

# HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, June 2, 2023*  
*9:00 AM - 11:00 AM*

**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](mailto: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](mailto: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 2023

## General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
<del>January 13, 2023</del>	<del>1:00pm-3:00pm</del>
<del>March 3, 2023</del>	<del>9:00am-11:00am</del>
<del>May 5, 2023</del>	<del>9:00am-11:00am</del>
<del>June 2, 2023</del>	<del>9:00am-11:00am</del>
July 7, 2023	9:00am-11:00am
September 8, 2023	1:00pm-3:00pm
November 3, 2023	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

## June 2023 Hospital Stakeholder Engagement Meeting Topics

FY 23-24 Inpatient Base Rates 30-Day Review


Policy Updates

# FY 23-24 Inpatient Base Rates

## The 30-day review period for FY 23-24 IP Base Rates ends on June 25, 2023


- The 30-day review period is for disputing errors in the calculations or input data.
- We can talk more about changes to the methodology later since we spent two years creating it with hospital stakeholder input all along the way and it has been written into Rule ([link to MSB document to be incorporated into Rule](#)) and can't be changed for this rate period.
- The first document on the Inpatient Hospital Payment webpage is this one and contains the actual rates that will be input into the system after CMS approval:

### FY23-24 Inpatient Base Rate Rebasing Documents

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- [Inpatient Hospital Base Rates FY23-24](#)
  - [Inpatient Hospital Rate Model FY23-24 HIPAA Stakeholder version 1.0](#)
  - [GME/IME for Non-PPS/IPPS IMPACT File FY23-24](#)

# The 30-day review period for FY 23-24 IP Base Rates ends on June 25, 2023

Document name: [Inpatient Hospital Base Rates FY23-24](#)



**COLORADO**  
Department of Health Care  
Policy & Financing

**Official 30-day Inpatient Hospital Rate Review – Posting Date: May 26, 2023**

This posting serves as notification of Fiscal Year (FY) 2023-24 Inpatient Hospital Base Rates for all Hospitals participating in Health First Colorado. Once CMS approval is received, all hospital claims with last service dates from 7/1/2023 will be adjusted to reflect the new Inpatient Hospital Base Rate. **PLEASE NOTE:** The rates posted here will not match exactly to the model posted showing all calculations. For HIPAA compliance, the model must disguise hospital claim counts 30 and under and therefore you will see a difference in the final rates. The rates posted here are the official rates for FY 23-24 without the HIPAA adjustment and are on average 20 cents higher than the HIPAA model version.

**Hospital Base Rate Increase FY 2023-24:** The inpatient hospital DRG base rates reflect the 3.0% provider rate increase effective July 1, 2023, as detailed in Senate Bill SB 23-214. This rate posting reflects a 3.0% increase from FY 22-23 inpatient base rates after rebasing.

**Request for Informal Reconsideration or Appeal:** Reimbursement rates for inpatient hospital services were calculated according to the regulations of the Colorado Medicaid Program. If you disagree with these figures, you may file a written request for informal reconsideration with the Department within thirty (30) days from the “posting date” listed in this communication. The request shall state the specific component of the rate the Provider wants reconsidered and the Provider’s position. Requests that do not comply with the requirements of this section shall be considered incomplete and shall be denied. If you desire an informal reconsideration for your hospital’s Inpatient Base Rate, please send your written request including your position as to each identified concern regarding the rate determination to: Diana Lambe Fee-for-Service Rates Section Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203. You may file an appeal of the decision on the informal reconsiderations with the office of administrative courts, as set forth at 10 C.C.R. 2505-10, Section 8.050.3.A-D:

- A. A Provider, other than a nursing facility whose notice of Adverse Action is regarding a rate determination, may appeal a notice of Adverse Action by filing a written appeal within thirty (30) calendar days from the date on the Notice of Adverse Action. The appeal shall be filed with the Office of Administrative Courts, Department of Personnel and Administration 1525 Sherman Street, Fourth Floor, Denver, CO 80203.
- B. The appeal shall specify the basis upon which the Provider appeals the Adverse Action.
- C. The date of filing the appeal shall be the date the Office of Administrative Courts receives the appeal. Failure to file a timely appeal shall result in dismissal of the appeal.
- D. No recovery of an overpayment shall be implemented until the appeal process has been completed.

Jennifer Weaver First Assistant Attorney General Department of Law, Health Care Unit Ralph L. Carr Colorado Judicial Center 1300 Broadway, 6th Floor Denver, CO 80203	Diana Lambe Fee-for-Service Rates Section Dept of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203
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You may choose to file a formal appeal instead of requesting an informal reconsideration. You have thirty (30) days from the posting date listed in this communication to submit your formal appeal according to the instructions in 8.050.3.A-D detailed above. To summarize, you have thirty (30) days from the posting date on this communication (**5/26/2023**) to request an informal reconsideration or submit a formal appeal if pertinent. If you have any questions regarding this process or hospital reimbursement, please contact Diana Lambe at [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us). Any hospital interested in additional information regarding their Inpatient Base Rate calculation is always welcome to contact Diana Lambe at [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us).

