

# HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, November 1, 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](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 2024

## General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
<del>January 12, 2024</del>	<del>1:00pm-3:00pm</del>
<del>March 1, 2024</del>	<del>9:00am-11:00am</del>
<del>May 3, 2024</del>	<del>9:00am-11:00am</del>
<del>July 12, 2024</del>	<del>1:00pm-3:00pm</del>
<del>September 6, 2024</del>	<del>9:00am-11:00am</del>
<del>October 11, 2024</del>	<del>1:00pm-3:00pm</del>
<del>November 1, 2024</del>	<del>9:00am-11:00am</del>

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 2025

## General Hospital Stakeholder Engagement Meetings

Dates of Meetings	Meeting Time
January 10, 2025	1:00pm-3:00pm
March 7, 2025	9:00am-11:00am
May 2, 2025	9:00am-11:00am
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

## November 2024 Hospital Stakeholder Engagement Meeting Topics - mm:ss

Final decision GME Ancillary Charges for rates eff. 7/1/2025 - 3:33

Timelines for Education Related / CMS data 30-day review period - 5:12

APR-DRG Version 40 final weight to use: column G: V40\_WT\_SCALED - 9:07

DRAFT Inpatient Hospital Payment Webpage Improvements - 10:07

APR-DRG Ver 40 Grouping Settings - 13:08

APR-DRG Version 40 claims reprocessing - 13:30

Inpatient Carve-out LARCs claims denials - 15:55

General EAPG Updates - 18:33

EAPG Version 3.18 Update - 21:29

Regulatory Updates - 27:03

# Proposed Change to Graduate Medical Education (GME) Calculations for IP Base Rates & effective 7.1.2025

- **Payer Mix Calculation request:** Please consider adding in WS S-3, Part I, Col. 7, Line 3 HMO IPF Subprovider and Line 4 HMO IRF Subprovider because you are including their straight Medicaid and total days. For acute care, you are adding in line 2, so this would be consistent treatment for both acute care and the subunits.

Payer Mix data pull from Worksheet S-3, Part 1

COLUMN	LINE	NAME OF COMPONENT	
7 (Title XIX)	2	HMO AND OTHER	
7 (Title XIX)	3	HMO IPF SUBPROVIDER	request to add
7 (Title XIX)	4	HMO IRF SUBPROVIDER	request to add
7 (Title XIX)	14	TOTAL	
7 (Title XIX)	16	SUBPROVIDER - IPF	
7 (Title XIX)	17	SUBPROVIDER - IRF	
8 (Total All Patients)	14	TOTAL	
8 (Total All Patients)	16	SUBPROVIDER - IPF	
8 (Total All Patients)	17	SUBPROVIDER - IRF	

Hospital feedback is unanimously in agreement with the requested changes to the Payer Mix Add-On calculation. IP Base Rates effective 7/1/2025 will reflect these changes.

- **Definitions:** HMO = Health Maintenance Organization, IPF = Inpatient Psychiatric Facility and IRF = Inpatient Rehabilitation Facility



# Proposed Change to GME Calculations for IP Base Rates & effective 7.1.2025

## ➤ Existing GME Calculation:

C	D	E	F	G	H	I	J	K	L
WS B Col 21-22 Ln 30-43	WS B Col 21-22 Ln 50-77 & 90-91	WS C Title XIX Col 6 Ln 202	WS C Title XIX Col 8 Ln 202	Calculated: G = E/F	Calculated: H = D*G	Calculated: I = C+H	WS S-3 Pt I Col 15 Ln 14 & 16-18	Calculated: K = I/J	Calculated: L = K*10%
Total GME Routine Costs	Total GME Ancillary Costs	Inpatient Charges	Total Charges	Inpatient Charges Ratio	Inpatient Ancillary GME Costs	Total GME Costs	Total Discharges	GME Cost per Discharge	10% of GME Cost per Discharge

## ➤ Alternate GME Calculation:

- Replace the single inpatient charges ratio applied to all non-routine costs with three inpatient ratios applied to their applicable GME costs:
  - Ancillary (WS B lines 50-77)
  - Clinic (WS B line 90)
  - Emergency (WS B line 91)
- The Department will review an impact analysis of this alternate calculation.
- Increasing the degree of precision in the GME add-on calculation may allow the Department to more equitably distribute funds among hospitals.

The Department will be moving forward with the original methodology for the GME add-on. However, we will be revisiting this change (and other methods) to make our add-ons more precise in future rebasing years.



