

HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, January 12, 2024
1:00 PM - 3:00 PM

Location: Online Only

All Hospital Zoom Meeting: Dial Toll-free 1-877-853-5257 / Meeting ID: 870 4490 0719 /
Passcode: 245046

Topic Suggestions, due by close of business two weeks prior to the meeting. Send suggestions to Tyler.Samora@state.co.us.

Welcome & Introductions

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



About this Meeting

- We will be recording this meeting.
- Please speak clearly when asking a question and give your name and hospital
- A recording of this meeting will be posted to the [Hospital Engagement Meeting website](#) for later viewing.
- **Hospital Generated Topics:** Please contact Tyler Samora at Tyler.Samora@state.co.us with requests to cover questions or topics in future hospital engagement meetings. Topics requested fewer than 2 weeks before the next meeting may need to be pushed to future meetings depending on availability of personnel with knowledge of those topics.

Thank you for your cooperation

Dates and Times for 2024

General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
January 12, 2024	1:00pm-3:00pm
March 1, 2024	9:00am-11:00am
May 3, 2024	9:00am-11:00am
July 12, 2024	1:00pm-3:00pm
September 6, 2024	9:00am-11:00am
November 1, 2024	9:00am-11:00am

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

AGENDA

January 2024 Hospital Stakeholder Engagement Meeting Topics - **mm:ss**

FY 23-24 Inpatient Hospital Base Rates Update - **3:47**

APR-DRG Version 40 Regulatory Changes - **6:19**

EAPG Module Update - **12:11**

DME Billing Guidance - **12:49**

Dx Code Z0384 - **13:30**

Regulatory Updates - **15:00**

FY 23-24 Inpatient Base Rates

- As mentioned in the October, November & December meetings, CMS notified the Department that it has extended the review of the Inpatient FY23-24 Rates by issuing a Request for Additional Information (RAI). This can extend the review for up to an additional 90-days with each response. As it is, the Department is estimating approval to be granted hopefully by end of first quarter 2024.
- The Department initially sent Transmittal CO-23-0003 to Centers for Medicare & Medicaid Services (CMS) for rate approval on August 1, 2023. We will keep all hospitals up to date on when the rates are approved, and when we will be re-pricing all claims with last service date of 7/1/2023 and forward.
- When approved, hospitals can download the CMS approval letter and get the date when the transmittal is approved by going to the CMS website and search by the transmittal CO-23-0003.
<https://www.medicaid.gov/medicaid/medicaid-state-plan-amendments/index.html>

December 15, 2023 Hospital Stakeholder Engagement Meeting

- The Department detailed the specific changes we've seen in the move to APR-DRG Version 40 from Version 33.
- Policy adjustments and changes in payment by Major Diagnostic Categories were reviewed.
- If you were unable to make the meeting, PLEASE review the recorded webinar and posted PowerPoint presentation. All past hospital engagement meeting materials can be found here:
<https://hcpf.colorado.gov/hospital-stakeholder-engagement-meetings>
- The Department would like to receive specific feedback by **end of day February 15, 2024.**

