



Topic	Subtopic	Policy Decision
General Policy Decisions		
Hospitals processed through EAPG		All hospitals billing outpatient claims will be processed through the EAPG grouper. This excludes psychiatric hospitals.
Definition of an Episode		An episode will be defined as a unique calendar day. The exception to this will be for emergency room or observation visits that, although may span multiple days, will only be counted as one visit.
Procedure Code Requirement		In order to be paid, a procedure code will be required on every line item billed.
Laboratory Services		Laboratory services will be sent through the EAPG Grouper for payment.
Therapy Services		Therapy services will be sent through the EAPG Grouper for payment.
DME Services		DME services should not be billed on outpatient claims and therefore will not be paid through the grouper if billed as outpatient. DME services should be billed on the CMS 1500 claim form.
Transportation Services		Transportation services should not be billed on outpatient claims and therefore will not be paid through the grouper if billed as outpatient. Transportation services should be billed on the CMS 1500 claim form.
Pharmacy/Drug Services (Provider Administered Drugs)		Provider Administered drugs will be sent through the grouper. Ancillary drug discounting will be turned off.
Emergency Room Visits		All Outpatient Emergency visits will be processed through EAPG and paid according to the software logic.
Observation Visits		All Outpatient Observation visits will be processed through EAPG and paid according to the software logic.
Medicare/Medicaid Dual Eligible Beneficiaries		The Department will not send Medicare crossover claims through the grouper. Crossover Outpatient Hospital claims will be paid using the sum of the Medicare coinsurance and deductible.



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Grouper Options Decisions		
Discounting	Multiple Significant Procedure	The Department will use Multiple Significant Procedure discounting. Discount percentages will be 100%, 50%, & 25%.
Discounting	Repeat Ancillary	The Department will use Repeat Ancillary discounting. Discount percentages will be 100%, 50%, & 25%.
Discounting	Repeat Ancillary Drug	The Department will use Repeat Ancillary Drug discounting. Discount percentages will be 100%, 50%, & 25%.
Discounting	Bilateral Discounting	The Department will use Bilateral discounting. Discount percentage will be set to 150%.
Discounting	Terminated Procedure	The Department will use Terminated procedure discounting. The discount percentage will be set to 50%.
Discounting	Cross Type Significant discounting	The Department will leave this option at the default of "no."
Consolidation	Same Significant Procedure	The Department will use same significant procedure consolidation.
Consolidation	Clinical Procedure	The Department will use clinical procedure consolidation.
Modifiers	Modifier 25 (Distinct Service)	The Department will use the default setting, which is "off."
Modifiers	Modifier 27 (Multiple E&M encounters)	The Department will use the default setting, which is "on." This overrides packaging of secondary medical visits on a claim, as modifier 27 defines it as unrelated. For this reason, EAPG 449 has been removed from the default packaging list.
Modifiers	Modifier 59 (Separate Procedure)	The Department will use the default setting, which is "on." This overrides consolidation of a line item when present.
Modifiers	Therapy Modifiers GN, GO, & GP	The Department will use the default setting, which is "off."
Modifiers	Anatomical or Select Modifiers	The Department will use the default setting, which is "on." This overrides consolidation of a line item when present.



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Modifiers	Never event mods PA, PB, & PC	The Department will use the default setting, which is "on." This causes a line item to pay zero when one of these modifiers is present.
Modifiers	Modifier 57 (Decision for Surgery)	The Department will use the default setting, which is "off."
Modifiers	Distinct Procedure Modifiers (XE, XP, XS & XU)	The Department will use the default setting, which is "off."
Modifiers	Modifier JW (Discarded Drug)	The Department will not reimburse for discarded portions of drugs.
Significant Radiology Packaging		The Department has decided to package all ancillaries billed with significant radiology procedure codes; this option will be set to "yes."
Inpatient Only Procedures		The Department will be using the 3M default list.
Never Pay EAPGs		EAPG 168 & 169 (dialysis codes) have been added to the Never Pay list of EAPGs, these will group to 999 and pay zero when billed on a claim.
Packaging Decisions		Will work with the default packaging list, minus EAPG 449 for use of modifier 27.
340B Drug Policy		The Department will utilize the use of the UD modifier to identify any 340B line items.