

CHARTER

ADVISORY PANEL ON AMBULATORY PAYMENT CLASSIFICATION GROUPS

AUTHORITY

Section 1833(t)(9)(A) of the Social Security Act (42 U.S.C. 1395l(t)(9)(A)). The Advisory Panel on Ambulatory Payment Classification (APC) Groups (the Panel) is governed by the provisions of Pub. L. 92-463, the Federal Advisory Committee Act (FACA) (5 U.S.C. Appendix 2), which sets forth standards for the formation and use of advisory panels.

OBJECTIVE AND SCOPE OF ACTIVITIES

The Panel shall advise the Secretary, Department of Health and Human Services (DHHS), and the Administrator, Centers for Medicare & Medicaid Services (CMS), about the clinical integrity of the APC groups and their associated weights, which are major elements of the Medicare hospital Outpatient Prospective Payment System (OPPS).

DESCRIPTION OF DUTIES

The Panel is technical in nature, and it shall deal with the following issues:

- Addressing whether procedures within an APC group are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving Healthcare Common Procedure Coding System (HCPCS) codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC group weights.
- Reviewing packaging the cost of items and services, including drugs and devices, into procedures and services, including the methodology for packaging and the impact of packaging the cost of those items and services on APC group structure and payment.
- Removing procedures from the inpatient list for payment under the OPPS.
- Using claims and cost report data for CMS' determination of APC group costs.
- Addressing other technical issues concerning APC group structure.

The subject matter before the Panel shall be limited to these and related topics. Unrelated topics are not subjects for discussion. Unrelated topics include, but are not limited to, the conversion factor, charge compression, revisions to the cost report, pass-through payments, correct code usage, and provider payment adjustments.

AGENCY OR OFFICIAL TO WHOM THE COMMITTEE REPORTS

The Panel provides advice to the Secretary, DHHS, and the Administrator, CMS.

SUPPORT

The Center for Medicare, CMS, shall provide management and support services.

ESTIMATED ANNUAL OPERATING COSTS AND STAFF YEARS

Estimated FY 2011 annual cost for operating the Panel, including travel expenses for members but excluding staff support, is \$77,000. The estimated annual person-years of staff support required for the APC Panel is 1.0 FTE at an estimated annual cost of \$105,575. Estimated FY 2012 annual cost for operating the Panel, including travel expenses for members but excluding staff support, is \$80,000. The estimated annual person-years of staff support required for the APC Panel is 1.0 FTE at an estimated annual cost of \$107,650.

DESIGNATED FEDERAL OFFICER

The CMS will designate a full-time or permanent part-time Federal employee to serve as the Designated Federal Officer (DFO) to attend each Panel meeting and to ensure that all procedures adhere to applicable statutory, regulatory, and DHHS *General Administration Manual* directives. The DFO approves and prepares all meeting agendas; calls all Panel or subcommittee meetings; adjourns any meeting when s/he determines adjournment to be in the public interest; and chairs meetings when directed to do so by the Secretary, HHS, or the Administrator, CMS. The DFO or his/her designee shall be present at all full Panel and subcommittee meetings.

MEETINGS

Meetings shall be held up to three times a year. The Panel Chair shall facilitate meetings. Meetings shall be open to the public except as determined otherwise by the Secretary or designee in accordance with the Government in the Sunshine Act of 1976 (5 U.S.C. 552b(c)) and FACA. Notice of all meetings shall be published in the *Federal Register* as required by applicable laws and Departmental regulations. Meetings shall be conducted, and records of the proceedings kept, as required by applicable laws and departmental regulations.

In order to conduct the business of the Panel, a quorum is required. A quorum exists when a majority of currently appointed members is present at full Panel or subcommittee meetings or is participating in conference calls.

DURATION

Continuing

TERMINATION

Unless renewed by appropriate action prior to its expiration, the APC Panel shall terminate 2 years from the date the charter is filed.

MEMBERSHIP AND DESIGNATION

The Panel shall consist of up to 15 members who are representatives of providers. Members are selected by the Secretary or Administrator among the fields of hospital payment systems; hospital medical care delivery systems; provider billing and accounting systems; APC groups; Current Procedural Terminology codes; HCPCS codes; the use of, and payment for, drugs, medical devices, and other services in the outpatient setting; and other forms of relevant expertise. All members shall have a minimum of 5 years experience in their area(s) of expertise, but it is not necessary that any member be an expert in all of the areas listed above. Panel members are full-time employees of hospitals, hospital systems, or other Medicare providers subject to payment under the OPSS.

For purposes of this Panel, consultants or independent contractors are not considered to be representatives of providers. All members shall serve on a voluntary basis, without compensation, pursuant to advance written agreement. Members of the Panel shall be entitled to receive reimbursement for travel expenses and per diem in lieu of subsistence, in accordance with Standard Government Travel Regulations. Panel members may serve for up to 4-year terms. A member may serve after the expiration of his/her term until a successor has been sworn in.

A Federal official, designated by the Secretary or the Administrator, shall serve as the Chair and shall facilitate the Panel meetings. The Chair's term shall usually be for a period of 4 years, but it may be extended at the discretion of the Administrator or his/her duly appointed designee.

SUBCOMMITTEES

With the approval of the Secretary or designee, subcommittees consisting of two or more Panel members may be established to perform functions within the Panel's jurisdiction. One of the members will be designated by his/her peers as chair of the subcommittee. The Department Committee Management Officer will be notified upon establishment of each subcommittee and shall be provided information on its name, membership, function, and estimated frequency of meetings. The advice/recommendations of a subcommittee or working group must be deliberated by the Panel. A subcommittee may not report directly to a Federal official, but rather it must report to the parent Panel.

RECORDKEEPING

The records of the Panel and established subcommittees shall be managed in accordance with General Records Schedule 26, Item 2, or other approved Agency records disposition schedule. These records shall be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. 552.

FILING DATE

November 21, 2010

APPROVED

November 12, 2010
Date

_____/s/_____
Secretary