

HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, May 3, 2024
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 Della.Phan@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 Della Phan at Della.Phan@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

May 2024 Hospital Stakeholder Engagement Meeting Topics - mm:ss

Staffing Update - 3:59

Balance Billing Policy Clarification - 4:40

FY 24-25 Inpatient Base Rate Update - 6:00

APR-DRG Version 40 Update - 7:07

General EAPG Updates - 19:28

EAPG Duplicate Drug Payments Issue - 21:33

Future Outpatient Hospital Payment Projects - 22:58

Regulatory Updates - 26:30

Provider Revalidation Reminder - 30:11

Staffing Update

- Tyler Samora no longer working in Outpatient Rates Analyst Role
- Working for hiring replacement - contact Andrew Abalos for any outpatient / EAPG-related questions

Balance Billing Policy Clarification

- [Family Planning Benefits Meeting](#), February 2024
 - Since FAMPL/EMS are limited benefit plans, members may encounter a wider range of non-covered services.
 - hcpf.maternalchildhealth@state.co.us - inbox for Family Planning Benefits questions
- [Balance Billing Policy](#)
 - Applies to all Medicaid members
 - Providers **cannot** bill members for covered services, but they can bill for non-covered services if there is a signed consent form that the member acknowledges financial responsibility prior to the visit.
 - The consent form needs to include specific points outlined in this [provider bulletin](#)


FY 24-25 Inpatient Base Rates

- FY 23-24 Inpatient Base Rates will be updated with the State Budget Action as determined by Legislature this year. The Long bill was signed on 4/29/2024 and authorizes a 2% rate increase for hospitals.
- The Department will put the rate posting together and a Constant Contact email notifying hospitals when the 30-day review document is available.
- Please sign up to receive the [Hospital Engagement Meeting newsletters](#).

Version 40 Update - Posted Payment Differentials March 11, 2024

Mar. 11, 2024

**Hospital Payment Differentials
Between APR-DRG
Versions 33 & 40**



Dear Hospital CFOs/Reimbursement Professionals,


The [Inpatient Hospital Payment page](#) has been updated to include the payment differentials observed during the proposed DRG weight calculations for the Department's implementation of APR-DRG version 40 for the payment of inpatient hospital claims. These calculations are based on Calendar Year 2022 data, therefore these figures do not represent accurate fiscal impacts for the implementation period. Hospitals will need to apply the proposed weights and version 40 DRG assignments to more recent hospital-specific case-mix to best assess fiscal impacts.

For any questions on the proposed DRG weights, please contact [Andrew Abalos](#) and [Diana Lambe](#).

Sincerely,

Andrew Abalos
Facilities Rates Section Manager

See what's happening on our social sites.



- As a quick reminder, the Department sent out a constant contact email directing hospitals to download a document detailing Hospital Payment Differentials between APR-DRG Version 33 & 40.
- [Inpatient Hospital Payment page](#)
- See second link named “Hospital Payment Differentials...” under heading “DRAFT Version 40 Weight Table...”

Version 40 Update - Why?

- Why we are updating to APR-DRG Version 40:
- In addition to methodological changes, there will be significant differences in APR-DRGs in Ver 40 (released Oct 2022) compared to Ver33 (released Oct 2015) due to 7 years' worth of advances in medicine.
- At a high level, Ver 40 introduced 39 new DRGs from Ver 33 introducing more granularity to certain DRG groupings.
- An example of that granularity is the creation of DRGs accommodating newly developed technologies/methods of service delivery such as
DRG 011: CHIMERIC ANTIGEN RECEPTOR (CAR) T-CELL AND OTHER IMMUNOTHERAPIES
and other formerly non-specific DRGs grouping to much more specific DRGs.
- There will also be changes in weight (payment) due to reduction in the relative resource allocation for certain DRGs. So, to reiterate, the whole system has been adjusted to better define resource allocation in today's hospitals.

