HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Thursday September 10, 2020
2:00-4:00 PM

Friday, September 11, 2020
1:00-4:00 PM

Location: Online Only

Conference Line: 1-877-820-7831 Passcode: 294442#

Topic Suggestions, due by close of business one week prior to the meeting. Send suggestions to diana.lambe@state.co.us or Andrew.abalos@state.co.us.

Welcome & Introductions

- **Thank you for participating today!**
- We are counting on your participation to make these meetings successful

GROUND RULES FOR WEBINAR

- **WE WILL BE RECORDING THIS WEBINAR.**
- **ALL LINES ARE MUTED. PRESS *6 IF YOU WISH TO UNMUTE. PARTICIPANTS CAN ALSO UTILIZE THE WEBINAR CHAT WINDOW**
- If background noise begins to interrupt the meeting, all lines will be muted.
- Please speak clearly when asking a question and give your name and hospital

Thank you for your cooperation

AGENDA

9/2020 Hospital Engagement Meeting Topics
Outpatient - EAPG Grouper Update for claims processing
FY20-21 Rate Update
DRAFT Inpatient Base Rate Methodology
Inpatient Hospital Review Program Suspension
Inpatient Subacute Care
EAPG Module Update
EAPG Version Updates
Outpatient Hospital Rates
Outpatient SPA Updates
2020 Regulatory Efficiency Review

Dates and Times for Future Hospital Stakeholder Engagement Meetings in 2020

Dates of Meetings	Meeting Time
~~January 10, 2020~~	~~1:00pm-4:00pm~~
~~March 6, 2020~~	~~9:00am-12:00pm~~
~~May 1, 2020~~	~~9:00am-12:00pm~~
~~July 10, 2020~~	~~1:00pm-4:00pm~~
~~September 11, 2020~~	~~1:00pm-4:00pm~~
November 6, 2020	9:00am-12:00pm

The agenda for upcoming meetings will be available on our external website on a Monday the week of the meeting. https://www.colorado.gov/pacific/hcpf/hospital-engagement-meetings

Please note the offset dates and times to work around holidays AND Medical Services Board

Inpatient/Outpatient Topics

Outpatient - EAPG Grouper Update for claims processing

The Department has made updates to the editing process of the 3M EAPG Grouper functionality

- 3M will load these changes to the EAPG Grouper on 9/24/20
- The effective date will be 10/1/20 for the header FDOS on the claims

- Providers may see new EOBs returned with claims. Pricing should not be affected beside new edit 4455.
- New Edit 4455 will Deny the line - "EAPG-Units of ancillary observation reported exceeds 48 hours"

FY20-21 Inpatient Rates are Final

- The Department ended the 2nd 30-day review period on August 29, 2020.
- FY19-20 rates will remain in effect until CMS approval is received and claims with last service dates >= 7/1/2020 are reprocessed.
- The timeline for CMS approval is out of our hands, but we hope to get approval before Nov/Dec.

DRAFT Base Rate Methodology

Underlying Base Rate Methodology:

- Uses Federal Base Rate as the starting point
  - Every hospital starts with the same underlying base rate. Published annually Final Rule Tables: 1A-1E
    - FFY 2021 = $5,979.74 (proposed)
  - Add-ons will then adjust the Federal Base Rate

