Outpatient Hospital: Identifying APC status and code on a claim

Policy Information

A Prospective Payment System (PPS) is a method of reimbursement in which Medicare payment is made based on a predetermined, fixed amount. The payment amount for a particular service is derived based on the classification system of that service (i.e., DRGs for inpatient hospital services, APCs for outpatient hospital services).

All services paid under the PPS are classified into groups called Ambulatory Payment Classifications (or APCs). Services in each APC are similar clinically and in terms of the resources they require. A payment rate is established for each APC.

Medicare assigns a payment status indicator (SI) to every HCPCS code and identifies whether the service is paid under OPPS, and whether payment is made separately or packaged. The SI may also provide additional information about how the code is paid under OPPS or under another payment system or fee schedule.

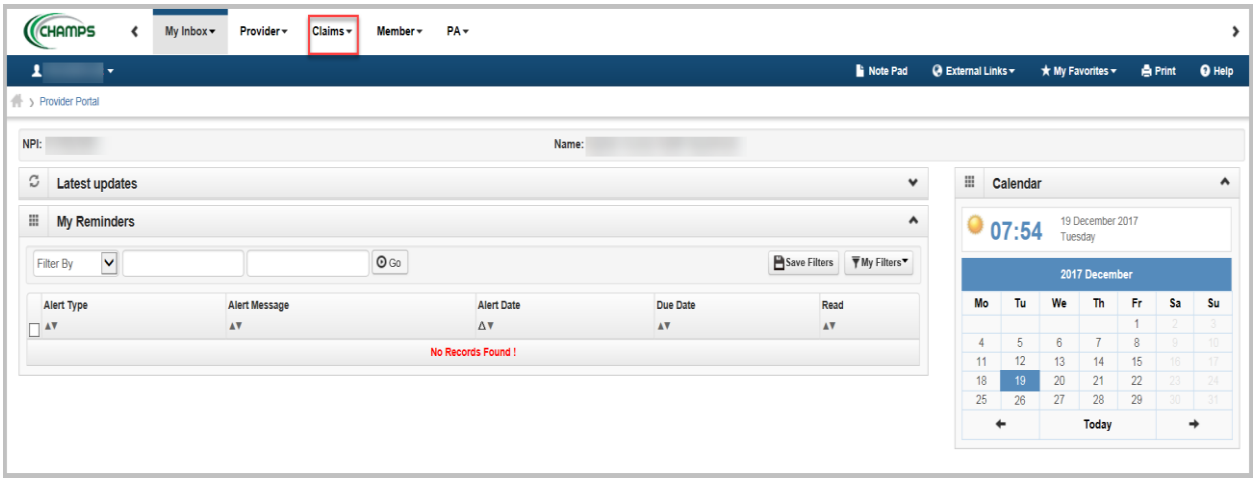
- Addendum A – APC pricing information
- Addendum B – lists the status indicator for each HCPCS code
- Addendum D1 – status indicator definitions

Locating APC Status and APC Code

Providers are able to access CHAMPS claim inquiry function to review claims and view the APC status and APC code that set on each service line.

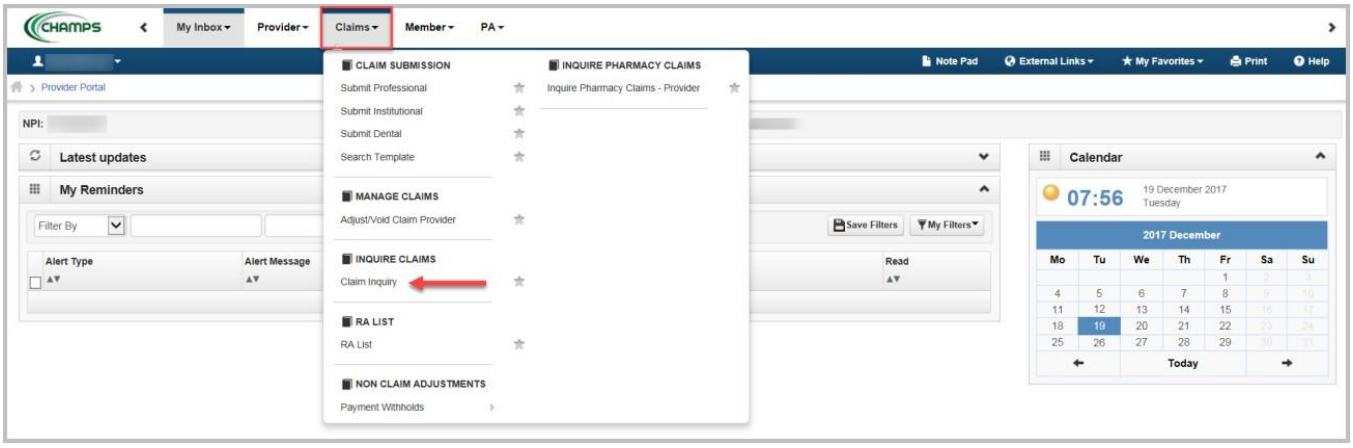
The Claim Inquiry screen can be found by clicking on the Claims tab and selecting Claim Inquiry (Figures 1 & 2).