Version 40 Update Payment Differentials

Hospital Payment Differentials between APR-DRG Versions 33 and 40 Using Calendar Year 2022 Hospital Claim Dataset

| CAH | CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--------------------|----------------|-------------------------|-------------------------|------------------------|--------------------------|---------------------------------|
| CAH | 2,500 | \$14,325,798.07 | \$13,043,951.45 | \$1,281,846.62 | 9.8% | -\$118,104.31 |
| NOT CAH | 106,695 | \$929,959,105.24 | \$931,231,962.68 | -\$1,272,857.44 | -0.1% | -\$2,856,364.32 |
| Grand Total | 109,195 | \$944,284,903.31 | \$944,275,914.13 | \$8,989.18 | 0.0% | -\$2,974,468.63 |

- The data points presented are from CY 2022:
 - HIPAA adjusted claim counts (any counts 30 or under)
 - The Estimated Payment in V40
 - The Estimated Payment in V33
 - The Estimated Payment Change between V40 - V33
 - The Estimated % Payment Change between V40 - V33
 - The Estimated Outlier Payment Change - This number is baked into the V40-V33 Estimated Payment Change. It is not an additional change.

- [Inpatient Hospital Payment page](#) See second link named “Hospital Payment Differentials...” under heading “DRAFT Version 40 Weight Table...”

Version 40 Update Payment Differentials 1

Hospital Payment Differentials between APR-DRG

Versions 33 and 40 Using Calendar Year 2022 Hospital Claim Dataset

| CAH | CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--------------------|----------------|-------------------------|-------------------------|---------------------|-----------------------|------------------------------|
| CAH | 2,500 | \$14,325,798.07 | \$13,043,951.45 | \$1,281,846.62 | 9.8% | -\$118,104.31 |
| NOT CAH | 106,695 | \$929,959,105.24 | \$931,231,962.68 | -\$1,272,857.44 | -0.1% | -\$2,856,364.32 |
| Grand Total | 109,195 | \$944,284,903.31 | \$944,275,914.13 | \$8,989.18 | 0.0% | -\$2,974,468.63 |

