Connecticut.*

*Rates of payment for all other out-of-state providers will reflect the average APG payment for the same services applicable to providers in upstate New York.*

Additionally, rate code 1416 is used for out-of-state hospital billing. Rate code 1416 will be included in the January 2016 3M software release.

## NYS Workers' Compensation Specific Base Rates

The current Medicaid EAPG rates do not compensate Ambulatory Surgery Centers (ASC) similarly when the same services are provided in an ASC versus a hospital. The Board, by creating a workers' compensation base rate, will pay the same value for the same service(s) performed within a hospital or an ASC.

Current regulation states that NYS Workers' Compensation base rates shall be 150% of Medicaid's hospital base rates. The Board will adopt 150% of Medicaid's hospital base rates in the NYS Workers' Compensation EAPG Schedule. (See chart below.)

The capital add-on value is an amount provided by the Department of Health based on approved cost of capital. The Medicaid capital add-on values are not increased by 150%.

Not all patients are appropriate candidates for surgery in an ASC. Proper screening of patients to determine whether the ASC is the appropriate location for surgical care is the responsibility of the surgeon as well as the ASC.

## Stakeholder Outreach

- The Board released Subject No. 046-379 on December 2, 2009 announcing the intent to transition to EAPG.
- The Board announced the transition to EAPG during the Centennial Celebration in July 2014.
- The Board included the transition to EAPG in the Medical Fee Schedule Discussion Document released July 28, 2014. Minimal comments regarding EAPG were received.
- The Board has met with stakeholder groups regarding the EAPG transition.
- Training sessions were held during November and December 2015.

As part of the regulatory process, a 45-day comment period coincided with the publication of the regulations.

## NYS Workers' Compensation Specific Base Rates

Service Type	**Base Rate Visit Code	DOH EAPG Base Rates		Effective Date	NYS WCB EAPG Base Rates 2015	
		DOWNSTATE	UPSTATE		DOWNSTATE	UPSTATE
Ambulatory Surgery Hospital	1401/1416	\$197.29	\$152.41	(Effective Jan. 1, 2011 Forward)	\$295.94	\$228.62
Ambulatory Surgery Freestanding	1408	\$116.24	\$101.18	Phase I APG Base Rates (Effective Jan. 1, 2010 Forward)	\$295.94	\$228.62

\*\* Schedule provides Base Rates only. For the Blend and Capital Add-On rates, refer to the Rate by Provider files on the NYS DOH website.

Following the January 2016 3M software release, Base Rate Visit Code 1416 may be used for ambulatory surgery performed at out-of-state hospitals.

The New York State Workers' Compensation Board protects the rights of employees and employers by ensuring the proper delivery of benefits to those who are injured or ill, and by promoting compliance with the law. To learn more about the Workers' Compensation Board, visit [WCB.ny.gov](http://WCB.ny.gov).



**Workers' Compensation Board**