# Timeline for **Education Related** 30-day Review Period rates effective 7/1/2025

Timeline for Education-related adjustments/add-ons	Due Date
Myers & Stauffer (M&S) pulls HCRIS most recently available cost reports as of January 1st of each rebasing year	1/1/2025
M&S performs calculations and have data available for delivery to Department	3/10/2025
The Department reviews and posts Indirect Medical Education (IME) Ratios/Graduate Medical Education (GME) cost per Discharge to website for hospital review/sends Constant Contact email notifying stakeholders	3/17/2025
30 Day IME/GME Hospital Review Period ends	4/16/2025
M&S works with hospital responses to amend as necessary	4/30/2025
Department receives finalized IME/GME data to include in inpatient base rate model worksheet	5/1/2025

This is essentially the same timeline we used for our prior rebasing. Dates were adjusted to avoid due dates on weekends/holidays.

# Timeline for **CMS data** 30-day Review Period rates effective 7/1/2025

**CMS Data 30-day Review period** will be available for review in same GME/IME workbook posted on 3/17/2025 with any requested changes due by end of day 4/16/2025 to [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us).

Hospitals will need to provide an email containing copies of letters from their Hospital Intermediary showing the incorrect data and the correction that will be used to adjust their hospital's data points used in rate building.

Below are the specific data elements that hospitals can request a change if still incorrect after the correcting files have been posted.

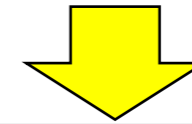
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Medicare Labor-related amount	Operating Indirect Medical Education (IME) %
Wage Index	Capital IME %
Medicare Non-labor Related Amount	Value Based Purchasing (VBP) Adjustment Factor
Federal Capital Rate	Readmission Factor
GAF (Geographic Adjustment Factor)	Hospital-Acquired Condition (HAC) Payment Reduction

**Please be aware that there is an additional 30-day review of the final rates after the State Budget Action is announced and the rate workbook is finalized for posting.**

# APR-DRG Ver 40 Weight Table

Recently, the Department has received ~~two~~ **three** questions from hospitals asking to confirm which weight on the weight table to use when calculating claim payments. Please use Column G = V40\_WT\_SCALED.



A	B	C	D	E	F	G	H
V40_DRG	V40_SOI	V40_DRG_DESC	V40_ORIG_HSRV_WT	V40_PLCYADJ_WT	V40_PLCYADJ_DESC	V40_WT_SCALED	V40_WT_SCALED_DESC
1	1	LIVER TRANSPLANT AND/O	6.1753	6.1753		8.2138	1.3301 * V40_PLCYADJ_WT
1	2	LIVER TRANSPLANT AND/O	6.9552	6.9552		9.2511	1.3301 * V40_PLCYADJ_WT
1	3	LIVER TRANSPLANT AND/O	8.2986	8.2986		11.0380	1.3301 * V40_PLCYADJ_WT
1	4	LIVER TRANSPLANT AND/O	14.3542	14.3542		19.0925	1.3301 * V40_PLCYADJ_WT
2	1	HEART AND/OR LUNG TRAN	8.8337	8.8337		11.7497	1.3301 * V40_PLCYADJ_WT
2	2	HEART AND/OR LUNG TRAN	10.3045	10.3045		13.7060	1.3301 * V40_PLCYADJ_WT

We purposely provided more information so all hospitals could see exactly all calculations that resulted in the final weights. Unfortunately, it appears that change has added confusion - in large part due to poor labeling of the columns.

In the future, we will make sure to label the columns better so there is no question which weight hospitals should use to calculate claim payments.

# DRAFT Inpatient Hospital Payment Webpage Improvements

The Department has been working to make some changes to the [Inpatient Hospital Payment webpage](#) and address questions we've received. This new table should make it clear the discharge dates range each version change/adjustment was active.

We'll also make it clear on the downloaded V40 APR-DRG Weight Table link that **column G: V40\_WT\_SCALED** is the correct weight to use to calculate inpatient hospital claims.

Additionally, we'll be detailing Colorado Medicaid's Version 40 Grouper Settings for any hospitals who run the 3M APR-DRG software on their systems. It will appear in a tab in the weight table workbook.

## APR-DRG Versions/Adjustments and related weight tables through the years

APR-DRG Version	APR-DRG Version Effective Dates: Discharge Date Range this version was active	Reason for Version Change/Adjustment	Download APR-DRG Weight Table Excel Documents
Version 33	12/1/2020 - 6/30/2020	Version 33 weights adjusted for Immediate Postpartum (IPP) Long-Acting Reversible Contraceptives (LARCs) carve out to allow for separate payment for IPP-LARC devices. DRG's 540, 542 & 560 weights were reduced by .004 to allow for this separate payment starting 1/1/2020.	<a href="#">January 1, 2020 - APR-DRG Version 33 (Excel Version)</a>
Version 33	7/1/2020 - 9/30/2024	The Department separated the well-baby (neonates) from delivery claims on 7/1/2020 after three years of stakeholder discussion and involvement. The resulting change in Weights, Average Length of Stay (ALOS) and Trim Point to Delivery and Neonate DRGs using the National HSRV file Ver 33 from 3M and multiplied by a factor of 1.2699 to achieve a budget neutral change in payment for hospitals. Reductions for IPP-LARCs devices were instituted after the budget neutral changes. DRG's 540, 542 & 560 weights were reduced by .004 to allow for a separate payment for IPP-LARCs devices.	<a href="#">July 1, 2020 - APR-DRG Version 33 (Excel Version)</a>
Version 40	10/1/2024 - present day	Version Update Only. Department Policy Adjustments can be seen in weight table. Colorado Medicaid's APR-DRG Grouper Settings are also contained in the weight table document for download.	<a href="#">October 1, 2024 APR-DRG Version 40 (use column G: V40_WT_SCALED to calculate hospital payment)</a>

We will do our best to keep the same links to the Version 40 APR-DRG weight table that are currently on the website. However, it may be that old links will no longer work.

