

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

## State of Connecticut Hospital Payment Modernization

---

|                |                   |
|----------------|-------------------|
| Lead:          | Sarah Yahna       |
| Contributors:  | Janet Flynn       |
| Revision Date: | November 17, 2015 |
| Status:        | Revised Draft     |

---

### Overview

To support the modernization of hospital payments in the State of Connecticut (Connecticut), the Department of Social Services (DSS) will be implementing 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 will be identified by revenue center code (RCC) by the Medicaid Management Information System while the Not APC Payable services will be identified by the procedure code and the status indicator (SI) assigned by the APC grouper software.

The APC Claim Workflow, provided as Attachment A, demonstrates how 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 as they are currently and others will be paid based on procedure code using Connecticut fee schedules.

**Table 1: APC Policy Exclusions**

| <b>RCCs</b> | <b>Description</b>                   | <b>Payment Method</b>  |
|-------------|--------------------------------------|------------------------|
| 42x         | Physical Therapy                     | Current                |
| 43x         | Occupational Therapy                 | Current                |
| 44x         | Speech Therapy                       | Current                |
| 761, 769    | CARES*                               | Current                |
| 771         | Vaccine Administration               | Current                |
| 900         | General BH                           | Clinic-BH Fee Schedule |
| 901         | Electroshock Therapy                 | Current                |
| 905, 906    | Intensive Outpatient Program         | Current                |
| 907         | Extended Day Treatment               | Current                |
| 912, 913    | Partial Hospitalization Program      | Current                |
| 914         | Individual Therapy                   | Clinic-BH Fee Schedule |
| 915         | Group Therapy                        | Clinic-BH Fee Schedule |
| 916         | Family Therapy                       | Clinic-BH Fee Schedule |
| 918         | Psychiatric Testing                  | Clinic-BH Fee Schedule |
| 919         | Other BH                             | Clinic-BH Fee Schedule |
| 953         | Tobacco Cessation — Group Counseling | Current                |

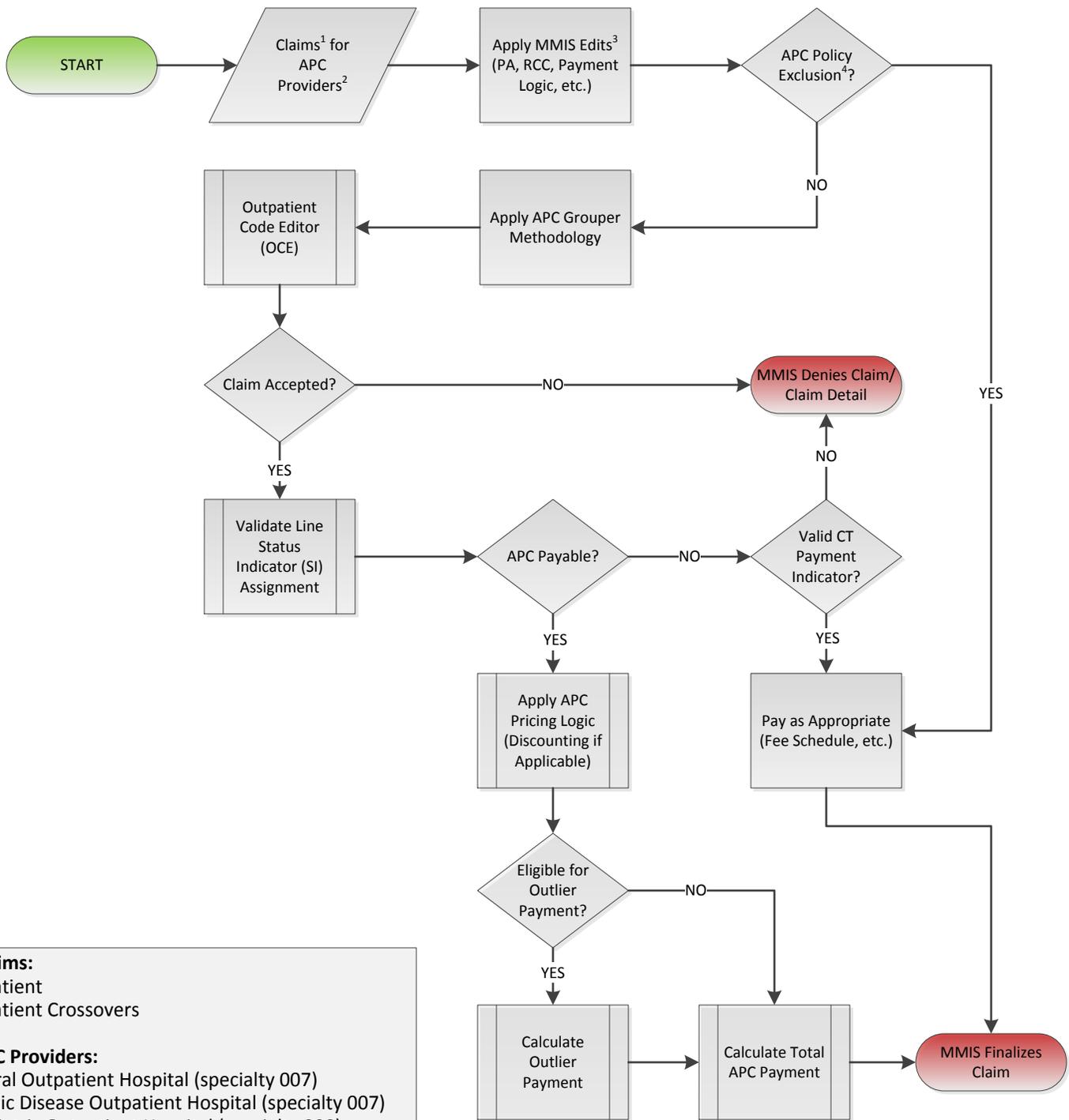
\*CARES program will be switching from RCC 761 to RCC 769.

### **Not APC Payable**

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

### **Conclusion**

DSS has determined that the services identified in Table 1 above will be excluded from the APC methodology and paid outside of the APC methodology. Additionally, services assigned a 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 007)  
Psychiatric Outpatient Hospital (specialty 008)

**3. MMIS Edits include:**

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

**4. APC Policy Exclusions include:**

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)

**APC Payable:**

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

SI = R,S,T,U,V,X

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.

SI = J1,N,Q1,Q2,Q3

**Not APC Payable:**

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

SI = A,B,C,E,F,G,H,K,L,M,P,W,Y

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

SI = A,B,C,E,F,G,H,K,L,M,P,W,Y,Z