Version 40 Rule Changes Overview

8.300 HOSPITAL SERVICES

8.300.1 Definitions

- 8.300.1.A. Abbreviated Client Stay means an Inpatient stay ending in client death or in which the client leaves against medical advice.
- 8.300.1.B. Concurrent Review means a review of quality, Medical Necessity and/or appropriateness of a health care procedure, ~~treatment~~ or service during the course of treatment.
- 8.300.1.C. Continued Stay Review means a review of quality, Medical Necessity and appropriateness of an Inpatient health care procedure, ~~treatment~~ or service.
- 8.300.1.D. Corrective Action is a step-by-step plan approved by the Department to achieve targeted outcomes and address patterns of inappropriate behavior, including, but not limited to, improper billing, unwarranted utilization, or questionable quality of care. Corrective action may include, but is not limited to, Concurrent Review, Continued Stay Review, Prospective Review, Retrospective Review, requirement to self-audit, or any other action as determined appropriate by the Department.
- 8.300.1.E. Department means the Department of Health Care Policy and Financing.
- 8.300.1.F. Diagnosis Related Group (DRG) means a cluster of similar conditions within a classification system used for Hospital reimbursement. It reflects clinically cohesive groupings of Inpatient hospitalizations that utilize similar amounts of Hospital resources.
- 8.300.1.G. DRG Hospital means a Hospital that is reimbursed by the Colorado Medicaid program based on a system of DRGs. Those Hospitals reimbursed based on a DRG system are: General Hospitals, Critical Access Hospitals, Pediatric Hospitals.
- 8.300.1.H. Diagnostic Services means any medical procedures or supplies recommended by a licensed professional within the scope of his/her practice under state law to enable him/her to identify the existence, nature, or extent of illness, injury, or other health condition in a client.
- 8.300.1.I. Disproportionate Share Hospital (DSH) Factor is a percentage add-on adjustment that qualified Hospitals receive for serving a disproportionate share of low-income clients.
- 8.300.1.J. Emergency Care Services, for the purposes of this rule, means services for a medical condition, including active labor and delivery, manifested by acute symptoms of sufficient severity, including severe pain, that a prudent layperson, who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: (1) placing the client's health in serious jeopardy, (2) serious impairment to bodily functions or (3) serious dysfunction of any bodily organ or part.
- 8.300.1.K. Enhanced Ambulatory Patient Group (EAPG) means a cluster of similar procedures within a classification system used for Hospital reimbursement. It reflects clinically cohesive groupings of services performed during Outpatient visits that utilize similar amounts of Hospital resources.
- 8.300.1.L. Hospital means an institution that is (1) primarily engaged in providing, by or under the supervision of physicians, Inpatient medical or surgical care and treatment, including diagnostic, therapeutic and rehabilitation services, for the sick, disabled and injured; (2) licensed, when located in Colorado, as a Hospital by the Colorado Department of Public Health and Environment (CDPHE); and, when not located in Colorado, by the state in which it is located; and (3) certified for participation in the Centers for Medicare and Medicaid Services (CMS) Medicare program. Hospitals can have multiple satellite locations ~~as long as~~ they meet the requirements under CMS. For the purposes of the Colorado Medicaid program, distinct part units and satellite locations are considered part of the

Hospital under which they are licensed. Transitional Care Units (TCUs) are not considered part of the Hospital for purposes of the Colorado Medicaid program. Types of Hospitals are:

1. A General Hospital is licensed and CMS-certified as a General Hospital that, under an organized medical staff, provides Inpatient services, emergency medical and surgical care, continuous nursing services, and necessary ancillary services. A General Hospital may also offer and provide Outpatient services, or any other supportive services for periods of less than twenty-four hours per day.
2. A Critical Access Hospital (CAH) is licensed and CMS-certified as a Critical Access Hospital. CAHs offer emergency services and limited Inpatient care. CAHs may offer limited surgical services and/or obstetrical services including a delivery room and nursery.
3. A Pediatric Hospital is licensed as a General Hospital and CMS-certified as a children's Hospital providing care primarily to populations aged seventeen years and under.
4. A Rehabilitation Hospital is licensed and CMS-certified as a Rehabilitation Hospital which primarily serves an Inpatient population requiring intensive rehabilitative services including but not limited to stroke, spinal cord injury, congenital deformity, amputation, major multiple trauma, fracture of femur, brain injury, and other disorders or injuries requiring intensive rehabilitation.
5. A Long-Term Care Hospital is licensed as a General Hospital and CMS-certified as a Long-Term Care Hospital which primarily serves an inpatient population requiring long-term care services including but not limited to respiratory therapy, head trauma treatment, complex wound care, IV antibiotic treatment and pain management.
6. A Spine/Brain Injury Treatment Specialty Hospital licensed as a General Hospital and CMS-certified as a Long-Term Care Hospital OR CMS-certified as a Rehabilitation Hospital is a Not-for Profit Hospital as determined by the CMS Cost Report for the most recent fiscal year. A Spine/Brain Injury Treatment Specialty Hospital primarily serves an inpatient population requiring long term acute care and extensive rehabilitation for recent spine/brain injuries. To qualify as a Spine/Brain Injury Treatment Specialty Hospital, for at least 50% of Medicaid members discharged in the preceding calendar year the hospital must have submitted Medicaid claims including spine/brain injury treatment codes (previously grouped to APR-DRG 40, 44, 55, 56, and 57). The Department shall revoke the designation if the percentage of Medicaid members discharged falls below the 50% requirement for a calendar year. Designation is removed the calendar year following the disqualifying year.
7. A Psychiatric Hospital is licensed and CMS-certified as a Psychiatric Hospital to plan, organize, operate, and maintain facilities, beds, and treatment, including diagnostic, therapeutic and rehabilitation services, over a continuous period exceeding twenty-four (24) hours, to individuals requiring early diagnosis, intensive and continued clinical therapy for mental illness, and mental rehabilitation. A Psychiatric Hospital can qualify to be a state-owned Psychiatric Hospital if it is operated by the Colorado Department of Human Services.
8. A Medicare Dependent Hospital is defined as set forth at 42 C.F.R. § 412.103 (2022). 42 C.F.R. § 412.108(1) (2018) is hereby incorporated by reference into this rule. Such incorporation, however, excludes later amendments to or editions of the referenced material. This regulation is available for public inspection at the Department of Health Care Policy and Financing, 1570 Grant Street, Denver, CO 80203. Pursuant to C.R.S. § 24-4-410(12.5)(V)(b), the Department shall provide certified copies of the material incorporated at cost upon request or shall provide the requestor with information on how to obtain a certified copy of the material incorporated by reference from the agency of the United States, this state,