# The 30-day review period for FY 23-24 IP Base Rates ends on June 25, 2023

Document name: [Inpatient Hospital Base Rates FY23-24](#)

Medicare ID	Peer Group: Rural=R, Urban=U, Pediatric=P	Hospital System	Hospital Name	FY22-23 Rate with Medicaid Add-Ons	FY23-24 Rate with Medicaid Add-Ons Pending CMS Approval
060001	U	BANNER	NORTH COLORADO MEDICAL CENTER	\$6,119.05	\$6,246.35
060003	U	CENTURA	LONGMONT UNITED HOSPITAL	\$5,502.38	\$5,670.88
060004	U	SCL HEALTH	BRIGHTON COMMUNITY HOSPITAL AS	\$5,998.91	\$5,685.18
060006	R		MONTROSE MEMORIAL HOSPITAL	\$5,964.93	\$6,758.27
060008	R	SLVRMC	SAN LUIS VALLEY HEALTH - CCH	\$6,266.44	\$6,957.13
060009	U	SCL HEALTH	LUTHERAN MEDICAL CENTER	\$5,658.25	\$5,694.70
060010	U	UC HEALTH	POUDRE VALLEY HEALTH CARE INC	\$5,966.88	\$5,946.18
060012	U	CENTURA	ST. MARY-CORWIN MEDICAL CENTER	\$5,936.74	\$6,726.33
060013	R	CENTURA	MERCY DURANGO	\$7,030.89	\$6,833.64
060014	U	HEALTHONE	HCA-HEALTHONE LLC PRESB/ST. LUKES	\$6,099.82	\$6,168.45
060015	U	CENTURA	ST. ANTHONY HOSPITAL	\$5,569.57	\$5,856.12
060020	U		PARKVIEW MEDICAL CENTER	\$5,989.63	\$6,635.35
060022	U	UC HEALTH	UCH-MHS	\$5,717.74	\$5,711.58
060023	U	SCL HEALTH	ST MARY'S MEDICAL CENTER	\$5,971.22	\$6,765.39
060027	U		BOULDER COMMUNITY HEALTH	\$5,524.08	\$5,940.23
060028	U	SCL HEALTH	SAINT JOSEPH HOSPITAL	\$6,436.71	\$6,357.24
060030	U	BANNER	MCKEE MEDICAL CENTER	\$5,565.65	\$5,683.59
060031	U	CENTURA	PENROSE-ST FRANCIS HEALTH SVCS	\$5,734.27	\$5,729.70
060032	U	HEALTHONE	ROSE MEDICAL CENTER	\$5,909.54	\$5,836.80
060034	U	HEALTHONE	HCA-HEALTHONE LLC DBA SWEDISH	\$5,745.32	\$6,009.19
060044	R		COLORADO PLAINS MEDICAL CENTER	\$6,631.11	\$6,833.64
060049	R	UC HEALTH	YAMPA VALLEY MEDICAL CENTER	\$9,543.93	\$8,847.22
060054	U		COLORADO WEST HEALTHCARE SYSTE	\$5,572.65	\$5,694.70
060064	U	CENTURA	PORTER ADVENTIST HOSPITAL	\$5,454.36	\$5,689.41
060065	U	HEALTHONE	NORTH SUBURBAN MEDICAL CENTER	\$5,544.28	\$5,913.48
060071	R		DELTA COUNTY MEMORIAL HOSPITAL	\$6,488.13	\$6,825.70
060075	R		VALLEY VIEW HOSPITAL	\$6,018.13	\$6,818.54



# The 30-day review period for FY 23-24 IP Base Rates ends on June 25, 2023

The review process is the same as it always was.

If you have a question or believe a calculation or data point was incorrectly input, please contact [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us) ASAP outlining what data point or calculation is incorrect and what you think it should be, with supporting documentation if possible.

If it is found that either a data point or a calculation was input incorrectly, the Department will fix the model and re-post new rates documents and re-start the 30-day review period.

If you would still like to file an official appeal after your informal reconsideration, please use the process outlined in the letter.

# FY 23-24 Inpatient Base Rates

The 2<sup>nd</sup> document is the “[Inpatient Hospital Rate Model FY23-24 HIPAA Stakeholder version 1.0](#)”

## FY23-24 Inpatient Base Rate Rebasing Documents

- [Inpatient Hospital Base Rates FY23-24](#)
- [Inpatient Hospital Rate Model FY23-24 HIPAA Stakeholder version 1.0](#)
- [GME/IME for Non-PPS/IPPS IMPACT File FY23-24](#)

This document is a duplicate of the DRAFT IP Base Rate Methodology that we shared with hospital stakeholders in November 2022 except we updated all data inputs with newer information and added some of the data inputs into the document along with more documentation to make it easier to follow.