| HOSPITALS | HIPAA ADJ CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--|--------------------|-------------------------|-------------------------|-----------------------|-----------------------|------------------------------|
| Banner Health Total | 4,989 | \$28,951,821.33 | \$27,936,091.66 | \$1,015,729.67 | 3.6% | -\$74,172.12 |
| Banner Health – Ft. Collins | 682 | \$2,176,898.89 | \$2,036,683.92 | \$140,214.97 | 6.9% | -\$8,357.89 |
| East Morgan County Hospital | 185 | \$614,767.22 | \$558,661.31 | \$56,105.91 | 10.0% | \$194.43 |
| Mckee Medical Center | 281 | \$2,360,688.13 | \$2,264,792.63 | \$95,895.50 | 4.2% | -\$8,608.36 |
| North Colorado Medical Center | 3,511 | \$22,348,529.61 | \$21,678,738.36 | \$669,791.25 | 3.1% | -\$47,344.54 |
| Sterling Regional Medical Center | 330 | \$1,450,937.48 | \$1,397,215.44 | \$53,722.04 | 3.8% | -\$10,055.76 |
| Centura Health (Commonspirit) Total | 13,077 | \$106,248,624.22 | \$103,634,247.01 | \$2,614,377.21 | 2.5% | \$194,991.55 |
| Centura Health-St Thomas More Hospital | 578 | \$3,616,136.65 | \$3,224,804.68 | \$391,331.97 | 12.1% | -\$6,767.37 |
| Centura St. Elizabeth Hospital | 360 | \$1,416,868.25 | \$1,274,669.51 | \$142,198.74 | 11.2% | -\$8,047.41 |
| Longmont United Hospital | 701 | \$4,489,515.37 | \$4,334,143.22 | \$155,372.15 | 3.6% | -\$29,649.48 |
| Mercy Regional Medical Center | 1,023 | \$7,241,470.79 | \$7,148,377.05 | \$93,093.74 | 1.3% | -\$85,452.19 |
| OrthoColorado Hospital | 30 or under | \$330,561.70 | \$231,924.07 | \$98,637.63 | 42.5% | \$0.00 |
| Penrose-St Francis Hospital | 5,372 | \$42,186,134.11 | \$41,787,648.32 | \$398,485.79 | 1.0% | -\$238,993.06 |
| St Anthony Hospital | 1,859 | \$25,986,347.38 | \$25,173,808.08 | \$812,539.30 | 3.2% | \$603,470.83 |
| St Anthony Hospital North | 2,301 | \$14,613,049.76 | \$14,298,612.87 | \$314,436.89 | 2.2% | -\$22,745.05 |
| St Anthony Summit Medical Center | 413 | \$1,456,945.01 | \$1,426,163.52 | \$30,781.49 | 2.2% | -\$1,139.58 |
| St Mary Corwin Regional Medical Center | 452 | \$4,911,595.20 | \$4,734,095.69 | \$177,499.51 | 3.7% | -\$15,685.14 |
| Centura Health Adventist Total | 6,155 | \$38,955,023.58 | \$38,407,851.94 | \$547,171.64 | 1.4% | -\$17,231.02 |
| Avista Adventist Hospital | 1,793 | \$5,881,012.14 | \$5,738,486.51 | \$142,525.63 | 2.5% | -\$12,655.48 |
| Centura Health-Castle Rock Adventist Hos | 684 | \$3,640,324.21 | \$3,556,085.78 | \$84,238.43 | 2.4% | -\$27,421.32 |
| Littleton Adventist Hospital | 1,295 | \$8,945,249.96 | \$8,614,152.84 | \$331,097.12 | 3.8% | \$45,300.09 |
| Parker Adventist Hospital | 1,350 | \$9,844,786.86 | \$9,493,365.12 | \$351,421.74 | 3.7% | -\$89,854.21 |
| Porter Memorial Hospital | 1,033 | \$10,643,650.41 | \$11,005,761.69 | -\$362,111.28 | -3.3% | \$67,399.90 |

Version 40 Update Payment Differentials 2

Hospital Payment Differentials between APR-DRG Versions 33 and 40 Using Calendar Year 2022 Hospital Claim Dataset