FY 2021 PR Tables 1A-1E							
TABLE 1A. PROPOSED RULE NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS; LABOR/NONLABOR (68.3							
Hospital Submitted Quality		Hospital Submitted Quality		Hospital Did NOT Submit Quality		Hospital Did NOT Submit	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
$4,084.16	$1,895.58	$3,994.60	$1,854.01	$4,054.31	$1,881.72	$3,964.74	$1,840.15
TABLE 1B. PROPOSED RULE NATIONAL ADJUSTED OPERATING STANDARDIZED AMOUNTS, LABOR/NONLABOR (62 PERCENT							
Hospital Submitted Quality		Hospital Submitted Quality		Hospital Did NOT Submit Quality		Hospital Did NOT Submit	
Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related	Labor-related	Nonlabor-related
$3,707.44	$2,272.30	$3,626.14	$2,222.47	$3,680.34	$2,255.69	$3,599.03	$2,205.86
TABLE 1C. PROPOSED RULE ADJUSTED OPERATING STANDARDIZED							
	Rates if Wage Index Greater		Rates if Wage Index Less			3707.44	4084.16
	Labor	Nonlabor	Labor	Nonlabor		2272.3	1895.58
National[1]	Not Applicable	Not Applicable	$3,707.44	$2,272.30		5979.74	5979.74
[1]For FY 2021, there are no CBSAs in Puerto Rico with a national wage index							

DRAFT Base Rate Methodology

Types of Add-Ons = Binary

- Critical Access Hospital = Y, then 20% add-on, If N, then 0.
- Independent Hospital (from Medicare/Medicaid Cost Reports). If Hospital is not part of a Hospital System (Independent), then 15% add-on. If Not Independent, then 0.

ADD-ON PARAMETERS	FFY 2020 Proposed Federal Base Rate	CAH (IF Y, HOSPITAL GETS 20%)	Hospital System (Source: Medicare/Medicaid Cost Report)	Independent (IF HOSPITAL SYSTEM = NULL, THEN 15%)
Add-On Amount	$5,462.26	20%		15%
Ceiling	N/A	N/A		N/A
Floor	N/A	N/A		N/A
RURAL HOSPITALS	$5,979.74			
Fake Hospital A: Independent Low Discharge	$5,462.26	0.0%		15.0%
Fake Hospital B: CAH, Idependent	$5,462.26	20.0%		15.0%
Fake Hospital C: Not Independent	$5,462.26	0.0%	Not Independent	0.0%
Fake Hospital D: Had High Medicare Base Rate	$5,462.26	0.0%		15.0%
Fake Hospital E: Not Independent, Had High Medicare Base Rate	$5,462.26	0.0%	Not Independent	0.0%
URBAN HOSPITALS				
Fake Hospital F: Independent	$5,462.26	0.0%		15.0%
Fake Hospital G: Not Idependent	$5,462.26	0.0%	Not Independent	0.0%
Fake Hospital H: CAH, Independent	$5,462.26	20.0%		15.0%
Fake Hospital I: Independent, Low Discharge	$5,462.26	0.0%		15.0%
Fake Hospital J: Not Independent	$5,462.26	0.0%	Not Independent	0.0%
Fake Hospital K: Independent	$5,462.26	0.0%		15.0%
Fake Hospital L: Not Independent	$5,462.26	0.0%	Not Independent	0.0%
Fake Hospital M: Independent, High Medicare Base Rate	$5,462.26	0.0%		

DRAFT Base Rate Methodology

Types of Add-Ons = Binary

- **Readmission Factor:** Currently using Medicare Readmission Reduction. We will just input the factor which is up to a 3% reduction.
- **HAC Reduction Indicator:** Currently using Medicare HAC Reduction. Again, we will just input the indicator and if Yes, then 1% reduction.

ADD-ON PARAMETERS	READMISSION FACTOR	Medicare Readmission Reduction up to 3%	HAC REDUCTION INDICATOR Y=YES	Medicare HAC Reduction = 1%
Add-On Amount	Currently using Medicare for this measure and is capped at 3% reduction		Currently using Medicare for this measure which is Y=1% reduction	
Ceiling				
Floor				
RURAL HOSPITALS				
Fake Hospital A: Independent Low Discharge	1.0000	0.00%	N	0%
Fake Hospital B: CAH, Idependent	0.0000	0.00%	0	0%
Fake Hospital C: Not Independent	0.9985	-0.15%	N	0%
Fake Hospital D: Had High Medicare Base Rate	1.0000	0.00%	Y	-1%
Fake Hospital E: Not Independent, Had High Medicare Base Rate	0.9995	-0.05%	N	0%
URBAN HOSPITALS				
Fake Hospital F: Independent	0.9931	-0.69%	Y	-1%
Fake Hospital G: Not Idependent	0.9982	-0.18%	Y	-1%
Fake Hospital H: CAH, Independent	0.0000	0.00%	0	0%
Fake Hospital I: Independent, Low Discharge	1.0000	0.00%	N	0%
Fake Hospital J: Not Independent	0.9983	-0.17%	N	0%
Fake Hospital K: Independent	0.9991	-0.09%	N	0%
Fake Hospital L: Not Independent	0.9991	-0.09%	Y	-1%
Fake Hospital M: Independent, High Medicare Base Rate	0.0000	0.00%	0	0%

