



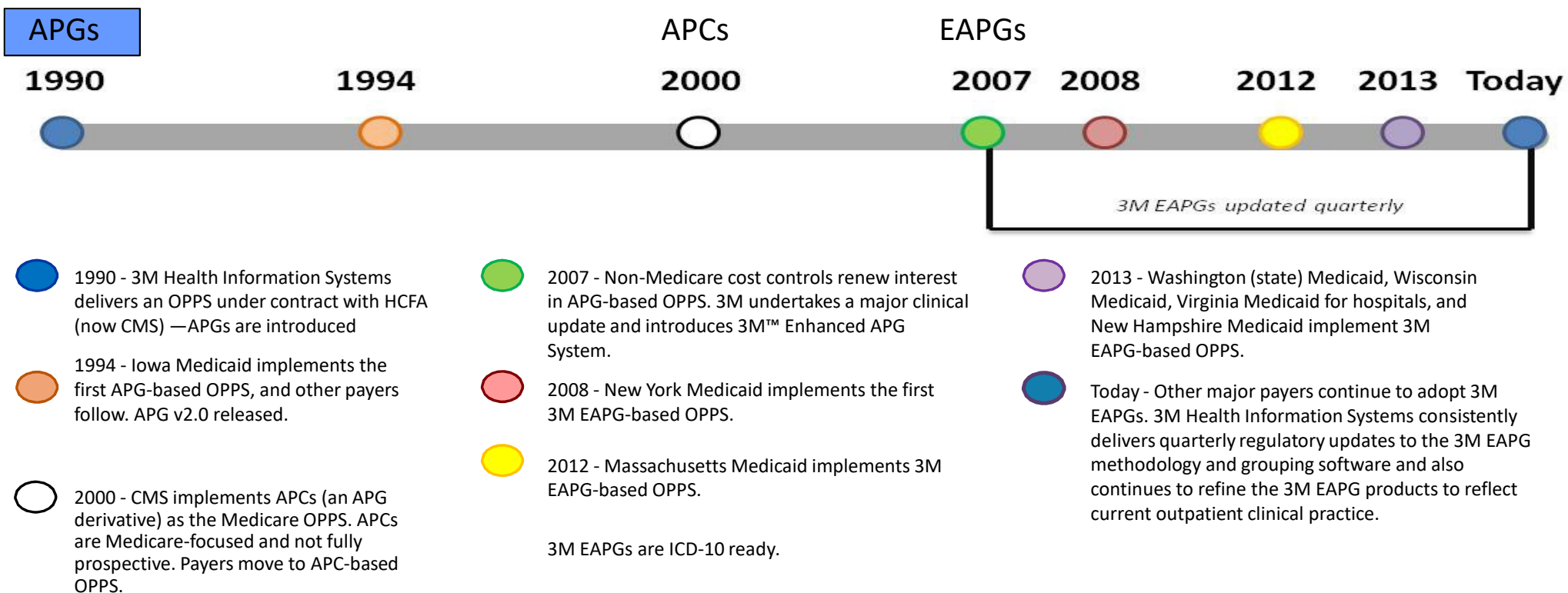
# 3M™ Enhanced Ambulatory Patient Groups (EAPGs)



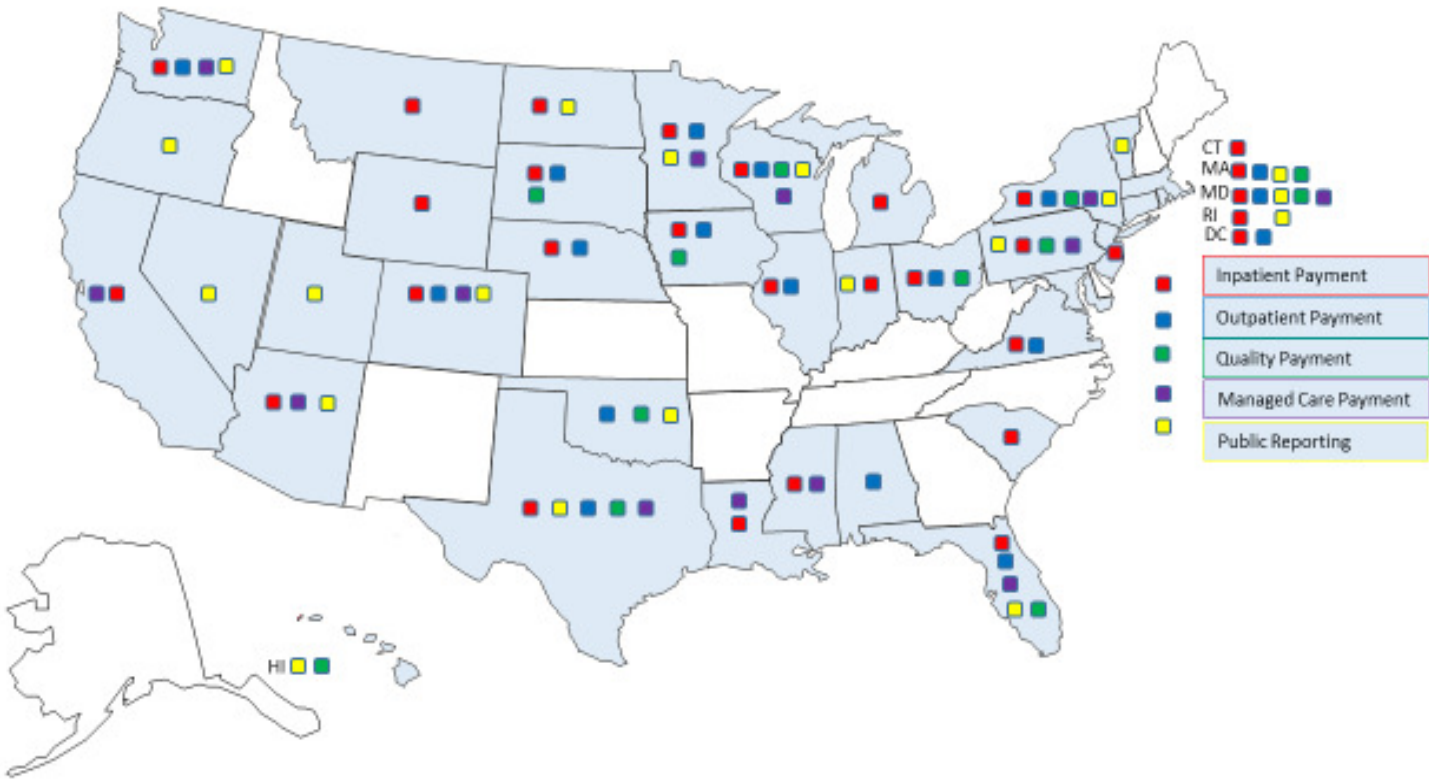
# Outline

- History, definitions, and purpose
- EAPG Classification: Groups, types, categories, service lines
- EAPG Grouping: Discounting, packaging, and consolidation
- Modifiers
- EAPG Process Overview
- 3M™ 360 Encompass™ Health Analytics Hospital Compare
- Questions

# Outpatient prospective payment system (OPPS): A brief history



### Publicly Announced Use of 3M Patient Classification Systems by Major Payers as of September 2018



# Definition of EAPGs

- Classification system designed specifically for outpatient services
  - Clinically meaningful
  - Comprehensive and flexible
  - Describe every patient in a full range of outpatient care settings
  - Be simple and cost effective to develop, implement and maintain
  - Promote equity in payment
- Groups services with similar resource use and costs
- Applicable in all ambulatory settings
  - Same Day Surgery, Hospital Emergency Department, Outpatient Clinics/Diagnostic and Treatment Centers
  - Can address home visits, physician services

## Definition of EAPGs (continued)

- Designed to be applicable to all patients, all ages, all outpatient settings
  - APC applies only to the Medicare population
- A “visit” is the basic unit of payment for EAPGs:
  - A “visit” is defined as the contact between a provider and patient. It includes all services provided on a claim OR for a given date of service
  - The “visit” can be for a procedure, a medical evaluation, and/or an ancillary service
  - In order to control costs, the prospective price for the “visit” is inclusive of all associated routine services provided for the encounter. Examples: drugs, supplies, equipment, use of room, treatment time, etc.