1. Click on the **Claims Tab**

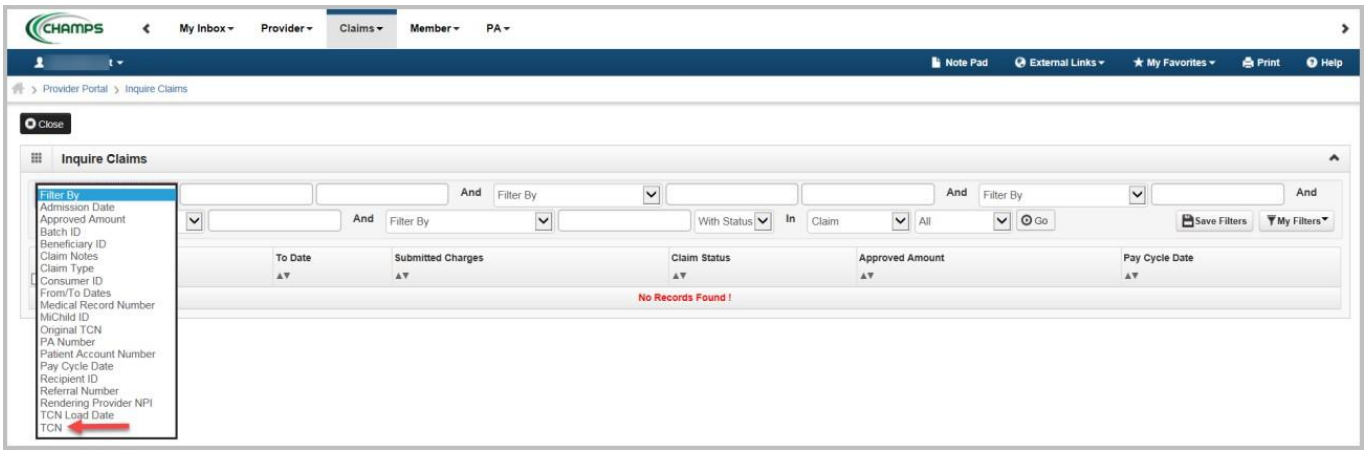


2. Select **Claim Inquiry**

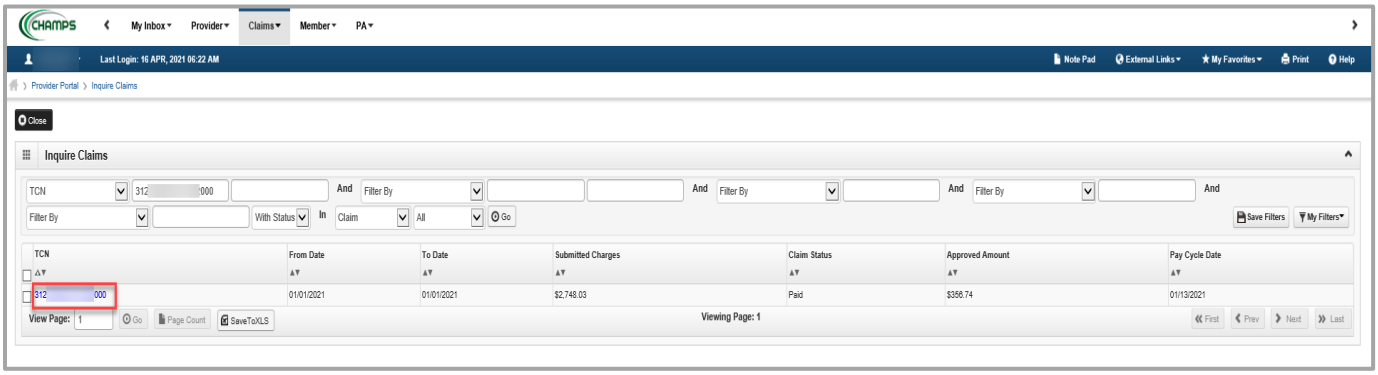
   a. Providers may search for a claim using the 18 digit TCN number. This can be found on a Provider's remittance advice (RA).



