

# HB23-1215

## Hospital Facility Fee Steering Committee

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

Tuesday, May 14, 2024  
4:00 – 6:00 p.m.



**COLORADO**  
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, UC Health
5. Bettina Schneider, Chief Financial Officer, Colorado Department of Health Care Policy and Financing (HCPF)
6. Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital
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?

- Confirm shared purpose, boundaries, requirements, and our behavioral commitments (10 min)
- Review data scorecard concept, then discuss key gaps and closure plan (30 min)
- Discuss commercial market methodology (40 min)
- Review proposal for the perspectives section of the draft report (30 minutes total including 10 minutes of public comment and voting)
- Engage in Q&A and discuss 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



# Recap

- At last meeting there was a request to understand the status of data aligned with each of the requirements of HB23-1215
- Optumas and HCPF have 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

# Handling the Obstacles

- For **Yellow** items, Optumas and HCPF will share the proposed path and solicit Steering Committee feedback
  - For **Red** items, we will discuss more radical options and determine if the Steering Committee is comfortable proceeding
  - Example: Here's what we learned from the Commercial Market:
    - Provider surveys show varying levels of detail in the billing policies; there is no Medicare equivalent
    - Payer surveys report that payers don't pay for these if they were an incremental add-on
      - If billing indirectly, then wouldn't see it
      - Options:
- Let's dig deep on commercial market methodology implications

# Commercial Methodology



# What We Found (1 of 2)

## Billing Policies - Provider Surveys

- Varying level of detail
- Commented on Medicare billing policies (already captured)
- Mentioned using standard coding practices - some offered additional detail
  - Revenue code 0510 -
    - Evaluation & Management codes for hospital outpatient department clinic
  - Technical Component (TC) modifier -
    - Only applicable to radiology
  - Most talked about general billing of acceptable codes, and no specific “incremental” facility fee comparable to Medicare methodology

# What We Found (2 of 2)

## Billing Policies - Provider Surveys

- Do not normally cover “incremental” facility fee as part of the covered benefits
  - Can be one-time contracting exceptions, but not common
- Payers noted that there also may be trouble identifying the “incremental” facility fee that may be added on
  - Consistent with other findings that there is not a stand-alone code comparable to Medicare

# Thoughts on Next Steps

- No analogous billing policy to Medicare to identify any “incremental” facility fee in Commercial
- Proposal:
  - Align with definition in bill to capture hospital outpatient department (HOPD) billing associated with hospital operational expenses
  - Consider entire non-emergency department HOPD visits as the facility fee portion, separate from professional billing
  - Allows for analytics on APCD to report on HOPD services
    - Consistent with statute, CHA’s submission, and Connecticut’s practice
    - Would be similar approach to analytics for Medicare Memo that identified top codes by visit count/allowed amount/member share



