HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Thursday, May 6, 2021
2:00 PM - 4:00 PM

Friday, May 7, 2021
9:00 AM -12:00 PM

Location: Online Only

Rural Hospital Zoom Meeting: **D**ial Toll-free 833 548 0276 / Meeting ID: 912 7916 2807 / Passcode: 240320

All Hospital Zoom Meeting: Dial Toll-free 1 877-853 5257 / Meeting ID: 987 2946 5513 / Passcode: 353674

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

Welcome & Introductions

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

About this Zoom 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 Jonathan Rempfer at Jonathan.Rempfer@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

AGENDA

May 2021 Hospital Stakeholder Engagement Meeting Topics
Hospital Transformation Program (HTP) Rural Support Fund
Hospital Quality Incentive Payment (HQIP) Zero Suicide Measure
FY 21-22 State Budget Action Inpatient Base Rate Update
Draft Inpatient Base Rate Methodology Discussion
Rule Updates
Pain Stimulators
Emergency Medicaid Services (EMS)
Outpatient SUD Service

AGENDA cont'd

May 2021 Hospital Stakeholder Engagement Meeting Topics
EAPG Module Update
Outpatient Specialty Drug Carveout
Outpatient Drug Re-weight Discussion
Outpatient Drug Carveout / AAC Survey
EAPG Rate Updates
DME Billing Policy
Fundamentals of EAPGs
Transition to Version 3.16 of EAPGs

Requested Topics from Hospitals

- Request for more information from Special Financing on various topics – Nancy D
- Request regarding update on pain stimulators – Raine H.
- EAPG – Andrew A.
  - We received additional questions regarding drugs and the EAPG payment methodology
    - CK for heart attacks and oncology medicine.
    - EAPG Billing for reimbursement
    - AAC Survey
    - Update to EAPG Rates
    - DME
- Questions regarding specific claims for specific providers were taken care of outside of the meeting
- We also received questions about RAE's and Centers of Excellence but were unable to procure a SME to present today. We will schedule for July's meeting.

Requested Topics from Hospitals

- PLA (PROPRIETARY LAB ANALYSES) Codes
  - Discovered inconsistency in payment for codes in OP Hospital Services
  - Working to provide clarification
  - Will be a topic during July Hospital Engagement Meeting
  - Will communicate relevant findings in advance

2021 Rural Hospital Engagement Meeting Schedule

Rural Community Meetings 2021 Schedule			
Date	RHC Time	Break	Hospital Time
1/7/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
3/4/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
5/6/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
7/8/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
9/9/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
11/4/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm

Dates and Times for Future General Hospital Stakeholder Engagement Meetings in 2021

Dates of Meetings	Meeting Time
~~January 8, 2021~~	~~1:00pm-4:00pm~~
~~March 5, 2021~~	~~9:00am-12:00pm~~
~~May 7, 2021~~	~~9:00am-12:00pm~~
July 9, 2021	1:00pm-4:00pm
September 10, 2021	1:00pm-4:00pm
November 5, 2021	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

HTP – Rural Support Fund

- Awaiting CMS approval of State Plan Amendment
  - First $12 million will be paid by September 2021 along with FFY 2020-21 CHASE fees & payment reconciliation
- Use of funds
  - As described in hospital attestations
  - Rural connectivity
    - ✓ Will complement, coordinate with other funding
- Contact Nancy.Dolson@state.co.us or hcpf_RSF@state.co.us

HQIP – Zero Suicide Measure

- 2.a.54 Please submit documentation that your hospital has a data monitoring tool to track implementation of written policies, training plans, return ED visits, suicide attempts, and suicide fatalities of clients using the measures documented in the data elements worksheet.
- Question: If we are partnering with RMCP do we simply need to compile a document that states how we will track patient data? Do we need to reference all measures in the Data Elements worksheet?
  - Answer: RMCP conducts follow up and does not complete the components of the program that must occur in the hospital with the patient at the time of the hospital encounter.
  - The deliverable states that patient data should be tracked using the measures in the data elements worksheet (more precisely, questions 1-8).
- Contact Matt.Haynes@state.co.us for HQIP questions

FY 21-22 Inpatient Hospital Base Rate State Budget Action Update

- The Department of Health Care Policy & Financing will use the upcoming State Budget Action (SBA) to update FY 20-21 base rates.

