

December 26, 2023

To: Nancy Dolson and Support Team

Re: Response to HCPF Regarding Hospital Facility Fee Data

In regard to the email sent to CHA on December 20, 2023, and referenced below, CHA is providing the following responses:

- 25.5-4-216(6)(b)(III) A DESCRIPTION OF THE MOST FREQUENT HEALTH-CARE SERVICES FOR WHICH FACILITY FEES WERE CHARGED AND NET REVENUE RECEIVED FOR EACH SUCH SERVICE;
  - The term “description” may lead to varying and inconsistent interpretations by the responding hospital systems. HCPF believes more specificity about what is being requested will provide for more consistent responses and make it easier for the hospitals to respond.
  - **Instead of asking for a “description of services, would it be appropriate to ask for CPT codes?**

CHA RESPONSE: HCPCs/CPTs is standard coding terminology and would be appropriate to understand the services/procedures provided. We would also suggest using a ‘standard’ reporting period. CHA suggests using a full and complete year of data from 2022 dates of service.

- HCPF also believes the hospitals could benefit from more guidance regarding the term “most frequent health-care services.”
  - One alternative is to have the hospitals respond with the top 25 CPT codes for which facility fees were charged.
  - Alternatively, the hospitals could be instructed to provide the most frequent CPT codes that comprise X% (80%? 90%?) of all CPT codes for which facility fees were charged.
  - **HCPF would appreciate your feedback on these alternatives or other ideas on the best way to request this information.**
  -

CHA RESPONSE: In asking each hospital for the most frequent services, it would be most practical to ask for the top 25 count of HCPC/CPT services provided.

CHA has run data for the entire industry and the top 25 codes represent 37% of all services (more than top quartile). Trying to get to 80/90% would be more than most frequent. That would be nearly all services and not practical for each hospital. CHA is willing to provide top 50 (51% of all services) or top 100 (66% of all services) for the industry if that is necessary.

- 25.5-4-216(6)(b)(III) A DESCRIPTION OF HEALTH-CARE SERVICES THAT GENERATED THE GREATEST AMOUNT OF GROSS FACILITY FEE REVENUE AND NET REVENUE RECEIVED FOR EACH SUCH SERVICE;
  - The term “description” is used in this requirement as well. **Would it be appropriate to ask for CPT codes instead?**

- This requirement also includes the term “the greatest amount of gross facility fee revenue and net revenue...” Again, this language is open to interpretation as to what constitutes “the greatest amount” and may result in confusion on the part of the respondents and inconsistent responses.
- HCPF is requesting your assistance in providing more specificity around this requirement.
  - **Should the survey request the CPT codes and associated facility fee gross and net revenue for X% of total gross or net facility fee revenue?**
  - **Alternatively, if the survey were to request the top 25 CPT codes for which facility fees were charged, would that cover most (80%? 90%?) of the total gross and net revenue facility fee revenue?**

CHA RESPONSE: In asking each hospital for the greatest amount of gross revenue and net revenue of services, it would be most practical to ask for the top 25 HCPC/CPT items of total gross charges.

CHA has run data for the entire industry and the top 25 codes represent nearly 35% of total \$ charges for all services (more than top quartile). Trying to get to 80/90% would be more than most frequent. That would be nearly all services and not practical for each hospital. CHA is willing to provide top 50 (41% of all services) or top 100 (46% of all services) for the industry if that is necessary.

Net revenue at the HCPC/CPT level is not possible. Net revenue at almost any detail level metric is not available and hospitals do not have that data. There are many different types of payment arrangements that are not made at a detail level (DRG, per diems, EAPGs, risk sharing payments, etc). Those are not accumulated at HCPC/CPT (or any level). Other methods could be used, however, to estimate net revenue by 1) taking HCPC/CPT volumes multiplied by average payment rates (perhaps from the APCD) or 2) using gross charges times a payment to charge factor/ratio or 3) obtaining data from the payers.

We would be happy to discuss this further or answer any questions.

Regards,

Tom Rennell

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## Re: [response requested] hospital facility fee hospital data requirements

1 message

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Tom Rennell <Tom.Rennell@cha.com>

Thu, Dec 28, 2023 at 1:55 PM

To: "Dolson - HCPF She Her, Nancy" <nancy.dolson@state.co.us>

Cc: Ryan Westrom <Ryan.Westrom@cha.com>, Adeline Ewing <adeline.ewing@cha.com>, Joshua Ewing <Joshua.Ewing@cha.com>, "Parrott, Rebecca" <rebecca.parrott@state.co.us>

Hello Nancy. Yes, the response and services we analyzed were only for OP services.