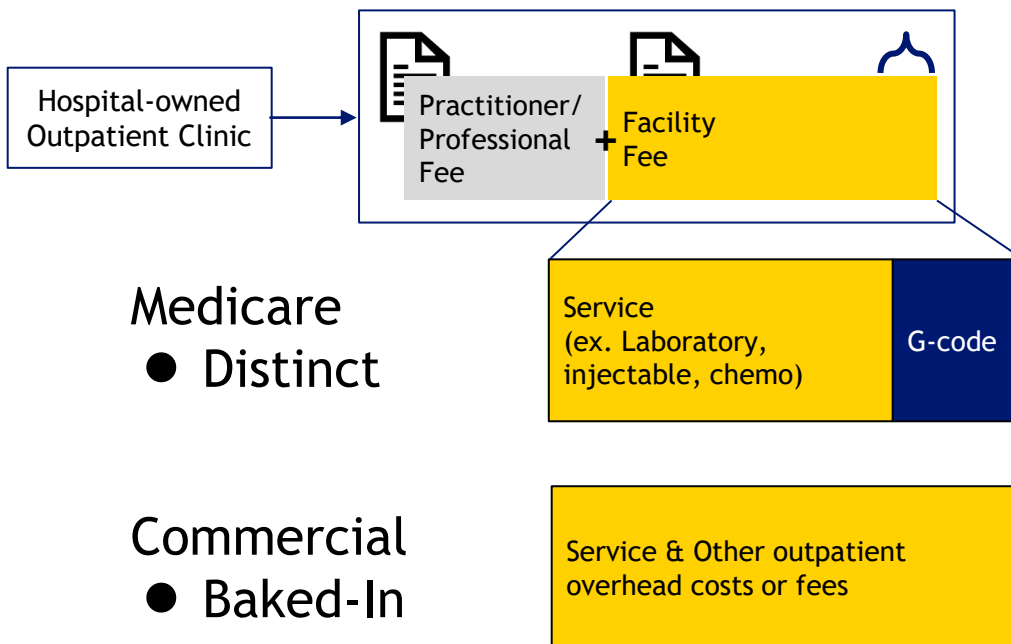
# Facility Fee Definition

(d) "Facility fee" means any fee a hospital or health system charges or bills for outpatient hospital services that is:

(I) Intended to compensate the hospital or health system for its operational expenses; and

(II) Separate and distinct from a professional fee charged or billed by a health-care provider for professional medical services.

# Methodology Illustration



Considering the entire HOPD portion of a visit - separate and distinct from professional component - for Commercial reporting purposes

# Impact Methodology



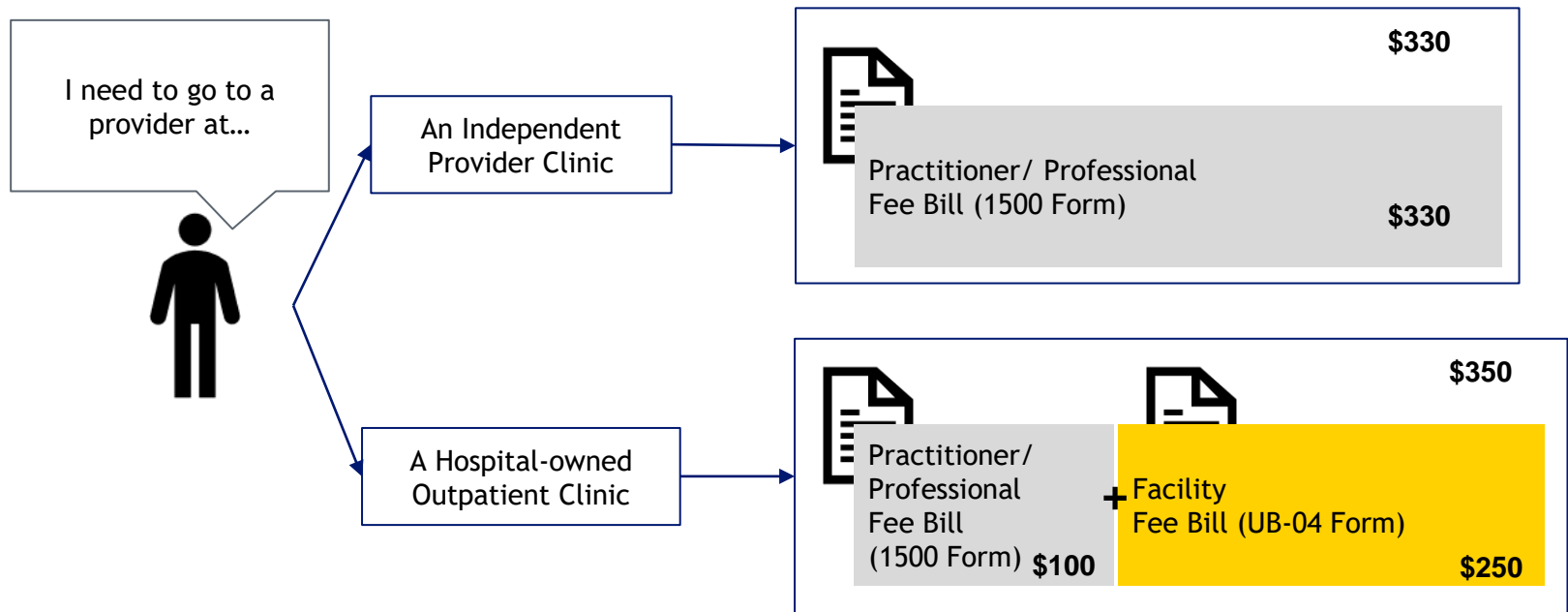
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# Intended to compensate the hospital or health system for its operational expenses

Depending on the location of the visit, a person may receive 1 or 2 bills from the provider. If a person goes to a HOPD (on-campus or off-campus), they may receive a bill from the provider and a bill from the facility



# Impact to Health Care Charges for Affiliated Providers

## Why the extra cost?

The grand total for services at a hospital outpatient clinic is slightly higher than the grand total for services at a private physician clinic. This is because the same strict regulations that apply to hospitals – like state and federal requirements about patient safety, processes and procedures such as patient discharge, and strict requirements for building requirements – also apply to hospital outpatient locations.