Version 40 Rule Changes Overview cont'd

another state, or the organization or association originally issuing the code, standard, guideline or rule.

9. A Non-independent Urban Hospital is a hospital which reports a name of the home office of the chain with which they are affiliated on the CMS-2552-10 Cost Report in Worksheet S-2 Part 1, Line 141, Column 1, with the exception of individual hospitals reporting an affiliation not reported amongst other hospitals located in Colorado.
 10. A Sole Community Hospital (SCH) is defined by CMS which classifies a hospital as a sole community hospital if it is located more than 35 miles from other like hospitals, or it is located in a rural area (as defined in 412.64) and meets one of the following conditions. No more than 25 percent of residents who become hospital inpatients or no more than 25 percent of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital, or, if larger within its service area. The hospital has fewer than 50 beds and intermediary certifies that the hospital would have met the criteria in paragraph (a)(1)(i) of this section were it not for the fact that some beneficiaries or residents were forced to seek care outside the service area due to the unavailability of necessary specialty services at the hospital are inaccessible for at least 30 days in each 2 out of 3 years.
 11. For the purposes of Section 8.300: Hospital Services, Prospective Payment System (PPS) inpatient hospitals are categorized by CMS as hospitals which Medicare pays on a prospective basis and which provide data in the Medicare IPPS IMPACT file and supporting data files/tables from which to create their PPS rate. Conversely, non-Prospective Payment System (PPS) inpatient hospitals are categorized by CMS as Pediatric and Critical Access Hospitals for which Medicare does not pay on a prospective basis and which do not have data available on the Medicare IPPS IMPACT file or supporting data files/tables.
 12. Rebasing years are every other odd year starting in state fiscal year 2023-24. Non-rebasing years are every other even year starting in state fiscal year 2024-25.
- 8.300.1.M. Inpatient is a person who has been admitted to a Hospital for purposes of receiving Inpatient Hospital Services.
- 8.300.1.N. Inpatient Hospital Services means services that are furnished by a Hospital for the care and treatment of an Inpatient and are provided in the Hospital by or under the direction of a physician.
- 8.300.1.O. Medical Necessity is defined at Section 8.076.1 and, for members ages 20 and under receiving Early and Periodic Screening, Diagnosis, and Treatment services, at Section 8.280.4.E.2.
- 8.300.1.P. Non-DRG Hospital means a Hospital that is not reimbursed by the Colorado Medicaid program based on a system of DRGs. Psychiatric Hospitals, Long-Term Care Hospital, Rehabilitation Hospital and Spine/Brain Injury Treatment Specialty Hospital are considered Non-DRG Hospitals since their reimbursement is based on a per diem rate.
- 8.300.1.Q. Observation Stay means Outpatient Hospital Services provided in a Hospital for the purposes of evaluating a person for Inpatient admission, stabilization, or extended recovery.
- 8.300.1.R. Outlier Days mean the days in a Hospital stay that occur after the Trim Point Day.
- 8.300.1.S. Outpatient means a person who is receiving professional services at a Hospital or an off-campus location of a Hospital but is not admitted as an Inpatient.