- The General Assembly has not yet appropriated the percentage increase/decrease for FY 21-22.

- The final adoption date of the rule is set for May 14, 2021 at the Medical Services Board Meeting.

Draft Inpatient Base Rate Methodology

What's happened since March:

- Updates to Base Rate Methodology Workbook:

1. Updated claim counts & case mix index to calculate budget.

2. Updated Cost Report Data used in add-on calculations to data available as of December/January 2021.
   - Uses maximum of 3 year's worth of full-year reports. For new hospitals, one to two year's worth of reports will be used. New hospitals with no cost reports on file will not receive add-ons until they do have cost reports.

3. Added low discharge hospital component working on a sliding scale (ceiling/floor) to the Critical Access Hospital add-on.

4. **Computing Budget Neutrality:** Originally tried to used the "Solver" add-in from Excel which allows constraints like the +/-10% corridor to be entered into the "Goal Seek" type solution. However, we found that solution (regardless of different methods offered) tended to automatically input the outer edges of the corridors to arrive at a result. This was not the equitable solution we were looking for.

Draft Inpatient Base Rate Methodology

What's happened since March:

- Updates to Base Rate Methodology Workbook cont'd:

5. **Computing Budget Neutrality cont'd:** The Colorado Hospital Association agrees that a solution that doesn't automatically inflict maximum corridor adjustments to hospital base rates in the form of the -/+10% base rate change from prior year is a better method to pursue.

6. **Computing Budget Neutrality cont'd:** The resulting calculation reflects an attempt to minimize the number of hospital base rates at the edges of the corridor.

7. Sample spreadsheet demonstrating the method will be available on the Inpatient Hospital Payment web page AND the Hospital Stakeholder Engagement web page for May 2021 for hospitals to download and view how all calculations work. **Excel document name:** Draft IP Base Rate Methodology May 2021 Stakeholder Review Ver 3.

Draft Inpatient Base Rate Methodology

Going to Excel document for presentation.

Excel document name: Draft IP Base Rate Methodology May 2021 Stakeholder Review Ver 3

Draft Inpatient Base Rate Methodology

Next Steps

- Determine individual Add-On percentages
- List of current add-ons included in draft inpatient base rate methodology

Color-Coded Add-On Template
CHA/Hospital Driven
HCPF Exec Level Driven
HCPF Driven
Existing Add-Ons

CAH OR LOW DISCHARGE HOSPITAL ADD-ON
Independent (IF HOSPITAL SYSTEM = NULL, THEN X%)
Pediatric Add-On (If Digits 3-4 in Medicare ID=33 (Pediatric Hosp), then X% Add-On)
Medicare Readmission Reduction up to 3%
Medicare HAC Reduction = 1%
PAYER MIX ADD-ON
NET PATIENT REVENUE (NPR) ADD-ON
OPERATING EXPENSE ADD-ON
NET INCOME ADD-ON
GME COST ADD-ON (10% of Medicaid Cost Per Discharge) (FY20-21 Amounts)
Operating IME ADD-On for PPS Hospitals who Qualify
Capital IME ADD-On for PPS Hospitals who Qualify

Draft Inpatient Base Rate Methodology

We will send a Constant Contact email next week to allow hospitals to share their thoughts on how add-ons might be handled in the new inpatient base rate methodology.

Polling Questions will explore your thoughts on:

- … what add-on amounts should be based on?
- … whether add-ons should be equal weight or differing weights and why?

Additionally, please contact us (HCPF), CRHC or CHA with thoughts or suggestions on any of the material presented today.

Questions or Comments?

