

HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, November 5, 2021
9:00 AM - 12:00 PM

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 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

November 2021 Hospital Stakeholder Engagement Meeting Topics

Dates and Times for Future Meetings - 03:07

IHRP Update - 04:14

Health IT Environmental Scan Survey - 05:48

FY 21-22 State Budget Action Inpatient Base Rate Update - 07:13

Draft Inpatient Base Rate Methodology Update - 08:32

EAPG Rate Updates - 10:47

EAPG Module Updates - 12:17

Drug Re-Weight Update - 13:33

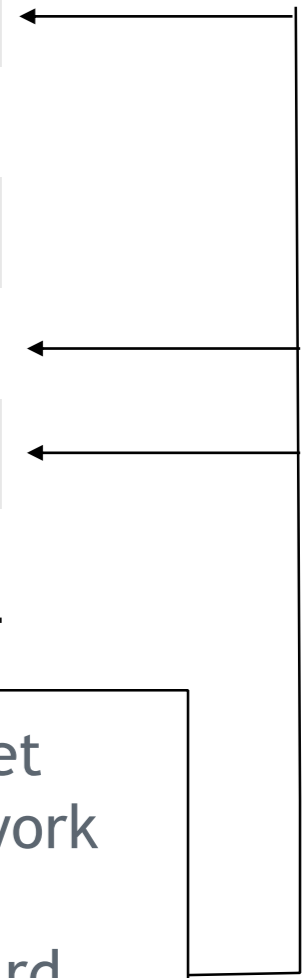
EAPG Transition to version 3.16 - 15:22

[Rates Spreadsheet](#) - 27:30

- Timestamp - min : sec

Dates and Times for Future General Hospital Stakeholder Engagement Meetings in 2022

Dates of Meetings	Meeting Time
January 14, 2022	1:00pm-4:00pm
March 4, 2022	9:00am-12:00pm
May 6, 2022	9:00am-12:00pm
July 8, 2022	1:00pm-4:00pm
September 9, 2022	1:00pm-4:00pm
November 4, 2022	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

Inpatient Hospital Review Program Update

- IHRP was created to fulfill a requirement of SB18-266 for HCPF to implement a comprehensive hospital review program.
- IHRP was suspended but HCPF is currently in the early planning stages of restarting the program.
- Stakeholder engagement coming soon.

HCPF Hospital Environmental Scan Survey

Please use the following link to complete this survey by
Wednesday November 17th
<https://www.surveymonkey.com/r/XQJT8K9>

- Hospital's use of Health Information Technology
- Participants should be administrators or providers completing the survey on behalf of the hospital's use of Health IT. **One submission per hospital**
- Please contact MedicaidEHR@corhio.org for any questions regarding the Environmental Hospital Scan survey.

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

- All Inpatient base rates received a 2.5% increase from FY 20-21 rates as set by State Legislature.
- CMS approval was received in late September Updated rates were added to the claims system and reprocessing of all claims was completed by end of October 2021.
- For further information regarding these rate updates, please contact Diana Lambe at diana.lambe@state.co.us.

Draft Inpatient Base Rate Methodology

Target implementation has been delayed until 7/1/2023 (SFY 23-24) in response to requests by various hospitals and The Colorado Hospital Association.

- In preparation for how rates will be updated for 7/1/2022 (SFY 22-23), the Department will again be applying the State Budget Action as set by Legislature to update Hospital Base Rates for next year.
- Managed Care GME payment rates will remain the same for SFY 22-23 as they were for SFY 20-21 since that was last year inpatient base rates were re-based.

EAPG Rate Updates

- July 1, 2021 Rate Update: 2.5% increase to July 1, 2020 rates
- No update required to Code of Colorado Regulations (i.e. no meeting with MSB necessary)
- State Plan Amendment CO.21.0021
 - Approved on September 28, 2021
- Base rates posted to the [Outpatient Hospital Payment web page](#)
- The loading of rates began this week
 - We are in the process of validating them
- There will be, at this point, 539,579 claims impacted by this rate change

EAPG Module Updates

- GPCS System - moved to cloud system - should not see impacts from provider side
- 3M Released GPCS v2021.3.1 on October 7, 2021
 - Gainwell installed into MMIS on October 20, 2021
- Applies to Quarterly CPT/HCPCS Updates
 - This was installed a little later due to an unexpected addition of a Covid-19 code
- 3M plans to release GPCS v2022.0.0 on December 28, 2021

- Still using version 3.10 of EAPGs

EAPG Drug Re-weighting Update

- Weight file structures now contain 3 columns in weight files - corresponding to increase, decrease, or neutral drug payments to hospitals (6/1/2020)
 - Please refer to previous meeting documents for weight designation for each hospital
- Implemented in interChange for September 15
- In the first few weeks of October, the reprocessing of claims were completed
- Exclude claims 7/1/2021 and beyond
 - Due to the updated rates on 7/1/2021

EAPG Transition to 3.16

BACKGROUND / METHODOLOGY

EAPG Transition to 3.16

- **3.16 Specialty Hospital Rate Implementation**
 - Defined as rehabilitation, long-term acute care, or spine/brain injury hospitals
 - Low-volume, outpatient utilization minimal
 - **Solution - Maintain 7/1/21 rates for 3.16 implementation on 1/1/22**

EAPG Transition to 3.16

- **Step 1 - Calculate Revenue Neutral Rates**
 - **Critical Access Hospitals**
 - Low-volume, inconsistent services provided across CAHs
 - Significant variation in 7/1/21 base rates
 - **Solution** - Combine all CAH utilization into single group, apply revenue neutral % change to existing (7/1/2021) rates based on the weighted-average rate by OP visits
 - **Aggregating into single group produced need for 4.63% increase to individual 7/1/21 rates to maintain revenue neutrality**