- 8.300.1.T. Outpatient Hospital Services means services that are furnished to Outpatients; and are furnished by or under the direction of a physician or dentist.
- 8.300.1.U. Prospective Review means a review of quality, Medical Necessity and/or appropriateness of a health care procedure, treatment, or service prior to treatment.
- 8.300.1.V. Rehabilitative Services means any medical or remedial services recommended by a physician within the scope of his/her practice under state law, for maximum reduction of physical or mental disability and restoration of a client to his/her best possible functional level.
- 8.300.1.W. Relative Weight (DRG weight or EAPG weight) means a numerical value which reflects the relative resource consumption for the DRG or EAPG to which it is assigned. Modifications to these Relative Weights are made when needed to ensure payments reasonably reflect the average cost for each DRG or EAPG. Relative Weights are intended to be cost effective, and based upon [Colorado national data as available](#).
- 8.300.1.X. Retrospective Review means a review of quality, Medical Necessity and/or appropriateness of a health care procedure, treatment or service following treatment. A Retrospective Review can occur before or after reimbursement has been made.
- 8.300.1.Y. Rural Hospital means a Hospital not located within a metropolitan statistical area (MSA) as designated by the United States Office of Management & Budget.
- 8.300.1.Z. State University Teaching Hospital means a Hospital which provides supervised teaching experiences to graduate medical school interns and residents enrolled in a state institution of higher education; and in which more than fifty percent (50%) of its credentialed physicians are members of the faculty at a state institution of higher education.
- 8.300.1.AA. Swing Bed Designation means designation of Hospital beds in a Rural Hospital with less than 100 beds for reimbursement under Medicare for furnishing post-hospital extended care services to Medicare beneficiaries in compliance with the Social Security Act, Sections 1883 and 1866. Such beds are called "swing beds."
- 8.300.1.BB. Trim Point Day (Outlier Threshold Day) means the day during an inpatient stay after which Outlier Days are counted. The Trim Point Day occurs 2.58 standard deviations above the average length of stay for each DRG. Beginning July 1, 2020, the Trim Point Day for delivery and neonate DRGs is equal to the Trim Point Day as calculated in the applicable Hospital-Specific Relative Value National File for Delivery and Neonate DRGs. [Beginning July 1, 2024, the Trim Point Day for all DRGs is equal to the Trim Point Day as calculated in the applicable 3M[®] Hospital-Specific Relative Value \(HSRV\) National Weight File.](#)
- 8.300.1.CC. Urban Hospital means a Hospital located within a MSA as designated by the United States Office of Management & Budget.
- 8.300.1.DD. Urban Safety Net Hospital means an Urban, General Hospital for which the Medicaid Inpatient eligible days plus Colorado Indigent Care Program (CICP) Inpatient days relative to total Inpatient days, rounded to the nearest percent are equal to or exceed sixty-five percent. To qualify as an Urban Safety Net Hospital, a Hospital must submit its most current information on Inpatient days by March 1 of each year for the Inpatient rates effective on July 1 of that same year. The Department may rely on other data sources for the calculation if there are discrepancies between the data submitted by the Hospital and alternative data sources such as claims or cost report data.

Lambe, Diana
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Version 40 Rule Changes Page 4

Changes are limited to subsections where Diagnostic Related Groups (DRGs) are mentioned. As mentioned, there are also several grammatical changes in other subsections that were made that make no change to meaning.