DRAFT Base Rate Methodology

Types of Add-Ons = Continuous utilizing Ceiling and Floor

Why: Currently have a hard cut-off where any hospital with less than 21 discharges is considered low discharge. This resulted in some hospitals losing low discharge status (and peer group rate status) with just 23 discharges in a particular year.

How we are fixing:

- Use a 3-year average for data collected to moderate year to year changes
- Use a calculation that will slowly reduce the add-on amount to $0 as it approaches the ceiling.
  - IF Number >= Ceiling, then 0
  - IF Number <= Floor, then full Add on Amount
  - Otherwise, ((Ceiling - Number)/(Ceiling - Floor)) *Add On

ADD-ON PARAMETERS	FFY 2020-21 PROPOSED Federal Base Rate	LOW DISCHARGE	DRAFT	
Add-On Amount	$5,979.74	10%		
Ceiling		50		
Floor		21		
Hospital Name	**FFY 2020-21 PROPOSED Federal Base Rate**	**Medicaid Avg Discharges 3 Yr Avg (FY16-17 thru FY18-19) (Not Adjusted)**	**Potential Low Discharge Add-On Percentage**	**Potential Low Discharge Add-On Amount**
SAMPLE HOSPITALS	Will Likely be Reduced to Fit State Budget			
FAKE HOSPITAL A	$5,979.74	3	10.00%	$597.97
FAKE HOSPITAL B	$5,979.74	15	10.00%	$597.97
FAKE HOSPITAL C	$5,979.74	21	10.00%	$597.97
FAKE HOSPITAL D	$5,979.74	22	9.66%	$577.35
FAKE HOSPITAL E	$5,979.74	23	9.31%	$556.73
FAKE HOSPITAL F	$5,979.74	24	8.97%	$536.11
FAKE HOSPITAL G	$5,979.74	25	8.62%	$515.49
FAKE HOSPITAL H	$5,979.74	26	8.28%	$494.88
FAKE HOSPITAL I	$5,979.74	27	7.93%	$474.26
FAKE HOSPITAL J	$5,979.74	28	7.59%	$453.64
FAKE HOSPITAL K	$5,979.74	29	7.24%	$433.02
FAKE HOSPITAL L	$5,979.74	30	6.90%	$412.40
FAKE HOSPITAL M	$5,979.74	31	6.55%	$391.78
FAKE HOSPITAL N	$5,979.74	32	6.21%	$371.16
FAKE HOSPITAL O	$5,979.74	33	5.86%	$350.54
FAKE HOSPITAL P	$5,979.74	34	5.52%	$329.92
FAKE HOSPITAL Q	$5,979.74	35	5.17%	$309.30
FAKE HOSPITAL R	$5,979.74	36	4.83%	$288.68
FAKE HOSPITAL S	$5,979.74	37	4.48%	$268.06
FAKE HOSPITAL T	$5,979.74	38	4.14%	$247.44
FAKE HOSPITAL U	$5,979.74	39	3.79%	$226.82
FAKE HOSPITAL V	$5,979.74	40	3.45%	$206.20
FAKE HOSPITAL W	$5,979.74	41	3.10%	$185.58
FAKE HOSPITAL X	$5,979.74	42	2.76%	$164.96
FAKE HOSPITAL Y	$5,979.74	43	2.41%	$144.34
FAKE HOSPITAL Z	$5,979.74	44	2.07%	$123.72
FAKE HOSPITAL AA	$5,979.74	45	1.72%	$103.10
FAKE HOSPITAL AB	$5,979.74	46	1.38%	$82.48
FAKE HOSPITAL AC	$5,979.74	47	1.03%	$61.86
FAKE HOSPITAL AD	$5,979.74	48	0.69%	$41.24
FAKE HOSPITAL AE	$5,979.74	49	0.34%	$20.62
FAKE HOSPITAL AF	$5,979.74	50	0.00%	$0.00
FAKE HOSPITAL AG	$5,979.74	51	0.00%	$0.00
FAKE HOSPITAL AH	$5,979.74	52	0.00%	$0.00
FAKE HOSPITAL AI	$5,979.74	53	0.00%	$0.00
FAKE HOSPITAL AJ	$5,979.74	54	0.00%	$0.00

