

3M™ Enhanced Ambulatory Patient Grouping System

- Simplifies the ambulatory visit for analysis and reporting
- Bundles related services into logical groups for classification, payment and risk adjustment
- Provides a clinical focus for medical visits
- Identifies the most significant procedures and services of an ambulatory visit

The 3M advantage

Because of its more inclusive and complete nature, the 3M Enhanced Ambulatory Patient Grouping (EAPG) System provides a stronger framework and platform for analyzing and managing outpatient care, giving care providers powerful tools they haven't had before.

Now facilities can incorporate a 3M EAPG-based OPSS in addition to their existing APC-based system and begin managing a non-Medicare based OPSS payment system that can help them understand expected payment and create a firm foundation for managing their ambulatory services.

The challenge: Analyze and manage the outpatient environment

Today's dynamic ambulatory care environment contains an unprecedented number of unique complexities, including these factors:

- Patients receive care in many settings
- Ongoing shift from inpatient to outpatient care delivery
- Resource intensity and provided procedures may vary for similar diagnosis codes
- Documentation of services is less centralized
- Outpatient volumes are significantly higher than inpatient (about 16:1 nationally)

All of this complexity impacts a facility's ability to understand its outpatient case mix and resource use, much less generate a clean claim.

If providers could manage the complexity of outpatient claims, they could more easily identify cost-recovery opportunities and improve both their outpatient coding compliance and reimbursement.

The solution: 3M EAPG System

The 3M Enhanced Ambulatory Patient Grouping (EAPG) System is a classification system developed specifically for use in today's complex ambulatory environment to develop an effective and comprehensive OPSS that includes hospitals, freestanding ambulatory surgery centers (ASCs), renal dialysis centers, and other diverse outpatient care settings.

By reflecting the care that today's facilities provide to non-Medicare beneficiaries, the 3M EAPG System captures the current changes in clinical practice and resource use and can provide a broader, more inclusive classification of outpatient care than the Centers for Medicare & Medicaid (CMS) Ambulatory Payment Classifications (APCs).

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3M EAPG classifications: Key functions

Designating types of care. In the ordering and designation of **3M EAPG classifications (EAPGs)** and the services provided by hospitals and other care settings, HCPCS level I and level II codes and ICD-10-CM diagnosis codes are assigned to one of these thirteen general types:

- Per diem
- Significant procedure
- Physical therapy and rehabilitation
- Mental health and counseling
- Dental procedure
- Radiologic procedure
- Diagnostic significant procedures
- Medical visit
- Ancillary
- Incidental
- Drug
- Durable medical equipment (DME)
- Unassigned

Organizing into categories. To provide more focus on outpatient care, 3M EAPGs are also organized into one of 55 categories that provide a framework for service line analysis and reporting at a more general level. Examples of the categories include musculoskeletal system procedures, nuclear medicine, diseases and disorders of the digestive system, etc.

Assigning service lines. 3M EAPGs assign a service line value to each processed service line in a claim, making it easier to manage outpatient care data and compare and combine inpatient and outpatient services.

Grouping assignments. Medical 3M EAPGs may be assigned when no significant procedure is present. They are assigned based on the primary diagnosis code. All other types of 3M EAPGs are assigned based on the HCPCS codes reported as line item services. There are approximately 568 3M EAPGs, 191 of them medical.

Consolidating significant procedures. When a patient has multiple significant procedures, some significant procedures may require minimal additional time or resources. With significant procedure consolidation, multiple 3M EAPGs are collapsed into a single 3M EAPG for the purpose of determining payment. When 3M EAPGs are consolidated, only one of them is paid, but all are assigned to a 3M EAPG to facilitate reporting and analysis.

Applying ancillary packaging. A patient with a significant procedure or a medical visit may have ancillary services performed as part of the visit. Some of these will be paid separately, and some may be packaged. With ancillary packaging, payment for certain routine ancillary services is included in the 3M EAPG payment rate for a significant procedure or medical visit.

Defining single or multiple visits. A claim for ambulatory care may represent services provided on a single date or over several calendar days. The multiple visit definition allows services provided over many days, but reported on a single claim to be treated as logically separate claims. Single visit definition provides that all services on a given claim are treated as a single claim, regardless of the actual line item dates of service.

Accommodating per diem payments. 3M EAPGs accommodate per diem payments for behavioral health services.