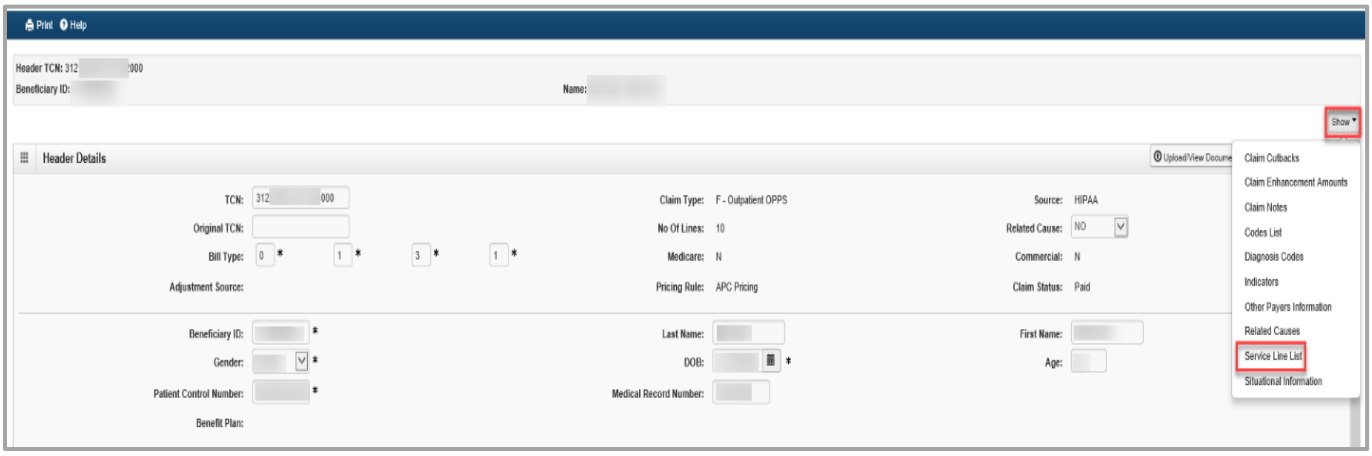
3. From the first filter by drop-down select **TCN** and enter the **TCN number**



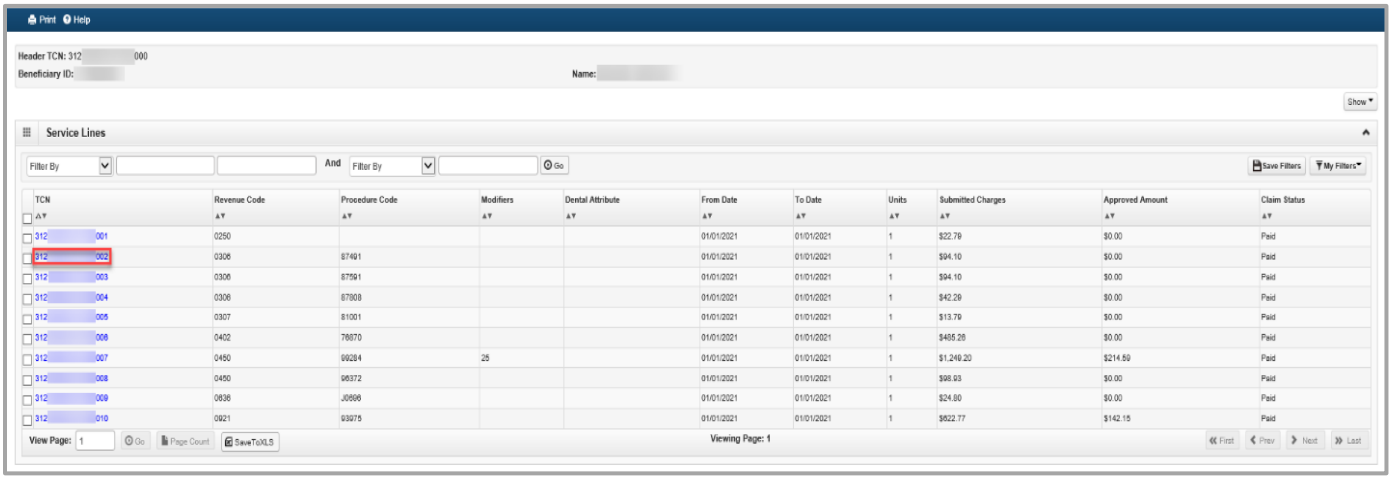
4. Claim will appear as a hyperlink; click on the **TCN** for review