For example: Each discharge greater than 29 and less than or equal to 49 results in an approximate $20 drop in the Low Discharge Add-On Payment

DRAFT Base Rate Methodology

Types of Add-Ons = Continuous utilizing Ceiling and Floor

- Payer Mix: Medicare & Medicaid Payer Mix 3-yr average, 20% add-on possible.
- Net Patient Revenue/Discharge: 3-yr average, 20% add-on possible.

ADD-ON PARAMETERS	PAYER MIX: Mcaid and Mcare payer mix 3 year avg	PAYER MIX ADD-ON	Net Patient Revenue (NPR)/discharge 3 year avg	NPR ADD-ON
Add-On Amount	20%		20%	
Ceiling	99%		$15,600.00	
Floor	68%		$0.00	
RURAL HOSPITALS				
Fake Hospital A: Independent Low Discharge	0.6341	0.00%	$21,917.29	0.00%
Fake Hospital B: CAH, Idependent	0.8150	8.78%	$10,176.72	6.95%
Fake Hospital C: Not Independent	0.7476	4.46%	$14,556.06	1.34%
Fake Hospital D: Had High Medicare Base Rate	0.3861	0.00%	$29,085.86	0.00%
Fake Hospital E: Not Independent, Had High Medicare Base Rate	0.5260	0.00%	$20,833.97	0.00%
URBAN HOSPITALS				
Fake Hospital F: Independent	0.5927	0.00%	$14,470.43	1.45%
Fake Hospital G: Not Idependent	0.6386	0.00%	$31,764.98	0.00%
Fake Hospital H: CAH, Independent	0.7622	5.40%	$28,901.41	0.00%
Fake Hospital I: Independent, Low Discharge	0.6264	0.00%	$7,311.86	10.63%
Fake Hospital J: Not Independent	0.6273	0.00%	$17,334.92	0.00%
Fake Hospital K: Independent	0.7849	6.85%	$10,059.85	7.10%
Fake Hospital L: Not Independent	0.6581	0.00%	$25,183.99	0.00%
Fake Hospital M: Independent, High Medicare Base Rate	0.5118	0.00%	$31,417.47	0.00%

DRAFT Base Rate Methodology

Types of Add-Ons = Continuous utilizing Ceiling and Floor

- Hospital Only Operating Expense/Discharge: 3-yr average, 20% add-on possible.
- Net Income/Discharge: 3-yr average, 10% add-on possible.

