HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, July 8, 2022
1:00 PM - 4:00 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 Future General Hospital Stakeholder Engagement Meetings in 2022

Dates of Meetings	Meeting Time
~~January 14, 2022~~	~~1:00pm-4:00pm~~
~~March 4, 2022~~	~~9:00am-12:00pm~~
~~May 6, 2022~~	~~9:00am-12:00pm~~
~~July 8, 2022~~	~~1:00pm-4:00pm~~
August 5, 2022	9:00am-12:00pm
September 9, 2022	1:00pm-4:00pm
November 4, 2022	9:00am-12:00pm

Added Date for introduction of New Draft Inpatient Rate Methodology

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

July 2022 Hospital Stakeholder Engagement Meeting Topics
Inpatient Subacute Care Meeting Update
FY 22-23 State Budget Action Inpatient Base Rate Update
Inpatient Base Rate Methodology Updates
EAPG Transition Payment Authority & Rate Updates
EAPG Module Updates
Covid Vaccination Status Denials
Naloxone Carveout

Inpatient Subacute Care

Thanks to all who participated in the separate Inpatient Subacute Care Meeting last month. We now realize that communication needed to be stepped up for hospitals to realize this billing option was available.

We acknowledge the exclusion of RAE-covered mental health diagnosis is a significant barrier to the utilization of this benefit. We are reviewing options in policy and through the claims system.

PLEASE circulate this billing guidance among the right individuals within your hospital.

Billing Guidance:

- IP Subacute Care must be billed on a separate *inpatient* 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.

Inpatient & Specialty Hospital Base Rates will be updated with State Budget Action for SFY 22-23

- For State Fiscal Year (SFY) 23, The Department will again be applying the State Budget Action as set by Legislature at 2% this year to update Inpatient & Specialty Hospital Base Rates.

- The 30-day review period for Inpatient Hospital Rates ended on 7/1/2022. In a change from prior years to reduce administrative burden from mass adjustments, the Department will be assigning the new base rates to the claim payments system in early July.

- This is a trial run to see if we can institute rates earlier than waiting until the end of year waiting for CMS approval. Please note that there is no guarantee that we will continue this in future years.

- Contact Diana Lambe at diana.lambe@state.co.us if you have any concerns regarding inpatient and Andrew Abalos and Andrew.abalos@state.co.us for specialty hospital base rates.

Draft Inpatient Base Rate Methodology

In May, a survey was sent out to measure hospital stakeholder preferences on the Department depositing a fully-functional model on its website so hospitals can see how everything works.

Hospital stakeholders were asked to rank their preference regarding privacy over transparency.

- **<u>RESULTS:</u>**
  - Started Survey = 84
  - Completed and Submitted Survey = 22
    - Preferred Privacy over Transparency = 2
    - Neutral = 7
    - Preferred Transparency over Privacy = 13

The Department will be posting the first draft inpatient base rate methodology in early August for all hospital stakeholders to review and provide comment

<u>Two comments in support of privacy:</u>

We received two responses that preferred privacy and were focused on concerns over Protected Health Information (PHI). In the model to be shared, hospital discharge counts are the only data point that comes close to being PHI. Therefore, in support of HIPAA legislation, the Department will ensure that hospitals with discharges less than or equal to 30 will be set to 30 to disguise the real number of discharges and not throw the model off too much.

Draft Inpatient Base Rate Methodology

Two measures will remain unchanged from current methodology:

- Medicare IME Adjustment (Operating & Capital) from *CMS IMPACT File.
- Medicaid GME Add-on (10% of Medicaid Cost Per Discharge)

- **Update from May:** The Department has decided to keep the current system in place for Medicare Operating & Capital IME (Source: CMS IMPACT File) and the Medicaid GME 10% Add-On (Most Recently Audited Hospital Cost Report delivered to Department contractor by Mar 1 of each year) with the following tweaks for non-PPS hospitals.

- *Non-PPS hospitals who qualify for IME will need to prepare Worksheet E, Part A and calculate the Operating & Capital IME ratio and provide to the Department with their latest audited cost report for GME calculation by March 1 of every year to the State's contractor (Meyers & Stauffer). The IME calculations will need to be signed by the hospital's Chief Operating Officer attesting to their accuracy.