## Definition of EAPGs (continued)

- EAPGs are dependent on data typically provided on the claim: diagnosis, HCPCS/CPT codes, modifiers, demographics (e.g., gender)
  - A medical visit EAPG is recognized when an E/M or Observation code is reported. The principal diagnosis reported is used to determine EAPG payment for the medical visit
- Based on the ambulatory “visit”
  - Generally reported by date of service, not length of stay
  - EAPGs allow for segregation of multiple visits reported on a single claim using line item dates of service (for examples: therapy for a rotator cuff that would include 8 visits in a month, billed monthly on one claim)
  - EAPGs allow for consolidation of multiple visits reported on a single claim into an ‘episode’ (for example: an emergency room visit with additional services that extends into an additional day(s))

# Claims, Visits, Lines, Dates of Service

The unit of analysis for the EAPG is the visit

- Multiple visits (dates of service) on one claim
  - For example, several Physical Therapy visits all on one claim
  - The EAPG grouper splits these so that 1 visit = 1 claim
- Exception: ED visits/Observation
- One visit can have several services
  - For example, setting a bone fracture, stitches, cast
  - These are generally different lines of the same claim
  - Each claim line can have a different EAPG, reflecting the different services
  - We need rules to identify the primary EAPG of the visit



# APCs and EAPGs: Key Differences

	APCs	EAPGs
<b>Methodology</b>	Primarily a payment classification system and <u>fee schedule</u> of individual outpatient procedures / services	Outpatient <u>visit classification system</u> , which places patients and services into clinically coherent groups
<b>Efficiency</b>	<u>Minimal</u> packaging of ancillaries and bundling of procedures	<u>Comprehensive</u> packaging and bundling
<b>Comprehensiveness</b>	<u>Excludes</u> many services, which are then covered under other fee schedules	<u>Covers all</u> medical outpatient services
<b>Medical Payment Basis</b>	Medical APCs pay based on <u>self-reported effort</u> (duration of patient contact)	Medical EAPGs pay based on patient's condition and service intensity (i.e. <u>diagnosis and procedure</u> )
<b>Setting and Scope</b>	Applicability <u>limited</u> to payment for facility cost for hospital-based outpatient services and ambulatory surgery centers	<u>Broader</u> applicability to other services and settings (i.e. Mental Hygiene, PT and OT) and to performance reporting
<b>Unit of Service</b>	Payment structure based on utilization of services ( <u>volume</u> )	Payment structure based on <u>visits</u>

## Payment Equity is Achieved Through:

- One set of payment weights that reflect the relativity of costs for all services in the payment system
- Cost-based weights that use the same hospital RCCs for both inpatient and outpatient to ensure payment consistency
- Base rates that reflect the cost of similar providers, services, and service settings
- Consistent definition of the 'unit of service' to be paid. The unit of service will be defined as a visit

# EAPG Pay-for-performance: Potentially Preventable Events

**Potentially Preventable Admissions (PPAs)**

**Potentially Preventable Readmissions (PPRs)**

**Potentially Preventable Complications (PPCs)**

**Potentially Preventable ED Visits (PPVs)**

**Potentially Preventable Services (PPSs)**

- Emergency room visits that may result from a lack of adequate access to care or ambulatory care coordination.
- High rates of PPVs represent access issues, failure of primary care, and patient adherence
- 236 PPVs based on EAPGs (80% associated with top 20)

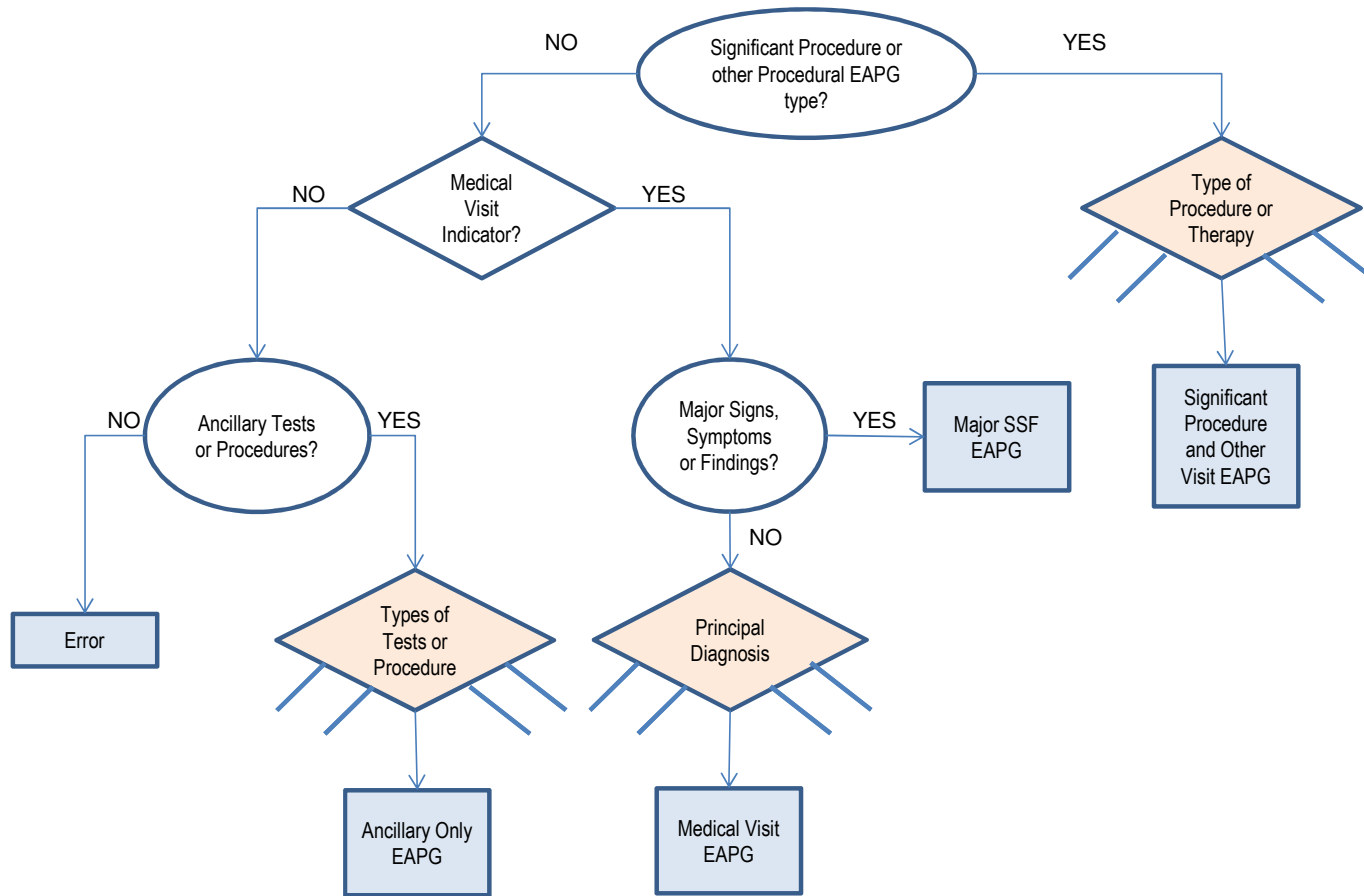
- Ancillary Services, such as procedures or treatments in ambulatory care settings (e.g. radiology, laboratory tests) which may not provide useful information for diagnosis and treatment and are susceptible to overuse.
- 134 PPSs, based on 3M EAPGs



**EAPG Classification:**

**Groups, Types, Categories, Service Lines**

# How Does Classification Work?



## Inputs for Defining EAPGs

- ICD-10-CM or ICD-9-CM diagnosis codes (RVDX, PDX, SDX)
- HCPCS level I (CPT) and level II (Alphanumeric) procedure codes
- From and through dates (from-date used to determine code sets used)
- Service Date
- Gender
- Age
- Optional:
  - HCPCS level I and level II modifiers
  - Units
  - Revenue code (for clinics)
- Claims can be submitted for either UB-04 or CMS-1500 claim format

# Outputs

- Overall claim type
- EAPG groups (specific EAPGs)
- EAPG types (general type of procedure)
- EAPG categories (based on body part or disease type)
- EAPG Service Lines (aggregation on a high level)
- EAPG visits
- Flags used for determining payment (bundling):
  - Consolidation
  - Packaging
  - Discounting
  - Grouper options

## EAPG Group Examples

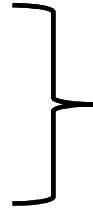
1. Photochemotherapy
2. Superficial needle biopsy and aspiration
3. Skin Incision and drainage
4. Nail procedures
5. Skin debridement and destruction
6. Excision and biopsy of skin and soft tissue
7. Skin repair
8. Breast procedures
9. Musculoskeletal procedures excluding hand and foot
10. Hand procedures
11. Foot procedures



# EAPG Groups

- EAPG assigned based on 3M crosswalk of CPT4/HCPCS procedure code. Multiple procedure codes can go to one EAPG.
- Only Medical Visits use Diagnosis codes to assign the Medical EAPGs.
- HCPCS/CPT-4 code crosswalk example:

HCPCS	Description
88299	Cytogenetic study
D0422	Collect & prep genetic samp
D0423	Genetic test spec analysis
S3800	Genetic testing als



EAPG 385 - LEVEL I MOLECULAR PATHOLOGY AND GENETIC TESTS

- The Unassigned EAPG (999) can result for any of the following reasons:
  - User Ignored
  - Inpatient Procedure
  - Invalid Procedure Code
  - Code not used by EAPGs
  - Invalid Dx for Medical Visit
  - E-code Dx for Medical Visit
  - Non-covered care or settings
  - Invalid date (out of range)
  - Invalid Procedure
  - Direct Per Diem code w/o qualifying Pdx
  - Observation condition error
  - DAO condition error
  - Gender Unknown
  - No HCPCS code (Revenue Code Only)

## EAPG Types (classify services in a visit)

- 1 Per Diem
- 2 Significant Procedure
- 3 Medical Visit
- 4 Ancillary
- 5 Incidental
- 6 Drug
- 7 Durable Medical Equipment (DME)
- 8 Unassigned

## Type 2: Significant Procedures

- Normally scheduled procedures, constitute the reason for the visit and dominate the time and resources expended during the visit.
- For example:

*Echocardiography*

*Bone/Joint Manipulation*

*Hernia Repair*

*Cat Scans*

*Stress tests*

*Insertion of a pacemaker*

## Type 2: Significant Procedures: Consolidation and Discounting

- EAPG payment includes an algorithm for consolidation
  - Collapsing of multiple, related significant procedure EAPGs into a single EAPG for the purpose determining payment
  - Multiple same significant procedure consolidation
  - Clinically significant procedure consolidation
  - No additional payment is made for procedures flagged for consolidation.
- Discounting features include:
  - Multiple significant procedures on same day
  - Repeat ancillary EAPGs
  - Bilateral with Modifier 50
  - Terminated procedures (Modifiers 52 or 73)