ADD-ON PARAMETERS	Hospital-only Operating Expense/discharge 3 year avg	OPERATING EXP ADD-ON	Net Income/discharge 3 year avg	NET INCOME ADD-ON
Add-On Amount	20%		10%	
Ceiling	$11,800.00		$2,150.00	
Floor	$0.00		$0.00	
RURAL HOSPITALS				
Fake Hospital A: Independent Low Discharge	$15,956.88	0.00%	$3,905.23	0.00%
Fake Hospital B: CAH, Idependent	$8,342.55	5.86%	-$184.07	10.00%
Fake Hospital C: Not Independent	$7,212.88	7.77%	$2,424.03	0.00%
Fake Hospital D: Had High Medicare Base Rate	$21,468.47	0.00%	$10,764.24	0.00%
Fake Hospital E: Not Independent, Had High Medicare Base Rate	$15,161.70	0.00%	$2,159.05	0.00%
URBAN HOSPITALS				
Fake Hospital F: Independent	$12,231.73	0.00%	$321.37	8.51%
Fake Hospital G: Not Idependent	$21,805.78	0.00%	$11,241.62	0.00%
Fake Hospital H: CAH, Independent	$21,172.14	0.00%	$2,343.23	0.00%
Fake Hospital I: Independent, Low Discharge	$4,232.32	12.83%	$103.80	9.52%
Fake Hospital J: Not Independent	$13,430.61	0.00%	$1,756.86	1.83%
Fake Hospital K: Independent	$11,867.00	0.00%	$291.17	8.65%
Fake Hospital L: Not Independent	$17,563.33	0.00%	$5,077.37	0.00%
Fake Hospital M: Independent, High Medicare Base Rate	$24,913.05	0.00%	$1,725.80	1.97%

DRAFT Base Rate Methodology

Types of Add-Ons = Continuous utilizing Ceiling and Floor

- Low Discharge (Avg Medicaid Discharges): 3-yr average, 10% add-on possible.
- Quality: TBD, currently set to 10% Add-On possible.
- Sum of All-Add-Ons/Reductions

ADD-ON PARAMETERS	Avg Discharges 3 yr average	LOW DISCHARGE ADD-ON	QUALITY (TBD - Not currently active)	Sum of All Add-Ons/Reductions
Add-On Amount	10%		10%	
Ceiling	50		N/A	
Floor	21		N/A	
RURAL HOSPITALS				
Fake Hospital A: Independent Low Discharge	21	10.0%	N	25.0%
Fake Hospital B: CAH, Idependent	388	0.0%	N	66.6%
Fake Hospital C: Not Independent	377	0.0%	N	13.4%
Fake Hospital D: Had High Medicare Base Rate	271	0.0%	N	14.0%
Fake Hospital E: Not Independent, Had High Medicare Base Rate	222	0.0%	N	0.0%
URBAN HOSPITALS				
Fake Hospital F: Independent	1,048	0.0%	N	23.3%
Fake Hospital G: Not Idependent	2,914	0.0%	N	-1.2%
Fake Hospital H: CAH, Independent	71	0.0%	N	40.4%
Fake Hospital I: Independent, Low Discharge	19	10.0%	N	58.0%
Fake Hospital J: Not Independent	3,639	0.0%	N	1.7%
Fake Hospital K: Independent	8,620	0.0%	N	37.5%
Fake Hospital L: Not Independent	8,401	0.0%	N	-1.1%
Fake Hospital M: Independent, High Medicare Base Rate	5,922	0.0%	N	2.0%

DRAFT Base Rate Methodology

Types of Add-Ons = GME Cost Add-On

- Federal Base Rate After Add-Ons/Reductions
- GME Cost Add-On: 10% of Medicaid Cost/Discharge (Same as Always)
- Federal Base Rate after Adjustments + GME