EAPG Transition to 3.16

- Step 1 - Critical Access Hospital Calculations

Hospital	Current EAPG Rate	Weights		Payment		Visits
		3.10	3.16	3.10	3.16	
CAH A	\$350.00	21,296.18743	22,158.16261	\$ 7,453,665.60	\$ 7,755,356.91	15,495
CAH B	\$250.00	15,983.49688	15,712.8322	\$ 3,995,874.22	\$ 3,928,208.05	14,462
		⋮				
CAH Z	\$155.00	1,654.99258	1,631.10584	\$ 256,523.85	\$ 252,821.41	1,345
TOTAL		169,610.3736	162,102.2459	\$ 52,071,039.87	\$ 49,766,015.67	155,047

Weighted Average of Rate by Visit	\$307.00	<i>Sum of the product of each hospital's base rate and visits, divided by total visits</i>
Rate for group Revenue Neutral Change	\$321.22	<i>3.10 Total Payment divided by 3.16 Total Weights</i>
% Change to Weighted Average Rate	4.63%	

EAPG Transition to 3.16

- Step 1 - Critical Access Hospital Calculations

Hospital	Current EAPG Rate	% Change	Step 1 3.16 EAPG Rate
CAH A	\$350.00	+4.63%	\$366.21
CAH B	\$250.00	+4.63%	\$261.58
		.	
		.	
		.	
CAH Z	\$155.00	+4.63%	\$162.18

- All CAHs obtain 4.63% increase to 7/1/21 base rates resulting from step 1

EAPG Transition to 3.16

- **Step 1 cont'd - Calculate Revenue Neutral Rates**
 - **All other hospitals**
 - Calculated revenue neutral rates (i.e. rates that would produce no change to revenue based on projection from CY2019 data)
 - **No grouping performed during this step - hospitals in this group treated individually**
 - **Exception - pediatric hospitals grouped together**

EAPG Transition to 3.16

- **Step 2 - Corridor based on base-rate averages, standard deviations**
 - **Application of Standard Deviations and Standard Deviations thresholds based on HCPF Leadership decision**
 - **Critical Access Hospitals**
 - Calculated average rate of all base rates AFTER step 1
 - Application of -1 to 2 Standard Deviation threshold to rates based on post-step 1 rates

EAPG Transition to 3.16

- **Critical Access Hospital statistics:**

Average Rate:	\$ 381.62
Standard Deviation	\$ 140.23
Average - 1 SDs	\$ 241.39
Average + 2 SDs	\$ 662.08

- **Application example:**

Hospital	Rate after Step 1	Within SD threshold?	Step 2 Rate	Step 2 Base Rate Change
CAH A	\$250.00	Yes	\$250.00	0.00%
CAH B	\$200.00	No	\$241.39	20.70%
CAH C	\$700.00	No	\$662.08	-5.42%

EAPG Transition to 3.16

- **Step 2 - Corridor based on base-rate averages, standard deviations**
 - **All other hospitals divided into three groups**
 - Pediatric
 - Independent
 - Non-CAH System Hospitals

EAPG Transition to 3.16

- **Step 2 - Corridor based on base-rate averages, standard deviations**
 - Each grouping has their own average and standard deviation calculation
 - SD thresholds between -1.5 and 1.5 for each grouping
 - Pediatrics create their own group statistics - therefore no change in rate after step 1

EAPG Transition to 3.16

- Independent Hospital statistics:

Average Rate:	\$ 244.95
Standard Deviation	\$ 53.47
Average – 1.5 SDs	\$ 164.75
Average + 1.5 SDs	\$ 325.16

- Application example:

Hospital	Rate after Step 1	Within SD threshold?	Step 2 Rate	Step 2 Base Rate Change
INDEP A	\$200.00	Yes	\$200.00	0.00%
INDEP B	\$150.00	No	\$164.75	9.83%
INDEP C	\$400.00	No	\$325.16	-18.71%

EAPG Transition to 3.16

- **System Hospital statistics:**

Average Rate:	\$ 201.81
Standard Deviation	\$ 29.35
Average – 1.5 SDs	\$ 157.78
Average + 1.5 SDs	\$ 245.84

- **Application example:**

Hospital	Rate after Step 1	Within SD threshold?	Step 2 Rate	Step 2 Base Rate Change
SYS A	\$200.00	Yes	\$200.00	0.00%
SYS B	\$150.00	No	\$157.78	5.19%
SYS C	\$300.00	No	\$245.84	-18.05%

EAPG Transition to 3.16

Rates Spreadsheet

Questions, Comments, & Solutions



Thank You!

Kevin Martin
Fee for Service Rates Division Director
Kevin.Martin@state.co.us

Andrew Abalos
Manager of Facility Rates
Andrew.Abalos@state.co.us

Diana Lambe
Inpatient Hospital Rates Analyst
Diana.Lambe@state.co.us

Jonathan Rempfer
Specialty Hospital Rates Analyst
Jonathan.Rempfer@state.co.us

Tyler Samora
Outpatient Hospital Rates Analyst
Tyler.Samora@state.co.us

Raine Henry
Hospital and Specialty Care Unit Manager
Raine.Henry@state.co.us

Janna Leo
Hospital Policy Specialist
Janna.Leo@state.co.us

Kim Tolchinsky
Hospital Policy Specialist
Kimberly.Tolchinsky@state.co.us

Justen Adams
Laboratory Radiology Audiology Policy Specialist
Justen.Adams@state.co.us