The term facility fee is a bit of an ambiguous term and defined differently by different people. One way to look at it, is that it isn't a professional fee (billed on a 1500 claim form). As such, anything billed by a hospital on a UB-04 covers 'facility'. That would be inpatient and outpatient, but this legislation calls out OP. Facility fees are on or off campus. Seems that most consumers think of facility fees as when there is both a hospital claim and a professional claim during the same encounter/service. Hospital claims do not have any coding to distinguish that certain circumstance. Someone would need to analyze professional claims and look at the place of service coding (19 is used for hospital OP/ off campus). Then find out if there was a hospital claim for that same service.

Hope that helps

Tom

On Dec 27, 2023, at 3:24 PM, Dolson - HCPF She Her, Nancy <nancy.dolson@state.co.us> wrote:

Hi Tom,

Thanks so much for your timely response. I do have a follow up question or two for you, please. 1) are CHA's responses specific to outpatient hospital facility fees and not inpatient? As the legislation is concerned with facility fees on outpatient services, I should have made that clear. 2) I believe hospitals almost always charge their facility fee for services provided at on campus or off campus outpatient departments. If a patient receives services at an on campus or off campus outpatient department, will they receive a facility fee bill? If there are some instances where they would not receive a bill for the facility fee, can you let me know what those instances are?

Also, I know I owe you a response on your UPL question. I should be able to respond back to you this week.

Thanks again,  
Nancy

Nancy Dolson

Special Financing Division Director

Finance Office

[she/her/hers](#)

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On Tue, Dec 26, 2023 at 12:41 PM Tom Rennell <[Tom.Rennell@cha.com](mailto:Tom.Rennell@cha.com)> wrote:

Hello Nancy et al. Attached, please find CHA response to the questions posed below. Thanks much.

**Tom Rennell, MPH**  
Senior Vice President

Colorado Hospital Association  
c: 303.335.7134  
[www.cha.com](http://www.cha.com)

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**From:** Dolson - HCPF She Her, Nancy <[nancy.dolson@state.co.us](mailto:nancy.dolson@state.co.us)>  
**Sent:** Wednesday, December 20, 2023 3:54 PM  
**To:** Tom Rennell <[Tom.Rennell@cha.com](mailto:Tom.Rennell@cha.com)>; Ryan Westrom <[Ryan.Westrom@cha.com](mailto:Ryan.Westrom@cha.com)>  
**Cc:** Parrott, Rebecca <[rebecca.parrott@state.co.us](mailto:rebecca.parrott@state.co.us)>; Jacob Curtis - HCPF <[jacob.curtis@state.co.us](mailto:jacob.curtis@state.co.us)>; greg [governmentperformance.us](http://governmentperformance.us) <[greg@governmentperformance.us](mailto:greg@governmentperformance.us)>  
**Subject:** [response requested] hospital facility fee hospital data requirements

Hi Tom and Ryan,

As I mentioned in our meeting today, I am reaching out for CHA's feedback on some elements of the facility fee data request pursuant to 25.5-4-2016(6)(b), C.R.S.

HCPF is designing the surveys that are required as part of the hospital facility fee study. A draft of the surveys will be presented to the steering committee on January 9, 2024. The legislation is clear on what information the surveys are to collect and the draft survey will adhere closely to those requirements. However, it is clear a few areas of the legislative language require more definition to ensure the respondents are aware of exactly what is being asked. I am reaching out to you on a couple of the requirements in the Hospital and Health Systems survey. We are hoping your feedback will allow us to provide clarity to the following survey requirements:

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    - **Alternatively, if the survey were to request the top 25 CPT codes for which facility fees were charged, would that cover most (80%? 90%?) of the total gross and net revenue facility fee revenue?**

The survey draft will be sent to Committee members on January 2, so unfortunately there is a short turnaround for getting answers to these questions. We would very much appreciate it if we could get your feedback **by December 28th**.

Thank you very much for your assistance with this matter,

Nancy

Nancy Dolson

Special Financing Division Director

Finance Office

[she/her/hers](#)



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