

Comparison of Medicare APCs and EAPGs

	APC (Medicare)	EAPG
Methodology	Primarily a payment classification system and fee schedule of individual outpatient procedures/services	Outpatient visit classification system, which places patients and services into clinically coherent groups
Efficiency	Minimal packaging of ancillaries and bundling of procedures	Comprehensive packaging and bundling
Comprehensiveness	Excludes many services, which are then covered under other fee schedules	Covers all medical outpatient services
Medical Payment Basis	Medical APCs pay based on self-reported effort (duration of patient contact)	Medical APGs pay based on patient's condition (diagnosis and procedure). Greater clinical focus
Setting and Scope	Applicability limited to payment for facility cost for hospital based outpatient services and ambulatory surgery centers	Broader applicability to other services and settings (e.g., Mental Hygiene, Physical Therapy, and Occupational Therapy) and to performance reporting
Unit of Service	Payment structure based on services utilization	Payment structure based on patient visit
Local Control	Subject to federal decisions on editing and payment policy	Provides for local control of payment policies
Integral Measurement Methodology	Large volume of fee schedule payments limit development of broad comparative values such as Case Mix Index	Claim weights provide foundation for evaluation of outpatient care using CMI type methodology, due to inclusion of all services in classification system