HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, March 3, 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.

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 2023
General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
~~January 13, 2023~~	~~1:00pm-3:00pm~~
~~March 3, 2023~~	~~9:00am-11:00am~~
May 5, 2023	9:00am-11:00am
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

March 2023 Hospital Stakeholder Engagement Meeting Topics – mm:ss
Potential May 2023 Meeting Topic – 3:29
AWS Gainwell Data Migration – 4:25
Inpatient Subacute Care – 5:28
Inpatient Hospital Co-Pay Change – 6:30
Draft Inpatient Base Rate Methodology Update – 7:33
EAPG Module Update – 16:20
Out of State / New Hospital EAPG Rates Posting – 17:29
Regular EAPG Version / Base Rate Updates – 18:49
January Follow-up: Kepro Authorization Timelines – 20:40
January Follow-up: Denial Rates for HCPCS/NDCs – 24:07
Inpatient Naloxone Carveout Options – 28:44

Potential May Engagement Meeting Topic

- Request for discussion on ED Transfer Payments

AWS Gainwell Data Migration

- Gainwell systems will be undergoing migration on Friday, March 24.

- The following services will not be available:
  - Processing of batch processing including 837s (claims)
  - Provider Web Portal
  - Provider Services Call Center
  - Virtual Agent will only have eligibility options
  - Report delivery (including 999s, 820s, 834s, 271s)
- Services should be available again by Monday, March 27, but could potentially have some delays into Monday.

- Anyone wanting to receive communications for this migration can sign up on the Department's Provider News website
- Communications will be sent to all email addresses on file in the interchange system.

Inpatient Subacute Care

- The Public Health Emergency (PHE) will end on May 11, 2023, the emergency rule to allow General Hospitals (Provider Type 01) to provide Inpatient Subacute Care will expire at the end of the PHE.
- Please contact Diva Wood at Diva.Wood@state.co.us with questions regarding this policy

Inpatient Hospital Co-Pay Change

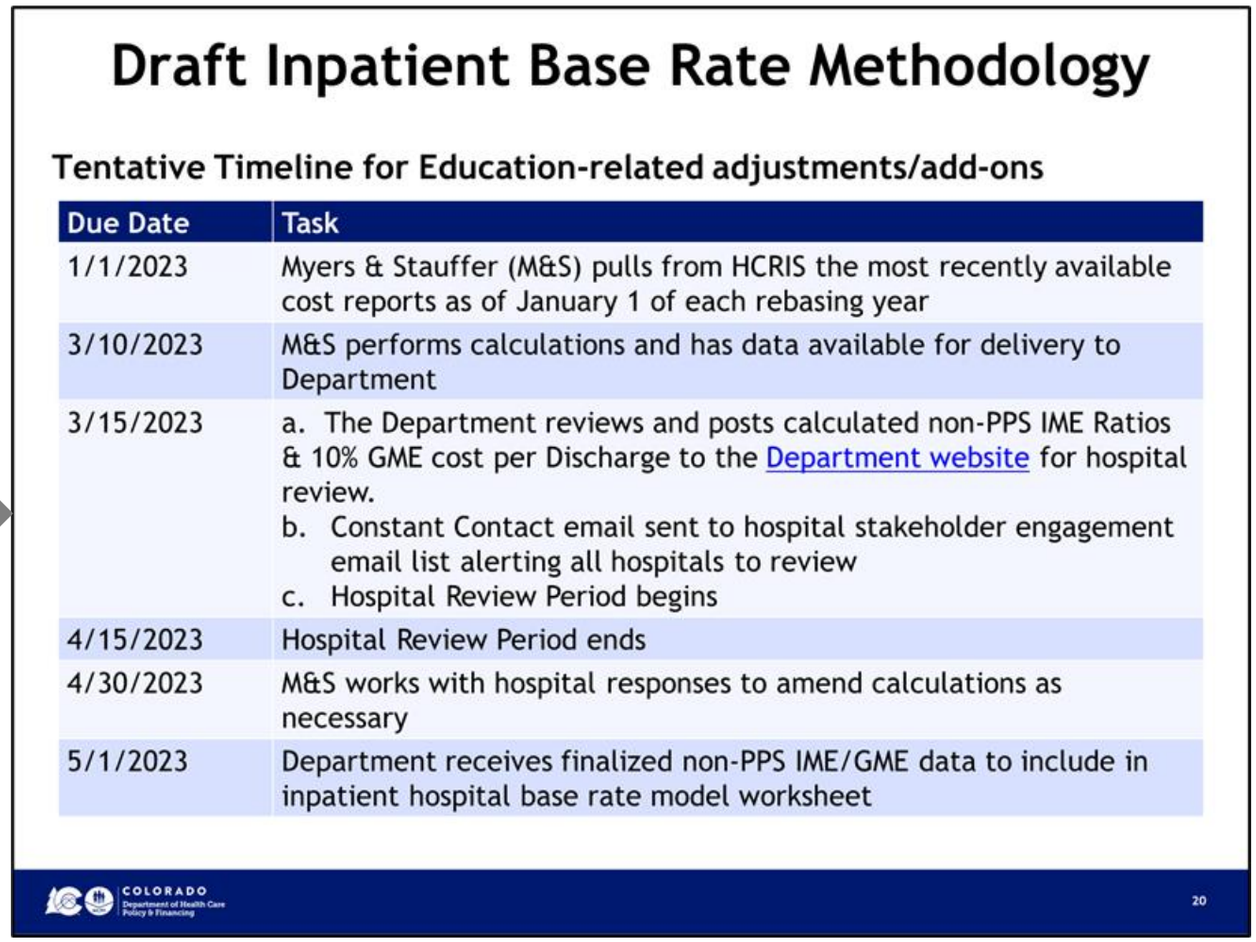
- The inpatient hospital co-pay has changed to $25 per elective admission effective for dates of service beginning December 14, 2022, and dates of submission February 2, 2023, or after. This is being done to align with federal regulation 42 CFR 447.52(b)(1), which limits co-pay amounts. Emergency admissions and deliveries are exempt from co-pay.