ADD-ON PARAMETERS	Federal Base Rate After Add-Ons/Reductions	GME COST ADD-ON (10% of Medicaid Cost Per Discharge)	Federal Base Rate after Adjustments + GME
Add-On Amount			
Ceiling			
Floor			
RURAL HOSPITALS			
Fake Hospital A: Independent Low Discharge	$6,827.82	$0.00	$6,827.82
Fake Hospital B: CAH, Idependent	$9,099.75	$0.00	$9,099.75
Fake Hospital C: Not Independent	$6,195.44	$0.00	$6,195.44
Fake Hospital D: Had High Medicare Base Rate	$6,226.97	$0.00	$6,226.97
Fake Hospital E: Not Independent, Had High Medicare Base Rate	$5,459.53	$0.00	$5,459.53
URBAN HOSPITALS			
Fake Hospital F: Independent	$6,732.96	$2.73	$6,735.69
Fake Hospital G: Not Idependent	$5,397.80	$62.93	$5,460.73
Fake Hospital H: CAH, Independent	$7,668.74	$0.00	$7,668.74
Fake Hospital I: Independent, Low Discharge	$8,628.71	$452.40	$9,081.11
Fake Hospital J: Not Independent	$5,552.85	$84.88	$5,637.74
Fake Hospital K: Independent	$7,511.31	$64.49	$7,511.31
Fake Hospital L: Not Independent	$5,402.72	$76.74	$5,402.72
Fake Hospital M: Independent, High Medicare Base Rate	$5,570.03	131.36	$5,701.39

DRAFT Base Rate Methodology

Calculating Estimated Budget for Current Year

- A: Federal Base Rate after Adjustments + GME
- B: Adjusted Discharges multiplied by Volume Inflators from Medical Premiums Expenditure and Caseload Report: (no change from prior methodology).
- C: Case Mix Index from Same Year as Adjusted Discharges
- Estimated Payment DRAFT Base Rate Methodology: A*B*C

ADD-ON PARAMETERS	Federal Base Rate after Adjustments + GME	Adjusted Discharges FY18-19	Case Mix Index FY18-19	Estimated Payments New Base Rate Methodology
Add-On Amount				
Ceiling				
Floor				
RURAL HOSPITALS				
Fake Hospital A: Independent Low Discharge	$6,827.82	25	1.49	$259,082.26
Fake Hospital B: CAH, Idependent	$9,099.75	417	0.94	$3,556,627.22
Fake Hospital C: Not Independent	$6,195.44	373	0.76	$1,747,444.57
Fake Hospital D: Had High Medicare Base Rate	$6,226.97	278	0.85	$1,468,640.14
Fake Hospital E: Not Independent, Had High Medicare Base Rate	$5,459.53	263	0.96	$1,375,810.73
URBAN HOSPITALS				
Fake Hospital F: Independent	$6,735.69	1,123	1.30	$9,809,942.03
Fake Hospital G: Not Idependent	$5,460.73	3,354	2.05	$37,569,322.45
Fake Hospital H: CAH, Independent	$7,668.74	102	0.66	$516,381.97
Fake Hospital I: Independent, Low Discharge	$9,081.11	21	0.59	$112,737.82
Fake Hospital J: Not Independent	$5,637.74	3,919	1.48	$32,749,098.52
Fake Hospital K: Independent	$7,511.31	8,627	1.55	$100,179,714.72
Fake Hospital L: Not Independent	$5,402.72	9,230	1.97	$98,259,503.65
Fake Hospital M: Independent, High Medicare Base Rate	$5,701.39	6,079	1.92	$66,457,577.49

DRAFT Base Rate Methodology

Calculating New Fiscal Year Budget

- FY20-21 Budget * (Yellow = State Budget Action = New FY Budget
- Run Goal Seek to determine what percentage of Federal Base Rate we can pay
- In this example, we can pay 91.35% of $5,979.74 = $5,462.26

Fed Base Rate Factor	BUDGET COMPARISON			
0.9135	FY21-22 Budget	$953,635,633.52	State Budget Action	New FY Budget
Add-on Adjustment	FY20-21 Budget	$953,635,633.52	1.000	$ 953,635,633.52
1.00	$ Change/over budget	$0.00		
	% Change /over budget	0.00%		

In order to fit base rates to current year's budget, use "Goal Seek" to set FY21-22 Budget by adjusting what percentage of the Fed Base Rate we can pay

- Attempted to use Goal Seek to modify the Add-On Adjustments, but it undid everything we wanted to do with the add-on payments.