Draft Inpatient Base Rate Methodology

Payer Mix Add-on	Profit Margin Add-on	Operating Expense Add-on	Net Income Add-on	Quality Add-on
	Operating Margin Add-On to be replaced with "Solvency Metric"			

Update from May: The Department is still working on what we are now calling the "Solvency Metric" and on the next page we'll walk through what we are considering currently and will have something to share with hospital stakeholders during the newly added Friday, August 5, 2022, Hospital Engagement Meeting where we will preview the first transparent working model to hospitals for their review.

But let's discuss what we're currently thinking regarding the solvency metric on the next page…

Draft Inpatient Base Rate Methodology

Solvency Metric: Operating Cash Flow Margin (%)

Data Source: Currently using 2019/20 of Hospital Transparency Data from Special Financing. We plan to use 3 year's worth of data for implementation of model planned for SFY 22-23, but this will be dependent on whether data is available.

Data Point: Operating Cash Flow Margin (%) based on max of system or individual hospital for system hospitals. A hospital's independent or system classification is compiled by Special Financing and *CHASE.

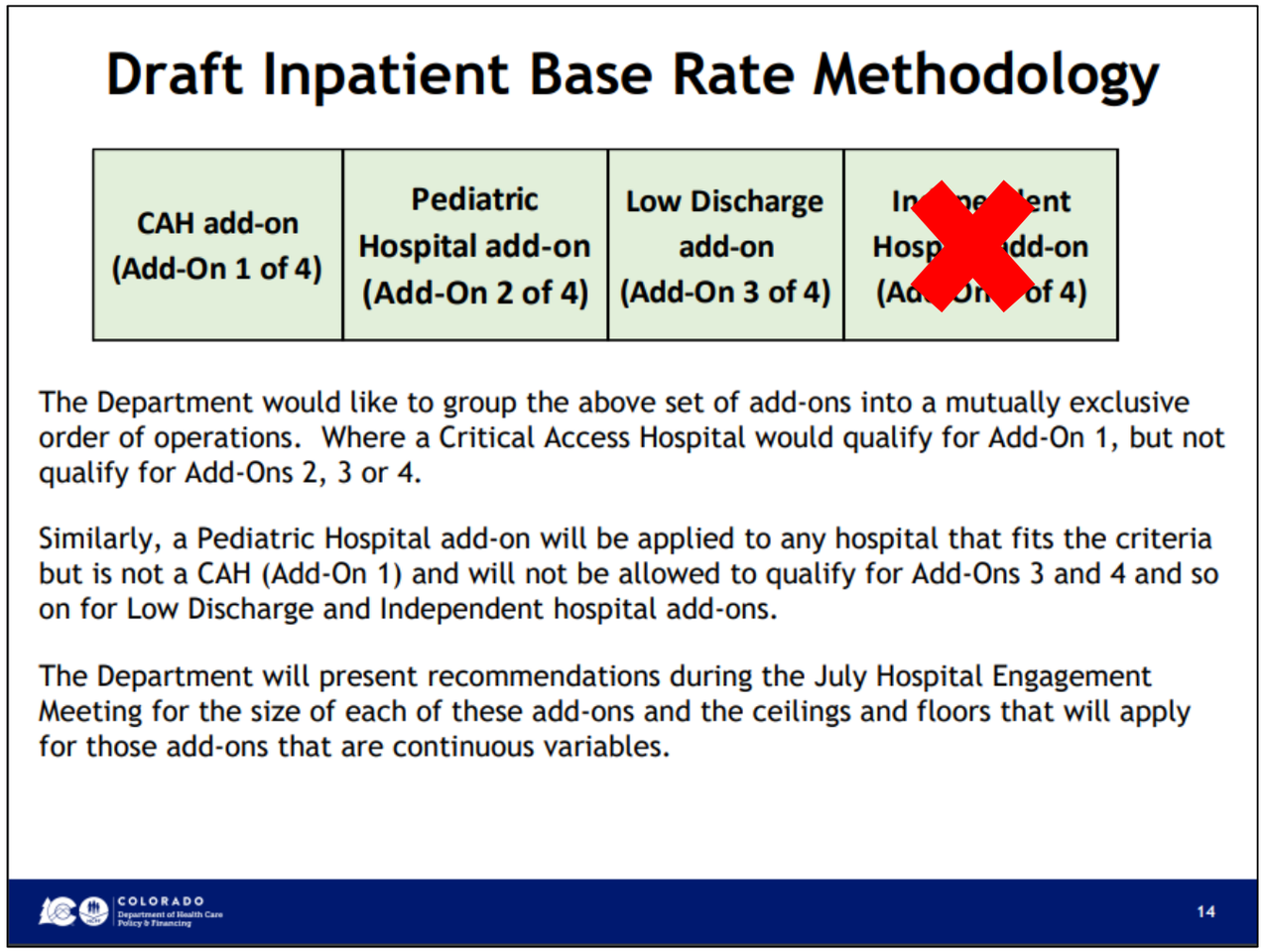
- Why Operating Cash Flow Margin (%)?
  - It is related to measures used in current credit ratings.
- Why max percent of system or individual hospital?
  - Individual hospitals within a Hospital System can draw on the system for support where independent hospitals cannot.