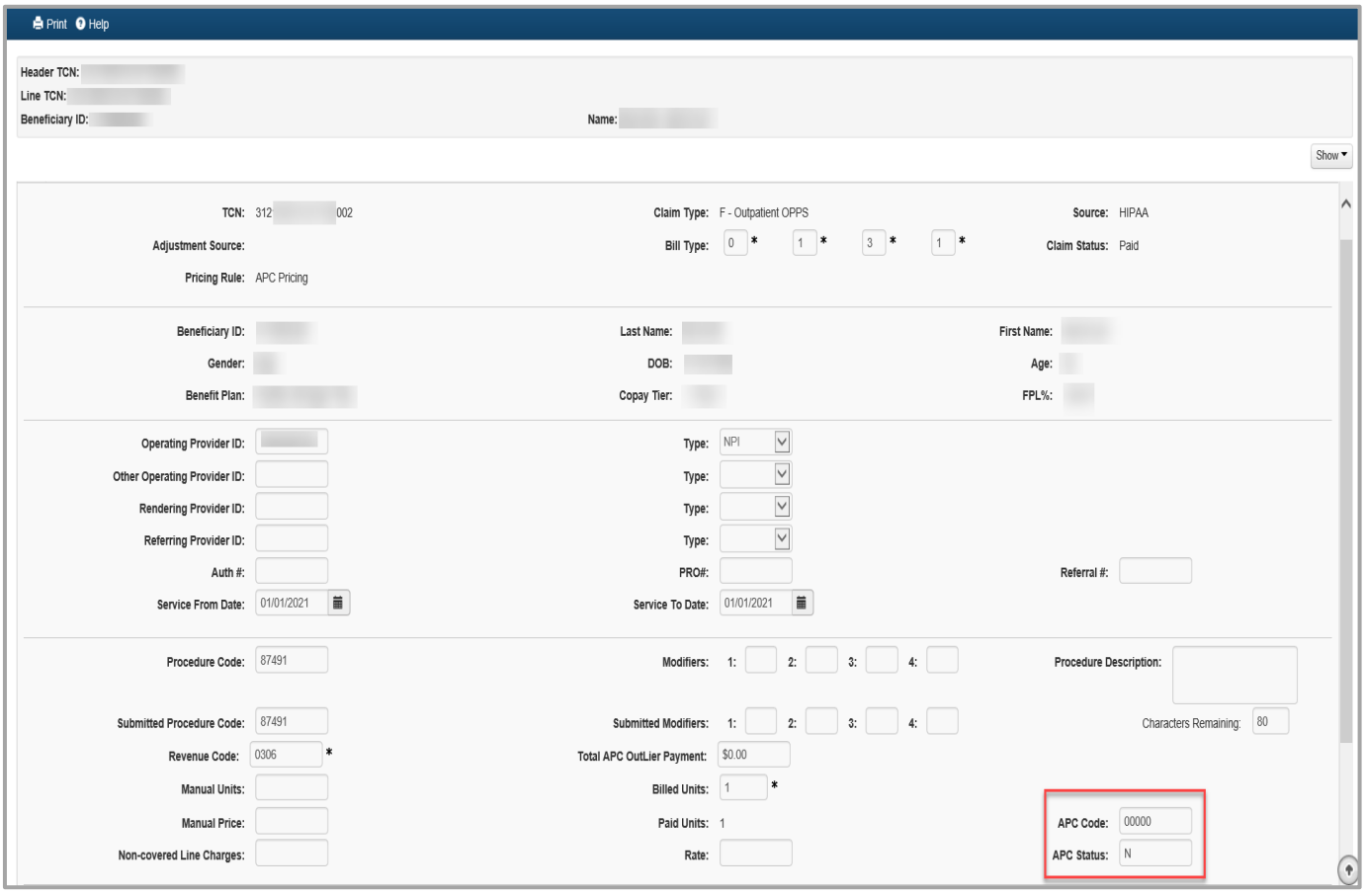
5. In the header detail of the TCN click the show drop down menu and select “Service Line List”.



