

Donald Ross, Manager  
DMAP Policy and Planning Section

**Number:** DMAP IM 13-004

**Authorized Signature**

**Issue Date:** 01/17/2013

**Topic:** Medical Benefits

**Subject:** **Provider announcement:** New Medicare Ambulatory Payment Classification (APC) reimbursement methodology software implementation set for January 22, 2013

**Applies to:**

- |  |  |
|--|--|
| <input type="checkbox"/> All DHS employees             | <input type="checkbox"/> County Mental Health Directors  |
| <input type="checkbox"/> Area Agencies on Aging        | <input type="checkbox"/> Aging and People with Disabilities  |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Other (please specify): DHS and OHA staff and others identified on the AMH, APD, CW, DMAP and SS transmittal lists |
| <input type="checkbox"/> County DD Program Managers    |  |

**Message:**

DMAP will post the following letter to the [OHP Provider Announcements](#) and [OHP Plan Announcements](#) Web pages and distribute via eSubscribe. It states that:

- We are ready to implement billing system software that applies the APC reimbursement methodology under the Outpatient Prospective Payment System for payments to DRG in-State hospitals for outpatient services.
- Beginning January 22, 2013, DMAP will price all outpatient DRG hospital claims using the new APC grouper software, along with the current fee schedule and percentage of billed amount methodologies.
- DMAP will make necessary payments for 2012 DRG hospital claims to make them whole and maintain budget neutrality.

*If you have any questions about this information, contact:*

|                    |  |             |              |
|--------------------|--|-------------|--------------|
| <b>Contact(s):</b> | Angel Wynia, DMAP Hospital Policy Analyst                            |             |              |
| <b>Phone:</b>      | 503-945-5754   | <b>Fax:</b> | 503-947-1119 |
| <b>E-mail:</b>     | <a href="mailto:angel.wynia@state.or.us">angel.wynia@state.or.us</a> |             |              |



**Date:** January 17, 2012

**To:** In-state hospitals on Diagnosis Related Group (DRG) payment

**From:** Don Ross, Manager  
Policy and Planning Section, DMAP

**Subject:** Beginning January 22, 2013, DMAP's billing system will apply Medicare Ambulatory Payment Classification (APC) methodology to process fee-for-service outpatient Oregon DRG hospital claims.

As you know, effective January 1, 2012, the Division of Medical Assistance Programs (DMAP) changed its outpatient reimbursement methodology for Oregon DRG hospital claims to Medicare's APC methodology under the Outpatient Prospective Payment System in compliance with statutory changes.

Over the past year, we have been updating our payment system so that it will apply the new APC methodology when processing DRG hospital claims.

### What is new?

We are now able to use our billing system to process all DRG hospital claims applying the new APC methodology.

After discussing next steps with representatives from the Oregon Association of Hospitals and Health Systems, DMAP will:

- Begin using its billing system on Jan. 22 to calculate new reimbursements for DRG hospital claims applying all three methodologies:
  - APC grouper,
  - Fee Schedule (clinical lab), and
  - Percentage of billed amount (for services not grouped and priced in the APC system).
- Process claims for services prior to Jan. 22 separately and inform you of when and how those processes will happen, and
- Make necessary payments to hospitals related to DRG hospital claims to make them whole for budget neutrality for 2012.

### Remember:

Under the APC methodology DMAP has adopted the grouper only and will *not* implement the following Medicare guidelines (*list may not be all inclusive*):

- Outpatient outlier,
- Professional services billed on a professional claim instead of an institutional claim, or
- Discounting for a second or subsequent occurrence of a significant procedure.

## Questions?

See more information about the [APC implementation and claims processing guidelines](#).

If you have questions about this announcement, please contact Angel Wynia, DMAP Hospital Program Policy Analyst at 503-945-5754 or via e-mail [angel.wynia@state.or.us](mailto:angel.wynia@state.or.us).

Thank you for your patience and, as always, thank you for all the care you provide to Oregon Health Plan clients.

### **Help us improve future announcements:**

Answer six survey questions about this provider announcement at <https://survey.emp.state.or.us/cgi-bin/qwebcorporate.dll?idx=J2ESKJ>.

