Enhanced Ambulatory Patient Groups (EAPGs)
Agenda

• Overview of what EAPG is
• EAPG and billing Nebraska Total Care
• EAPG payment Methodology
• EAPG pricing Formula
• EAPG classification, visit and pricing types
• EAPG policy decisions
• EAPG and modifiers
• Nebraska Total Care is here to help
EAPG Overview

- EAPG is an outpatient visit-based patient classification system designed by 3M
  - EAPG assigns a 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
- EAPGs encompass the full range of ambulatory settings and outpatient services
  - EAPG classifications are available for all outpatient services, including laboratory and therapies, and for all outpatient settings, including same day surgery units, hospital emergency rooms, and outpatient clinics.
EAPG Updates and Rates

• Software updates after Implementation will be completed by the end of Quarter One of each Calendar year

• Version updates will happen no more then Once per year but no later then once per Three years
  • Each time a new Version of the EAPG is made new Relative weights, base rates and payment parameters will be applied
EAPG and Billing Nebraska Total Care

- There will be no changes in billing to Nebraska Total Care
  - All current billing guidelines will continue to be followed for claim submission

- The reimbursement on the claims for hospital outpatient services will change based on the EAPG payment methodology (Critical Access Hospitals are exempt from EAPG)
EAPG Payment Methodology

- EAPG payments are made on a per visit basis
  - Payment is directed to the main significant procedure or treatment provided during an outpatient visit
  - Payment for the main significant procedure considers the average cost of associated ancillary services
  - Methodology uses packaging and bundling of payment for related services to create incentives that are consistent with providing services in the most efficient way
  - Payment is concentrated on the main procedure, rather than diluting the payment across multiple ancillary services
  - It is possible for multiple EAPG payments to be made for the same visit
# EAPG Pricing Formula

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
<th>Value / Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Rates</td>
<td>Determined by Nebraska DHHS in coordination with Nebraska Medicaid Health Plans</td>
<td></td>
</tr>
<tr>
<td>EAPG Relative Weights</td>
<td>Relative amount of resources used by the treating hospital/ASC to render services; defined by 3M™ in version 3.14</td>
<td>0.0000 – 47.9208</td>
</tr>
</tbody>
</table>
| 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 | • Out of state participating children’s hospital  
                        |                                                                                   | • Out of state participating non-children’s hospital  
                        |                                                                                   | • Specific services                                                      |
| 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 Classification types

1. Per Diem
2. Significant Procedure
21. Physical Therapy & Rehab
22. Mental Health & Counseling
23. Dental Procedure
24. Radiologic Procedure
25. Diagnostic Significant Proc
3. Medical Visit
4. Ancillary
5. Incidental
6. Drug
7. Durable Medical Equipment
8. Unassigned & 21-25 Other
EAPG Visit types

- 04- Significant procedure Visit
- 05- Medical Visit
- 06- Ancillary Procedure Only Visit
- Other Miscellaneous Visit Type
# EAPG Visit Types

<table>
<thead>
<tr>
<th>Primary EAPG Type</th>
<th>Items Included in Base EAPG Payment</th>
<th>Items for which Additional Payment is Permitted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant procedure or therapy</td>
<td>• Packaged routine ancillaries</td>
<td>• Significant unrelated procedures (with any applicable discounts)</td>
</tr>
<tr>
<td>visit</td>
<td>• Incidental procedures</td>
<td>• Non-packaged ancillaries</td>
</tr>
<tr>
<td></td>
<td>• Supplies</td>
<td>• Chemo and selected non-routine drugs</td>
</tr>
<tr>
<td></td>
<td>• Routine drugs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Anesthesia</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Additional related significant procedures</td>
<td></td>
</tr>
<tr>
<td>Medical visit</td>
<td>• Packaged routine ancillaries</td>
<td>• Non-packaged ancillaries</td>
</tr>
<tr>
<td></td>
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<td>• Chemo and selected non-routine drugs</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>• Routine drugs</td>
<td></td>
</tr>
<tr>
<td>Ancillary only visit</td>
<td></td>
<td>• All “ancillary only” items are paid separately</td>
</tr>
</tbody>
</table>
EAPG Pricing Types

Pricing Types

- Full payment
- Consolidated
- Packaged
- Discounted
- Per Diem
# Nebraska Specific EAPG Policy Decisions

<table>
<thead>
<tr>
<th>Policy Option</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiple dates of service on a claim</td>
<td>• Treated as separate outpatient visits unless there is an emergency department or observation revenue code on the claim</td>
</tr>
</tbody>
</table>
| Charge cap                                        | • Applied at the claim header level  
• Reductions in payment distributed across all paid lines                                                                 |
| Outlier payments                                  | • No outlier payments                                                                                                                                 |
| Non-emergent ED services                          | • Discounted by 50%, consistent with current policy                                                                                     |
| Additional payment for mental health and substance abuse services | • Add-on equal to 2% applied to MH/SA EAPGs (EAPG Category 16) for provider IDs with MH/SA specialty                                      |
| Denied service lines                              | • Excluded from EAPG grouping if denied prior to grouping/pricing  
• Included in EAPG grouping, but priced at $0 if denied after grouping/pricing                                                        |
| EAPG discounting factors                          | • Multiple Significant Procedure 0.5  
• Repeat Ancillary Procedure 0.5  
• Terminated Procedure 0.5  
• Bilateral Procedure 1.5                                                                                                           |
Modifiers Affecting Payment

Modifiers:

- **27- Multiple E/M Encounters**
  - Allows payment of additional medical visits/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)
Modifiers Not Affecting Payment

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 for NE Medicaid
Nebraska Total Care is Here to Help

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Thank You