

CMS Approves APG Implementation in DTCs

This is to advise you that the federal Centers for Medicare and Medicaid Services (CMS) has approved the new Ambulatory Patient Group (APG) payment methodology for free standing diagnostic and treatment centers and free standing ambulatory surgery centers with an effective date of September 1, 2009.

The APG payment methodology will be used to reimburse free-standing diagnostic and treatment centers and ambulatory surgery centers for services provided on dates of service on and after September 1, 2009.

To assure a seamless transition to APGs, eMedNY will automatically reprocess applicable paid diagnostic and treatment center and freestanding ambulatory surgery center claims for dates of service on or after September 1, received prior to August 1, 2010. These claims will be reprocessed as adjustment transactions using the appropriate APG rate codes, without regard to the ancillary billing policy under APGs.

The following steps will be taken to implement the transition to APG payments for free standing diagnostic and treatment centers and ambulatory surgery centers:

- During the week of July 15, 2010, providers will receive an eMedNY-generated letter identifying their new APG visit rate codes. A list of the APG rate codes and a list of rate codes subsumed into APGs are available on the Department of Health's website at:

http://www.health.state.ny.us/health_care/medicaid/rates/apg/index.htm
- Providers that are ready to submit claims using APG rate codes may do so beginning on July 15, 2010. There is no need to wait to receive the above-noted letter.
- On December 1, 2010, the Department of Health will end-date the current diagnostic treatment center and ambulatory surgery center rate codes to be subsumed by APGs. The end-date will be September 1, 2009.
- All diagnostic and treatment center and most free standing ambulatory surgery center claims (except for those ambulatory surgery claims that include both primary and secondary procedures during the same visit---see below) received and processed by eMedNY prior to August 1, 2010 for dates of service on or after September 1, 2009, will be automatically reprocessed by eMedNY through the EAPG grouper/pricer resulting in an adjustment of payment based on the new APG payment methodology.
- Claims for dates of service on or after September 1, 2009 submitted to eMedNY on or after December 1, 2010 will have to be submitted by providers using the new APG rate codes in order to be paid.
- Providers and vendors will not have to resubmit most claims for dates of service on or after September 1, 2009 submitted prior to August 1, 2010 to receive the retroactive payment adjustment (due to the automatic retroactive reprocessing described above). However, as it may take eMedNY up to three and a half months to process the retroactive adjustments,

providers may opt to adjust claims on their own when APG rate codes become active (July 15, 2010).

- Please note that eMedNY will not be able to reprocess free standing ambulatory surgery claims for dates of service on or after September 1, 2009, which involved both primary and secondary surgical procedures during the same visit. To receive the correct payment, providers will have to void the 1804 and 1805 rate code claims; and then resubmit a single new APG claim which includes the CPT codes for both the primary and the secondary procedures performed during the visit (or alternatively, void one claim and adjust the other to include the CPT codes for the primary and secondary procedures performed during the visit). If providers have not performed this function prior to the start of eMedNY's reprocessing of APG claims on August 1, 2010, eMedNY will void same-visit 1804/1805 claims at that time, and providers may re-bill using the APG rate code as stated above.
- Providers with a significant number of visits (in excess of 15% of all visits) for individuals with recipient exception (RE) codes 81 or 95 (MR/DD/TBI) will initially have all of their claims reprocessed by eMedNY under the MR/DD/TBI APG rate code (1435). Any claims that do not reprocess properly (because the recipient does not have RE 81 or 95 on file) will then be reprocessed again by eMedNY under the non-MR/DD/TBI APG rate code (1407). Since, those providers not meeting the 15% threshold will only have their claims reprocessed under the APG rate code 1407, they will have to void and rebill (or adjust) the 1407 claim created by eMedNY using rate code 1435 for recipients with RE codes 81 or 95 in order to receive the enhanced reimbursement for these claims under the APG payment methodology.
- Upon receiving payment adjustments, providers and vendors will retain all usual and customary rights, and as such, may choose to readjust the claim (*perhaps more completely coded with CPT and ICD-9 codes*) with new APG rate codes.

New APG episode rate codes will be assigned to freestanding diagnostic and treatment centers at a later date.

- Implementation of the ancillary billing policy that requires APG billers to be financially responsible for all ancillary laboratory and radiology services which they order for clinic patients will be delayed in DTCs until January 1, 2011. Therefore, laboratory and radiology services which have historically been referred by DTCs to an outside laboratory or vendor may continue to be billed directly to eMedNY by the ancillary service provider using the appropriate Medicaid fee schedule and do not have to be reported on an APG claim. However, any ancillary lab or radiology service provided directly by the DTC clinic or historically included in the threshold or specialty payment rate to the clinic (e.g. as with former PCAP rates) should be reported on the APG claim, even those that map to "a never pay APG" or an "if stand alone, do not pay APG."
- This means that all APG claims, payments and retroactive processing of claims for dates of service between September 1, 2009 and December 31, 2010 will be made without regard to the ancillary billing policy.

The APG provider manual and various implementation materials have been updated and are currently available on the APG website. Also to assist DTC providers in implementing APGs and to review new policy and billing guidance, the Department of Health is conducting an APG webinar on Monday, June

21, 2010 from 10 am to noon. No pre-registration is required. For instructions on how to access the webinar see the SDOH APG website at:

http://nyhealth.gov/health_care/medicaid/rates/apg/docs/apg_webinar_announcement.pdf

Questions you may have on APG implementation may be directed as follows:

For Issues/Questions Regarding	Please Contact
General APG and Ancillary Policy Rates, Weights Carve Outs Payment Rules Implementation Issues	NYS Department of Health Office of Health Insurance Programs Div. of Financial Planning and Policy 518-473-2160 apg@health.state.ny.us
Billing Questions Remittance Questions Onsite Training re: Billing	Computer Sciences Corporation eMedNY Call Center 1-800-343-9000 eMedNYProviderRelations@csc.com
Questions Grouper Software/Pricer Product Support 3M HIS Sales	3-M Health Information Systems, Inc. 1-800-435-7776 1-800-367-2447 www.3mhis.com

For more information on APGs see the Department's APG website at:

http://www.health.state.ny.us/health_care/medicaid/rates/apg/index.htm