Rule Updates

- CC/CCEC rule will be updated to include the new FSED license type and remove/replace references to CCECs. This update will align the Department with CDPHE's rule regarding these license types.
  Contact Janna Leo and Justen Adams with questions

- Hospital and CC/CCEC rules will be updated to include the prudent layperson standard in the Emergency Care Services definition.
  Contact Raine Henry with questions

Pain Stimulators

- March 2020 Hospital Engagement Meeting
  - Vagus Nerve Stimulators – Access to Care

- More specific information is needed
  - Please provide ICNs and coding examples to Raine Henry

Emergency Medicaid Services (EMS)

The EMS benefit plan has two types of coverage:

1) **EMS COVID-19 Only Emergency Benefits for Uninsured Individuals for COVID-19 Laboratory Testing**

This benefit is limited to COVID-19 laboratory testing procedure codes. Only procedure codes covered under this policy should be submitted on a member's claims. Inpatient stays, and other services not listed on the COVID-19 webpage are not a payable benefit with this coverage.

Emergency Medicaid Services cont'd

2) **EMS**

This benefit is for individuals who meet eligibility criteria for Medicaid but who are not citizens, and are not eligible non-citizens. Coverage is limited to care and services that are necessary to treat the immediate emergency medical condition through which they became eligible for EMS.

Refer to the Verifying Member Eligibility and Co-Pay Quick Guide for more information on verifying member eligibility through the Provider Web Portal.

This information can also be found in the February 26, 2021 Provider News & Resources.

Contact Raine Henry with questions

Outpatient SUD Services

- Outpatient SUD services were denying billing RAE.
- The resolution to this issue is in process.
- Thank you very much for bring this to our attention!

Please contact Janna Leo with any questions.

EAPG Module Update

- 3M Released v2021.1.1 on March 25, 2021
- Gainwell installed into MMIS on March 31
- Applies quarterly CPT/HCPCS Updates
- No Claim Adjustments Required
- Still using version 3.10 of EAPGs

EAPG Module Update

- 3M to release v2021.2.0 on June 24, 2021
- Expected June 30 installation into MMIS
- Quarterly CPT/HCPCS Updates
- No planned updates
- Version 3.10 of EAPGs will continue to be used

Outpatient Specialty Drug Carveout

- Intends to carveout high cost, sparsely utilized drugs

- Carved out from EAPG Payment
  - Priced at 72% of invoiced cost
  - See Appendix Z in Billing Manual

- Effective August 11, 2019

- Criteria to follow – feedback appreciated!

Outpatient Specialty Drug Carveout

- Drug must be a Colorado Medicaid covered service (i.e. FDA approved, not experimental therapy)

- Drug has a specific HCPCS code associated with it (not under a miscellaneous code)

- Drug was approved and entered the market after 10/31/2016.

Outpatient Specialty Drug Carveout

- Hospital's net invoice (enclosed for review) exceeds $75,000 for one dose therapy, or exceeds $32,000 per dose for multi-dose therapies, or exceeds $22,000 per dose for therapies costing more than $125,000 per year.

- The drug is not a reformulation of the same active pharmaceutical ingredient of another drug already on the list, or is a lower cost alternative as evidenced by invoice.

Outpatient Specialty Drug Carveout

- The drug that is not available as generic, biosimilar, or other highly similar product, unless the invoice cost is less than the invoice cost of the as generic, biosimilar, or other highly similar product.

- The drug is superior (not non-inferior or inferior) to currently available (US) drug treatments (including standard of care or no treatment) for the disease or condition the drug is used to treat.

EAPG Drug Re-weighting Update

- Balances payment for drugs provided in outpatient hospital setting to reflect cost discrepancies in hospital groups, effective June 1, 2020
  - See EAPG Drug Re-Weight Meetings for more detail
  - 42.93% Increase for Critical Access, Medicare Dependent Hospitals
  - 3.47% Decrease for non-independent urban hospitals
- All authorities required for implementation
- Collaborating with Gainwell Technologies (formerly DXC) and 3M for system implementation with mass adjustment to follow

EAPG Drug Re-weighting Update

- Internal work with GWT for continued use of 3M modules (both APR-DRG and EAPG pricing), transition to version 3.16 of EAPGs
- Work cannot be completed in parallel
  - Claims impacted by drug re-weighting payment policy tentatively scheduled for reprocessing third quarter of calendar year

Drug Surveys

- Assessment of long-term payment solution for drugs in outpatient

- Myers and Stauffer – obtained information from several hospitals
  - Received report from Myers and Stauffer – still reviewing

- Thank you for providing cost information!