Features and benefits

While the 3M EAPG System is a powerful tool for estimating expected payment, it brings much more to the table. For example, the 3M EAPG System:

- Is appropriate for all patient populations and not solely focused on the care typically consumed by Medicare beneficiaries
- Applies to a range of ambulatory settings, from hospital outpatient departments and ASCs to free-standing clinics and renal dialysis centers, thus creating a common system for what can be competing care settings
- Offers clinically relevant logic
- Describes all services, including therapies and drugs, and does not rely on a series of fee schedules, which simplifies implementation and ongoing support
- Is clinically more relevant than the CMS APCs due to its classification methodology
- Excludes the complexities of the CMS APC system related to comprehensive APCs and reporting requirements
- Enables the development of an outpatient case mix index (frequently called “service mix index”) for managing, comparing, and analyzing ambulatory care and various settings

Updating content quarterly. Since HCPCS codes are updated every calendar quarter, the 3M EAPG System is also updated quarterly so that the grouping software stays current with the code set and clinical practice. The January update includes the major review of the clinical logic.

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Easy to integrate

As an add-on software component of the **3M™ Coding and Reimbursement System**, the **3M™ EAPGfinder™ Software** incorporates the 3M EAPG System and provides 3M EAPG grouping assignments for use in the HIM department and by those who code patient charts. This software offers the same hands-on, **interactive** features as other 3M groupers available in the 3M coding system.

3M EAPGs are also available in 3M **batch grouping** applications, including the **3M™ Core Grouping Software** (for PCs) and the **3M™ Grouper Plus Content Services** (for cloud computing). Both products provide the robust 3M EAPG grouping needed for large volumes of outpatient claims. When all claims data is fully integrated, patient financial services personnel can use these 3M solutions to interface with the hospital billing application before submitting final claims. The 3M software can also be used to project revenues and contractual allowances, providing a current fiscal picture.

The 3M EAPG content is supported by and integrated into 3M's **HIM abstracting systems** and **database products**, including the **3M™ Ambulatory Revenue Management Software (ARMS)** and the **3M™ ClinTrac™ product suite**. As a result, facilities can have the rich reporting features they rely on with these products. 3M EAPGs are also embedded within the **3M™ 360 Encompass™—Health Analytics Suite** and **3M™ Intelligent Data Asset**, a component of the **3M™ Healthcare Transformation Suite**. These solutions help providers, payers, and other health organizations manage population health, payment transformation and value-based care.

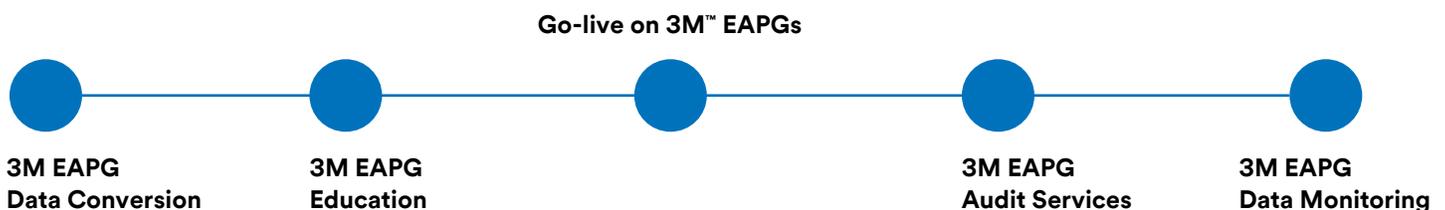
Keep on track with outpatient changes

To keep pace with the dynamic nature of outpatient health care, the 3M EAPG System was released in 2007 after 3M invested in a major clinical update to the original **3M™ Ambulatory Patient Groups (APGs)**. Since 2007, 3M has consistently provided accurate and complete quarterly updates to the system, so clients receive the most current outpatient regulatory changes.

A number of state Medicaid entities and third-party payers have adopted the 3M EAPG System for payment of ambulatory services in hospitals, ASCs, and other non-hospital settings, and almost all payers who previously used 3M APGs for payment have now converted to the 3M EAPG System or other payment methods.