## Type 3: Medical Visits

- Describe patients who receive medical treatment but do not have a significant procedure performed during the visit
- Assigned based on principal diagnosis code
- Requires a medical visit indicator code = E/M CPT code
- The medical visit EAPG is assigned to the E/M code
- Examples:
  - *Chest Pain*
  - *Headaches*
  - *Fracture of Femur*
  - *Hernia*

# Medical Visit Indicator

- Without E/M code

Financial Information - Outpatient Payment Calculation Toolkit - EAPGS											
Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
Visit ID: 1											
	999	0.0000	0.00		05	0.00			0.00		0.00
	999	0.0000	0.00		05	0.00			0.00		0.00
	999	0.0000	0.00		05	0.00			0.00		0.00
J0696	496	0.0000	0.00		05	0.00			0.00		0.00
Claim Total:						0.00	0.00	0.00	0.00	0.00	0.00

- Adding E/M code

Financial Information - Outpatient Payment Calculation Toolkit - EAPGS											
Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
Visit ID: 1											
	999	0.0000	0.00		05	0.00			0.00		0.00
	999	0.0000	0.00		05	0.00			0.00		0.00
99282	673	0.2334	1.00		01	163.38			0.00		163.38
J0696	496	0.0000	0.00		04	0.00			0.00		0.00
Claim Total:						163.38	0.00	0.00	0.00	0.00	163.38



# Medical Visit – Example 1

## Primary Diagnosis

**Z3403** Encntr for suprvsn of normal first preg, third trimester  
 Present On Admission (POA): Exempt from POA reporting/unreported/not used

## Secondary and External Cause of Injury Diagnoses

None

## Procedures

**99213** Office/outpatient visit est  
 Rev Code: 761  
 Units: 1  
 Charge: \$ 509.00  
 Date: 02/01/2016  
 Procedure EAPG: 491 MEDICAL VISIT INDICATOR  
 Final EAPG: 766 ROUTINE PRENATAL CARE  
 Final EAPG Type: 3 Medical Visit  
 Final EAPG Category: 66 Pregnancy, childbirth and the puerperium  
 Service Line Indicator: 16

## Financial Information - Outpatient Payment Calculation Toolkit - EAPGS

Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
<b>Visit ID: 1</b>											
99213	766	0.2441	1.00		01	170.87			0.00		170.87
<b>Claim Total:</b>						<b>170.87</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>170.87</b>



# Medical Visit – Example 2a

**Primary Diagnosis**

Z4802

Encounter for removal of sutures

Present On Admission (POA): Exempt from POA reporting/unreported/not used

**Secondary and External Cause of Injury Diagnoses**

S0101XD

Laceration without foreign body of scalp, subs encntr

Present On Admission (POA): Exempt from POA reporting/unreported/not used

**Procedures**

99281

Emergency dept visit

Rev Code: 451

Units: 1

Charge: \$ 450.00

Date: 02/01/2016

Procedure EAPG: 491 MEDICAL VISIT INDICATOR

Final EAPG: 871 SIGNS, SYMPTOMS & OTHER FACTORS INFLUENCING HEALTH STATUS

Final EAPG Type: 3 Medical Visit

Final EAPG Category: 75 Rehabilitation, aftercare, other factors influencing health status and other health services

Service Line Indicator: 6

**Financial Information - Outpatient Payment Calculation Toolkit - EAPGS**

Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
<b>Visit ID: 1</b>											
99281	871	0.2498	1.00		01	174.86			0.00		174.86
<b>Claim Total:</b>						174.86	0.00	0.00	0.00	0.00	174.86





# Medical Visit – Example 2b

## Primary Diagnosis

S0101XD

Laceration without foreign body of scalp, subs encntr

Present On Admission (POA): Exempt from POA reporting/unreported/not used

## Secondary and External Cause of Injury Diagnoses

Z4802

Encounter for removal of sutures

Present On Admission (POA): Exempt from POA reporting/unreported/not used

## Procedures

99281

Emergency dept visit

Rev Code: 451

Units: 1

Charge: \$ 450.00

Date: 02/01/2016

Procedure EAPG: 491 MEDICAL VISIT INDICATOR

Final EAPG: 674 CONTUSION, OPEN WOUND & OTHER TRAUMA TO SKIN & SUBCUTANEOUS TISSUE

Final EAPG Type: 3 Medical Visit

Final EAPG Category: 6

Service Line Indicator: 1

## Financial Information - Outpatient Payment Calculation Toolkit - EAPGS

	Code	Final EAPG	Adjusted Weight	Pay Perc.	Paid Units	Pay Action	Base Payment	Existing Payment	Blended Payment	Outlier Payment	Add-on Payment	Total Payment
<b>Visit ID: 1</b>												
	99281	674	0.2790	1.00		01	195.30			0.00		195.30
<b>Claim Total:</b>							195.30	0.00	0.00	0.00	0.00	195.30

# Medical Visit 1 – EAPGs

## Primary Diagnosis

**J069** Acute upper respiratory infection, unspecified  
 EAPG: 0562 - INFECTIONS OF UPPER RESPIRATORY TRACT & OTITIS MEDIA  
 EAPG Type: 03 - Medical Visit  
 EAPG Category: 054 - Ear, nose, mouth, throat and craniofacial diseases and disorders  
 Codebook

Primary Diagnosis  
 J069 Acute upper respiratory Infection,  
 unspecified

## Secondary Diagnoses

**M62838** Other muscle spasm  
 Codebook

## Detailed CPT Procedures

**80053** Comprehensive metabolic panel This panel must include the following: Albumin Bilirubin, total Calcium, total Carbon dioxide Chloride Creatinine Glucose Phosphatase, alkaline Potassium Protein, total Sodium Transferase, alanine amino Transferase, aspartate amino Urea nitrogen  
 EAPG: 0403 - ORGAN OR DISEASE ORIENTED PANELS  
 EAPG Type: 04 - Ancillary  
 EAPG Category: 022 - Laboratory  
 EAPG Service Line: 31 - Laboratory  
 Rptd Units: 1  
 CPT CPT Asst CDR

EAPG 562 Infections of Upper Respiratory  
 Tract and Otitis Media

**85025** Blood count; complete, automated and automated differential WBC count  
 EAPG: 0408 - LEVEL I HEMATOLOGY TESTS  
 EAPG Type: 04 - Ancillary  
 EAPG Category: 022 - Laboratory  
 EAPG Service Line: 31 - Laboratory  
 EAPG Cons/Pkg: Packaging  
 Rptd Units: 1  
 CPT CPT Asst CDR

**99284** Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A detailed history; A detailed examination; and Medical decision making of moderate complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of high severity, and require urgent evaluation by the physician, or other qualified health care professionals but do not pose an immediate significant threat to life or physiologic function.  
 EAPG: 0562 - INFECTIONS OF UPPER RESPIRATORY TRACT & OTITIS MEDIA  
 Edit: 3172 - EAPG- Revenue code reported requires Reason for Visit diagnosis code.  
 EAPG Type: 03 - Medical Visit  
 EAPG Category: 054 - Ear, nose, mouth, throat and craniofacial diseases and disorders  
 EAPG Service Line: 23 - Otolaryngology  
 Rptd Units: 1  
 REV: 0450 - EMERG ROOM  
 CPT CPT Asst HCPCS

Code	Final EAPG	Adjusted Weight	Pay Action	Total Payment
99284	562	0.1893	1	\$68.59
80053	403	0.0221	1	\$8.01
85025	408	0	4	\$0.00
<b>Claim Total:</b>		<b>0.2114</b>		<b>\$76.60</b>



# Medical Visit 1 – EAPGs - Different Primary Diagnosis

## Primary Diagnosis

**M62838** Other muscle spasm  
 EAPG: 0661 - LEVEL II OTHER MUSCULOSKELETAL SYSTEM & CONNECTIVE TISSUE DIAGNOSES  
 EAPG Type: 03 - Medical Visit  
 EAPG Category: 059 - Diseases and disorders of the musculoskeletal system and connective tissue  
 Codebook

## Secondary Diagnoses

**J069** Acute upper respiratory infection, unspecified  
 Codebook

## Detailed CPT Procedures

**80053** Comprehensive metabolic panel This panel must include the following: Albumin Bilirubin, total Calcium, total Carbon dioxide Chloride Creatinine Glucose Phosphatase, alkaline Potassium Protein, total Sodium Transferase, alanine amino Transferase, aspartate amino Urea nitrogen  
 EAPG: 0403 - ORGAN OR DISEASE ORIENTED PANELS  
 EAPG Type: 04 - Ancillary  
 EAPG Category: 022 - Laboratory  
 EAPG Service Line: 31 - Laboratory  
 Rptd Units: 1  
 CPT CPT Asst CDR

**85025** Blood count; complete, automated and automated differential WBC count  
 EAPG: 0408 - LEVEL I HEMATOLOGY TESTS  
 EAPG Type: 04 - Ancillary  
 EAPG Category: 022 - Laboratory  
 EAPG Service Line: 31 - Laboratory  
 EAPG Cons/Pkg: Packaging  
 Rptd Units: 1  
 CPT CPT Asst CDR