| HOSPITALS | HIPAA ADJ CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--|--------------------|-------------------------|-------------------------|------------------------|-----------------------|------------------------------|
| Childrens Total | 8,897 | \$136,444,490.03 | \$139,819,536.08 | -\$3,375,046.05 | -2.4% | -\$1,417,528.01 |
| Childrens Hospital Colorado | 6,865 | \$111,515,413.59 | \$114,386,241.19 | -\$2,870,827.60 | -2.5% | -\$1,398,905.31 |
| Childrens Hospital Colorado-CO Sprgs | 2,032 | \$24,929,076.44 | \$25,433,294.89 | -\$504,218.45 | -2.0% | -\$18,622.70 |
| HealthONE Total | 17,442 | \$147,816,744.69 | \$143,615,656.49 | \$4,201,088.20 | 2.9% | \$511,954.06 |
| North Suburban Medical Center | 2,713 | \$20,573,794.27 | \$20,551,862.41 | \$21,931.86 | 0.1% | \$84,258.50 |
| Rose Medical Center | 2,821 | \$14,686,731.27 | \$14,235,574.79 | \$451,156.48 | 3.2% | -\$30,900.82 |
| Sky Ridge Medical Center | 1,726 | \$13,989,883.34 | \$13,291,431.63 | \$698,451.71 | 5.3% | -\$31,410.93 |
| St Luke's Medical Center | 2,888 | \$31,440,246.18 | \$30,260,050.01 | \$1,180,196.17 | 3.9% | -\$45,356.92 |
| Swedish Medical Center | 3,826 | \$39,652,897.25 | \$38,255,671.80 | \$1,397,225.45 | 3.7% | \$657,770.00 |
| The Medical Center Of Aurora | 3,468 | \$27,473,192.38 | \$27,021,065.85 | \$452,126.53 | 1.7% | -\$122,405.77 |
| Intermountain (formerly SCL Health) Total | 11,892 | \$83,083,554.24 | \$82,501,383.54 | \$582,170.70 | 0.7% | -\$25,723.40 |
| Exempla Good Samaritan Medical Center | 1,437 | \$9,191,417.24 | \$8,758,832.83 | \$432,584.41 | 4.9% | \$36,559.63 |
| Exempla Lutheran Medical Center | 3,050 | \$21,278,880.32 | \$21,786,604.44 | -\$507,724.12 | -2.3% | \$108,076.48 |
| Platte Valley Medical Center | 1,431 | \$7,224,702.35 | \$7,104,463.07 | \$120,239.28 | 1.7% | -\$55,591.27 |
| Saint Joseph Hospital | 4,234 | \$31,200,313.96 | \$30,771,779.93 | \$428,534.03 | 1.4% | -\$67,189.81 |
| St Marys Hospital & Medical Center | 1,740 | \$14,188,240.37 | \$14,079,703.27 | \$108,537.10 | 0.8% | -\$47,578.43 |
| UCHealth Total | 26,338 | \$235,591,443.36 | \$240,316,869.07 | -\$4,725,425.71 | -2.0% | -\$1,023,881.67 |
| Longs Peak Hospital | 1,369 | \$7,114,018.09 | \$6,944,496.31 | \$169,521.78 | 2.4% | -\$16,873.96 |
| Medical Center Of The Rockies | 1,423 | \$13,759,619.23 | \$13,845,030.62 | -\$85,411.39 | -0.6% | -\$128,659.74 |
| Memorial Health System | 8,324 | \$60,446,605.99 | \$59,293,311.84 | \$1,153,294.15 | 1.9% | -\$155,372.63 |
| Poudre Valley Hospital | 2,526 | \$16,808,270.53 | \$17,243,402.88 | -\$435,132.35 | -2.5% | -\$136,855.38 |
| UCHealth Greeley Hospital | 1,073 | \$5,199,852.63 | \$5,390,735.24 | -\$190,882.61 | -3.5% | -\$50,535.68 |
| UCHealth Highlands Ranch Hospital | 806 | \$4,914,863.80 | \$5,087,891.87 | -\$173,028.07 | -3.4% | -\$39,764.50 |
| University Broomfield | 239 | \$1,903,372.86 | \$2,234,578.17 | -\$331,205.31 | -14.8% | -\$405,184.26 |
| University Colorado Springs | 106 | \$634,862.09 | \$563,757.00 | \$71,105.09 | 12.6% | \$0.00 |
| University Hospital | 10,116 | \$122,822,333.55 | \$127,852,106.09 | -\$5,029,772.54 | -3.9% | -\$94,901.72 |
| University Pikes Peak | 37 | \$234,524.27 | \$208,282.45 | \$26,241.82 | 12.6% | \$0.00 |
| Yampa Valley Medical Center | 319 | \$1,753,120.32 | \$1,653,276.60 | \$99,843.72 | 6.0% | \$4,266.20 |

Version 40 Update Payment Differentials 3

Hospital Payment Differentials between APR-DRG Versions 33 and 40 Using Calendar Year 2022 Hospital Claim Dataset