DRAFT Base Rate Methodology

Comparing Last Year's Rate & Payment to Current Year

- Estimated Payment FY20-21
- Change in Payment from Current Year to Prior Year
- DRAFT Rate w/Medicaid Add-Ons
- Change in Rate from FY20-21

ADD-ON PARAMETERS	Est Pmt FY20-21	Change in Total Pmt from FY20-21 to New Base Rate Methodology	Federal Base Rate after Adjustments + GME	FY 20-21 Rate with Medicaid Add-Ons	Change in rate from FY20-21
Add-On Amount					
Ceiling					
Floor	CHANGE IN PMT FROM FY20-21				
RURAL HOSPITALS					
Fake Hospital A: Independent Low Discharge	$199,753.90	$59,328.36	$6,827.82	$5,264.29	$1,563.53
Fake Hospital B: CAH, Idependent	$2,648,004.46	$908,622.76	$9,099.75	$6,775.01	$2,324.74
Fake Hospital C: Not Independent	$1,788,931.85	-$41,487.28	$6,195.44	$6,342.53	-$147.09
Fake Hospital D: Had High Medicare Base Rate	$2,442,826.40	-$974,186.26	$6,226.97	$10,357.48	-$4,130.51
Fake Hospital E: Not Independent, Had High Medicare Base Rate	$2,300,419.08	-$924,608.35	$5,459.53	$9,128.58	-$3,669.05
URBAN HOSPITALS					
Fake Hospital F: Independent	$7,695,191.78	$2,114,750.25	$6,735.69	$5,283.66	$1,452.03
Fake Hospital G: Not Idependent	$40,139,912.74	-$2,570,590.29	$5,460.73	$5,834.36	-$373.64
Fake Hospital H: CAH, Independent	$369,703.60	$146,678.37	$7,668.74	$5,490.44	$2,178.31
Fake Hospital I: Independent, Low Discharge	$73,655.57	$39,082.26	$9,081.11	$5,933.00	$3,148.10
Fake Hospital J: Not Independent	$35,763,051.24	-$3,013,952.72	$5,637.74	$6,156.59	-$518.85
Fake Hospital K: Independent	$96,241,821.31	$3,937,893.41	$7,511.31	$7,151.57	$359.75
Fake Hospital L: Not Independent	$120,389,402.99	-$22,129,899.33	$5,402.72	$6,542.78	-$1,140.06
Fake Hospital M: Independent, High Medicare Base Rate	$101,129,850.03	-$34,672,272.54	$5,701.39	$8,675.92	-$2,974.53

New Base Rate Methodology

Timeline:

- Excel Sheet containing examples of DRAFT Inpatient Base Rate Methodology will be loaded by early next week to the Inpatient Hospital Payment Page.

- Please respond with specific **feedback by October 16th** so we can incorporate feedback into new DRAFT methodology to be presented at November 6, 2020 Hospital Engagement Meeting. Send to diana.lambe@state.co.us.

- **Targeting July 1, 2021 implementation:** We have two more Hospital Engagement Meetings (November/January) to have something to MSB for rule approval in February.

Inpatient Hospital Review Program

Inpatient Hospital Review Program (IHRP) Suspension

Effective April 1, 2020, the IHRP will be suspended to allow hospitals to direct resources to their COVID-19 response.

Inpatient claims in which the admit date occurs on or after April 1, 2020, will not require an IHRP prior authorization, concurrent or complex case review, or Neonatal Intensive Care Unit (NICU) admission review until further notice.

- Providers will be notified before the program is restarted

Inpatient Subacute Care

Only Effective During the Public Health Emergency

Emergency Rule:

Passed April 23, 2020

Emergency SPA:

SPA #20-0012 Approved May 20, 2020

- Inpatient Subacute Care is equivalent to the medically necessary level of care administered by a skilled nursing facility (SNF) for skilled nursing and intermediate care services as defined in 10 CCR 2505-10, Sections 8.406 and 8.409.
- May be provided in:
  - a hospital;
  - or a hospital's CDPHE approved alternate care sites.