**99284** Emergency department visit for the evaluation and management of a patient, which requires these 3 key components: A detailed history; A detailed examination; and Medical decision making of moderate complexity. Counseling and/or coordination of care with other physicians, other qualified health care professionals, or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of high severity, and require urgent evaluation by the physician, or other qualified health care professionals but do not pose an immediate significant threat to life or physiologic function.  
 EAPG: 0661 - LEVEL II OTHER MUSCULOSKELETAL SYSTEM & CONNECTIVE TISSUE DIAGNOSES  
 Edit: 3172 - EAPG- Revenue code reported requires Reason for Visit diagnosis code.  
 EAPG Type: 03 - Medical Visit  
 EAPG Category: 059 - Diseases and disorders of the musculoskeletal system and connective tissue  
 EAPG Service Line: 38 - Orthopedics  
 Rptd Units: 1  
 REV: 0450 - EMERG ROOM  
 CPT CPT Asst HCPCS

Primary Diagnosis  
 M62838 Other muscle spasm

EAPG 661 Level II Other Musculoskeletal System and Connective Tissue Diagnosis

Code	Final EAPG	Adjusted Weight	Pay Action	Total Payment
99284	661	0.2346	1	\$85.00
80053	403	0.0221	1	\$8.01
85025	408	0	4	\$0.00
Claim Total:		0.2567		\$93.01



## Claims with Significant Procedure and a Medical Visit

- Normally, the significant procedure is processed and the medical visit is not processed, packaged into significant procedure
- Exceptions:
  - Modifier 25
  - Setting for specific significant procedure types
    - » 21 Physical Therapy and Rehab
    - » 24 Radiologic Procedure

## Type 4: Ancillary Tests and Procedures

- Ordered by the primary physician to assist in patient diagnosis or treatment

Examples:

- *Immunizations*
  - *Plain films*
  - *Laboratory tests*
  - *Pathology Tests*
- Basic ancillaries are packaged
  - Repeat ancillaries will be discounted

## EAPG Category (Body Part or Disease) Examples

1. Skin and integumentary system procedures
2. Breast procedures
3. Musculoskeletal system procedures
4. Respiratory procedures
5. Cardiovascular procedures
6. Hematologic, lymphatic, and endocrine procedures
7. Gastrointestinal system procedures
8. Genitourinary system procedures
9. Male Reproductive system procedures
10. Female Reproductive system procedures
11. Neurologic system procedures

## EAPG Service Line (Classify Services in a Visit) Examples

1. Dermatology
2. General Surgery
3. Orthopedic Surgery
4. Pulmonary
5. Otolaryngology Surgery
6. Rehabilitation
7. Cardiology
8. Interventional Cardiology
9. General Medicine
10. Hematology
11. Gastroenterology

# Observation Logic

- Observation is assigned based on several data elements:
  - Diagnosis code
  - HCPCS code
  - G0378 (ancillary) and a medical visit code to report hours of observation
    - Obstetrical Observation Medical Visit (EAPG 500): requires Obstetrical PDX
    - Behavioral Health Observation Visit (EAPG 502): requires Behavioral Health PDX
    - Other Diagnoses (EAPG 501): dependent on any other diagnosis reported as PDX
- Units of service – as defined during setup
  - Can be a minimum hourly requirement, as defined by the payer
    - 0 – hours
    - 4 – hours
    - 8 – hours
- All observation is packaged in presence of significant procedure or per diem EAPGs





**EAPG Grouper Functions:**

**Discounting, Packaging, and Consolidation**

# Key Elements

- Discounting of multiple significant procedure (in lieu of consolidation)
  - Multiple significant procedures
  - Multiple ancillary tests and procedures
- Packaging of ancillary services
- Consolidation of multiple procedures into one EAPG for payment

# Multiple Significant Procedure Discounting

*In the same visit, same date of service:*

Procedure Code	EAPG	EAPG Description	EAPG Type	Payment Action
29888	38	Level II Arthroscopy	Significant Procedure	Full Payment
29888	38	Level II Arthroscopy	Significant Procedure	Discounted
12017	13	Level II Skin Repair	Significant Procedure	Discounted
27605	35	Level I Foot Procedure	Significant Procedure	Discounted

Multiple significant procedures result in discounting instead of consolidation.

**Visit EAPG = 38 Level II Arthroscopy  
(highest weighted procedural service)**

## Ancillary Packaging

- Refers to the packaging of certain routine ancillary services when they occur with a significant procedure or medical visit. For example,
  - Venipuncture
  - Chemistry tests
  - Endocrinology tests

With the same significant procedure or medical visit, these ancillary services will be packaged with that procedure or visit

- Payment for routine ancillary services is built into the payment of a significant procedure or medical visit with which they are routinely associated
- If ancillary services are not performed as part of a significant procedure or medical visit, they do not package and are paid, but multiple ancillary discounting may still apply

## Standard Packaging List (Versions 3.10 and 3.11)

116	ALLERGY TEST	425	LEVEL I OTHER MISCELLANEOUS ANCILLARY PROCEDURES
373	LEVEL I DENTAL FILM	424	DRESSINGS AND OTHER MINOR PROCEDURES
374	LEVEL II DENTAL FILM	425	LEVEL I OTHER MISCELLANEOUS ANCILLARY PROCEDURES
375	DENTAL ANESTHESIA	427	BIOFEEDBACK AND OTHER TRAINING
376	DIAGNOSTIC DENTAL PROCEDURES	428	PATIENT EDUCATION, INDIVIDUAL
377	PREVENTIVE DENTAL PROCEDURES	429	PATIENT EDUCATION, GROUP
380	ANESTHESIA	448	EXPANDED HOURS ACCESS
390	LEVEL I PATHOLOGY	449	ADDITIONAL UNDIFFERENTIATED MEDICAL VISITS/SERVICES
394	LEVEL I IMMUNOLOGY TESTS	(removed) 455	IMPLANTED TISSUE OF ANY TYPE
396	LEVEL I MICROBIOLOGY TESTS	457	VENIPUNCTURE
398	LEVEL I ENDOCRINOLOGY TESTS	459	VACCINE ADMINISTRATION
400	LEVEL I CHEMISTRY TESTS	471	PLAIN FILM
402	BASIC CHEMISTRY TESTS	486	BASIC BLOOD TYPING
406	LEVEL I CLOTTING TESTS	487	MINOR CARDIAC MONITORING
408	LEVEL I HEMATOLOGY TESTS	488	MINOR DEVICE EVALUATION AND ELECTRONIC ANALYSIS
410	URINALYSIS	489	LEVEL II OTHER MISCELLANEOUS ANCILLARY PROCEDURES
411	BLOOD AND URINE DIPSTICK TESTS	495	MINOR CHEMOTHERAPY DRUGS
412	SIMPLE PULMONARY FUNCTION TESTS	496	MINOR PHARMACOTHERAPY
413	CARDIOGRAM	1001	DURABLE MEDICAL EQUIPMENT AND SUPPLIES - LEVEL 1
423	INTRODUCTION OF NEEDLE AND CATHETER	1002	DURABLE MEDICAL EQUIPMENT AND SUPPLIES - LEVEL 2
424	DRESSINGS AND OTHER MINOR PROCEDURES	1003	DURABLE MEDICAL EQUIPMENT AND SUPPLIES - LEVEL 3
425	LEVEL I OTHER MISCELLANEOUS ANCILLARY PROCEDURES		

## Example of Ancillary Packaging

Procedure Code	EAPG	EAPG Description	EAPG Type	Payment Action
29888	38	Level II Arthroscopy	Significant Procedure	Full Payment
29888	38	Level II Arthroscopy	Significant Procedure	Discounted
12017	13	Level II Skin Repair	Significant Procedure	Discounted
27605	35	Level I Foot Procedure	Significant Procedure	Discounted
82800	400	Level I Chemistry Tests	Ancillary	Packaged
01220	380	Anesthesia	Ancillary	Packaged

Routine ancillaries are packaged only when there is a medical visit, direct admission for observation or significant procedure EAPG.

# Packaging example with Significant Procedure

## Primary Diagnosis:

**S62241A** Disp fx of shaft of first metacarpal bone, right hand, init

## Secondary Diagnoses:

**S63591A** Other specified sprain of right wrist, initial encounter

**S66911A** Strain of unsp musc/fasc/tend at wrs/hnd lv, r hand, init

**S43001A** Unspecified subluxation of right shoulder joint, init encntr

## Procedures:

**99281** Emergency dept visit

Rev Code: 450

Date: 10/01/2016

EAPG: 491 MEDICAL VISIT INDICATOR

EAPG Type: 5 Incidental Packaging

Flag: Packaging applies

**73130** X-ray exam of hand

Rev Code: 320

Date: EAPG: 471

10/01/2016 PLAIN FILM

EAPG Type: 4 Ancillary Packaging

Flag: Packaging applies

**77071** X-ray stress view

Rev Code: 320

Date: 10/01/2016

EAPG: 490 INCIDENTAL TO MEDICAL, SIGNIFICANT PROCEDURE OR THERAPY VISIT

EAPG Type: 5 Incidental Packaging

Flag: Packaging applies

**73030** X-ray exam of shoulder Rev Code: 320

Date: 10/01/2016 EAPG:

471 PLAIN FILM

EAPG Type: 4 Ancillary

Discounting Flag: Repeat Ancillary Discounting applies

Packaging Flag: Packaging applies

**26600** Treat metacarpal fracture Rev Code: 450

Date: 10/01/2016

EAPG: 42 CLOSED TREATMENT FX & DISLOCATION EXC FINGER, TOE & TRUNK

EAPG Type: 2 Significant Procedure

**80050** General health panel

Rev Code: 300

Date: 10/01/2016

EAPG: 403 ORGAN OR DISEASE ORIENTED PANELS

EAPG Type: 4 Ancillary

**36415** Routine venipuncture

Rev Code: 300

Date: 10/01/2016

EAPG: 457 VENIPUNCTURE

EAPG Type: 4 Ancillary

## Significant Procedure Consolidation

- When a patient has multiple significant procedures, some of the significant procedures may require minimal additional time or resources
- These significant procedures are consolidated into a single EAPG for determining payment
- Example: If both a Level I incision and a Level II incision are coded on a patient bill, only the Level II skin incision will be used in the EAPG payment computation
- Types of consolidation
  - Multiple same procedure EAPG
  - Clinical (based on clinical algorithm)



# Clinical Significant Procedure Consolidation - Extract

## APPENDIX E - EAPG CONSOLIDATION

### **EAPG 002 SUPERFICIAL NEEDLE BIOPSY AND ASPIRATION**

003 LEVEL I SKIN INCISION AND DRAINAGE

### **EAPG 004 LEVEL II SKIN INCISION AND DRAINAGE**

003 LEVEL I SKIN INCISION AND DRAINAGE

### **EAPG 005 NAIL PROCEDURES**

003 LEVEL I SKIN INCISION AND DRAINAGE

### **EAPG 006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION**

003 LEVEL I SKIN INCISION AND DRAINAGE

### **EAPG 007 LEVEL II SKIN DEBRIDEMENT AND DESTRUCTION**

003 LEVEL I SKIN INCISION AND DRAINAGE

005 NAIL PROCEDURES

006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION

### **EAPG 008 LEVEL III SKIN DEBRIDEMENT AND DESTRUCTION**

003 LEVEL I SKIN INCISION AND DRAINAGE

005 NAIL PROCEDURES

006 LEVEL I SKIN DEBRIDEMENT AND DESTRUCTION

007 LEVEL II SKIN DEBRIDEMENT AND DESTRUCTION

## Example of Consolidation - Payment

Code	Code description	Final EAPG	EAPG Description	Adjusted Weight	Payment Percentage	Payment Action	Total Payment
99212	Office/outpatient visit	491	Medical Visit Indicator	0.0000	0%	Packaged	\$0
10120	Remove foreign body	3	Level I skin incision and drainage	0.0000	0%	Consolidated	\$0
23930	Drainage of arm lesion	4	Level II skin incision and drainage	5.3997	100%	Full Payment	\$2,429
27603	Drain lower leg lesion	4	Level II skin incision and drainage	0.0000	0%	Consolidated	\$0
<b>Claim Total</b>				<b>5.3997</b>			<b>\$2,429</b>

# Example of Consolidation – Clinical and Same Procedure

## Primary Diagnosis:

**S71141A** Puncture wound with foreign body, right thigh, init  
encntr

## Secondary Diagnoses:

**S51841A** Puncture wound w foreign body of right forearm, init  
encntr

**Z1831** Retained animal quills or spines

## Procedures:

**99212** Office/outpatient visit est

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **491** MEDICAL VISIT INDICATOR

Final EAPG Type: 5 Incidental

Final EAPG Category: 30 Incidental procedures and services

Packaging Flag: **Packaging applies**

**10120** Remove foreign body

Rev Code: 510

Units: 2

Date: 07/01/2016

Final EAPG: **3** LEVEL I SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: **Clinical SP consolidation applies.**

**23930** Drainage of arm lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **4** LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

**27603** Drain lower leg lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **4** LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: **Same SP consolidation applies.**



# Example of Consolidation – Clinical and Same Procedure

## Primary Diagnosis:

**S71141A** Puncture wound with foreign body, right thigh, init encntr

## Secondary Diagnoses:

**S51841A** Puncture wound w foreign body of right forearm, init encntr

**Z1831** Retained animal quills or spines

## Procedures:

**99212** Office/outpatient visit est

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **491** MEDICAL VISIT INDICATOR

Final EAPG Type: 5 Incidental

Final EAPG Category: 30 Incidental procedures and services

Packaging Flag: **Packaging applies**

Clinical Procedure Consolidation

**10120** Remove foreign body

Rev Code: 510

Units: 2

Date: 07/01/2016

Final EAPG: **3** LEVEL I SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: **Clinical SP consolidation applies.**

**23930** Drainage of arm lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **4** LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

**27603** Drain lower leg lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: **4** LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: **Same SP consolidation applies.**



# Example of Consolidation – Clinical and Same Procedure

## Primary Diagnosis:

**S71141A** Puncture wound with foreign body, right thigh, init  
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## Secondary Diagnoses:

**S51841A** Puncture wound w foreign body of right forearm, init  
encntr

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## Procedures:

**99212** Office/outpatient visit est

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: 491 MEDICAL VISIT INDICATOR

Final EAPG Type: 5 Incidental

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Packaging Flag: Packaging applies

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Rev Code: 510

Units: 2

Date: 07/01/2016

Final EAPG: 3 LEVEL I SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Clinical SP consolidation applies.

**23930** Drainage of arm lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

**27603** Drain lower leg lesion

Rev Code: 510

Units: 1

Date: 07/01/2016

Final EAPG: 4 LEVEL II SKIN INCISION AND DRAINAGE

Final EAPG Type: 2 Significant Procedure

Final EAPG Category: 1 Skin and integumentary system procedures

Consolidation Flag: Same SP consolidation applies.

Same Procedure Consolidation



## Multiple Ancillary Discounting

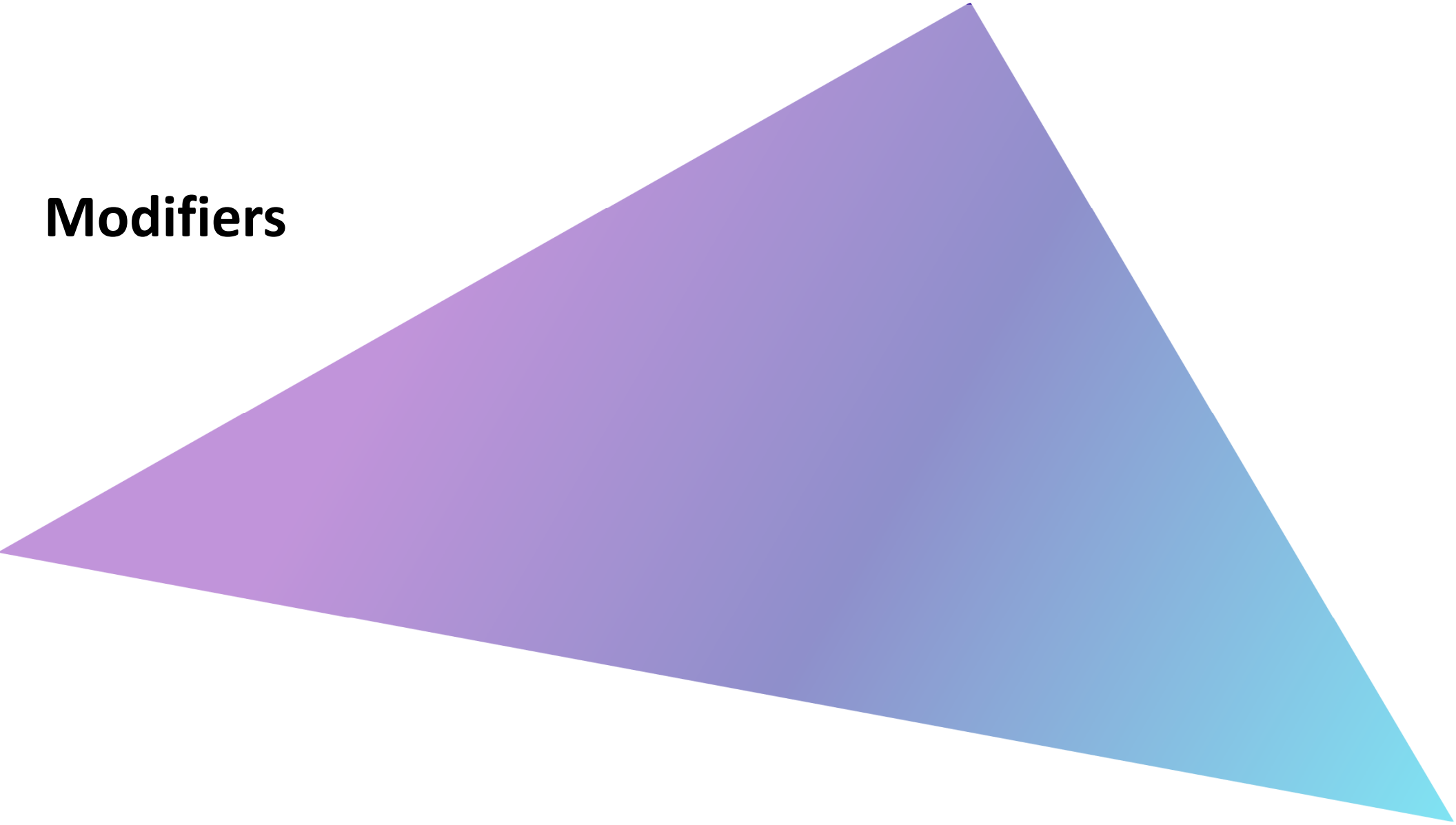
- Ancillary discounting results in a reduction in payment for multiple, non-routine ancillaries
- When the same, unpackaged ancillary (EAPG) is performed multiple times on the same visit, a discounting of the EAPG payment is applied
- Discounting recognizes that the marginal cost of providing a second ancillary to a patient during a single visit is less than the cost of providing the ancillary by itself

