

HB23-1215

Hospital Facility Fee Steering Committee

Facilitated by:
Government Performance Solutions, Inc. (GPS)

Tuesday, July 9, 2024
4:00 – 6:00 p.m.



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Department of Health Care
Policy & Financing



Virtual meeting guidelines

Here are some ideas to make virtual collaboration easy on us all:



This meeting is being recorded!



If your computer has a camera, please keep it on. Be careful there is nothing revealing in your background. We suggest using the blur feature or virtual background.



Put your computer microphones (or phone) on mute



Use the chat feature to share ideas and ask questions



Click the Live Transcript icon at the bottom of your screen

Welcome



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Who's on the steering committee?

1. Isabel Cruz, Policy Director, Colorado Consumer Health Initiative
2. Diane Kruse, Health Care Consumer
3. Dr. Omar Mubarak, Managing Partner, Vascular Institute of the Rockies
4. Dan Rieber, Chief Financial Officer, UHealth
5. Bettina Schneider, Chief Financial Officer, Colorado Department of Health Care Policy and Financing (HCPF)
6. Kevin Stansbury, Chief Executive Officer, Lincoln Health
7. Karlee Tebbutt, Regional Director, America's Health Insurance Plans



Why are we here? HB23-1215

- HCPF must form a steering committee to deliver to the state House of Representatives Health and Insurance Committee, the Senate Health and Human Services Committee, or their successor committees a separate, one-time report by October 1, 2024, that details the impact of facilities fees using data from the past 10 years.
- **The Steering Committee is required to develop a report detailing the impact of facility fees**, defined as “any fee a hospital or health system bills for outpatient hospital services that is intended to compensate the hospital or health system for its operational expenses and separate and distinct from a professional fee charged or billed by a health-care provider for professional medical services.”
- The Steering Committee is entitled to receive and request data from the All-Payers Claims Database, hospitals, and health systems, Health Care Policy and Financing (HCPF), Division of Insurance (DOI), commercial payers, and independent providers.

What will we accomplish today?

1. Agenda, shared purpose, and commitments (10 min)
2. Data scorecard recap and action items (20 min)
3. Facility fee vs. professional fee comparison (35 min)
4. Hospital and Health System survey summary (25 min)
5. Final report design and tactics (15 min)
6. Public comment 5:45 - 5:55 p.m. (10 min)
7. Next steps (5 min)

Recap: Our boundaries

- The steering committee will keep the scope of work confined to HB23-1215's requirements.
- There may be limitations on the data available for actuarial analysis, so the report will be based on what is available.
- The steering committee shall not share publicly any information submitted to the steering committee as “confidential.”

Procedural norms

- Follow [open meeting laws](#) protocols; communication between 2 or more steering committee members requires public notice
- If we need to vote to confirm consensus on the accuracy and completeness of the language/data that explain the impact, we will
 - Use roll call vote and ask dissenters to draft their opinion
 - If unable to attend a meeting where a vote is occurring, share your vote and opinion in writing before the meeting
- Have public comment at the end of the meeting, unless voting on impact/decision, then prior to the vote

Shared behavioral commitments

In January, the group adopted these (8) behavioral commitments:

- Engage in candid, honest dialogue while maintaining an open mind about other's positions
- Avoid acronyms and speak up if you require clarification
- Stay on topic and within the boundaries established in [HB23-1215](#)
- Use the raise hand function to signal your desire to speak; allow some grace if there is a topic change
- Be succinct in your engagement to make room for others to ask questions and share their opinions
- Maintain mutual respect, acknowledging that each person has been chosen for a reason and is equally important
- It's okay to disagree, but do so without being disagreeable
- Be on camera by default; notify others if there is a reason you cannot

Data Scorecard and Upcoming Meetings



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Recap

- Prior to last meeting, Optumas and HCPF developed a spreadsheet that highlights:
 - Requirement
 - Planned analysis
 - Data availability
 - **Green**—data available and the analysis is understood
 - **Yellow**—With Steering Committee support, the data is available and analysis is possible
 - **Red**—There are barriers to data access and/or analysis that may not be surmountable
- We have updated the spreadsheet based on recent progress and the Steering Committee’s request to map topic against future meetings

Follow-up Actions and Status

Based on the June 11 Steering Committee meeting, Optumas and HCPF completed the following follow-up actions:

1. Updated the progress notes in the scorecard (for example, the data is not available through the Division of Insurance (DOI), but is available through the APCD)
2. Reexamined the data to evaluate pulling Medicare Advantage into its own section
3. Clarified the language in the memo (for example, explain partially denied claims)
4. Identified which parts of the legislation specifically call out member cost share
5. Verified the splits required in legislation are in the data (for example, pay by type, site of service modifiers are not consistently used by commercial payers)

Other actions taken include:

6. DOI confirmed Medicare Advantage plans/premiums are outside of their purview

Meeting Dates and Topics

July 9	July 16	August 13
<ul style="list-style-type: none"> Hospital and health system data including total revenue & facility fees (visits, top codes, gross revenue, off campus affiliates, etc.) Comparison of professional and facility fees (independent and affiliated providers) - methodology Impact on CHASE Review the updated final report design and tactics 	<ul style="list-style-type: none"> Impact on CHASE Comparison of professional and facility fees (independent and affiliated providers) - results Impact of facility fees & payer coverage policies Independent provider survey data on charges and policies Impact to Access to Care, Health Equity Facility Fee Legal Review 	<ul style="list-style-type: none"> Discuss the first draft of the report shared with the SteerCo on August 1 Identify areas of consensus and confirm via vote Clarify remaining open items and the path to close by October 1 <p><i>HCPF will notify the Legislature to expect the report on September 1</i></p>

Note: Reference to specific requirements in the legislation available in the scorecard: [CO HB1215 - Data Progress.xlsx - Google Sheets](#)

Facility vs. Professional Fee Comparison Methodology



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Overall Approach

- Comparing the average allowed amount per CPT billing unit between sites of service
 - HOPD facility fee
 - Professional non-facility fee
- Comparing at the CPT code level for the same list of codes
 - Combination of top frequent and highest overall allowed amount

Data

- HOPD Facility Fees
 - Consistent with data used for top code analytics
 - Medicare FFS and Medicare Advantage split
 - HOPD UB-04 claims within APCD
 - Bill types
 - 131: "Hospital, outpatient, admit through discharge."
 - 851: "Critical Access Hospital, outpatient, admit through discharge."

Data

- Professional Non-facility Fees
 - APCD identifies professional claims
 - HCFA 1500 claims
 - Validated with place of service
 - Provided on a consistent basis for professional
 - Limited to non-facility place of service
 - 11 - Office
 - 12 - Home
 - 81 - Independent Laboratory
 - Need to look at non-facility locations for identifying potential site of service differential

Data

- Affiliated and Independent Professional Fees
 - Utilizing IQVIA data to split professional visits between affiliated and independent providers by year
- Modifiers
 - Incorporated modifiers of TC and 26
 - TC: technical component
 - 26: professional component
 - Ensure that variation in reimbursement due to modifier is controlled for

Methodology: Exclusions

- Grouped payments
 - Cases when the entire visit is paid on one line of claim rather than split into each individual service
 - Would skew average allowed amount upward for HOPD
 - Removing instances where the individual line is same as overall HOPD facility fee amount

Claim ID	Code	Allowed Amount
1000001	72070	\$35
1000001	72100	\$40

Claim ID	Code	Allowed Amount
1000001	72070	\$75
1000001	72100	\$0

Methodology: Exclusions

- \$0 allowed lines
 - Excluded instances of individual line on a claim with \$0 allowed amount
 - Would skew average downward
- Denied
 - Removed instances where the individual line was denied

Methodology: Exclusions

- Outliers
 - After all other exclusions applied
 - Observed range of allowed amounts by code
 - Calculated top 5% of average unit cost by:
 - Payer type
 - CPT code w/key modifiers
 - Site of service (HOPD vs. Professional)
 - Affiliation status (professional only)
 - Removed any individual claim line where allowed per unit was above top 5% threshold

Methodology: Comparison

- Comparison splits will be shown in table format:
 - Payer type
 - Commercial
 - Medicare Advantage
 - Medicare FFS
 - Professional Affiliation status
 - Year
 - CPT code (top codes)
 - Will also show aggregate across top CPT codes
 - HOPD utilization weighted

Results

- Utilizing methodology outlined above and any potential additional discussion during this meeting
- Split by Medicare FFS, Medicare Advantage, and Commercial
 - Independent and affiliated split
 - Potential additional split for Medicare off-campus
- Comparing individual code level, and aggregate of top codes based on HOPD utilization

Hospital and Health System Survey & Supplemental Data



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Hospital Survey & Supplemental Data (1 of 3)

HB23-1215 Requirements:

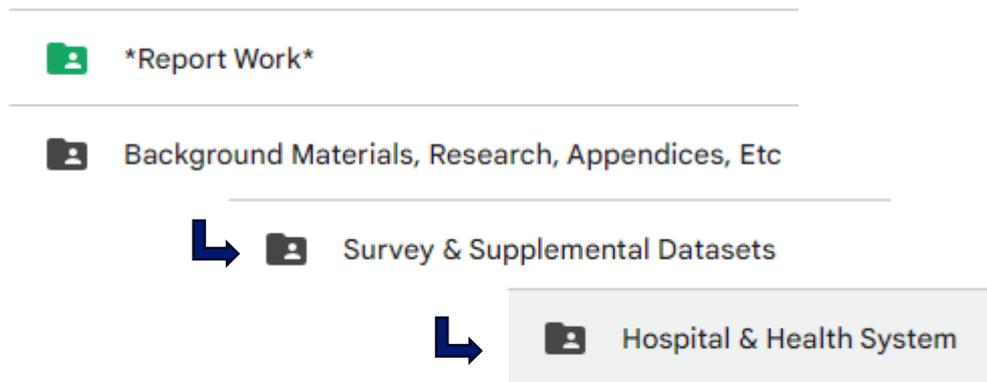
- (Subsection 6) The report must include an analysis of: (b) Data from hospitals and health systems
- (Subsection 10) A statewide association of hospitals may also provide data specified in subsection (6)(b) of this section to the steering committee

Uses of Supplemental Data:

- Understand how to use data within the APCD to reflect billing policies
- Validate APCD analysis findings with parallel dataset
- Explore other findings

Hospital Survey & Supplemental Data (2 of 3)

- Survey is a sample within a sample
 - 60 hospitals represented & Top 25 or 50 codes
 - Affiliations, billing policies, count of billing codes or gross charges
 - Depending on the year and value, between 30 to 73% of a complete dataset
- Colorado Hospital Association Supplemental Dataset
- [Survey & Supplemental Dataset > Hospital & Health System](#)
 - Datasets
 - Affiliations
 - Billing Policies



Hospital Survey & Supplemental Data (3 of 3)

The data allowed us to:

- ✓ Utilize APCD correctly for this project
- ✓ Confirm high payment services in the APCD
 - Injected drugs and other drugs have highest gross charges per CPT billed
- ✓ Explore the relationship between gross charges and net patient revenue (payments)

Payments versus Gross Charges

- Confusion/complexity of medical billing + the widening gap between gross charges and actual payments
- Out of network protections
 - Coloradans are protected from certain surprise medical bills under both state and federal law for most emergency and some non-emergency services
- Uninsured protections
 - Financial assistance
 - Hospital Discounted Care
 - Hospital Price Transparency, good faith estimates

Final Report



Final Report

Let's discuss two separate, but important things:

1. Final report design
2. Process to get to the final report

1) Final Report Design Update

- The report can contain a letter from the steering committee acknowledging the challenge of the task and reinforcing caveats
 - GPS will draft a Letter from the Steering Committee to accompany the draft, including challenges, caveats, etc.
- The report must be ADA-compliant.
- Tables should not be within the body - but OK as part of the Appendix.
- We will utilize end notes to keep the document readable.
- We can join PDFs within the appendix.

