HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, November 4, 2022
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 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~~
~~August 5, 2022~~	~~9:00am-12:00pm~~
~~September 9, 2022~~	~~1:00pm-4:00pm~~
~~October 7, 2022~~	~~9:00am-12:00pm~~
~~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

Dates and Times for Future General Hospital Stakeholder Engagement Meetings in 2023

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

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AGENDA

November 2022 Hospital Stakeholder Engagement Meeting Topics
Inpatient Base Rate Methodology
Billing Manual Updates for Observation Outpatient Claims
Clarifications for Same Drug HCPCS Code with Multiple NDCs
EAPG Transition Payment Authority
Outpatient Naloxone Carveout
Inpatient Naloxone Carveout Options
Outpatient Hospital - Revenue Code 0510 (Clinic)

Draft Inpatient Base Rate Methodology

Base Rate Methodology Feedback:

- **Request for Corridor to be reduced to 7%**
- **and to not apply the corridor in non-rebasing years**

  - The Department will keep the corridor at 10% in rebasing years.

  - In non-rebasing years, the corridor will NOT be applied, and the State Budget Action will be applied to the prior year's inpatient hospital base rates.

  - In non-rebasing years, the Department will be updating the APR-DRG version which may result in necessary tweaks. Refraining from corridor changes during non-rebasing years should help provide a stable base to work from.

  - The new DRAFT Base Rate Methodology workbook has been deposited to the Department website will remove columns CP-CT.

Draft Inpatient Base Rate Methodology

Base Rate Methodology Feedback:

- **Request to determine whether psych/rehab subunits should be included in the Payer Mix calculation.**
  - The Department has expanded the Payer Mix Ratio to include utilization in hospitals with subunits of psych and rehab. New lines used to create the ratio are listed below:
    - Medicaid Days; W/S S-3, Part I, Col. 7 Lines 2, 14, 16 (Psych) and 17 (Rehab)
    - Total Days; W/S S-3, Part I, Col. 8 Lines 14, 16 and 17

- See next page for changes associated with this update.

Draft Inpatient Base Rate Methodology

Due to budget neutrality and corridor calculations, any change in data supplied to the model will result in possible changes to all hospitals based on the algorithm. Most hospitals had an approximately $2 change in their base rate.

	OLD PAYER MIX	NEW PAYER MIX			OLD RATE	NEW RATE	
CCN / MEDICARE ID W/OUT LEADING 0	Payer mix add-on (3 yr avg Medicaid Payer Mix 2018-2020)	Payer mix add-on **w/Pysch & Rehab Subunits Added** (3 yr avg Medicaid Payer Mix 2018-2020)	$ Change in Payer Mix Add-On		Old Rate before State Budget Action	New Rate before State Budget Action	$ Change in Rate (New Rate - Old Rate)
60011	$652.17	$652.17	$0.00		$7,577.70	$7,580.27	$2.57
60014	$366.49	$367.11	$0.62		$6,187.63	$6,190.26	$2.63
60022	$129.34	$99.76	-$29.58		$5,619.31	$5,596.09	-$23.22
60044	$153.60	$0.00	-$153.60		$6,782.04	$6,653.85	-$128.19
60065	$219.06	$220.04	$0.97		$5,754.93	$5,757.72	$2.79
60075	$186.49	$96.93	-$89.56		$6,619.94	$6,619.94	$0.00
60100	$0.69	$0.00	-$0.69		$5,505.60	$5,506.88	$1.28
60129	$652.17	$246.52	-$405.65		$6,032.76	$6,032.76	$0.00
61300	$659.42	$659.42	$0.00		$7,747.47	$7,747.47	$0.00
61304	$659.42	$659.42	$0.00		$7,560.62	$7,563.19	$2.57
61316	$416.20	$659.42	$243.22		$7,747.47	$7,747.47	$0.00
61318	$659.42	$659.42	$0.00		$7,560.62	$7,563.19	$2.57
63301	$659.42	$659.42	$0.00		$9,235.72	$9,238.86	$3.14
63303	$659.42	$659.42	$0.00		$8,163.61	$8,163.61	$0.00

Old Rate / New Rate columns were mislabeled as "before State Budget Action" when they are **"AFTER State Budget Action"**

Draft Inpatient Base Rate Methodology

New Process for all Education-Related Adjustments/Add-ons:

- Non-PPS IME & GME 10% of Cost/Discharge
  - **Easier on Hospitals – No more sending your latest audited cost report:** We have created a new process where data for all education adjustments and add-ons will be assembled and computed by Myers & Stauffer and reviewed by hospitals for a 30-day period prior to adding to the inpatient base rate model.
  - **Switch to unaudited cost reports:** GME 10% of cost/discharge used to be calculated using audited cost reports available as of Mar 1 of rebasing years. The Department will amend that and now use the most recently available cost reports as of Jan 1 of rebasing years to calculate all education-related adjustments/add-ons.
    - Using audited cost reports leads to extremely outdated information used to create inpatient base rate calculations.
    - It also makes more sense to have non-PPS IME and GME calculated from the same cost reports.