The average difference between the HIPAA version of rates in the model is on average 20 cents lower than the Actual Rates that will be input into the claims system after CMS approval. This difference is due to the need to mask claim counts of 30 or less in the model due to HIPAA requirements.

# FY 23-24 Inpatient Base Rates

## Some observations about this year's model:

- The number of claims from the prior model jumped by 63%, the average CMI increased by 1/100<sup>th</sup> of a point and the estimated budget increased by 67% from \$820 million to \$1.37 billion.
  - This large increase is a result of the pandemic-driven public health emergency (PHE) when individuals who had been on CO Medicaid at the beginning of the public health emergency were allowed to stay on Medicaid.
  - Utilization is expected to remain higher than usual during the PHE unwind.
- Loss of Payer Mix or Solvency Metric for some hospitals from the last model to this one had a large impact on the prior DRAFT IP Base Rate Methodology document last shared in November 2022.

# FY 23-24 Inpatient Base Rates

The 3rd document is the “[GME/IME for Non-PPS/IPPS IMPACT File FY23-24](#)”

## FY23-24 Inpatient Base Rate Rebasing Documents

- [Inpatient Hospital Base Rates FY23-24](#)
- [Inpatient Hospital Rate Model FY23-24 HIPAA Stakeholder version 1.0](#)
- [GME/IME for Non-PPS/IPPS IMPACT File FY23-24](#)

This document was posted in May for a 30-day review of its own for hospitals to review their GME add-on calculations and IME for Non-PPS hospital calculations.

This data was subsequently pulled into the Inpatient Hospital Base Rate model to prepare FY 23-24 IP Base Rates.

# FY 23-24 Inpatient Base Rates

Let's review the HIPAA Stakeholder Model posted to the [website](#) that details each data input and all calculations used to create the FY 23-24 Inpatient Hospital Base Rates

# Questions?



If you have feedback, questions or suggestions please contact Diana Lambe at [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us)

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# Draft of 8.300 Hospital Rule updates

Presented by: Diva Wood and Jessica Short  
Hospital Policy Specialists

# Proposed policy updates

- This proposed policy language is still in draft format
- Walk through proposed policy
  - Current policy can be found at [10 CCR 2505-10 8.300](#)
- Update technical changes
- Create robust standards and guidance for Inpatient, Outpatient, and Observation Stays
- Shift from temporal standards for Observation to Medical Necessity standards
- Provide better clarity for when an Inpatient versus Observation Stay is appropriate



# Technical Proposed Changes

- Changed language from In-Network and Out-of-Network to In-State and Out-of-State
  - Align rule language with our policy
- Added Corrective Action definition
  - Previously referenced below in rule, added to definitions for continuity
  - **Corrective Action** is a step-by-step plan developed to achieve targeted outcomes by addressing patterns of inappropriate utilization or questionable quality of care.

# Hospital Rule Updates- Inpatient

## Sample Updated Inpatient Definitions:

- **Inpatient** is a person who has been admitted to a Hospital for purposes of receiving Inpatient Hospital Services.
- **Inpatient Hospital Services** means services that are furnished by a Hospital for the care and treatment of Inpatients and are provided in the Hospital by or under the direction of a physician.

# Covered Hospital Services - Inpatient

## Proposed Policy

- Inpatient Hospital Services are a covered Medicaid benefit, when provided by or under the direction of a physician for as many days as determined Medical Necessary.
  - 1. To support the Medical Necessity of an Inpatient admission, the provider must adequately document in the member's medical record that a provider with applicable expertise expressly determined that, based on the client's severity of illness, the client required services involving an intensity of services that cannot be provided safely and effectively in an Outpatient setting. Such a determination may take into account the amount of time the client is expected to require Inpatient Hospital Services. However, the decision to admit a client to Inpatient may not be based solely on the expected length of stay. The decision to admit a client to Inpatient is a medical determination that is based on a multitude of clinical factors, including, but not limited to the:

# Covered Hospital Services - Inpatient

Proposed Policy continued- Clinical factors to consider:

- a. client's current medical needs;
- b. client's medical history
- c. severity of the signs and symptoms exhibited by the client at the time of presentation to the Hospital, and at the point of admission decision
- d. medical predictability of an adverse clinical event occurring with the client;
- e. results of diagnostic studies, laboratory test, and other clinical test and examinations; and
- f. types of services available to Inpatients and Outpatients at the specific Hospital of admission

# Covered Hospital Services - Inpatient

Proposed Policy continued

- 2. Inpatient Hospital services include:
  - a. bed and board, including special dietary service, in a semi-private room to the extent available;
  - b. professional services of Hospital staff;
  - c. laboratory services provided within the Hospital, therapeutic or Diagnostic Services involving use of radiology and radioactive isotopes;
  - d. related Outpatient services, including but not limited to emergency department services, provided prior to Inpatient admission
  - e. drugs, blood products; and
  - f. medical supplies, equipment and appliances as related to care and treatment

# Inpatient care in a Psychiatric Hospital

## Proposed language

- Inpatient Care in a Psychiatric Hospital may require prior-authorization by the Department's utilization review vendor or other Department representative, and includes physician services, as well as all services identified in 8.300.3.A.1, above.