Inpatient Subacute Care cont'd

Only Effective During the Public Health Emergency

Biling Guidance:

IP Subacute Care must be billed on a separate claim

- Claim for IP Subacute Care should ONLY use revenue code 190, no other services should be billed on the claim
  - IP Subacute Care is paid at $235 per diem rate
- If the member is transferred to IP Subacute Care from an IP status, use patient status code 70 on the initial IP claim.

Information has been updated in the Inpatient/Outpatient Billing Manual and submitted claims will now process.

EAPG Module Update

- 3M released new module 07/23/2020
  - Version 2020.2.2
  - Accommodation of codes 87426, 0223U, 0224U
    - Medicaid coverage rules apply
    - Codes were not billed – no adjustments required
  - Implemented into system September 2, 2020
  - No changes in Colorado payment policies

- EAPG Version 3.10 remains in effect

EAPG Module Update

- 3M to release new module in September 24, 2020
  - Version 2020.3.0
  - Quarterly CPT/HCPCS Updates
  - Annual ICD-10 Codeset Updates
  - Further changes discussed earlier in presentation
  - Installed on or before September 30, 2020
- EAPG Version 3.10 remains in effect

EAPG Version Update

- Transition from Version 3.10 to 3.16
  - Version 3.16 to be released January 1, 2021
  - Required for continued 3M support of new CPT/HCPCS codes
- New sets of weights, new/removed/modified EAPGs, differences in consolidation/packaging lists
- Planned for late 2021, January 2022
- Modification of State Plan, Colorado Rule required for implementation using 3M's EAPG Weights
- Assessment of new EAPG base rates for implementation

SFY20-21 Outpatient Hospital Base Rates

- 1% Decrease applied directly to Outpatient Hospital Base Rates
- For example, if base rate for SFY20 is $100, SFY21 rate will be $99
- Rates are finalized – awaiting SPA Approval
- Rates posted on Outpatient Hospital Payment page

Drug Re-weight Status

- Drug Type EAPG weights to be adjusted for Critical Access, Medicare Dependent, and non-independent hospitals (see previous engagement meetings)

- MSB approved this rule effective June 1, 2020, SPA submitted to CMS June 30, 2020

- Following CMS approval will be implementation in interChange
  - CMS Approval Date Uncertain

Mass Adjustments to OP Claims

- Two payment policy changes that have yet to be implemented – 1% Decrease, Drug Re-weight
- Proposed adjustment strategy – await CMS approval for both SPAs, then perform adjustments in multiple batches depending on order of approval
- Concerns regarding claim volume
  - ~6000 claims for drug-reweight
  - ~200k+ claims for OP rate increase
- Stagger by month of service if approved around the same time?
- If rate decrease approved first, then precise adjustments staggered by month of service?

2020 Regulatory Efficiency Review

Public comment will be collected between 9/1/2020– 9/30/2020 for each section of rule noted below and found here:
https://www.colorado.gov/hcpf/regulatory-efficiency-review

Input received will help the Department determine if these rules should be continued in their current form, modified or repealed. All identified rule modifications will go through standard Department rulemaking processes.

- 8.300 Hospital Services
  - 8.300.2 Requirements for Participation
- 8.310 Dialysis Treatment Centers

Please see the Regulatory Efficiency Review Page for more information and email comments to Raine Henry.

Questions, Comments, & Solutions

Thank You!

Kevin Martin
Fee for Service Rates Division Director
Kevin.Martin@state.co.us

Raine Henry
Hospital and Specialty Care Unit Manager
Raine.Henry@state.co.us

Andrew Abalos
Manager of Facility Rates
Andrew.Abalos@state.co.us

Justen Adams
Hospital Policy Specialist
Justen.Adams@state.co.us

Diana Lambe
Inpatient Hospital Rates Analyst
Diana.Lambe@state.co.us

Janna Leo
Hospital Policy Specialist
Janna.Leo@state.co.us