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## Hospital Outpatient Prices Far Higher, Rising Faster than Physician Sites

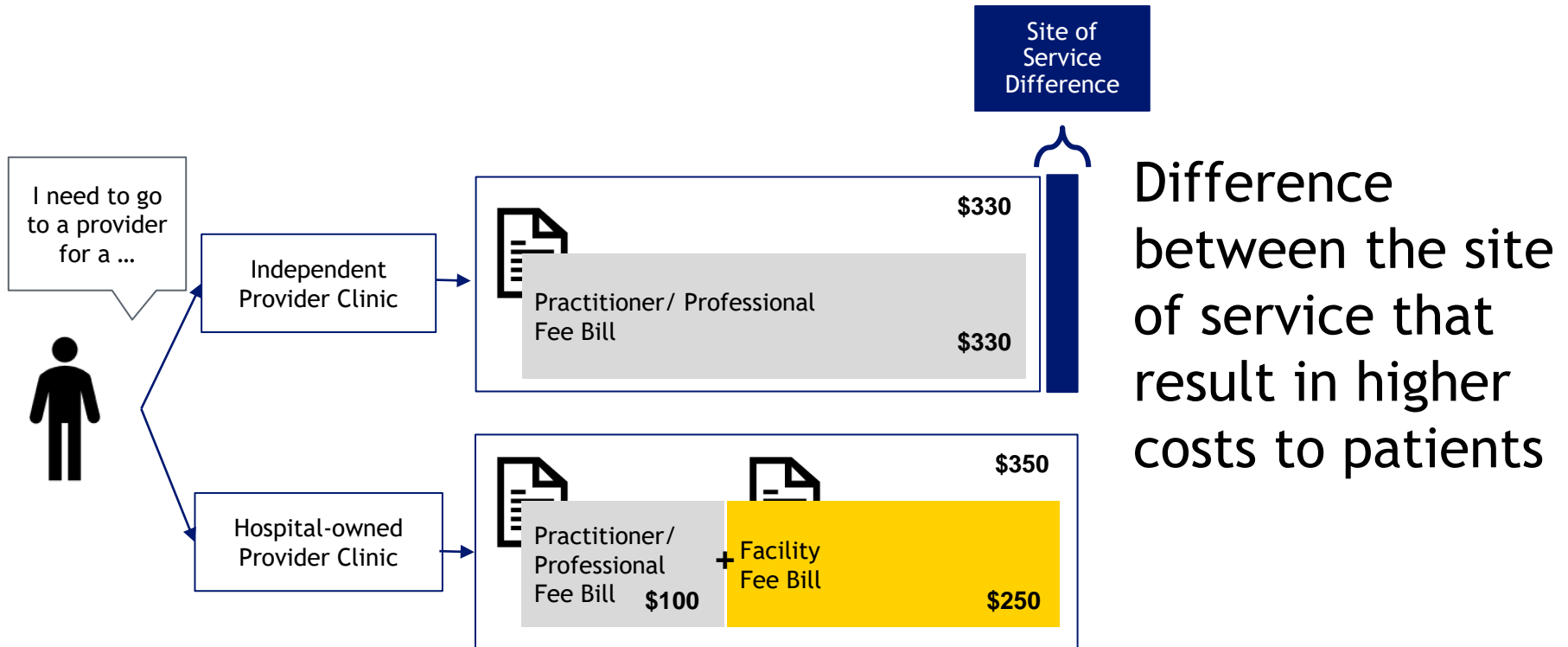
Published December 14, 2023

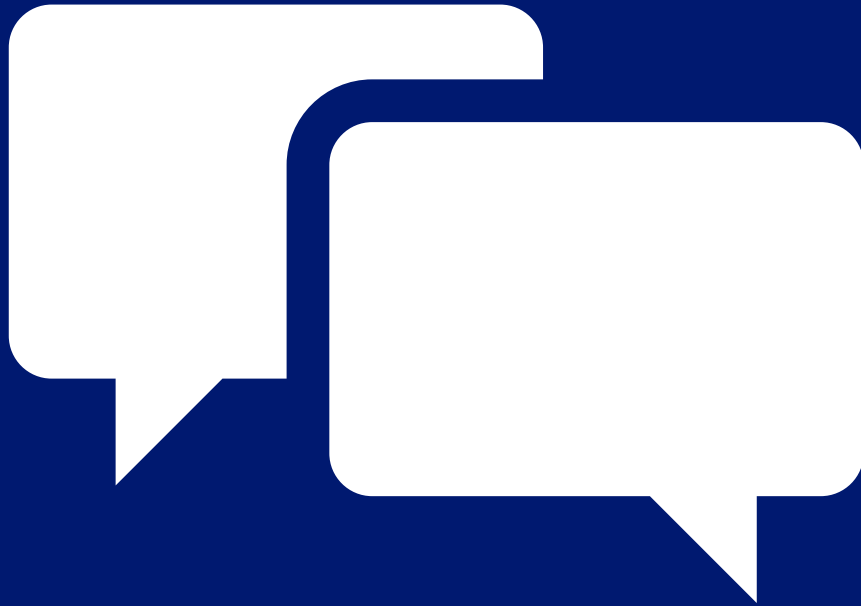
The difference between independent provider clinics and hospital-owned and affiliated outpatient clinics.

**What is the impact of the additional hospital overhead?**



# 25.5-4-216(5)(g): The charges for health-care services rendered by health-care providers affiliated with or owned by a hospital or health system, and including a comparison of professional fee and facility fee charges.





# Discussion



# Proposal for the Draft Final Report Perspectives Section





# Proposal for Handling Perspectives Section (1 of 2)

In April, the Steering Committee agreed that the Perspectives section was important but didn't align on specifics. Here is GPS's proposal from April 17 for consideration:

**Goal of the Section:** Deliver concise, balanced perspectives from groups impacted by facility fees that help the reader understand that this is a multi-faceted issue.

## Proposal (continued on next page):

- We will have four separate perspectives: Consumers (Diane/Isabel), Payers (Karlee/Bettina), Independent Providers (Dr. Mubarak), and Hospitals (Kevin/Dan).
- Each group will be allowed 1 page to offer their perspective, *focused on articulating the impact of outpatient facility fees* from their point of view.
- The exception is that hospitals will be allowed 2 pages with the caveat that they represent both the urban/suburban hospital perspective and the rural/critical access hospital perspective distinctly.