# Hospital Rule Updates- Outpatient & Observation

## Sample Updated Outpatient Definitions:

- **Outpatient** means a client who is receiving professional services at a Hospital or an off-campus location of a Hospital but is not admitted as an Inpatient.
- **Outpatient Hospital Services** means services that are furnished to Outpatients; and are furnished by or under the direction of a physician or dentist.
- **Observation Stay** means Outpatient Hospital Services provided in a Hospital for the purpose of evaluating a person for Inpatient admission or stabilization.
- Updated Observation Stay definition in Community Clinic, Including

Freestanding Emergency Departments

# Covered Hospital Services - Outpatient

## Proposed Policy

- Outpatient Hospital Services are a Medicaid benefit when determined Medically Necessary and provided by or under the direction of a physician. Outpatient Hospital Services are limited to the Scope of Outpatient Hospital Services as defined in 42 C.F.R. Section 440.20. Outpatient Hospital Services include:

- 1. Observation Stays

- Observation Stays are a covered Medicaid benefit when provided by or under the direction of a physician, for as many days as determined Medically Necessary. The physician must adequately document in the client's medical records that Observation Stay is Medically Necessary for the purposes of evaluating a client for possible Inpatient admission, treating a client expected to be stabilized and released without the need for Inpatient admission, or allowing extended recovery following a complication of an Outpatient procedure. In a majority of cases, the decision whether to admit a client to Inpatient admission or discharge from the Hospital can be made in less than twenty-four hours. Only rarely shall Observation Stay exceed forty-eight hours in length.



# Covered Hospital Services - Outpatient

## Proposed Policy continued

- Observation Stays end when a physician orders either Inpatient admission or discharge from the Hospital. An Inpatient admission cannot be converted to an Outpatient Observation Stay after the client is discharged unless for purposes of rebilling after an audit finding as specified in 10 CCR 2505-10 8.043.
  
- The decision to admit a client to Observation Stay is a medical determination that is based on a multitude of factors, including, but not limited to the;
  - A. Client's current medical needs;
  - B. Client's medical history;
  - C. Severity of the signs and symptoms exhibited by the client at the time of presentation to the Hospital, and at the point of the admission to observation status.
  - D. Medical predictability of an adverse clinical event occurring with the client;
  - E. Results of diagnostic studies, laboratory tests, and other clinical tests and examinations; and
  - F. Types of services available to Inpatient and Outpatients at the specific Hospital of admission

# Resources

- [Public Rule Review Meetings](#)
- [Hospital Stakeholder Engagement Meetings](#)

# Questions?

# Contact Info

**Diva Wood**

Hospital Policy Specialist

[Diva.wood@state.co.us](mailto:Diva.wood@state.co.us)

**Jessica Short**

Hospital Policy Specialist

[Jessica.short@state.co.us](mailto:Jessica.short@state.co.us)

# Questions, Comments, & Solutions



# *Thank You!*

Kevin Martin  
Fee for Service Rates Division Director  
[Kevin.Martin@state.co.us](mailto:Kevin.Martin@state.co.us)

Andrew Abalos  
Facility Rates Section Manager  
[Andrew.Abalos@state.co.us](mailto:Andrew.Abalos@state.co.us)

Diana Lambe  
Inpatient Hospital Rates Analyst  
[Diana.Lambe@state.co.us](mailto:Diana.Lambe@state.co.us)

Tyler Samora  
Outpatient Hospital Rates Analyst  
[Tyler.Samora@state.co.us](mailto:Tyler.Samora@state.co.us)

Della Phan  
Specialty Hospital Rates Analyst  
[della.phan@state.co.us](mailto:della.phan@state.co.us)

Raine Henry  
Hospital and Specialty Care Section Manager  
[Raine.Henry@state.co.us](mailto:Raine.Henry@state.co.us)

Diva Wood  
Hospital Policy Specialist  
[Diva.Wood@state.co.us](mailto:Diva.Wood@state.co.us)

Jessica Short  
Hospital Policy Specialist  
[Jessica.Short@state.co.us](mailto:Jessica.Short@state.co.us)

Gabriel Hottinger  
Hospital Rate Analyst  
[Gabriel.Hottinger@state.co.us](mailto:Gabriel.Hottinger@state.co.us)