| HOSPITALS | HIPAA ADJ CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--|--------------------|-------------------------|-------------------------|------------------------|-----------------------|------------------------------|
| San Luis Valley Total | 831 | \$3,768,639.90 | \$3,615,969.55 | \$152,670.35 | 4.2% | -\$93,329.49 |
| San Luis Valley Health Conejos County | 34 | \$264,795.96 | \$341,197.78 | -\$76,401.82 | -22.4% | -\$81,987.52 |
| San Luis Valley Regional Medical Center | 797 | \$3,503,843.94 | \$3,274,771.77 | \$229,072.17 | 7.0% | -\$11,341.97 |
| Non System Hospital Total | 19,574 | \$163,424,561.96 | \$164,428,308.79 | -\$1,003,746.83 | -0.6% | -\$1,029,548.53 |
| Animas Surgical Hospital | 30 or under | \$43,466.16 | \$27,581.00 | \$15,885.16 | 57.6% | \$0.00 |
| Arkansas Valley Regional Medical Center | 317 | \$1,935,046.79 | \$1,817,178.83 | \$117,867.96 | 6.5% | -\$4,315.53 |
| Aspen Valley Hospital | 46 | \$254,183.58 | \$231,992.31 | \$22,191.27 | 9.6% | \$1,382.90 |
| Boulder Community Hospital | 1,192 | \$9,366,554.32 | \$9,284,627.38 | \$81,926.94 | 0.9% | -\$104,667.73 |
| Community Hospital Home Health Service | 396 | \$1,264,035.00 | \$1,226,670.19 | \$37,364.81 | 3.0% | -\$2,142.76 |
| Delta County Memorial Hospital | 230 | \$1,145,802.01 | \$1,078,234.75 | \$67,567.26 | 6.3% | \$595.92 |
| Denver General Hospital | 9,672 | \$98,808,578.28 | \$101,162,513.65 | -\$2,353,935.37 | -2.3% | -\$263,046.67 |
| Estes Park Medical Center | 70 | \$263,221.99 | \$245,675.88 | \$17,546.11 | 7.1% | -\$7,785.40 |
| Family Health West | 30 or under | \$39,635.52 | \$36,456.36 | \$3,179.16 | 8.7% | \$0.00 |
| Grand River Medical Center | 40 | \$389,969.77 | \$343,729.82 | \$46,239.95 | 13.5% | -\$3,130.68 |
| Gunnison Valley Hospital | 42 | \$192,773.18 | \$177,428.50 | \$15,344.68 | 8.6% | \$0.00 |
| Haxtun Hospital District | 30 or under | \$46,944.54 | \$41,531.90 | \$5,412.64 | 13.0% | \$0.00 |
| Heart Of Rockies Regional Medical Center | 160 | \$752,620.43 | \$675,114.98 | \$77,505.45 | 11.5% | -\$3,044.44 |
| Keefe Memorial Hospital | 30 or under | \$36,478.67 | \$35,980.10 | \$498.57 | 1.4% | -\$1,349.93 |
| Kit Carson County Memorial Hospital | 30 or under | \$14,493.76 | \$15,374.38 | -\$880.62 | -5.7% | -\$1,775.55 |
| Kremmling Memorial Hospital | 30 or under | \$144,502.78 | \$118,238.21 | \$26,264.57 | 22.2% | \$0.00 |
| Lincoln Community Hospital | 30 or under | \$139,230.33 | \$126,172.00 | \$13,058.33 | 10.3% | \$0.00 |
| Melissa Memorial Hospital | 30 or under | \$55,396.47 | \$47,565.78 | \$7,830.69 | 16.5% | \$0.00 |

Version 40 Update Payment Differentials 4

Hospital Payment Differentials between APR-DRG Versions 33 and 40 Using Calendar Year 2022 Hospital Claim Dataset