EAPG Rate Updates

- July 1, 2020 Rate Updates Loaded mid-January
  - Mass Adjustment occurred over 4 financial cycles, beginning late January through late February

- Other claims were not included in original adjustment request – identified late March, adjustments to be completed by May 7

- Targeted claims not impacted by drug re-weight effort

- July 1, 2021 Rate Update yet to be determined
  - Likely to be ATB increase/decrease to existing rates

DME Billing Policy

- Since the implementation of EAPGs, the Department has carved out the payment for unbundled Durable Medical Equipment from its outpatient claims and requests that such line items are billed on the CMS-1500. Such line items are subject to the billing rules and payment methodology in place for DME Suppliers. Please see Appendix G for a listing of the CPT/HCPCS codes which are unbundled from the EAPG methodology.

DME Billing Policy

- Unbundled DME Codes – Appendix G
- Have heard difficulties in obtaining DME Provider Status
- Those that have obtained status reported issues billing in this way
- REQUEST: Please provide both OP and DME claims where denials are occurring

Fundamentals of EAPG Payment Methodology

Bundled Payment Methodology

- Intends to pay for outpatient **visits**

- Services aggregated based on service date
  - Exceptions are for ER stays (045X Revenue Code Series)
  - Observation Stays (076X Series)

- Intends to bundle **single** visit occurring over multiple service dates
  - Overnight stays

Determination of Significant Procedure (SP)

- 3M crosswalks each CPT/HCPCS to an EAPG

- Statistically determined by 3M for v3.10 release for determination of most intensive procedure of OP visit
  - Subtypes of SPs: Physical Therapy & Rehab, Mental Health & Counseling, Dental Procedure, Radiologic Procedure, Diagnostic Significant Proc

- Typically a scheduled procedure:
  - CAT SCAN
  - PHYSICAL / SPEECH THERAPY
  - ECHOCARDIOGRAPHY

Determination of Medical Visit

- EAPG Assigned to E&M Code when no SP Present for Visit

- EAPG assignment based on diagnosis code

- If SP is present during visit, E&M Code assigned generic Medical Visit EAPG
  - No distinct reimbursement for this line – is considered part of payment bundle

Bundling Mechanism - Packaging

- Occurs for routine ancillary procedures during OP visit where SP or Medical Visit EAPGs are assigned

- Intends to promote efficient care during OP Visit

- Average of costs considered in determination of CO Weights

Bundling Mechanism - Packaging

- Appendix D of 3M Definitions Manual views all packageable EAPGs

- Common Examples
  - EAPG 408 – LEVEL I HEMATOLOGY TESTS
  - EAPG 400 - LEVEL I CHEMISTRY TESTS
  - EAPG 471 - PLAIN FILM

- Ancillary procedures are not always routine
  - EAPG 403 – ORGAN OR DISEASE ORIENTED PANELS
  - EAPG 401 – LEVEL II CHEMISTRY TESTS
  - EAPG 397 – LEVEL II MICROBIOLOGY TESTS

Bundling Mechanism - Consolidation

- Intends to prevent duplicative payment for similar procedures based on SP hierarchies
  - Consolidated items do not have distinct payment (i.e. they are paid at $0)
  - Recognizes efficiency of care for delivery of similar services

- EAPG 40 – SPLINT, STRAPPING AND CAST REMOVAL vs. EAPG 39 - REPLACEMENT OF CAST

- Only EAPG 39 will pay – EAPG 40 is consolidated

- Listed in Appendix E of 3M Definitions Manual

Bundling Mechanism - Discounting

- Reduces payment for SPs for distinct services, recognizing cost savings of multiple procedures performed during single visit

- EX: EAPG 40 – SPLINT, STRAPPING AND CAST REMOVAL vs. EAPG 62 - LEVEL I ENDOSCOPY OF THE UPPER AIRWAY

- Discounting based on Relative Weights:
  - EAPG 62 – 2.0789 – Pay at full Weight
  - EAPG 40 – 0.9036 – Pays at 50% of Weight (0.4518)

Bundling Mechanism - Discounting

- Can apply to both Routine / Non-Routine Ancillary Procedures

- Similar philosophy to discounting of SPs – repeated EAPGs during visit

- EAPG 401 - LEVEL I CHEMISTRY TESTS during same visit
  - Instance 1: Payment at full weight (0.3137)
  - Instance 2: Payment at 50% of weight (0.15685)