## Example of Ancillary Discounting

Procedure Code	EAPG	EAPG Description	EAPG Type	Payment Action
29888	38	Level II Arthroscopy	Significant Procedure	Full Payment
29888	38	Level II Arthroscopy	Significant Procedure	Discounted
12017	13	Level II Skin Repair	Significant Procedure	Discounted
27605	35	Level I Foot Procedure	Significant Procedure	Discounted
82800	400	Level I Chemistry Tests	Ancillary	Packaged
01220	380	Anesthesia	Ancillary	Packaged
85220	407	Level II Clotting Tests	Ancillary	Full Payment
85230	407	Level II Clotting Tests	Ancillary	Discounted

- The first non-packaged ancillary is paid in full
- The second ancillary that falls into the same EAPG is discounted, even if it is a different test

**Modifiers**





# Modifiers Used in EAPGs

## → 25 distinct service

- Allows assignment of a medical visit EAPG on the same claim/day as a significant procedure EAPG (Distinct and Separate Medical visit + Significant Procedure)

## → 27 multiple E/M encounters

- Allows assignment of additional medical visit/services ancillary EAPG (Distinct and Separate Medical Visit {E/M} + Medical Visit)

## → 50 bilateral procedure

- Flags a code for additional payment (150%)

## → 52 and 73 terminated procedure

- Flags a code for terminated procedure discounting

## → 59 separate procedure

- Turns off consolidation – allows separate payment

Distinct procedural modifiers (XE, XS, XP, XU)

- Turns off consolidation – allows separate payment

Therapy modifiers (GN, GO, GP)

- Turns off consolidation – allows separate payment

Anatomical and select modifiers (E1-E4, F1-F9, FA, LT, RT, T1-T9, TA, 24, 57, 76, 77, 91, RC, RI, LC, LM and LD)

- Turns off consolidation – allows separate payment

## → Never event modifiers (PA, PB, PC)

- Causes line to not pay

*Modifiers are 2-character codes that provide additional information about the service, appended to the HCPCS code)*

# EAPG Process Overview



# EAPG Process Review

1. Claim is submitted
2. Claim is split into visits based on date of service
3. Each line is assigned an EAPG based on the CPT or HCPCS present on the line (Line EAPG)
4. Lines are flagged for discounting and packaging based on the mix of other services included during the visit
5. After line flags are applied, the visit is described by the most resource intense procedure provided during the visit (Visit EAPG)

## EAPG Based Payment System

- Each EAPG has a relative weight
- Weights quantify the relative resource utilization among all ambulatory services
  - Resource-intensive services have higher weights
- Incentive for efficient use of routine ancillary services is created by consolidation and packaging into a base visit payment
  - No incremental payment for routine, low cost ancillaries (blood chemistry, chest x-ray, ekg, etc.)

## EAPG Based Payment System

- EAPG payment for a visit is computed from the sum of the payment weights for all non-consolidated, non-packaged EAPGs with applicable multiple procedure discounts applied
  - Items consolidated or packaged are paid \$0.00
  - For other lines for the visit,
  - Conversion factor (CF) x EAPG Relative weight = Adjusted cost
  - Line items summed for visit total



**3M™ 360 Encompass™ Health Analytics  
Hospital Compare**

# All Facilities



Facility: All

Outpatient Year: All

Utilization

Quality

Readmissions

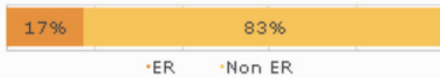
**Outpatient**

Market

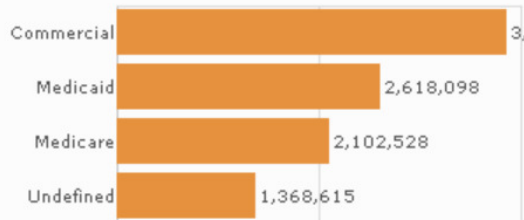
## Outpatient Utilization

9,961,511

of 56,990,202 visits were ER visits.

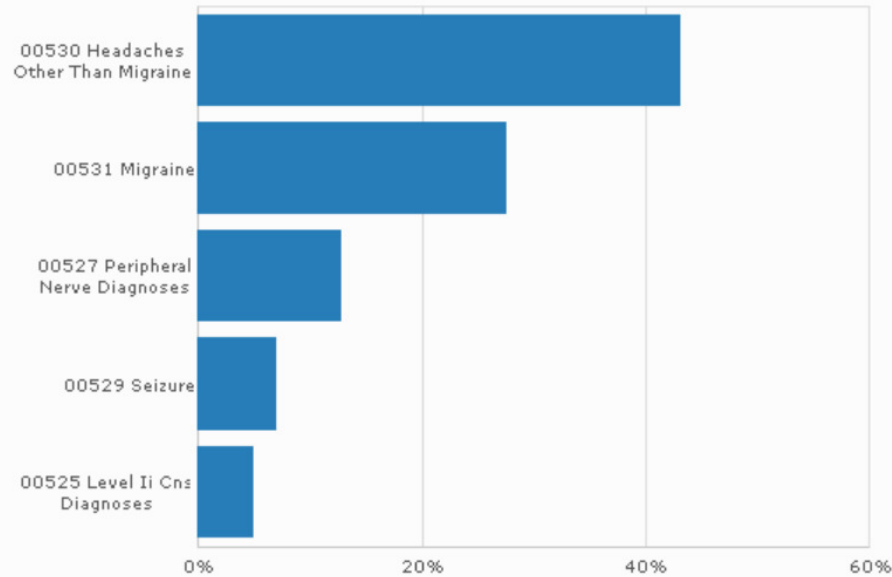


### ER Visits by Line of Business



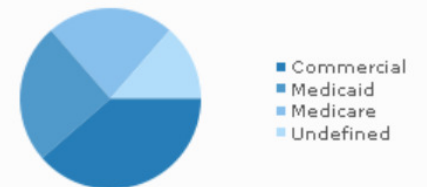
## 3M Potentially Preventable Visits (PPVs)

Percent of Total 3M PPVs by EAPG for the Medical Visit Service Line



PPV Rate  
**68.52%**

3M PPVs by Line of Business



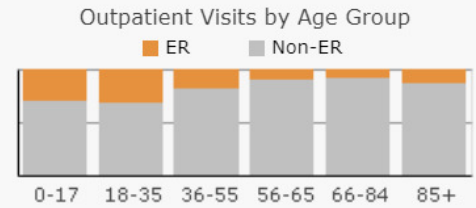
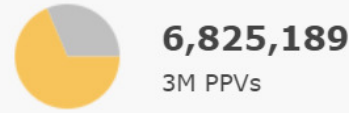
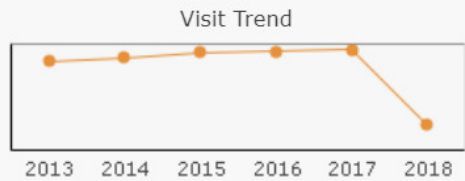
Average cost of a PPV claim: **\$647**

# Outpatient Utilization Summary

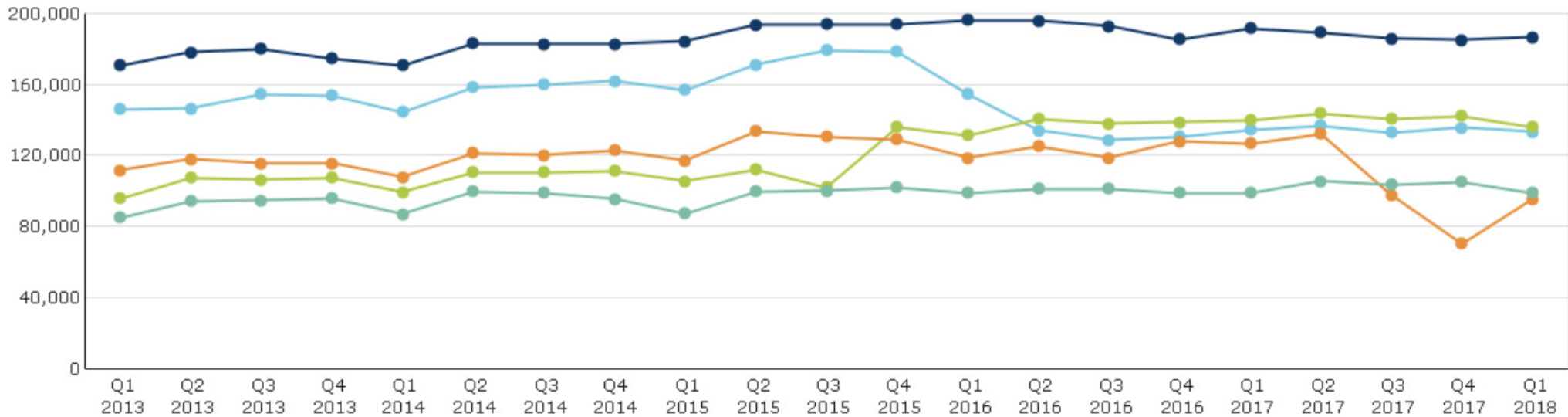
Show by

- Facility
- Service Line

9,961,511  
Emergency Room Visits.



## Outpatient Visits Quarterly Trend



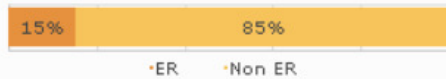


# Individual Facility

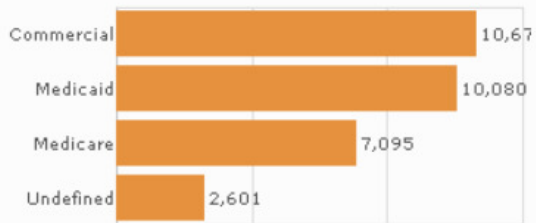
## Outpatient Utilization

30,453

of 201,323 visits were ER visits.