Get a quick head start with 3M EAPGs: Add expert assistance from 3M Consulting Services

3M Consulting Services supports your 3M EAPG implementation with the following services in the order shown in the graphic below:



3M Consulting Services is here to assist your organization with a smooth transition to 3M EAPGs. With **3M EAPG Data Conversion**, we assist you with regrouping your current outpatient claims data into 3M EAPG classifications. We provide an electronic file containing patient demographics and diagnosis codes, along with a claim identifier that links that information and related procedure codes to a 3M EAPG,

3M EAPG weights and 3M EAPG payment.

To help your organization quickly realize the value of the 3M EAPG classification system and facilitate a successful implementation, our **3M EAPG One-day Seminars** use clinical examples to show how to use 3M EAPG information. The seminars include an onsite, three-hour education session for key

HIM personnel, coding decision support and other key departments, in addition to a one-hour physician education session. We also provide an executive summary report with recommendations tailored to your organization.

Once your organization has implemented 3M EAPGs, the focus turns to auditing and performance.

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Has all the preparation and training paid off in your facility? Are there still gaps to close? 3M consultants help you assess the performance of your teams and processes using 3M EAPGs. **3M EAPG Audit Services** help organizations review accuracy and quality for individual coders and provide coaching as needed. 3M consultants expertly audit sample records and then provide department training sessions and a management report to address problem areas.

3M EAPG Data Monitoring delivers ongoing reports to help organizations

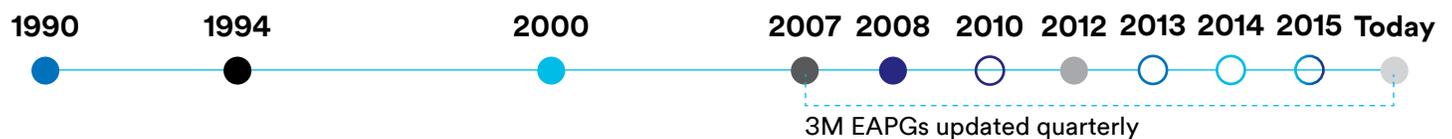
understand their overall performance and the details that impact it. 3M reports demonstrate profitability, trends, cash flow and compliance to show return on investment (ROI). This service is designed to group 3M EAPGs, estimate cost and reimbursement, analyze and report on outpatient claims data, and help minimize compliance risks.

This service is the optimal combination of information tools, training and guidance to help organizations achieve appropriate outpatient reimbursement. The

reporting cycle is designed with daily, monthly and/or quarterly reports and comes with the support of teleconferences conducted regularly with an experienced 3M consultant. During these sessions, 3M experts will provide education on how to interpret the data, train staff, resolve errors and develop solutions.

The bottom line? Your hospital doesn't need its own in-house OPSS experts, additional IT infrastructure or sophisticated analyzing capabilities. We have you covered.

Outpatient prospective payment system (OPPS): A brief history



- **1990** – 3M Health Information Systems delivers an OPSS under contract with HCFA (now CMS)—APGs are introduced.
- **1994** – Iowa Medicaid implements the first APG-based OPSS, and other payers follow. APG v2.0 released.
- **2000** – CMS implements APCs (an APG derivative) as the Medicare OPSS. APCs are Medicare-focused and not fully prospective. Payers move to APC-based OPSS.

- **2007** – Non-Medicare costs controls renew interest in a non-APCS-based OPSS; 3M undertakes a major clinical update and introduces 3M™ Enhanced APG System.
- **2008** – New York Medicaid implements the first 3M EAPG-based OPSS.
- **2010** – Virginia Medicaid and Virginia Premier Health Plans for ambulatory surgery centers (ASCs); New York Medicaid for free-standing clinics and ASCs; Wellmark® Blue Cross® and Blue Shield® of Iowa and South Dakota.

- **2012** – Massachusetts Medicaid implements 3M EAPG-based OPSS. **3M EAPGs are ICD-10 ready.**
- **2013** – Wisconsin Medicaid and Virginia Premier Health Plan (for hospitals).
- **2014** – Virginia Medicaid (for hospitals), Minnesota Blue Cross® and Blue Shield®, Washington (state) Medicaid, Washington DC Medicaid and Illinois Medicaid.
- **2015** – Wisconsin Medicaid (for managed care).
- **Today** – Major payers continue to adopt 3M EAPGs, which are updated quarterly and consistently refined to reflect current outpatient clinical practice.

Call today

For more information on how 3M software and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at www.3m.com/his.



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