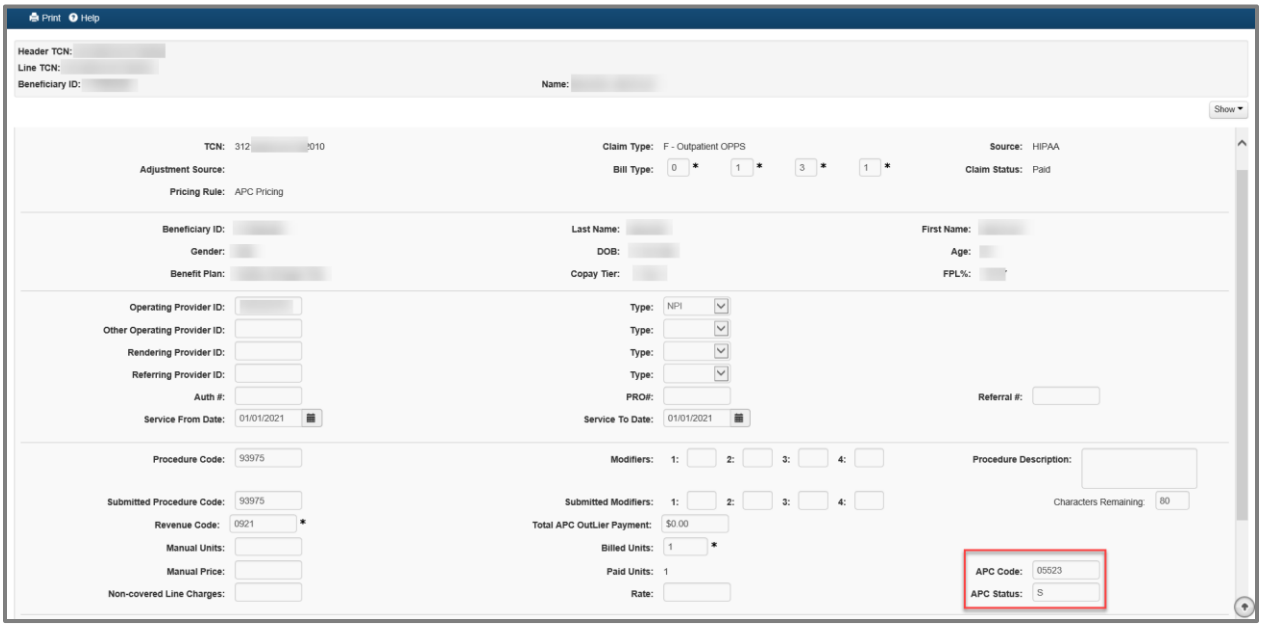
6. Select the service line by clicking the TCN number hyperlink to review the APC code and APC status which set on the line.



7. Scroll towards the bottom of the screen and the APC Status and/or APC Code will display.



8. If a claim sets a comprehensive APC it will have an APC code and a SI. In this case you would use the Addendum A found on the Medicare Hospital OPPS website listed below.



Additional Resources

- Medicaid Providers Institutional Tips: https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448_78458-476276--,00.html
- Medicaid Wrap Around Code List: https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_42542_42543_42546_42551-151012--,00.html
- CHAMPS webpage: https://www.michigan.gov/mdhhs/0,5885,7-339-71547_4860_78446_78448_78460---,00.html
- Medicaid Proivder Manual: https://www.michigan.gov/mdhhs/0,5885,7-339-71551_2945_5100-87572--,00.html
- Medicare Hospital Outpatient PPS: https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospitaloutpatientpps