

# ISSUE PAPER — AMBULATORY PAYMENT CLASSIFICATION (APC) POLICY EXCLUSIONS

## State of Connecticut Hospital Payment Modernization

---

Lead:	Sarah Yahna
Contributors:	Janet Flynn
Revision Date:	August 18, 2016
Status:	Revised Draft

---

### Overview

To support the modernization of hospital payments in the State of Connecticut (Connecticut), the Department of Social Services (DSS) implemented ambulatory payment classification (APC) grouper software to process outpatient hospital claims. The APC grouper software was developed for the Medicare program and does not always address the needs of Connecticut's Medicaid program. DSS performed a comprehensive review of outpatient hospital services and determined that certain services will be excluded from the APC methodology.

### Discussion

Outpatient hospital services that will be paid by Connecticut outside of the APC methodology fall into one of two categories:

1. APC Policy Exclusions
2. Not APC Payable

A key difference between these two categories is that "APC Policy Exclusions" are identified by revenue center code (RCC) by the Medicaid Management Information System, while the "Not APC Payable" services are identified by the procedure code and the status indicator (SI) assigned by the APC grouper software.

The APC Claim Workflow, provided at the end of this paper, demonstrates how all of these services will be handled outside of the APC methodology.

### APC Policy Exclusions

Table 1 provides a list of services by RCC that DSS has identified as APC Policy Exclusions. Some of these services will continue to be paid at the same rate that was in place prior to APC implementation; others will be paid a new rate. Please refer to Connecticut Medical Assistance Program (CMAP) Addendum B for more details.

**Table 1: APC Policy Exclusions**

RCCs	Description	Rate Change?
401	Diagnostic Mammography	Yes
403	Screening Mammography	No
42x	Physical Therapy	No
43x	Occupational Therapy	No
44x	Speech Therapy	No
761, 769	CARES*	No
771	Vaccine Administration	No
900	General Behavioral Health (BH)	Yes
901	Electroshock Therapy	No
905, 906	Intensive Outpatient Program	No
907	Extended Day Treatment	No
913	Partial Hospitalization Program	No
914	Individual Therapy	Yes
915	Group Therapy	No
916	Family Therapy	Yes
918	Psychiatric Testing	Yes
919	Other BH	Yes
953	Tobacco Cessation — Group Counseling	No

\*CARES program will be switching from RCC 761 to RCC 769.

### Not APC Payable

Claim details that are run through the APC grouper software are assigned an SI. Based on the SI assigned, certain claim details are identified as Not APC Payable and are either paid based on Connecticut policy or denied. CMAP Addendum B provides a detailed list of procedure codes by SI and payment type.