- Contact Cameron Amirfathi at Cameron.Amirfathi@state.co.us with any questions regarding the policy.

Draft Inpatient Base Rate Methodology

Quick Update:

- We are building rates for 7/1/2023 right now
  - The GME cost add-on calculations and Non-PPS IME calculations will be posted on 3/15/2023 for all interested hospitals to review for a period of 30-days. A Constant Contact Email will be sent out letting stakeholders know the document has been posted to the HCPF website.



Draft Inpatient Base Rate Methodology

Tentative Timeline for Education-related adjustments/add-ons

Due Date	Task
1/1/2023	Myers & Stauffer (M&S) pulls from HCRIS the most recently available cost reports as of January 1 of each rebasing year
3/10/2023	M&S performs calculations and has data available for delivery to Department
3/15/2023	a. The Department reviews and posts calculated non-PPS IME Ratios & 10% GME cost per Discharge to the Department website for hospital review. b. Constant Contact email sent to hospital stakeholder engagement email list alerting all hospitals to review c. Hospital Review Period begins
4/15/2023	Hospital Review Period ends
4/30/2023	M&S works with hospital responses to amend calculations as necessary
5/1/2023	Department receives finalized non-PPS IME/GME data to include in inpatient hospital base rate model worksheet

COLORADO Department of Health Care Policy & Financing 20

Draft Inpatient Base Rate Methodology

- A big thanks to the stakeholders that have reached out since the January meeting with input on:
  - the exact source/location of the data included in rate building
  - the verbiage we had in the initial draft of Rule.
- In response to those questions, we asked the Colorado Attorney's General Office about how detailed Rule should be.
  - They said it should be high-level and not contain detailed, overly specific information on sources and worksheet/column/line items from cost reports.
  - However, we fully agree with the request for detail on exact source/location of data, and we are currently developing a worksheet that will appear in the Inpatient Rate Workbook that will provide all that detail

