



Calculating Ambulatory Patient Group (APG) Rates for OMH-Licensed and OASAS-Certified Facilities

The purpose of this document is to support commercial insurers to configure their billing systems for implementation of Part AA of Chapter 57 of the Laws of 2024. It is designed to illustrate how Medicaid determines Ambulatory Patient Group (APG) rate reimbursement.

Overview of APG Pricing

NYS Medicaid calculates claims payments for Office of Mental Health (OMH)-licensed Article 31 Mental Health Outpatient Treatment & Rehabilitative Services (MHOTRS)¹ and Office of Addiction Services and Supports (OASAS)-certified Article 32 Outpatient Treatment services based on the [APG](#) algorithm developed by Solvatum (formerly 3M Corporation).² APGs are a defined group of outpatient procedures and ancillary services grouped for payment purposes both clinically and resource-based. The formula for determining reimbursement rates using APGs consists of 3 main components: Provider Base Rate (conversion factor), Procedure Weight, and Modifier Adjustments. The steps for determining the final APG Price are outlined below.

The OMH and OASAS Outpatient Service Types that fall under the APG pricing Methodology are:

- OMH Mental Health Outpatient Treatment and Rehabilitative Services (MHOTRS) providers – both hospital and freestanding.
- OASAS Outpatient Clinic– both hospital and freestanding³
- OASAS Outpatient Rehabilitation - both hospital and freestanding³
- OASAS Opioid Treatment Programs (OTP) – both hospital and freestanding³
- OASAS Comprehensive Outpatient Programs – both hospital and freestanding.³

In addition, there are a number of OMH service types that are subject to the Part AA language, which are not reimbursed under APGs. Lists of applicable services and rate information can be found in the documents linked below:

- [Exhibit C – Non-APG OMH Outpatient Services Fee Schedule](#)
- [Exhibit D – Non-APG OMH Provider-Level Fee Schedule](#)

1. Provider Base Rate

OMH MHOTRS facilities are assigned to peer groups, and each peer group has a set of common base rates. OMH peer groups are differentiated by location and licensing status as follows:

- OMH Downstate Region Counties: New York, Kings, Queens, Bronx, Richmond, Nassau, Suffolk, Westchester, Rockland, Putnam, Dutchess, and Orange.
- OMH Upstate Region Counties: Any county not included in the above Downstate grouping.
- OMH also has peer groups for Local Government Unit (LGU) and State-Operated facilities.

OASAS has each of its four services (listed above) assigned to regional peer groups based on the location of the provider's site to either the Upstate or Downstate region.

¹ Including but not limited to School Based Mental Health (SBMH) Clinics.

² Commercial insurers may choose to use the 3M APG Pricing Software or use their own software to reimburse at a minimum the APG-equivalent rates.

³ This would include off-site services provided in a freestanding setting.

- OASAS Downstate Region Counties are: New York, Kings, Queens, Bronx, Richmond, Nassau, Suffolk, Westchester, Rockland, Putnam, Dutchess, and Orange.
- OASAS Upstate Region Counties: Any county not included in the above Downstate grouping.

In addition to the peer groups, NYS Medicaid utilizes a set of four-digit “Rate Codes” to differentiate provider types (i.e., Hospital, Non-Hospital) and service groups (e.g., Off-Site, School-Based, Crisis, etc.). The full list of OMH MHOTRS Rate Codes can be found here: [Mental Health Outpatient Treatment and Rehabilitative Services \(MHOTRS\) Clinic Rate Codes \(ny.gov\)](#). The OASAS rate codes and base rates, as well as a Part AA revenue calculator that can be used to determine procedure-specific payment amounts, can be found on the [OASAS ambulatory providers website](#).

Note: To support commercial insurers with Part AA implementation, OMH has provided a table of Provider-Specific APG Base Rates, with associated rate codes, that can be loaded for system configuration (see [Exhibit A – APG Base Rates for MHOTRS Providers](#))⁴. In addition, the Department of Health maintains provider-specific rate information on its [Ambulatory Patient Group \(APG\) Rates](#) page.

2. Procedure Weight

APG procedure weights are numeric values that reflect the relative expected resource utilization for each procedure, compared to other APG procedures. All procedures rendered by OMH and OASAS facilities listed above, are assigned a weight. Procedure weights are the same for all APG reimbursed services, regardless of peer group. Diagnosis codes are also a factor in determining the allowed APG weight for Evaluation & Management codes. Additionally, some procedures, primarily drugs and labs, are reimbursed under APGs without a “weight” but instead using a statewide fee.

The OMH [MHOTRS APG Weight Schedule](#) (Columns C, D) lists the weights associated with every MHOTRS procedure inclusive of adjustment for diagnosis code.

3. Modifier Adjustments

APG reimbursement is sometimes further differentiated by modifiers that can enhance or discount the procedure weight. Commercial insurers can reference the [NYS APG Modifiers](#) webpage for a comprehensive list. The [MHOTRS APG Weight Schedule](#) illustrates all possible OMH procedure/modifier combinations, with their associated pricing impacts.

4. Final Procedure Price Calculation

The APG price for a single procedure is determined by multiplying the Base Rate by the Procedure Weight and any applicable Modifier Adjustments, as represented in the below formula:

$$\text{Base Rate} \times \text{Procedure Weight} [\times \text{Modifier Adjustments}] = \text{APG Price}$$

Alternately, commercial insurers can utilize Column N “Final Weight” of the [MHOTRS APG Weight Schedule](#), which factors in all modifier adjustments. Using the Final Weight method, the formula is:

$$\text{Base Rate} \times \text{Final Weight} = \text{APG Price}$$

⁴ This spreadsheet also factors in provider-specific enhancements, such as the [Quality Improvement Collaborative](#) initiative.

5. Other Adjustments

- a) **Multiple Service Per Day Discount** – NYS Medicaid reimburses up to 3 procedures per client for OMH and OASAS APG reimbursable services per day, with the highest APG rate receiving 100% reimbursement and each additional procedure receiving a 10% discount, with exceptions⁵. Please refer to column P in the [MHOTRS APG Weight Schedule](#), which indicates whether NYS Medicaid allows discounting for a particular procedure in OMH MHTORS, and refer to the [OASAS APG manual](#) for additional information.
- b) **Children's Psychotherapy Enhancement** – Children ages 0-18 receive a 5% enhancement for 30- and 45-minute psychotherapy services (CPT codes 90832 / 90834). The age reported on the claim can be used to differentiate whether the 5% enhancement is applicable.
- c) **Capital Rate Add-On** – Capital Rate Add-Ons are provider-specific flat rates that are added to each claim after the above pricing calculations are completed for the entire visit. Capital Rate Add-Ons only apply to certain hospital-based facilities, a list of which can be found in [Exhibit A - APG Base Rates for MHOTRS Providers](#).

APG Pricing Example

Below is a final price calculation example using a provider agency that has a Downstate Freestanding peer group and bills the 1504 Base Rate Code for a 45-minute psychotherapy on-site visit, provided by a physician.

Peer Group:	Downstate Freestanding – Rate Code 1504	Base Rate:	\$187.41
Procedure:	90834 – 45min Psychotherapy	Procedure Weight:	0.8275
Modifier:	AF – Service Provided by a Physician	Modifier Weight:	1.4500

To arrive at the final price of \$224.87, the facility's peer group base rate is multiplied by the procedure weight and the modifier weight (line 58 of the [MHOTRS APG Weight Schedule](#)) as demonstrated by the formula below:

$$\begin{array}{l}
 \text{Formula:} \quad \text{Base Rate} \quad \times \quad \text{Procedure Weight} \quad \times \quad \text{Modifier Adjustment} \quad = \quad \text{Final Price} \\
 \text{Example:} \quad \$187.41 \quad \times \quad 0.8275 \quad \times \quad 1.4500 \quad = \quad \$224.87
 \end{array}$$

Additional 3M APG Resources

To learn more about the 3M APG payment methodology, including information on how to purchase services, visit [3M Health Information Systems](#) and [3M Enhanced Ambulatory Patient Grouping \(EAPG\) System](#). To Contact the 3M Business Development Management team directly:

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⁵ For OMH, [Intensive Outpatient Program \(IOP\)](#) is excluded as it allows up to 4 services per day without discount. For OASAS services, Medication administration, Medication management, Peer Support Service, Smoking Cessation, Collateral, Physical Health and Physical Exam are excluded from the 10% discount.