

# HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, May 2, 2025  
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](mailto: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](mailto: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 2025

## General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
<del>January 10, 2025</del>	<del>1:00pm-3:00pm</del>
<del>February 7, 2025</del>	<del>9:00am-11:00am</del>
<del>March 7, 2025</del>	<del>9:00am-11:00am</del>
<del>May 2, 2025</del>	<del>9:00am-11:00am</del>
<b>June 13, 2025</b>	<b>1:00pm-3:00pm</b>
July 11, 2025	1:00pm-3:00pm
September 5, 2025	9:00am-11:00am
November 7, 2025	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 2025 Hospital Stakeholder Engagement Meeting Topics - mm:ss

Staffing Update - 4:20

June Hospital Engagement Meeting - 4:55

Hospital Specialty Drugs - 6:19

Senate Bill 25-205 (SFY25-26 Long Bill) - 19:00

2nd 30-day Review of Select Inputs to Inpatient Rates Rebasing - 20:28

Inpatient-specific Regulatory Updates - 24:38

Update to EAPG Version 3.18 Transition - 27:46

General EAPG Updates - 29:48

Regulatory Updates - 31:45



# STAFFING UPDATE

**Sean Paschke**  
**Outpatient Hospital**  
**Rates Analyst**

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# June Hospital Engagement Meeting

- **Department to host additional Hospital Stakeholder Meeting**
  - June 13, 2025, 1:00 PM - 3:00 PM
- **Topics to include:**
  - Update on Inpatient Hospital Base Rates
  - Discussion of Transplant DRGs
    - Transplant procedure costs
    - Organ acquisition cost review
  - General Updates
- **Meeting to be recorded, posted**

# Hospital Specialty Drugs

- Hospital Specialty Drug Definition
  - Physician-administered drug (PAD) administered in an inpatient or outpatient hospital setting and billed on the UB-04 or 837I transaction
  - May also be referred to as a hospital-administered specialty drug
- Approved Hospital Specialty Drugs are listed on [Appendix Z](#)
  - Claims are paid outside of the APR-DRG and EAPG methodologies
- Member-specific prior authorization (PA) requests must be submitted directly to the Department
  - Most applicable request form is required, in addition to all clinical documentation
  - The PA must be approved prior to administration of the Hospital Specialty Drug
  - Retroactive requests are not usually considered
  - An approved PA does not guarantee payment

**Note:** Acentra does not currently process prior authorizations for Hospital Specialty Drugs

- Any PA request submitted to and approved by Acentra for Hospital Specialty Drugs is not considered an approved PA
  - An approved PA is on file when a PA authorization number is received directly from Department PAD staff



# Billing for OP and IP Administration

## OP Administration

OP claim is billed and includes the following

- Amount billed
  - Acquisition cost
    - Cost per NDC unit multiplied by the number of NDC units administered to the member
- NDC of the drug administered to the member
  - Claim must be billed for a valid and reimbursable HCPCS/NDC combination
- Units
  - Amount of drug administered to the member
    - Both HCPCS and NDC units must be billed
- Invoice
  - Claim will be denied if no invoice is attached
- Applicable policies: PAD, 340B, and IP/OP

## IP Administration

- Inpatient hospital claim is billed
  - IP claim must be in paid status before the next steps can be completed
- Outpatient hospital claim is billed
  - All requirements for OP administration apply
  - Date of Service must fall within FDOS and TDOS of IP claim

In addition:

- Modifier "SE" must be billed on the OP claim line
- PAD and IP/OP policies apply
  - 340B exception
    - 340B inventory cannot be used when a Hospital Specialty Drug is administered in an Inpatient setting and billed on an Outpatient claim

# Resources and Helpful Links

- Appendix X: Healthcare Common Procedure Coding System (HCPCS) / National Drug Code (NDC) Crosswalk for Billing Physician-Administered Drugs
  - Valid and reimbursable HCPCS/NDC combinations
- Billing Manuals: PAD, 340B, and Inpatient/Outpatient (IP/OP) Billing Manuals
- Physician-Administered Drug Provider Resources web page
  - Additional policy information, procedures, forms, Appendix Z
- Provider News
  - Sign up to receive communication regarding policy implementation, updates, and changes via monthly provider bulletins, weekly newsletters, provider type specific email blasts, etc.

