BlueCross BlueShield of South Carolina and
BlueChoice® HealthPlan of South Carolina

Independent licensees of the Blue Cross Blue Shield Association.

Ambulatory Payment Classification

Frequently Asked Questions

1. **What caused the move to the Ambulatory Payment Classification (APC) methodology?**
   APC reimbursement allows fixed pricing of services to be established at the HCPCS code level. This allows us to based reimbursement on the actual services/procedures provided in an outpatient setting. Fee schedule pricing, as well as APC pricing, has become the industry standard for outpatient reimbursement.
2. **What are the different forms of reimbursement for outpatient services?**
   APC reimbursement includes these components:
   - Established fees for APCs
   - Fee schedules for some HCPCS codes (predominantly labs and therapies)
   - Discount off of charges
   - Based upon the procedure you file, a claim can have any combination of these three components.
3. **What are incidental services and how are they reimbursed?**
   The Centers for Medicare and Medicaid Services (CMS) defines incidental services within the APC grouper software as services that are normally provided in conjunction with other services. CMS considered all incidental charges when it established the rates with no separate reimbursement allowed for the incidental services.
4. **If the grouper is updated annually and updates are completed quarterly by AMA and CMS, how will reimbursement of new codes work?**
   BlueCross BlueShield of South Carolina base edits on validations in the version of the CMS grouper used at the time the claim is processed. We accept all vali HCPCS and CPT codes. If the code is too new to be included in the current grouper, it is reimbursed based on a discount off of charges (as defined in the hospital's agreement).
5. **What happens if a corrected claim is submitted with additional lines?**
   The original claim will have to be voided and any payment made will need to be recouped. Once received, the corrected claim will be processed as a new claim. For this reason, it is important that corrected claims submissions are minimized.
6. **Are the "N" and "E" service indicators not reimbursed?**
   Reimbursement for codes and charges submitted with "N" status indicators are allocated in APC codes (e.g., no separate reimbursement is provided for codes that have an "N" status indicator) and reimbursement for codes and charges submitted with "E" status indicators are based generally on a fee schedule.
7. **Can patients be charged for incidental services with a zero allowable?**

No, the service is covered with a zero allowable, so you cannot bill the patient.