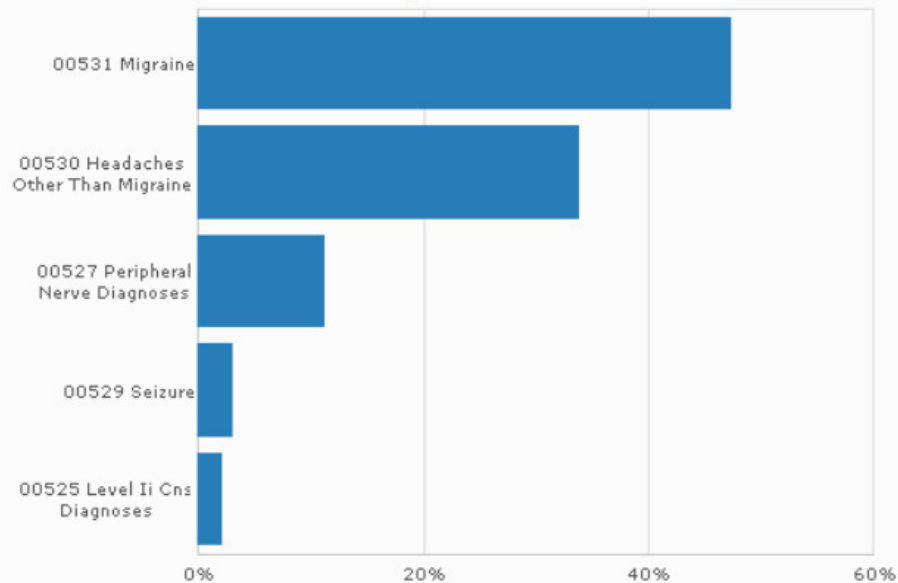


### ER Visits by Line of Business



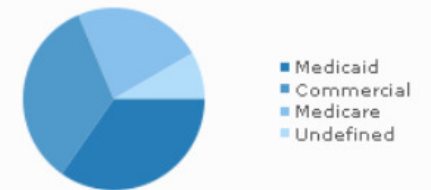
## 3M Potentially Preventable Visits (PPVs)

Percent of Total 3M PPVs by EAPG for the Medical Visit Service Line



PPV Rate  
**72.62%**

### 3M PPVs by Line of Business



Average cost of a PPV claim: **\$680**

# Potentially Preventable Visits Summary

Filters

Facility Group

Facility

Service Line

Time

Search

Line of Business

Show by

Facility

Service Line

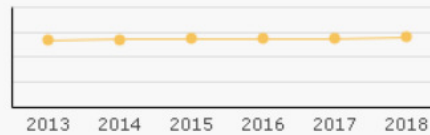
6,820,953 PPVs

9,961,511 ER Visits

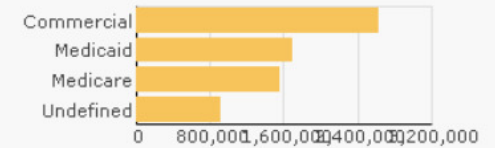
**68.47%**

PPV Rate

Annual PPV Rates

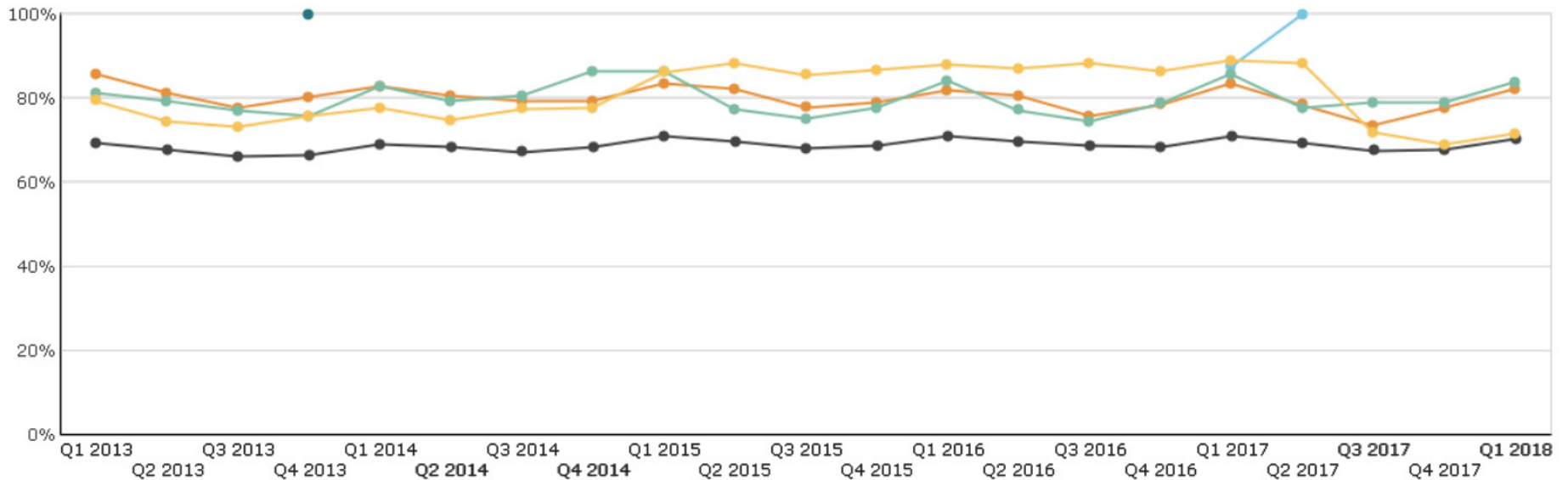


3M PPVs by Line of Business



## 3M PPV Rate Quarterly Trend

Shows 5 Highest PPV Rates by Facility



Total Visits  
2,555,323

ER Visits  
231,370

Cost, Percent Difference  
from Expected  
**-0%**

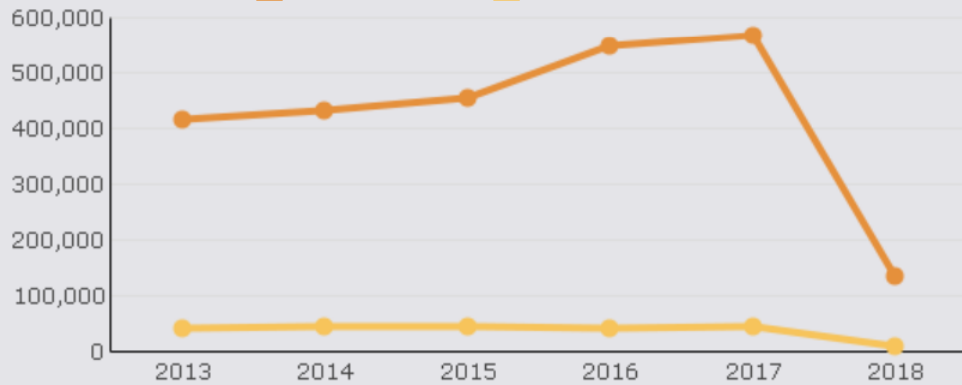
Charges, Percent Difference  
from Expected  
**-3%**

PPV Rate  
78.81%

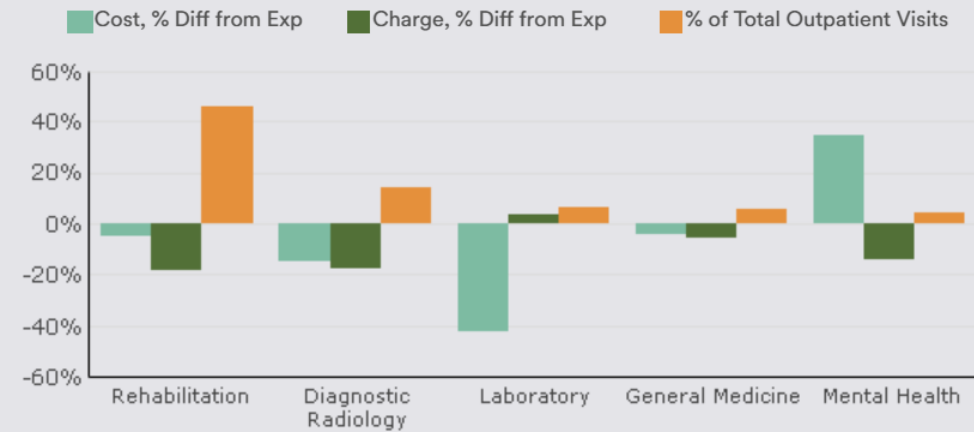
### Outpatient Visit Trend

Shows intervals with >10 Admissions

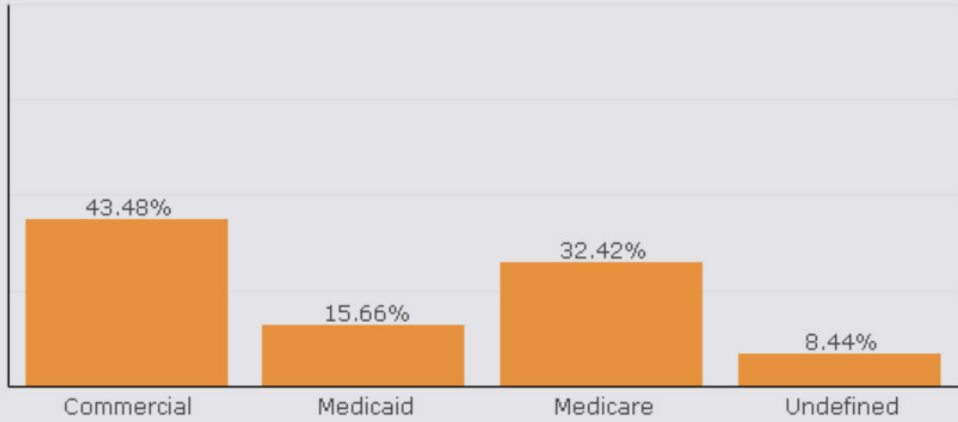
Outpatient Visits    Emergency Room Visits



