

DEPARTMENT:	Pricing & Payment	APPROVED DATE: 10/1/2019
POLICY DESCRIPTION:	Reimbursement for Free Standing Ambulatory Surgery Centers and Hospital Outpatient Ambulatory Centers on APC Methodology Surgery Centers	
EFFECTIVE DATE:	11/1/2019	
PAGE:	1 of 2	REPLACES POLICY DATED: 6/1/2009,09/01/2011, 1/1/2012
REFERENCE NUMBER: 011		RETIRED DATE

PreferredOne

SCOPE: Network Management, Customer Service Department for PreferredOne, PreferredOne Community Health Plan and PreferredOne Administrative Services, Inc, Medical Management, Claim Department for PreferredOne Community Health Plan, PreferredOne Administrative Services, and PreferredOne Participating Providers

PURPOSE: To provide guidelines for reimbursement and information on APC pricing methodology for Ambulatory Surgery Centers (ASC) (hospital-based and/or free-standing).

POLICY: PreferredOne will be replacing the ASC grouper payment methodology with the APC payment methodology for outpatient hospital's and free-standing surgery centers. This policy will outline PreferredOne's Methodology.

COVERAGE: Coverage is subject to the terms of an enrollee's benefit plan. To the extent there is any inconsistency between this policy and the terms of an enrollee's benefit plan, the terms of the enrollee's benefit plan documents will always control. Enrollees in PreferredOne Community Health Plan (PCHP) and some non-ERISA group health plans that PreferredOne Administrative Services, Inc, (PAS) administers are eligible to receive all benefits mandate by the state of Minnesota. Please call customer service telephone number on the back of the enrollee's insurance card with coverage inquiries.

PROCEDURE:

1. Services that are reimbursed under APC (billed on UB04):
 - a. Emergency Room services
 - b. Scheduled outpatient Visits, including Radiology
 - c. Same day Surgery visits (Hospital and free standing)
- Services that reimburse under a fee schedule:
- a. Laboratory and Pathology
 - b. Physical, Occupational and Speech Therapy
 - c. Mammography

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Surgery Centers		
EFFECTIVE DATE:	11/1/2019	
PAGE:	2 of 2	REPLACES POLICY DATED: 6/1/2009,09/01/2011, 1/1/2012
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- d. Non-Implantable prosthetics, orthotics and DME devices
- e. Various drugs will use RJ 9(see status indicator)
- f. Ambulance

Services not reimbursed under the PC methodology:

- a. Behavioral health programs
 - b. Partial hospitalization
 - c. Home Health Care
 - d. Skilled Nursing
 - e. Physician based professionals (billed on HCFA)
2. APC's is a line item reimbursement that utilizes CPT and HCPCS codes to assign payment. Each code is assigned a status indicator which points to how each particular code is paid. Certain status indicators point to a fee schedule payment, APC payment, % of charge or no payment/packaged service.
 - a. Payment for a code that points to an APC is calculated by multiplying the relative weight X CF X Units.
 3. PreferredOne uses a one-year lag in the Optum Hospital based grouper and weights (ex. for 2020 we will use the 2019 grouper and the Oct 2019 weights). However, new codes will be added according to the following:
 - a. If the new code is assigned a new APC we will add it to the current APC weight and rate file at the NEW APC WEIGHT.
 - b. If the new code is assigned to an existing APC it will be added and will follow the existing APC weight and rate.
 - c. If a new code is assigned to a status indicator that points to a fee schedule, the code will be added to that fee schedule according to the fee schedule methodology.
 4. APC line items can pay more than line charges. The fee schedule payments will cap at charges. The total payment for a claim will not pay more than total charges.
 5. There are OCE and CCI edits embedded in the APC grouper. Each claim will have to pass thru the edits cleanly in order to get paid. If lines are flagged as incorrectly billed the line will not pay or the whole claims will be denied and sent back to provider. Lines may not be paid due to Medicare non coverage or Medicare assigning an MUE = 0.
 6. The APC Grouper and weights will be updated on an annual basis. Once the updates have been loaded into production, claims will be processed according the conversion

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	Surgery Centers	
EFFECTIVE DATE:	11/1/2019	
PAGE:	3 of 2	REPLACES POLICY DATED: 6/1/2009,09/01/2011, 1/1/2012
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factor and weights that are in effect using the new grouper based on process date not date of service due to system limitations.

7. Refer to the APC Manual

DEFINITIONS:

REFERENCES: See APC Manual