2. Final Report Review Process (1 of 2)

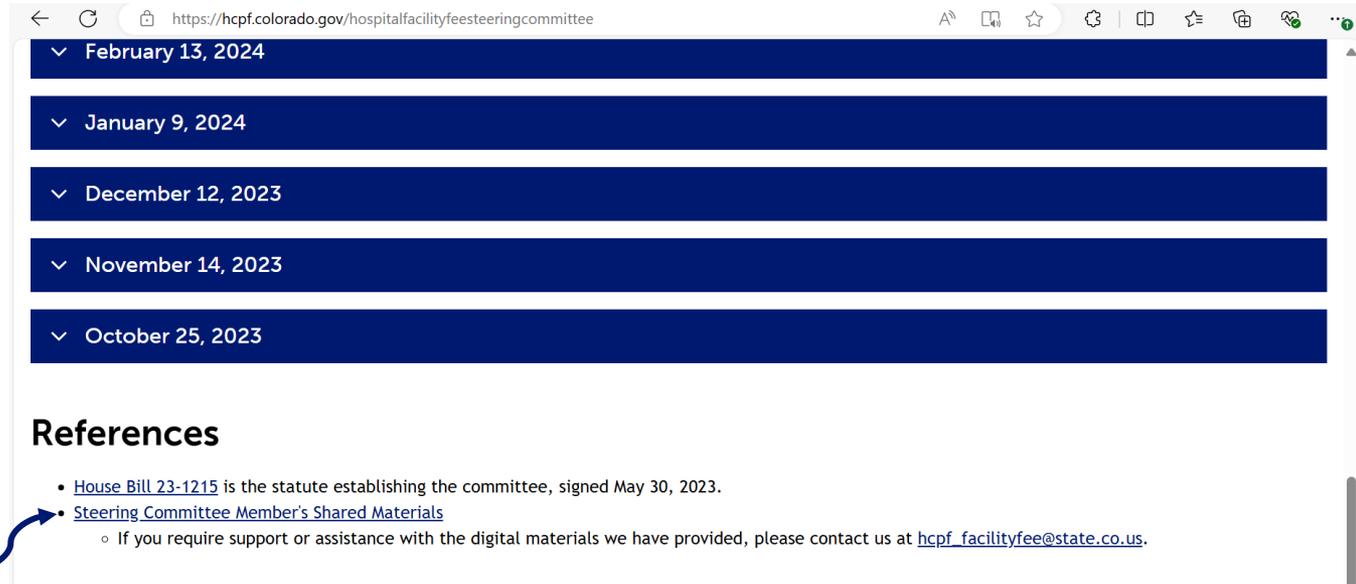
Options:

1. Build the report in a single document modifying sections simultaneously and depending upon the Steering Committee to navigate to different sections for discussion
2. Build, share, and review digestible segments separately that contain only content that is ready for review

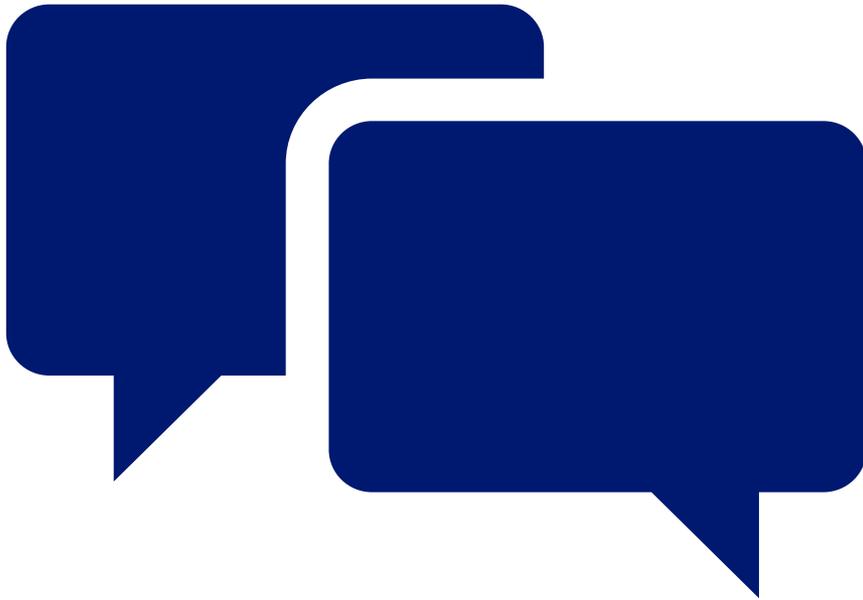
2. Final Report Review Process (2 of 2)

Proposal:

- Deliver sections that are ready for review to the steering committee with targeted review requests
- Utilize the Member's Shared Materials folder on the website to enable one-stop-shopping and avoid too many emails



[Steering Committee Member's Shared Materials](#)



Public Comment

Public comment

Please...

1. Indicate you wish to offer public comment:
 - Speak to the facilitator if in person
 - Use the “raise your hand” icon if online
 - Hit *9 to raise your hand if you are on the phone.
2. Wait to speak until the facilitator calls your name.
3. Make your comments within the request time limit to allow other time to speak.
4. Written comments are also welcome at hcpf_facilityfee@state.co.us

Thank you!

Next Steps



Next steps

- There will be a second July meeting next Tuesday, July 16, from 4:00 - 6:00 PM
 - The remaining scorecard items and data will be addressed
 - Additional discussion of the final report format
 - *Note: Materials for this meeting will be sent on 7/10*
- The analysis and facilitation team (HCPF, Optumas, GPS) will share a first draft of the full report with the Steering Committee by August 1

Thank you!