Draft Inpatient Base Rate Methodology

INPATIENT BASE RATE DATA SOURCES	
Live Link to Source (if applicable)	**Specific Details regarding the data elements used in building Inpatient Hospital Base Rates**
Sources: FY 2023 CMS Impact File CN / Table 1A-1E, Tables 15 & 16B Final Rule & Correcting Amendment	Medicare Labor-related amount (Source: Table 1A-1E Final Rule and Correcting Amendment)
	Wage Index (Source Impact File - Corrected Amendment Final Rule - Non_PPS Hospital Wage Index=1)
	Medicare Non-labor Related Amount (Source: Table 1A-1E Final Rule and Correcting Amendment)
	Federal Capital Rate (Source: FY 2023 CN Tables 1A-1E)
	GAF (Geographic Adjustment Factor) (Source Impact File - Corrected Amendment Final Rule) Non-PPS Hopital GAF=1
	Operating Indirect Medical Education (IME) % (Source Impact File -Corrected Amendment Final Rule) TCHOP
	Capital IME % (Source Impact File - Corrected Amendment Final Rule) TCHCP
	Value Based Purchasing (VBP) Adjustment Factor (Table 15)
	Readmission Factor (Table 16B)
CMS.gov Data Set: Hospital-Acquired Condition (HAC) Reduction Program	Hospital-Acquired Condition (HAC) Payment Reduction (CMS.gov Data Set)
MUTUALLY EXCLUSIVE ADD-ONS (4)	Mutually exclusive add-on 1: Critical Access Hospital (CAH) (Hospitals with first 4 digit in CCN = 0613. Excludes SCH/MDH, Low Discharge & Pediatric)
	Mutually exclusive add-on 2: SCH/MDH (excludes CAH, Low Discharge & Pediatric)
	Mutually exclusive add-on 3: **Low discharge add-on** (Source: 3 yr avg Total Discharges based on cost reports available as of Jan 1 of rebasing years Total Discharges - includes psych and rehab unit discharges for hospitals with those subunits) (excludes CAH, SCH/MDH & Pediatric) **Total Discharges:** From Hospital Form 2552-10, Worksheet S-3, Part I, Col. 15_Lines 14, 16 and 17, **18**
REMAINING MEDICAID ADD-ONS OPEN TO ALL HOSPITALS	**Payer mix add-on** (Source: 3 yr avg Medicaid Payer Mix based on cost reports available as of Jan 1 of rebasing years) **Medicaid Days:** From Hospital Form 2552-10, Worksheet S-3, Part I, Col. 7_Lines 2, 14, 16 (Psych) and 17 (Rehab), and **18** (other subunits) divided by **Total Days:** From Hospital Form 2552-10, Worksheet S-3, Part I, Col. 8_Lines 14, 16 and 17, **18**.
	Solvency Metric: Operating Cash Flow Margin Percent Add-on (also known as solvency metric) is set at 20% with a ceiling of 8% and floor of 0%. The source for this data is up to 3 years of Hospital Transparency Data that is generated by each hospital and sent into the Department. The Operating Cash Flow Margin Percent Add-on is calculated for all hospitals and is based on the maximum of the hospital or the hospital system's operating cash flow margin percent. System hospital list can be found in the IP/OP billing manual. Calculation of Operating Cash Flow Margin Percent is calculated by taking (Total Operating Revenue + Total Operating Net Income) / Depreciation Expense.
IME for Non-PPS Hospitals & GME Cost Add-on	Link to the left will take you to worksheet that details how GME/IME for Non-PPS hospitals is calculated

Draft Inpatient Base Rate Methodology

- During this documentation, it came to our attention that Special Financing and GME add-on calculations pull line 18 (other subunit) utilization from cost reports to reflect total utilization and will align with them to include line 18 "other subunits" in addition to Psych (line 16) and Rehab (line 17). Below is an example of the expansion in Payer Mix. Total discharges will also be modified to include line 18.

Payer mix add-on (Source: 3 yr avg Medicaid Payer Mix based on cost reports available as of Jan 1 of rebasing years)

Medicaid Days: From Hospital Form 2552-10, Worksheet S-3, Part I, Col. 7_Lines 2, 14, 16 (Psych) and 17 (Rehab), and **18** (other subunits) divided by

Total Days: From Hospital Form 2552-10, Worksheet S-3, Part I, Col. 8_Lines 14, 16 and 17, and **18**.

- We also reviewed the line items going into the GME add-on calculations and did find some in Total GME Ancillary Costs that we'll revisit during the next rebasing in 2025.

GME COST PER DISCHARGE							
Column Label:		A	B	C	D	E	F
Source:	2023 Teaching Hospital List	Most Recent Cost Report Period on File in Jan 2023		WS B Col 21-22 Ln 30-43	WS B Col 21-22 Ln 50-77 and 90-91	WS C Title XIX Col 6 Ln 202	WS C Title XIX Col 8 Ln 202
Medicare Provider Number	CMS Teaching Hospital?	Cost Report Period Start Date	Cost Report Period End Date	Total GME Routine Costs	Total GME Ancillary Costs	Inpatient Charges	Total Charges

Draft Inpatient Base Rate Methodology

Screen shot of CMS 2552 Worksheet B, Part 1 Cost Centers

		ANCILLARY SERVICE COST CENTERS
50.00	05000	OPERATING ROOM
52.00	05200	DELIVERY ROOM & LABOR ROOM
53.00	05300	ANESTHESIOLOGY
54.00	05400	RADIOLOGY-DIAGNOSTIC
55.00	05500	RADIOLOGY-THERAPEUTIC
57.00	05700	CT SCAN
58.00	05800	MRI
60.00	06000	LABORATORY
65.00	06500	RESPIRATORY THERAPY
66.00	06600	PHYSICAL THERAPY
67.00	06700	OCCUPATIONAL THERAPY
68.00	06800	SPEECH PATHOLOGY
69.00	06900	ELECTROCARDIOLOGY
70.00	07000	ELECTROENCEPHALOGRAPHY
71.00	07100	MEDICAL SUPPLIES CHARGED TO PATIENT
72.00	07200	IMPL. DEV. CHARGED TO PATIENTS
73.00	07300	DRUGS CHARGED TO PATIENTS
74.00	07400	RENAL DIALYSIS
76.00	03950	KIDSTREET
76.01	03951	ORTHOPAEDICS
76.02	03952	BEHAVIORAL SCIENCES
		OUTPATIENT SERVICE COST CENTERS
90.00	09000	CLINIC
91.00	09100	EMERGENCY
92.00	09200	OBSERVATION BEDS (NON-DISTINCT PART

