



The following is an example of a sample APG base rate calculation:

a. 2007 Peer Group Reimbursement	\$51,000,000
b. Additional Investment	\$25,000,000
c. Case Mix Index	8.1610
d. Coding Improvement Factor	1.05
e. 2007 Base Year Visits	50,000

$$(\$51,000,000 + \$25,000,000) / (8.1610 \times 1.05 \times 50,000) = \$177.38 \text{ (Base Rate)}$$

VI. During the transition period, reimbursement for hospital based outpatient department services shall consist of a blend of each facility's average 2007 Medicaid rate and the APG calculation for that visit. The average 2007 Medicaid rate for purposes of blending is computed by dividing the amount paid in calendar year 2007 for all rate codes reflected in the APG rate setting methodology, by the total visits paid through those codes for the same time period. In the initial phase (ending December 31, 2009) 25% of the operating payment for each visit will be based upon the APG reimbursement methodology and 75% will be based upon the provider specific average operating payment for calendar year 2007. During 2010, the blend will be 50/50. During 2011, the blend will be 75/25. Hospital outpatient department payments will be based upon 100% of the APG operating component beginning on January 1, 2012. Both the emergency department and ambulatory surgery services will move to 100% APG payment upon implementation with no transition period. Per the enabling statute, as new services the Education APGs and the Extended Hours APGs are not subject to the blend requirement.

Effective for dates of service on and after September 1, 2009, smoking cessation counseling services provided to pregnant women on any day of her pregnancy, during a medical visit provided by a general hospital outpatient department shall be reimbursed entirely on the APG methodology.

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Effective for dates of service on and after September 1, 2009, payments to general hospital outpatient departments for the following services shall be based on fees or rates established by the Department of Health: (1) wheelchair evaluations, (2) eyeglass dispensing, and (3) individual psychotherapy services provided by licensed social workers to persons under the age of 21, and to persons requiring such services as a result of or related to pregnancy or giving birth. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates for the services listed in this paragraph were set September 1, 2009 and are effective for services provided on or after that date. The rates are published on the Department of Health web-site at the following link:

http://www.health.ny.gov/health_care/medicaid/rates/apg/docs/apg_alternative_payment_fee_schedule.pdf

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