

EPISODE COSTS

Total relevant costs for a single episode include all Medicare Parts A and B claim payments for the beneficiary for services that are rendered during the episode period and linked to the episode.

Relevant costs are services and costs that are clinically associated with the condition or treatment of the Episode, regardless of who provides them. This includes:

- Inpatient stays
- Outpatient visits
- Imaging
- Labs
- Part B drugs
- Physician services
- DME (Durable Medical Equipment), if applicable

Relevant costs/associations can be found in the Episode Workbooks that are linked in the [Episode Playbook](#).

Episode triggers and episode-relevant costs are derived from Medicare fee-for-service claims. There are no additional reporting requirements for EQIP participants. EQIP utilizes claims data as part of the standard billing practices.

TOTAL EPISODE COST METHODOLOGY

After all PACES and non-PACES episodes are created, total episode costs are derived as follows:

1. Total episode costs for a single episode include all Medicare Parts A and B claim payments for services linked to episode. Denied claims are excluded. Medicare Part D expenditures are also excluded.
2. Total payments for included service types are summed to calculate the total episode costs.

For more information on total episode cost methodology, please visit the [EQIP Specifications and Methodology](#) guide.