D
WS B Col 21-22 Ln 50-77 and 90-91
Total GME Ancillary Costs

In particular, the Department will want to discuss the appropriateness of including Outpatient Service Cost Centers (90=Clinic & 91=Emergency) in Total GME Ancillary Costs during the next rebasing year in 2025.

Draft Inpatient Base Rate Methodology

➢More odds and ends…

- The AG's office confirmed that the Medicare Dependent Hospital (MDH) definition was written to reference CMS definitions and the wording will not live on if CMS removes that definition despite sounding as if it would. We will also be adding Sole Community Hospital (SCH) into the definitions and will write both the same way so that they do remain if removed by CMS.

- The Department is also adding a definition for rebasing year and non-rebasing year.

- We're also keeping the definition for urban safety net hospital even though it is no longer used in inpatient base rate methodology. AG agrees there is no harm done by keeping it in there.

➢What's next?

- The Department will present the first reading of Rule to the Medical Services Board (MSB) on April 15th at 9am. Please visit this link for information on attending the meeting: https://hcpf.colorado.gov/medical-services-board

Draft Inpatient Base Rate Methodology

- I still owe some feedback to a few stakeholders and will be getting back to them early next week. I appreciate your patience.

- If you have feedback, questions or suggestions please contact Diana Lambe at diana.lambe@state.co.us

Questions?

EAPG Module Update

- 3M released General Availability Version 2023.1.0 on 03/23/2023
- To be installed within interChange the week of 03/27/2023
- Applies quarterly CPT/HCPCS Updates
- Still working with 3M for Naloxone carveout for implementation in Licensed Software
  - InterChange processing Naloxone codes on OP claims correctly

Outpatient Hospital Rate Update for Out of State / New Hospitals

- Process for September 1, 2022 Hospital-specific Base Rates detailed in May 2022 Hospital Stakeholder Engagement Meeting.

- Updated peer group averages, out of state rates posted to the Outpatient Hospital Payment web page in September 1, 2022 Posting

- For questions regarding base rate calculations, please contact Andrew Abalos and Tyler Samora

Regular EAPG Version / <u>Base Rate Updates</u>

- During our January stakeholder meeting we solicited feedback on where to start in alternating between updating the hospital base rates and the EAPG versions

- <u>We chose Hospital Base Rates</u>

- Our current proposition is to align with the State FY
  - Updates effective on July 1, 2024

- Feedback? Please email Tyler Samora and Andrew Abalos

January Follow-up:
Kepro Authorization Timelines

- Concerns expressed on timeframes for PAR decisions
- Recommendation to send a PAR as soon as need is identified, allowing Kepro sufficient time to complete review before scheduled surgery
- Ongoing process to evaluate turnaround times and operations to find improvements
- Providers do have the option to request an expedited case if a delay in outcome will affect members life, ability to retain function, etc, and also a rapid review if the case is holding up a hospital discharge. **All of this information can be found on the ColoradoPAR website. Providers can also reach out to Kepro by contacting coproviderissue@kepro.com**

January Follow-up:
Drug / NDC Denial Rates on OP Claims

- Policy: Drugs on OP Claims must be billed with appropriate NDC Code (see Appendix X)

- EOBs/Errors: The National Drug Code (NDC) is missing. The NDC is required for physician-administered drug, or one or more of the NDCs submitted is not related to the procedure code billed.

- Request for a conditional disposition:
  - Do not deny when zero reimbursement for drug (packaging, 0 weighted EAPG)
  - Deny when expected reimbursement for drug (as currently implemented)

- **Currently** working with Gainwell/3M to determine feasibility, resources required

Inpatient Naloxone Carveout

- HB22-1326 (Fentanyl Accountability And Prevention) Bill Signed into law May 25, 2022
- Other required authorities:
  - Code of Colorado Regulations
    - Emergency Rule passed December 9, 2022, will be presented as non-Emergency on March 10
  - State Plan
    - Pursuing a State Plan Amendment (SPA), to be submitted in coming weeks

- Implementation:
  - Billing guidance will be updated in the provider bulletin and billing manuals when changes are complete, seeking a process similar to current IPP-LARC carveout

Questions, Comments, & Solutions

Thank You!

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