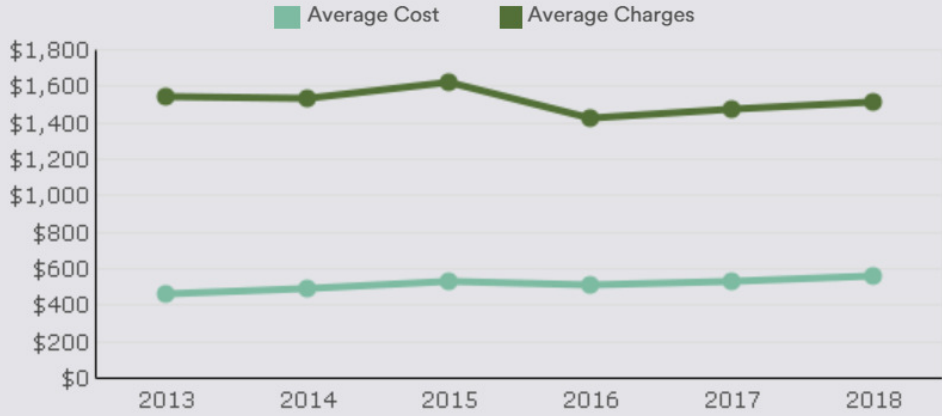
### Highest 5 Service Lines by Outpatient Visits



Outpatient Visits by Line of Business



Outpatient Dollar Trend



Total Visits  
137,128

ER Visits  
35,043

Cost, Percent Difference  
from Expected  
**+30%**

Charges, Percent Difference  
from Expected  
**-13%**

PPV Rate  
78.81%

## Potentially Preventable Visits

Service Line	EAPG		3M PPVs
<b>Total</b>			<b>27,616</b>
Otolaryngology	00562	Infections Of Upper Respiratory Tract & Otitis Media	4,277
General Medicine	00110	Pharmacotherapy By Extended Infusion	3,473
Orthopedics	00661	Level Ii Other Musculoskeletal System & Connective Tissue Diagnoses	2,179
General Medicine	00675	Other Skin, Subcutaneous Tissue & Breast Diagnoses	943
	00111	Pharmacotherapy Except By Extended Infusion	900
Cardiology	00604	Chest Pain	898
Pulmonary	00576	Level I Other Respiratory Diagnoses	811
Dermatology	00674	Contusion, Open Wound & Other Trauma To Skin & Subcutaneous Tissue	810
Diagnostic Radiology	00300	Cat Scan - Abdomen	800
Urology and Nephrology	00727	Acute Lower Urinary Tract Infections	790
Diagnostic Radiology	00299	Cat Scan - Brain	758
Orthopedics	00656	Back & Neck Diagnoses Except Lumbar Disc Diagnoses	701
Otolaryngology	00564	Level I Other Ear, Nose, Mouth, Throat & Cranial/facial Diagnoses	636

Group by

Service Line

3M EAPG

EAPG		Outpatient Visits	Average Cost	Expected Average Cost	Cost, % Diff from Exp	Average Charges	Expected Average Charges	Charges, % Diff from Exp
<b>Total</b>		<b>133,715</b>	<b>\$549</b>	<b>\$535</b>	<b>2.57%</b>	<b>\$1,482</b>	<b>\$1,566</b>	<b>-5.34%</b>
00271	Physical Therapy	52,870	\$167	\$165	1.50%	\$303	\$346	-12.52%
00270	Occupational Therapy	5,958	\$219	\$250	-12.27%	\$423	\$605	-30.12%
00319	Activity Therapy	5,638	\$429	\$321	33.86%	\$449	\$443	1.31%
00286	Mammography & Other Related Procedures	4,471	\$93	\$127	-26.31%	\$422	\$467	-9.47%
00403	Organ Or Disease Oriented Panels	2,972	\$52	\$82	-36.26%	\$324	\$311	4.19%
00343	Radiation Treatment Delivery	2,619	\$263	\$680	-61.32%	\$1,990	\$3,065	-35.07%
00288	Diagnostic Ultrasound Except Obstetrical And Vascular Of Lower Extremities	2,365	\$201	\$270	-25.56%	\$835	\$1,001	-16.55%
00272	Speech Therapy And Evaluation	2,163	\$180	\$181	-0.40%	\$359	\$429	-16.41%
00081	Echocardiography	2,112	\$607	\$822	-26.21%	\$2,112	\$2,442	-13.51%
00490	Incidental To Medical Visit Or Significant Procedure	2,080	\$182	\$181	0.43%	\$157	\$156	0.67%
00110	Pharmacotherapy By Extended Infusion	1,873	\$1,541	\$1,668	-7.61%	\$4,408	\$4,899	-10.02%
00300	Cat Scan - Abdomen	1,767	\$506	\$791	-36.09%	\$2,084	\$3,901	-46.57%
00316	Individual Comprehensive Psychotherapy	1,696	\$183	\$174	5.07%	\$153	\$292	-47.55%
00471	Plain Film	1,537	\$57	\$132	-56.84%	\$287	\$491	-41.46%
00999	Unassigned	1,363	\$417	\$311	34.17%	\$359	\$334	7.43%
00457	Venipuncture	1,175	\$6	\$21	-69.77%	\$41	\$77	-45.97%
00402	Basic Chemistry Tests	1,148	\$30	\$59	-49.72%	\$167	\$220	-24.38%

# Outpatient Data Miner EAPG Listing – Clinical EAPG



Clinical - EAPG

Clinical - Other

Patient Demographic

Facility

Time

Prompt Answers

All ER Flags

Yes

No

All Service Lines

Unassigned

00876:Adult Preventive Medicine  
 00877:Child Preventive Medicine  
 00878:Gynecologic Preventive Medicine  
 00879:Preventive Or Screening Encounter  
 00880:Hiv Infection  
 00881:Aids  
 00882:Genetic Counseling  
**00993:Inpatient Only Procedures**  
**00999:Unassigned**  
 01001:Durable Medical Equipment And Supplies - Level 1  
 01002:Durable Medical Equipment And Supplies - Level 2  
 01003:Durable Medical Equipment And Supplies - Level 3  
 01004:Durable Medical Equipment - Level 4  
 01005:Durable Medical Equipment - Level 5  
 01006:Durable Medical Equipment - Level 6

# Outpatient Data Miner EAPG Listing

Outpatient Visits	Percent to Total
376,679	100.00%
<a href="#">212,443</a>	56.40%
<a href="#">61,529</a>	16.33%
<a href="#">25,003</a>	6.64%
<a href="#">10,294</a>	2.73%
<a href="#">5,438</a>	1.44%
<a href="#">5,281</a>	1.40%
<a href="#">4,372</a>	1.16%
<a href="#">3,831</a>	1.02%
<a href="#">3,814</a>	1.01%
<a href="#">3,405</a>	0.90%
<a href="#">2,571</a>	0.68%
<a href="#">2,554</a>	0.68%
<a href="#">2,281</a>	0.61%
<a href="#">2,101</a>	0.56%
<a href="#">1,786</a>	0.47%
<a href="#">1,681</a>	0.45%
<a href="#">1,657</a>	0.44%
<a href="#">1,388</a>	0.37%
<a href="#">1,384</a>	0.37%
<a href="#">1,220</a>	0.32%





# Outpatient Data Miner EAPG Listing – Clinical Other

**3M** | 3M Performance Matrix > Outpatient Data Miner i

Clinical - EAPG	Clinical - Other	Patient Demographic	Facility	Time	Prompt Answers
<p>Search</p> <p><b>All Primary Diagnoses</b></p> <p>G912:(Idiopathic) normal pressure hydrocephalus            S42225A:2-part nondisp fx of surgical neck of left humeru            S42224A:2-part nondisp fx of surgical neck of right humer            Z3A24:24 weeks gestation of pregnancy            Z3A31:31 weeks gestation of pregnancy            Z3A34:34 weeks gestation of pregnancy            Z3A36:36 weeks gestation of pregnancy            Q991:46, XX true hermaphrodite            88888:88888 - Unknown            99999:99999 - Unknown            I713:Abdominal aortic aneurysm, ruptured            I714:Abdominal aortic aneurysm, without rupture</p>	<p>Search</p> <p><b>All CPT4 Codes</b></p> <p>00000:CODES WHICH ARE NOT USED IN/BY THE APC/            0002T:Endo Repair Abd Aa Aorto Uni            0075T:Perq Stent/chest Vert Art            19305:Mast Radical            21615:Removal Of Rib            21620:Partial Removal Of Sternum            21750:Repair Of Sternum Separation            22015:I&amp;d Abscess P-Spine L/s/l            22327:Treat Thorax Spine Fracture            22808:Ant Fusion 2-3 Vert Seg            22849:Reinsert Spinal Fixation            22852:Remove Spine Fixation Device</p>				



**Questions**