*CHASE aggregates by system in certain documents and hospitals should reference those "group" documents to see if their hospital is deemed independent or part of a system.

Draft Inpatient Base Rate Methodology

If the solvency metric is adopted including the feature of independent vs. system hospitals, the Department will be removing the “Independent Hospital Add-On” as a separate measure.

The mutually exclusive order of operations would include CAH 1 of 3, Pediatric Hospital 2 of 3 and Low Discharge 3 of 3.



Draft Inpatient Base Rate Methodology

The Department would like to schedule an extra Hospital Engagement Meeting in August to introduce the working model to all hospitals so they can review on their own and discuss during the September 9, 2022, regular Hospital Engagement Meeting.

Added Meeting Time: Friday, August 5th at 9am.

We will be sending out a meeting invitation in the next week.

Questions?

EAPG Transition Payment Authority & Rate Updates

- State Plan Amendment 21-0040 approved by Centers for Medicare and Medicaid Services on July 6, 2022
  - Approved for transition to take effect January 1, 2022
    - Implementation must occur with rate loads

- Long Bill (HB22-1329) authorized a 2 percent increase to the January 1, 2022 rates effective July 1, 2022
  - Consistent with inpatient rates, the Department has received approval from leadership to implement this 2 percent increase prior to CMS approval

EAPG Transition Payment Authority & Rate Updates

- Both sets of rates will be loaded this coming week
  - Once the rates are loaded in from both January and July 1, 2022 claims will pay using EAPG version 3.16 and the correct base rates

- Mass adjustment requests will be submitted to Gainwell once the rate loads are verified

- At this point, there are approximately 900k claims impacted by this rate change

EAPG Transition Payment Authority & Rate Updates

- Due to the volume of claims the reprocessing of claims will be carried out over the course of a few weeks

- Payment comparisons between 3.10 and 3.16 claims have been performed – significant budgetary impacts monitored
  - Hospitals will be contacted if any action is necessary.

- Base Rates and both sets of weights are posted on the Outpatient Hospital Payment web page

EAPG Module Update

- 3M released v2022.2.0 on June 23, 2022
- Gainwell installed into MMIS on June 29, 2022
- Applies off-quarter CPT/HCPCS Updates
  - As a reminder, this update does recognize all codes effective 1/1/22 and beyond

Covid Denials

- Outpatient hospital institutional claims with diagnosis codes relating to Covid vaccination status are denying
  - These diagnosis codes are:
    - Z28310 - Unvaccinated for COVID-19
    - Z28311 - Partially vaccinated for COVID-19
    - Z2839 - Other underimmunization status
  - For EOB 3014 - “EAPGS Diagnosis is either invalid for date(s) of service or requires greater specificity”
    - The implementation of EAPG version 3.16 will allow these claims to pay
  - Request for feedback on reprocessing of claims

Naloxone Carveout

- HB22-1326 (Fentanyl Accountability And Prevention) Bill Signed into law May 25, 2022

- Appropriates funding for reimbursing Naloxone outside of EAPG
  - In EAPG v3.16, take-home Naloxone considered bundled into more resource-dominant procedures during OP visit
  - Rule presented to Medical Services Board this morning as emergency – will be effective July 8, 2022
  - Billing guidance forthcoming

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

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

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