

Transition to Enhanced Ambulatory Patient Groups October 1st, 2015 Implementation

Ambulatory Surgery Fee Schedule

The Board will transition from its current Products of Ambulatory Surgery (PAS) based ambulatory surgery fee schedule to the Enhanced Ambulatory Patient Groups (EAPG) methodology effective October 1st, 2015. This will coincide with the implementation of ICD-10.

Reason for Change

To be consistent with the Centers for Medicare and Medicaid Services (CMS), effective October 1st, 2015, the Board will transition to ICD-10. PAS, which the Worker's Compensation Board has had in place for several years, utilizes ICD 9 and is not compatible with ICD 10. Additionally, the PAS methodology was previously maintained by the NYS Department of Health (DOH), DOH has moved to an EAPG methodology for outpatient services and no longer supports the PAS methodology.

The Board, therefore, must take action to implement an updated ambulatory surgery fee schedule and will transition to the EAPG based ambulatory fee schedule.

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

Products of Ambulatory Surgery (PAS)

- DOH historically utilized PAS for reimbursing ambulatory surgery. The Board utilized the DOH systems and reimbursed at 150% of PAS.
- DOH stopped supporting PAS in 2008; outpatient surgery codes have **not** been updated since that time. Reimbursement has not changed in over 10 years.
 - If the billed ambulatory surgery code is not in the PAS system, it is being paid as usual and customary.
- DOH moved from PAS to EAPG in 2009 (gradual transition).
- DOH no longer supports PAS and requests that the Board cease utilizing the system.
- PAS will not support ICD-10, which is scheduled for an October 1, 2015 national implementation.
- The Board released Subject No. 046-379 on December 2, 2009 announcing the intent to transition to the EAPG methodology.

Enhanced Ambulatory Patient Groups (EAPG)

- EAPG is similar to the Diagnosis-related group (DRG) methodology. Payment is based on severity of episode of care, and includes tests, drugs, implants, etc., in a single case rate.
- Part of the Medicaid 2009 reform to encourage the move from inpatient to outpatient care.
- Updated regularly by DOH.
- According to DOH, pays about 99% of hospital costs (not charges) and approximately 75% of ambulatory surgery center costs.

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 and the 3M products that support it are available at: http://www.health.ny.gov/health_care/medicaid/rates/apg/index.htm

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Software Preferences and Edits

Annually the Board will release a bulletin announcing the preferences and edits to be set within the 3M Core Grouper software necessary to facilitate payment of ambulatory surgery bills under NYS Workers' Compensation.

2015 Software Preference and Edits

- NCCI edits are to be used.

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 are billed separately due to the different reimbursement methodologies for each of these services.

NYS Workers' Compensation Specific Base Rate

The current Medicaid EAPG rates do not compensate Ambulatory Surgery Centers (ASCs) 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. 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.

NYS Workers' Compensation Specific Base Rates

- Current regulation states NYS Workers' Compensation shall pay 150% of Medicaid rates. The Board will adopt NYS Workers' Compensation specific base rates at 150% of Medicaid. See Appendix A.

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 28th, 2014. Minimal comments regarding EAPG were received.
- The Board has met with stakeholder groups regarding the EAPG transition.

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

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Appendix A NYS Workers' Compensation Specific Base Rates

Service Type	Blend Rate Visit / Episode Rate Code	Capital Add- On Visit / Episode Rate Code	**Base Rate Visit / Episode Rate Code	DOH EAPG Base Rates		Effective Date	NYS WCB EAPG Base Rates 2015	
				Downstate	Upstate		Downstate	Upstate
Ambulatory Surgery Hospital	N/A	1404	1401	\$197.29	\$152.41	(Effective January 1, 2011 Forward)	\$295.94	\$228.62
Ambulatory Surgery Freestanding	1412	1410	1408	\$116.24	\$101.18	Phase I APG Base Rates (Effective January 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.								