- **8.300.1.W.** Relative Weight (DRG weight or EAPG weight) means a numerical value which reflects the relative resource consumption for the DRG or EAPG to which it is assigned. Modifications to these Relative Weights are made when needed to ensure payments reasonably reflect the average cost for each DRG or EAPG. Relative Weights are intended to be cost effective and based upon ~~Colorado~~ national data ~~as available~~.
- **8.300.1.BB.** Trim Point Day (Outlier Threshold Day) means the day during an inpatient stay after which Outlier Days are counted. The Trim Point Day occurs 2.58 standard deviations above the average length of stay for each DRG. Beginning July 1, 2020, the Trim Point Day for delivery and neonate DRGs is equal to the Trim Point Day as calculated in the applicable Hospital-Specific Relative Value National File for Delivery and Neonate DRGs. **Beginning July 1, 2024, the Trim Point Day for all DRGs is equal to the Trim Point Day as calculated in the applicable 3M[©] Hospital-Specific Relative Value (HSRV) National Weight File.**
 - As a reminder, the trim point day for the 3M[©] HSRV weight tables has always been 2% and is expected to remain that way.

Timeline for Regulatory Changes

10 CCR 2505-10 8.300 Rule Changes

- Suggestions from hospital stakeholders on Rule changes **due by end of day 2/15/2024** to Diana.Lambe@state.co.us



Buttons have a link to the MSB Website.

Version 40 State Plan Changes

- We will present the Version 40 State Plan changes in March since we have more time for that change and there are more specific references to the APR-DRGs that will need to be updated.
- There is a possibility we may have public noticing on the Version 40 State Plan changes between now and the next meeting in March 2024.
- The public notice is just that - a notice that we plan to make changes to the State Plan in reference to the Version 40 APR-DRG update. All hospital stakeholders will be able to comment on the proposed changes prior to submission.

EAPG Module Update

- 3M released General Availability Version 2024.0.0 on December 28, 2023
- Installed within interChange the week of 1/1/2024
- Applies quarterly CPT/HCPCS updates

DME Billing Guidance

- [IP/OP billing manual](#) recently updated
- Added clarifying language to [Outpatient Hospital Unbundled Durable Medical Equipment \(DME\) Billing](#) section
 - "A CMS 1500 should be used to bill DME only when the procedure code is listed on the Department's Appendix G: Outpatient Hospital Unbundled Durable Medical Equipment Codes. Otherwise, payment for DME is assumed to be a part of EAPG, and the procedure code should go on a UB-04."
- Guidance on when to bill on CMS 1500 vs when to bill on UB-04

Dx Code Z0384

- Diagnosis code Z0384 incorrectly assigned to EAPG 857
- Correct EAPG assignment was to EAPG 867
 - Fixed as of January 3, 2024
- Ensure grouper has been updated to the most recent version

Regulatory updates

- Inpatient Base Rate Reform SPA 23-0003
 - Awaiting CMS' Approval
- Inpatient Specialty Drug Carveout 23-0042
 - Submitted to CMS January 2, 2024
 - 90-day clock for CMS response set to expire April 1, 2024
 - Payments to continue within APR-DRG methodology until SPA approval - retroactive claims adjustments to follow
 - Related Emergency Rule approved by Medical Services Board, to be made permanent to ensure no gaps in effective rule
 - Collaborating with Gainwell Technologies on System Change Request with intent to simplify billing payment process
 - Interim billing guidance assessed

Regulatory updates

- Outpatient Specialty Drug Carveout 23-0043
 - Submitted to CMS January 2, 2024
 - 90-day clock for CMS response set to expire April 1, 2024
 - Payments to continue at 90% of Invoiced Cost Until Approval
 - Related Emergency Rule approved by Medical Services Board, to be made permanent to ensure no gaps in effective rule
- Naloxone Carveout Adjustment
 - Emergency Rule (and later, permanent rule) to be presented which aligns rule language with HB 22-1326 (allowing Naloxone to be provided to relative, friend, or other person in a position to assist the Medicaid recipient)
 - Billing Manual to be updated with related guidance

Questions, Comments, & Solutions



Thank You!

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

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

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

Tyler Samora
Outpatient Hospital Rates Analyst
Tyler.Samora@state.co.us

Della Phan
Specialty Hospital Rates Analyst
Della.Phan@state.co.us

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

Chris Lane
Specialty Care and Facilities Unit Manager
Christopher.Lane@state.co.us

Diva Wood
Hospital Policy Specialist
Diva.Wood@state.co.us

Jessica Short
Hospital Policy Specialist
Jessica.Short@state.co.us

Gabriel Hottinger
Hospital Rate Analyst
Gabriel.Hottinger@state.co.us