| HOSPITALS | HIPAA ADJ CLAIM CT | V40 EST PMT | V33 EST PMT | V40-V33 EST PMG CHG | V40-V33 EST PMT CHG % | V40-V33 EST OUTLIER PMT CHGS |
|--------------------------------------|-----------------------|-------------------------|-------------------------|------------------------|--------------------------|---------------------------------|
| Memorial Hospital | 70 | \$756,691.22 | \$670,609.86 | \$86,081.36 | 12.8% | \$1,725.86 |
| Montrose Memorial Hospital | 467 | \$1,645,257.52 | \$1,462,260.61 | \$182,996.91 | 12.5% | \$47.71 |
| Mt San Rafael Hospital | 77 | \$474,557.85 | \$439,256.48 | \$35,301.37 | 8.0% | \$0.00 |
| National Jewish Health | 30 or under | \$84,601.92 | \$87,239.58 | -\$2,637.66 | -3.0% | \$0.00 |
| Pagosa Mountain Hospital | 31 | \$244,062.74 | \$207,050.46 | \$37,012.28 | 17.9% | \$0.00 |
| Parkview Medical Center | 4,831 | \$35,836,073.97 | \$35,821,198.41 | \$14,875.56 | 0.0% | -\$548,485.11 |
| Pioneers Medical Center | 30 or under | \$235,495.13 | \$165,429.31 | \$70,065.82 | 42.4% | \$22,156.37 |
| Prowers Medical Center | 58 | \$506,254.89 | \$449,176.51 | \$57,078.38 | 12.7% | -\$16,214.00 |
| Rangely District Hospital | 30 or under | \$18,677.75 | \$14,789.95 | \$3,887.80 | 26.3% | \$0.00 |
| Rio Grande Hospital | 92 | \$558,621.41 | \$518,522.25 | \$40,099.16 | 7.7% | -\$512.33 |
| Sedgwick County Memorial Hospital | 30 or under | \$59,867.70 | \$53,198.79 | \$6,668.91 | 12.5% | \$0.00 |
| Southeast Colorado Hospital | 30 or under | \$90,451.23 | \$84,267.27 | \$6,183.96 | 7.3% | \$0.00 |
| Southwest Memorial Hospital | 324 | \$1,388,734.32 | \$1,318,472.11 | \$70,262.21 | 5.3% | -\$16,681.12 |
| Spanish Peaks Regional Health Center | 30 or under | \$108,393.83 | \$95,443.88 | \$12,949.95 | 13.6% | \$0.00 |
| St Vincent Hospital | 30 or under | \$110,788.14 | \$98,731.32 | \$12,056.82 | 12.2% | \$0.00 |
| Vail Valley Medical Center | 360 | \$2,155,642.37 | \$2,054,883.15 | \$100,759.22 | 4.9% | -\$12,892.72 |
| Valley View Hospital | 739 | \$3,478,976.44 | \$3,512,094.84 | -\$33,118.40 | -0.9% | -\$69,413.32 |
| Weisbrod Memorial County Hospital | 30 or under | \$8,166.63 | \$7,675.86 | \$490.77 | 6.4% | \$0.00 |
| Wray Community District Hospital | 162 | \$643,866.02 | \$564,069.44 | \$79,796.58 | 14.1% | \$0.00 |
| Yuma District Hospital | 30 or under | \$126,447.30 | \$111,872.69 | \$14,574.61 | 13.0% | \$0.00 |
| Grand Total | 109,195 | \$944,284,903.31 | \$944,275,914.13 | \$8,989.18 | 0.0% | -\$2,974,468.63 |

➤ [To download this document go to Inpatient Hospital Payment page](#)

➤ See second link named “Hospital Payment Differentials...” under heading “DRAFT Version 40 Weight Table...”

APR-DRG Weight Table in Payment Calculation

- Just a quick note to reiterate what the APR-DRG Weight Table brings to the payment calculation.
- The APR-DRG Grouper version update is meant to reflect a relative resource utilization for all the various services offered by hospitals on a national basis at a point in time. The resource allocation is based on type of services offered and the severity of illness present at the time of receiving services. The relative resource allocation appears as a weight which is relative to all other services provided. The higher the weight, the higher the reimbursement and vice versa.
- Version updates are supposed to be an adjustment to how the relative resource allocation within hospitals changes over time on a national basis. ***Any concerns about those changes should include reasons why Colorado weights should be different from the national weights.***

Version 40 Update - Hospital Feedback

- The Department did receive feedback on 4/1/2024 which we are looking into right now.
- Depending on what we find, if it requires a later implementation date than 7/1/2024, we will make hospitals aware ASAP.
- PLEASE contact Diana Lambe at diana.lambe@state.co.us and Andrew Abalos at Andrew.abalos@state.co.us by end of day Friday, May 17, 2024, if you have any concerns about the V40 APR-DRG implementation planned for 7/1/2024.