Resources

- EAPG version 3.10 of Definitions Manual
  - Crosswalk of CPT / HCPCS to EAPGs
  - Crosswalk of ICD-10 codes to EAPGs
  - EAPG Types (SPs, subtypes, Ancillaries)
  - List of Packageable EAPGs (Appendix D)
  - Hierarchy of Consolidation of SPs (Appendix E)

- Billing manual
  - Assistance with modifiers

Transition to Version 3.16

- Intended to account for changes in outpatient hospital care delivery based on national data / statistics compiled by 3M

- Addition, Removal, Modification of EAPGs
  - CPT/HCPCS/ICD-10 codes can be moved to different EAPGS

- New set of cost weight statistics are developed by 3M based on changes in costs of procedures associated with EAPGs (National Weights)

Transition to Version 3.16

- Modifications of packaging list and consolidation hierarchy

- **Lastly, 3M version update will modify inpatient-only procedure list to accommodate changes in deliveries for related services and as suggested through Centers for Medicare & Medicaid Services (CMS)**

Transition to Version 3.16

- Please see previous Hospital Stakeholder Engagement Meetings (beginning December 11, 2020)
  - Proposition of Methodology Used for Scaling 3M National Weights
  - Relevant counts of services impacted by updates to packaging and IP only lists based on historical utilization in CO, new EAPGs

Transition to Version 3.16

- Updating will require changes to rule and SPA

- Rule updates can only be made prospectively, as opposed to SPA (with some limitations)

- Due to interest in collaboration with stakeholders and thorough fiscal impact analysis, reconsideration of July 1, 2021 implementation date – likely implementation fourth quarter CY2021

PROPOSED Configuration Changes

- Non-payable EAPGs
  - EAPGs 168 & 169 in Version 3.10 are not reimbursed in accordance with OP Hospital Dialysis payment policy
    - Hemodialysis, Peritoneal Dialysis
  - 3.16 has removed EAPG 169, aggregated into EAPG 168 (DIALYSIS PROCEDURES)
  - EAPG 168 will not be covered

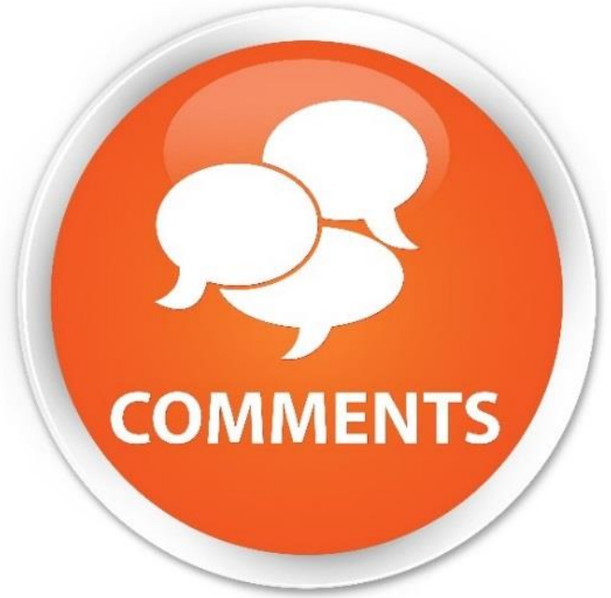
PROPOSED Configuration Changes

- **Medical Visits with Significant Procedures**
  - Medical Visits and Observation will continue to not reimburse when General SP (EAPG Type 2) is present during visit
  - Other SP subtypes can have Medical Visits and Observation pay

PROPOSED Configuration Changes

- Medical Visits will also pay
- Observation can pay if billed with >8 hours
- Consistent with 3M National Weights
- Increases in non-packaged Medical Visits and Observation Payments
- Subtypes:
  - **21 - Physical Therapy & Rehab**
  - **22 - Behavioral Health & Counseling**
  - **23 - Dental Procedure**
  - **24 - Radiologic Procedure**
  - **25 - Diagnostic or Therapeutic Proc**

Questions, Comments, & Solutions



Thank You!

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