## Helpful Links

<https://hcpf.colorado.gov/physician-administered-drugs>

<https://hcpf.colorado.gov/billing-manuals>

<https://hcpf.colorado.gov/bulletins>

<https://hcpf.colorado.gov/provider-news>

# Senate Bill 25-206

## (Long Appropriations Bill)

- [Senate Bill 25-206](#) (State Fiscal year 2025-2026 Long Bill) signed by Governor Polis on April 28, 2025
  - Includes 1.6% across the board rate increase base rates, effective July 1, 2025:
    - Inpatient hospital
    - Outpatient hospital
    - Specialty hospitals
    - Freestanding psychiatric hospitals
- More information to come on implementation dates of rates

# 2nd 30-day Review of Select Inputs to Inpatient Rates Rebasing ends on May 22, 2025

The 30-day review for Education-related Data/CMS Data/Other Data Inputs for FY25-26 Inpatient Rates closed April 16, 2025.

Thank you to those who responded and alerted the Department to a few changes which resulted in a second 30-day review of certain data elements within CMS Data/Other Inputs.

The following is a list of the specific data that has been updated and was posted for a [second 30-day review](#) on April 22, 2025:

1. **Hospital Acquired Conditions (HAC) File:** The HAC file available as of January 10, 2025, contained HAC scores for 2024. 2025 HAC scores were posted on the Centers for Medicare & Medicaid Services (CMS) website on February 19, 2025. The Department received notification of the timing mismatch and drafted modified language to its Code of Colorado Regulations. On April 11, 2025, the Medical Services Board approved the Department's request to modify the regulatory language regarding inpatient base rate setting to allow for this difference in timing. Therefore, the HAC file was reposted with 2025 scores.

# 2nd 30-day Review of Select Inputs to Inpatient Rates Rebasing ends on May 22, 2025, cont'd

2. **Payer Mix 3-Year Average used to create the Payer Mix Add-on:** The Department's original posting relied on information from hospital cost reports added to CMS' Healthcare Cost Report Information System (HCRIS) after January 10, 2025. As a result, the Department has retrieved the intended cost report data to re-calculate the Payer Mix 3-year average.
3. **3-Year Average Discharges used to create the Low Discharge Add-on:** As this add-on is calculated from the same cost reports as the Payer-Mix add-on, the Department re-calculated the Low Discharge 3-Year Average.
4. **Solvency Metric Calculations:** The aggregated totals for system hospitals were incorrectly calculated and were amended.

As the 30-day review period for Graduate Medical Education and Indirect Medical Education data has expired, the Department will not consider further changes to this data. The Department will incorporate any changes that were reviewed and approved by Myers and Stauffer during the initial 30-day review period.

# Final Rule Changes allowing for CMS file availability changes

This screenshot shows the yellow highlighted portion of the paragraph deposited in 8.300.5.A.3.a:

“Calculation for the Starting Point for the Medicaid Inpatient Base Rate.”

This language allows for using the new Hospital Acquired Conditions (HAC) file on the CMS website if it is available within the first quarter of the calendar year in rebasing years.

a. Calculation of the Starting Point for the Medicaid Inpatient Base Rate

Medicaid Inpatient Base rates for DRG Hospitals are calculated based in part on CMS data. The CMS named files used from CMS are used as inputs to calculate the inpatient base rates. For the purpose of calculating the starting point for the Medicaid inpatient base rate, the CMS named files will ~~will be whatever file is the~~ most recently deposited “adjustment” of the CMS Tables and IMPACT file data effective October 1 and available as of the end of the first full week in January of rebasing years. Similarly, the most recently available Medicare and Medicaid full year cost reports on the CMS Healthcare Provider Cost Reporting Information System (HCRIS) will be utilized by the end of the first full week in January of rebasing years. One exception to the timeframe is the Hospital Acquired Conditions (HAC) Reduction file. The data for the current year is published within the first quarter of each calendar year. Since the reports available at the end of the first full week of January contain the previous year’s HAC data, the Department will utilize the newest file available between January through March of rebasing years to assign HAC Reduction to Inpatient Base Rates.

For in-state Colorado DRG Hospitals (both PPS and non-PPS), the starting point shall be the hospital-specific Medicare Federal base rate with the specific adjustments listed. The Operating Federal Portion and Federal Capital Rate (source: CMS Tables 1A-1B & IE) will be adjusted by the Wage Index and Geographic Adjustment Factor (GAF) from the CMS IMPACT File.

For CAH and Pediatric hospitals (non-PPS Medicare hospitals), both adjustment factors as listed above will be set to 1.0 and the corresponding labor and non-labor related amounts will be applied because these factors are not available from CMS. Additionally, the Quality and Meaningful Electronic Health Records (EHR) User adjustments will be applied to all PPS hospitals as indicated on the CMS ~~corrected~~ IMPACT file, while all non-PPS hospitals are assumed to have submitted Quality Data and be meaningful EHR users since no data exists for them. The ~~corrected~~ Medicare base rate IMPACT File shall be used to set the Federal Base Rate and other adjustments detailed above, ~~effective on October 1 of the previous fiscal year.~~



# Rule Changes suggested by the Attorney's General Office

This screenshot shows the necessary language required to “incorporate by reference” Medicare’s rules. This is standard language that was missed during the Rule change process two years ago.