### Note Regarding Mammography (RCC 401 and 403)

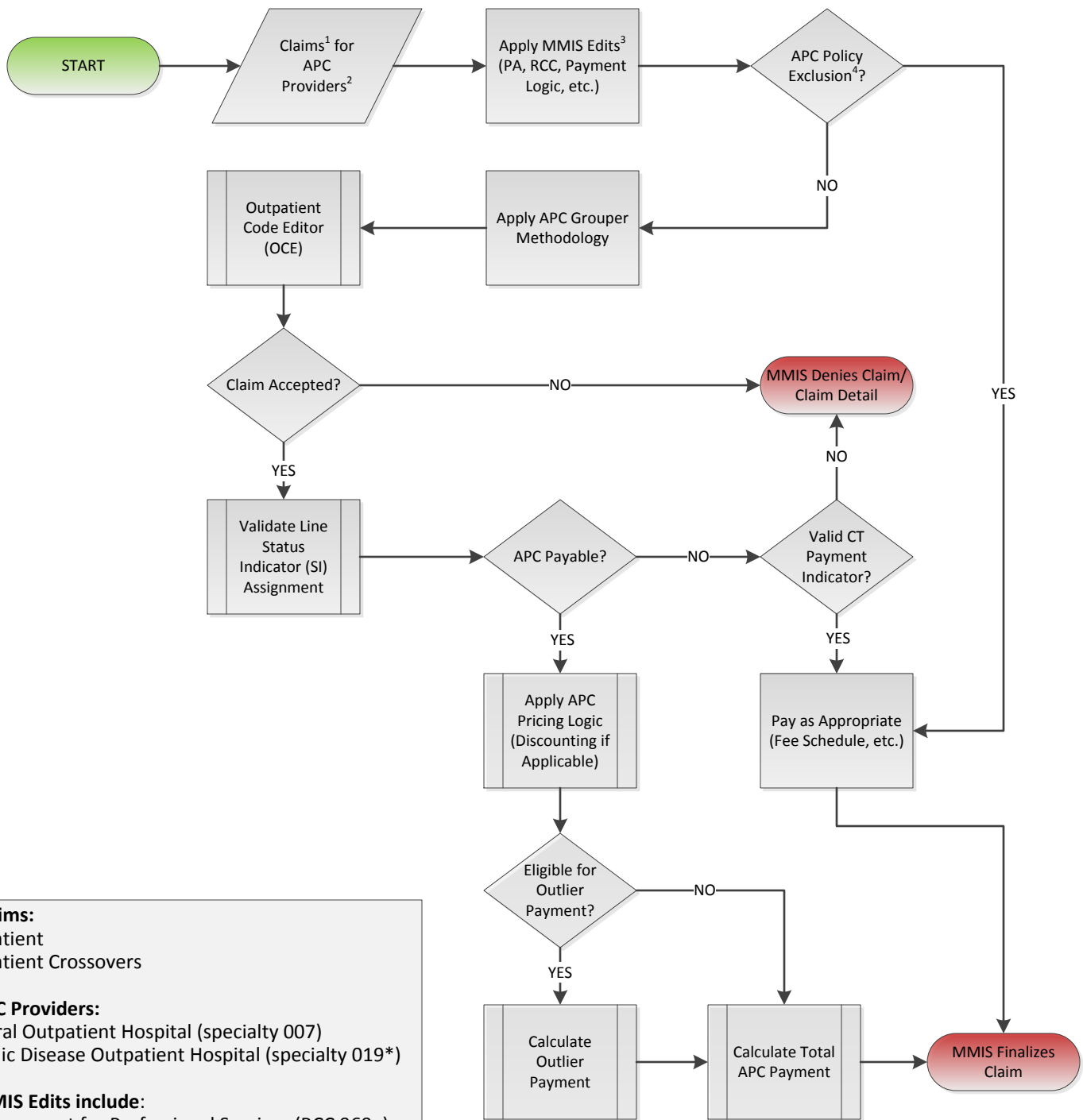
Mammography services were initially categorized as Not APC Payable, and the APC fiscal impact model reflects this categorization. Due to the timing of the change to the diagnostic mammogram payment method and the shift to all mammography services being classified as APC Policy Exclusions, the APC fiscal impact model was not updated to reflect this categorization.

### Conclusion

DSS has determined that the services identified in Table 1 above are excluded from the APC methodology and will be paid outside of the APC methodology. Additionally, services assigned a

ISSUE PAPER — APC POLICY EXCLUSIONS  
Page 3

Not APC Payable SI will either be paid outside the APC methodology or denied based on Connecticut policy.



**1. Claims:**

Outpatient  
Outpatient Crossovers

**2. APC Providers:**

General Outpatient Hospital (specialty 007)  
Chronic Disease Outpatient Hospital (specialty 019\*)

**3. MMIS Edits include:**

Deny payment for Professional Services (RCC 960+)  
Assign CMAP Addendum B Payment Type

**4. APC Policy Exclusions include:**

Mammography (RCC 401, 403)  
Physical Therapy (RCC 42x)  
Occupational Therapy (RCC 43x)  
Speech Therapy (RCC 44x)  
CARES (RCC 769)  
Vaccine Administration (RCC 771)  
Behavioral Health Treatment/Services (RCC 90x, 91x)  
Tobacco Cessation – Group Counseling (RCC 953)

\*Chronic Disease OP Hospitals were formerly specialty 007.

**APC Payable:**

APC Paid – Line item details are paid based on the APC assigned.

Packaged – Line item details may be zero paid. The payment for these services is often included in an APC payment on the claim for another detail.

**Not APC Payable:**

CT Paid – Line item details are paid based on Connecticut (CT) policy (e.g., other fee schedule payment).

CT Denied – Line item details are denied based on CT policy.