

Claim Reprocessing to Apply APC Methodology

DMAP is reprocessing claims for DRG hospitals with dates of service from Jan. 1, 2012 through Jan. 22, 2013 to [apply Medicare Ambulatory Payment Classification \(APC\) payment methodology where applicable](#).

Budget neutrality for 2012 paid claims

For **paid** claims with dates of service in 2012, DMAP will adjust the APC conversion factor (wage index) for each hospital so that, under APC methodology, each hospital receives payments within plus or minus 5% of the original payments.

Budget neutrality does not apply to 2012 denied claims or any 2013 claims

Denied claims with dates of service in 2012 are **not** included in the budget neutrality calculation. Please see below for more information about new claim denials.

Claims with dates of service in 2013 will receive APC payments as normally calculated and will **not** have their conversion factors adjusted to achieve budget neutrality.

When is DMAP reprocessing these claims?

- **November 8:** Dates of service from Jan. 1, 2012, through June 30, 2012.
- **January 17:** Dates of service from Jan. 1, 2012 through June 30, 2012.
- **Date(s) to be determined:** Dates of service from July 1, 2012 through January 22, 2013.

Why is DMAP reprocessing January-June 2012 claims a second time?

An error was made in the November 8 reprocessing so that DMAP did not achieve the budget neutrality goal for paid claims—instead, too much money was recovered. Also, we found that some paid claims inappropriately denied due to [NDC reporting requirements](#).

DMAP has corrected these errors, so we are reprocessing to return the incorrect recoveries to hospitals.

Why are some of the reprocessed claims denying, when they did not deny originally?

For all claims subject to reprocessing, the following may apply:

- **Retroactive Medicare/TPL updates:** If the original claim was for a client with Medicare or other primary health care coverage, and the client's coverage information was not in our system when the claim was originally billed, the previously paid claim may reprocess as a denial because we now have the client's primary coverage in our system.
- **Retroactive MCO/CCO enrollment**