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

Draft Inpatient Base Rate Methodology

Below are sample versions of the data that will be posted for hospitals to review their education-related adjustments/add-on calculations and are very likely to be adjusted to present the data in the most efficient way.

Workbook will contain calculations for 10% GME Cost Per Discharge

GME COST PER DISCHARGE									GME ADD-ON
Medicare Provider Number	Fiscal Year End	Total GME Routine Costs	Total GME Ancillary Costs	Inpatient Ratio	Inpatient Ancillary Costs	Total GME Costs	Total Discharges	GME Cost per Discharge	10% of GME Cost per Discharge
		8,054,892	0	0.461685	0	8,054,892	10,283	783.32	78.33
		5,258,647	1,555,716	0.397727	618,751	5,877,398	14,332	410.09	41.01
		6,828,492	13,959,643	0.441721	6,166,266	12,994,758	20,150	644.90	64.49

And the calculations for non-PPS hospitals to receive IME will be summarized in a worksheet a bit like this

		OPERATING IME						CAPITAL IME						Total IME
Medicare Provider Number	CR Fiscal Year End	[COLUMNS TO DETAIL OPERATING IME INPUTS AND CALCULATIONS (e.g. available beds, I&R FTE, FTE to beds ratio, adjustment factor)]						[COLUMNS TO DETAIL CAPITAL IME INPUTS AND CALCULATIONS]						Sum of Operating and Capital IME Adjustments

Draft Inpatient Base Rate Methodology

Myers & Stauffer will use these exact calculations for non-PPS Hospitals Indirect Medical Education (IME)

Operating IME Calculation:

Non-PPS Hospital (e.g. Pediatric or Critical Access Hospitals in Colorado) = input value

IME Calculation: Please use most recently available cost report to fill out and provide to the Department by Mar 1 of each rebasing year.

Enter Hospital Name:	Hospital Name
Enter CCN/Medicare ID:	06-XXXX
Cost Report Date:	XX/XX/XXXX

Description	**Source Reference / Description**	**I&R / Bed Ratio Calc.**	**Operating IME Calculation**
Available Beds for IME Calc	MCR, W/S S-3, Part I, Col. 2, Ln 14		
Current Year I&R FTEs	MCR, W/S S-3, Part I, Col. 2, Ln 14		
Current Year I&R FTEs-to-Bed Ratio		#VALUE!	#VALUE!
IME Adjustment Factor	Statutory IME Calculation		#VALUE!
x DRG Base Operating Payment P/Dsch-Operating			$ 6,121.65
Operating IME Adjustment Amount P/Dsch			#VALUE!
Capital IME Adjustment Amount P/Dsch			#VALUE!
Total IME Adjustment Amount P/Dsch			#VALUE!

Capital IME Calculation:

Non-PPS Hospital (e.g. Pediatric or Critical Access Hospitals in Colorado) = input value

IME Calculation: Please use most recently available cost report to fill out and provide to the Department by Mar 1 of rebasing years.

Enter Hospital Name:	Hospital Name
Enter CCN/Medicare ID:	06-XXXX
Cost Report Date:	XX/XX/XXXX

Description	**Source Reference / Description**	**I&R / Bed Ratio Calc.**	**Capital IME Calculation**
Total Patient Days	MCR, W/S S-3, Part I, Ln 14, Col. 8		
Divided by; # days in year			
Available Beds for IME Calc	Denominator for calculation of Capital I&R-to-Bed Ratio	#VALUE!	
Current Year I&R FTEs	MCR, W/S S-3, Part I, Col. 2, Ln 14		
Current Year I&R FTEs-to-Bed Ratio		#VALUE!	
Capital IME Adjustment Factor	Statutory IME Calculation		#VALUE!
x DRG Base Operating Payment P/Dsch - Capital			$ 472.59
Operating IME Adjustment Amount P/Dsch			#VALUE!