# Proposal for Handling Perspectives Section (2 of 2)

In April, the Steering Committee agreed that the Perspectives section was important but didn't align on specifics. Here is GPS's proposal from April 17 for consideration:

## Proposal (continued from previous page):

- There will be no rebuttals nor vetoes. Our goal is to offer balance to the reader, not try to win an argument.
- Transparency will be offered throughout by working on the common draft. We must observe Sunshine laws so please do not hold meetings without seeking help to properly notice any meeting of 2 or more of you. (You've done great so far!)
- Groups can solicit support from others (e.g., associations, facilitators, etc) to help refine their drafts but the language should make it clear this is the perspective of steering committee member(s) representing the (4) groups.

**Would anyone like to make a motion?**

# Perspectives Section Committee Action

Instructions for roll call vote:

- A motion is made by a member of the Committee and seconded by another member
- Discussion occurs, answering questions and providing viewpoints on motion specifics (~7 minutes)
- Public comment is sought
- The facilitator calls the question and reads names alphabetically and each committee responds with their vote (Support/Oppose)
- 4+ votes = Motion carries
- Record results in the notes



# 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](mailto:hcpf_facilityfee@state.co.us)

Thank you!

# Perspectives Section Steering Committee Action



# Perspectives Section Committee Action

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# Steering Committee Questions & Next Steps



# Next steps

- Next Steering Committee is on June 11, 2024, from 4:00 - 6:00 PM
- Prepare additional data analysis based upon feedback received today



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# Thank you!