- e. Application of Graduate Medical Education (GME) Cost Add-on to Determine Medicaid Inpatient Base Rate:
- 1) The Medicaid Inpatient base rate shall be equal to the rate as calculated in Sections 8.300.5.A.3.a-b plus the GME Medicaid hospital-specific cost add-on. The GME Medicaid hospital-specific cost add-on is calculated from the most recently available HCRIS Medicare/Medicaid cost report (CMS 2552) worksheet B, Part I. Partial year cost reports shall not be used to calculate the GME cost add-on. The GME cost add-on shall not be applied to the Medicaid Inpatient base rates for State University Teaching Hospitals. State University Teaching Hospitals shall receive reimbursement for GME costs as described in Section 8.300.9.B.
- The GME Medicaid hospital-specific cost add-on shall be an estimate of the cost per discharge for GME based on: Medicare approved GME program where legitimate GME expenses have been reported in accordance with Medicare's rules detailed in 42 C.F.R. § 413.75, et. seq. (2025) is hereby incorporated by reference into this rule. Such incorporation, however, excludes later amendments to or editions of the referenced material. This regulation is available for public inspection at the Department of Health Care Policy and Financing, 303 E.17th Ave, Denver1570 Grant Street, Denver, CO 80203. Pursuant to C.R.S § 24-4-410(12.5)(V)(b), the Department shall provide certified copies of the material incorporated at cost upon request or shall provide the requestor with information on how to obtain a certified copy of the material incorporated by reference from the agency of the United States, this state, another state, or the organization or association originally issuing the code, standard, guideline or rule.

GME will be calculated when the following two criteria are met:

# Timeline on Inpatient Hospital Regulatory Changes

**Next up on Colorado Rule Changes:** These rule changes were presented to the Medical Services Board (MSB) on April 11, 2025, with the final adoption scheduled for May 9, 2025. Here's the link to the MSB website if you'd like to attend:

<https://hcpf.colorado.gov/medical-services-board>.

**Colorado State Plan Changes:** State Plan changes will be submitted later when rates are finalized, and we know the budget neutrality factor for FY 2025-26. The exact same nature of changes in Rule shown here today and March's Hospital Engagement Meeting will be made to Colorado State Plan 4.19A and 4.19B.

If any stakeholder would like to get a copy of the proposed Colorado Rule and/or State Plan changes, please email Diana Lambe and Andrew Abalos at [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us) and [andrew.abalos@state.co.us](mailto:andrew.abalos@state.co.us).



# Update to EAPG Version 3.18 Transition

- **Proposed EAPG Weights Posted to [Outpatient Hospital Payment Website](#) on March 14, 2025**
  - Email sent March 17, 2025, deadline for feedback April 18
  - No feedback received
- Department will be implementing proposed EAPG weights for Version 3.18, to be effective for outpatient hospital claims for dates of service on or after July 1, 2025
- **Solventum to include Colorado EAPG 3.18 configuration in upcoming release**
  - Will not be in use until all SPA approvals received
  - Initiated system re-configuration process to accommodate new version

# General EAPG Updates

## ➤ EAPG Module Update

- Solventum released General Availability Version 2025.1.0 on March 27, 2025
- Installed within interChange April 1, 2025
- Applied quarterly CPT/HCPSC updates

## ➤ Upcoming releases

- General Availability release Version 2025.2.0 on June 26, 2025
- Anticipated installation within first week of July 2025
- To include settings for EAPG Version 3.18 (see previous slide)

# Regulatory updates

- Inpatient Hospital Housekeeping Update
  - State Plan Amendment
    - Public Noticing required
  - Code of Colorado Regulations Update
    - Presented to Medical Services Board April 11, 2025
    - Effective July 1, 2025
- **340B Rate Reduction (80% -> 65%)**
  - State Plan Amendment
    - Public Noticing required
  - Code of Colorado Regulations Update
    - Presented to Medical Services Board April 11, 2025
    - Rule failed - will be presented to Medical Services Board June 13, 2025 as emergency rule for July 1 effective date

# Regulatory updates cont'd

- **Senate Bill 25-206 1.6% Rate Increase Effective July 1, 2025 for:**
  - Specialty Hospitals (Per Diem)
  - Freestanding Psychiatric Hospitals (Per Diem)
  - Inpatient Hospital Base Rates (DRG)
  - Outpatient Hospital Base Rates (EAPG)

**State Plan Amendments required, related public noticing to occur**



**Questions?  
Comments?  
Solutions?**

# *Thank You!*

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