Final Version 40 Rule Changes

- 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 data as available; the data sources applicable to the DRG version effective during the last date of the inpatient hospitalization.](#)
- 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.~~ [The Trim Point Day iss are based upon the data sources applicable to the DRG version effective during the last date of service of the inpatient hospitalization.](#)

Final language change to allow for future APR-DRG Version updates to take place every other year without seeking approval from the Medical Services Board.

Final adoption date is Friday, May 10, 2024.

General EAPG Updates

- EAPG Module Update
 - 3M released General Availability Version 2024.1.0 on March 28, 2024
 - Installed within interChange on March 28, 2024
 - No adjustments required relating to this update
 - Applies quarterly CPT/HCPCS updates
- FY24-25 Long Bill - EAPG Rate Increase
 - 2% Rate Increase to all hospital-specific EAPG base rates, to be effective July 1, 2024
 - [Slide 8] Notification via Constant Contact

EAPG Duplicate Drug Payments Issue

The RAC, Hospital Policy and Rates teams have identified an issue in claims processing which allowed for duplicate EAPG payment for drugs on outpatient hospital claims. This impacts outpatient hospital claims with dates of service starting from October 31, 2016. This would occur when the same drug is billed on the same date of service on multiple claim lines. As 3M develops its EAPG drug weights using median dosage statistics and CMS' Average Sales Price to estimate each drug's cost per encounter which serves as the basis for its EAPG drug weight calculations, EAPG payment for an individual drug during an outpatient visit, regardless of dose provided, cannot exceed the hospital-specific EAPG base rate multiplied by the assigned EAPG's adjusted weight.

A fix is planned for an upcoming 3M EAPG module release in the coming months.

Future Outpatient Hospital Payment

- Prioritizing an EAPG Version Update to be effective within Calendar Year 2025
 - Mitigate transition-related swings in payments
 - Need for greater frequency of updates to continue aligning payments with modernized cost experiences, advancements in medicine
 - Adds/removes EAPGs, up to date drug pricing
 - Opportunity for review of payment mechanisms employed through EAPG methodology (e.g. modifier 27, amongst others)
- Close examination of EAPG drug payments, concurrent exploration of logistics of carveout (Average Sales Price, Average Acquisition Cost)
 - Feedback Requested - email Andrew.Abalos@state.co.us

Regulatory updates

- Inpatient Drug Carveout SPA Approved (CO-23-0042)
 - Allows for payment based on 97-100% of invoiced cost for Specialty Drugs
 - Effective January 1, 2024
 - Billing manual updates coming soon
- Outpatient Drug Carveout SPA Approved (CO-23-0043)
 - Allows for payment based on 97-100% (was 90%) of invoiced cost for Specialty Drugs
 - Effective January 1, 2024
- IP Naloxone Carveout - Emergency Rule
 - Original language not in alignment with HB22-1326
 - Emergency rule was presented in April, to be made permanent in future Medical Services Board meeting
- [Slide 18] Rule definitions update to accommodate Version 40

Provider Revalidation Reminder

- Providers are required to revalidate in the program at least every five (5) years to remain an active provider.
- Providers are contacted via email with instructions six (6) months before the revalidation deadline.
- Providers who have failed to revalidate with a revalidation date in 2023 will be disenrolled beginning May 1st, 2024.
- Disenrolled providers can reapply for validation.
- Providers can locate their revalidation date on the revalidation spreadsheet located on the [Revalidation web page](#) under the Revalidation Resources section.

Questions, Comments, & Solutions



Thank You!

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