Draft Inpatient Base Rate Methodology

- Request that if the CMS IPPS IMPACT data is still incorrect as of 10/1 of rebasing years, hospitals can request to adjust the incorrect numbers.
  - Yes, the Department will accept these adjustments and must be sent to Diana.Lambe@state.co.us **by end of day April 15th** of rebasing years.
  - Hospitals will need to provide copies of letters from their Hospital Intermediary showing the incorrect data and the correction that will be used to adjust their rate.
  - Again, this proof must be provided to Diana.Lambe@state.co.us by end of day April 15th of rebasing years. If the information is not provided, whatever appears in the corrected version of the Impact File will be used to calculate inpatient hospital base rates.

Draft Inpatient Base Rate Methodology

New DRAFT Base Rate Workbook has been deposited to website:

- A new DRAFT version of that workbook has been added to the Department's website Inpatient Hospital Payment and is called "Draft Inpatient Rate Model November 2022 Stakeholder Review."

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

Draft Inpatient Base Rate Methodology

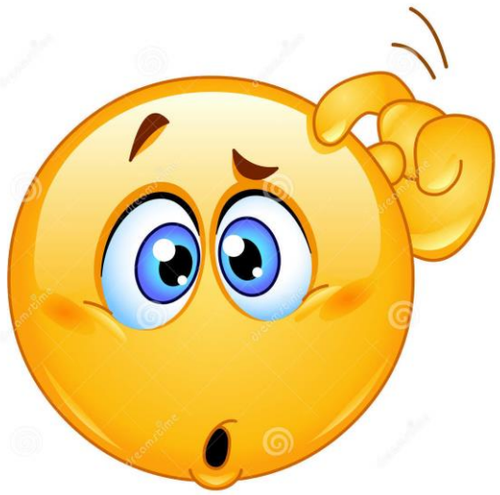
IP Base Rate Methodology Timeline:

- The Department views the model to be **99%** finished since we are likely to come across some things that need to be tweaked during implementation.
  - ***Final feedback must be received by Friday, November 18th by end of day.***
- Next scheduled Hospital Engagement is January 13, 2023, where State Plan and Rule Changes will be reviewed.
- Please keep in mind that all measures may be tweaked in future years to ensure that add-ons and adjustments are working as intended.

Draft Inpatient Base Rate Methodology

Let’s go to the updated model to review the changes.

Questions?



Billing Manual Updates for Observation Outpatient Claims

- Clarification of Observation billing guidance:
  - Observation (G0378) stays are a covered benefit as discussed in the October 2022 Stakeholder Meeting
  - We have also updated our billing manual regarding this policy

Clarification for Same Drug HCPCS Code with Multiple NDCs

- As discussed in the October meeting, providers are allowed to bill for the same drug on multiple lines

- Bill the same drug HCPCS with different NDCs

- The one exception would be the JW modifier

EAPG Transition Payment Authority

- Due to the volume of claims the reprocessing of claims will be carried out throughout November

- We have talked with Gainwell and our Accounting team to set up accounts receivables to mitigate any immediate financial impact

Outpatient Naloxone Carveout

- HB22-1326 (Fentanyl Accountability And Prevention) Bill Signed into law May 25, 2022

- Within InterChange, any line billing procedure codes G1028 & G2215 will be 'carved out' of the EAPG payment.
  - G1028 - $125.00
  - G2215 - $116.50

- 3M's Core Grouping Software is not updated but should be in forthcoming release from 3M

Inpatient Naloxone Carveout Options

Short Term

- Use IPP-LARC billing process
  - Requires submission of an Inpatient claim *and* an Outpatient claim with specific requirements for each claim and timing of claim submission

Long Term

- Explore payment on one claim
  - May not be possible
  - If possible, the system change would be massive and time consuming

Questions:

1. Is a carveout for take home naloxone in the inpatient setting necessary?
2. Out of these two options what do you prefer and why?

Outpatient Hospital – Revenue Code 0510 (Clinic)

- The Department's long-standing payment policies have disallowed payment of revenue code 0510 on outpatient hospital claims (see Appendix Q)

- Implemented into 3M's EAPG module in 2017 shortly after InterChange implementation – such lines will have the Paid disposition, but will always be assigned EAPG 999

- Charges associated with non-covered revenue codes are not considered as part of submitted charges

- No current plans to open this code for Outpatient Hospital payment

Questions, Comments, & Solutions

Thank You!

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