Please know nothing other than highlighting V40\_WT\_SCALED as the final weight to use and the addition of the Grouper Settings, all data points within the workbook will remain the same.

# APR-DRG Ver 40 Grouper Settings

Here's the APR-DRG Version 40 Grouper Settings Colorado Medicaid uses to process inpatient hospital claims on the 3M Grouper. This will appear on the revised Version 40 weight table in a separate tab.

**Reimbursement Scheme:** Colorado Medicaid

**Keyed by:** Discharge date

**Grouper Version:** APR DRG Grouper Version 40.0 (10.1.2022)

**Interpretation of Undetermined POA Indicators:** 0 - W treated as N; U treated as N

**PPC version:** None

**HAC version:** HAC Version 40.0 for Medicare (10.1.2022)

**Payer Logic Indicator:** None (Standard 3M APR-DRG)

**Birth weight option:** Coded weight with default

**Discharge DRG option:** Compute excluding only non-POA Complication of Care codes

**Entered code mapping:** Automatically Determine Code Mapping

**Mapping Type:** Historical

**Mapping based on:** Discharge date

# APR-DRG Version 40 Reprocessing

- The Department has all regulatory authorities in place for implementing version 40 effective October 1, 2024
- Implementation of version 40 of APR-DRGs within interChange being pursued as a System Change Request
  - Allows additional testing to guarantee accuracy of APR-DRG payments
  - Mitigate need for unnecessary future reprocessing of inpatient claims
- Reprocessing date to be determined

# Inpatient Carve-out Claim Denial

## Example: Long-Acting Reversible Contraceptive - Duplicate Claim Denial

- The Department is currently working on instituting an operational fix that will prevent the initial inpatient birth claim (when reprocessed) from denying when hitting up against the LARC Outpatient claim (affects all inpatient carve-outs).
- The goal is to have that fix in place before APR-DRG Version 40 reprocessing and provide a chance for us to confirm everything is working as expected.
- After confirming the fix is working correctly, providers will be able to rebill any inpatient birth claims that have denied due to hitting up against the LARC Outpatient claim.
- The Department will provide an update during the next January Hospital Engagement Meeting.



# General EAPG Updates

- EAPG Module Update
  - 3M/Solventum released General Availability Version 2024.3.0 on September 26, 2024
  - Installed within interChange September 27
  - Applied quarterly CPT/HCPCS updates, ICD-10 Code Updates
- Upcoming releases
  - General Availability release Version 2025.0.0 on December 27, 2024
  - Estimated installation week of December 30
- Seeking a solution within Solventum for Vaccines for Children Payments

# EAPG Version 3.18 Update

- The Department will be working to implement a new version of EAPGs effective July 1, 2025
- EAPG Version 3.18 was released January 1, 2023
  - Newest version available for payment modeling
  - Using National Weights available January 1, 2024 from Solventum (no methodological changes, contains refreshed claims data)
- Solventum weights not scaled for outpatient hospital payment budget

# EAPG Version 3.18 Update (Scaling Factor)

- Department payment modeling using Calendar Year 2023 Medicaid-only in-state outpatient hospital claims data
  - ~1.9 million claims, excluding those with non-EAPG paid line items
- Re-calculating payment using 3.18 weights, unscaled using Colorado-specific EAPG Settings
- Department will scale Solventum national weights such that estimated expenditure matches Calendar Year 2023 utilization data
- Proposed weight-set to be made available

# Regulatory updates

- Outpatient Rate Update SPA **Approved** 9/6/2024 (CO-24-0017)
  - Obtain federal authority to pay outpatient hospital rates with 2% increase
  - Effective July 1, 2024
  - Rates implemented early to reduce adjustments
- Specialty Hospital Rate Update SPA **Approved** 9/5/2024 (CO-24-0020)
  - Obtain federal authority to pay specialty hospital per diem rates with 2% increase
  - Effective July 1, 2024
  - Rates implemented early to reduce adjustments
- APR-DRG Version Update SPA **Approved** 10/9/2024 (CO-24-0011)
  - Obtain federal authority to pay inpatient hospital claims using APR-DRG Version 40
  - Effective October 1, 2024
  - Claims to be adjusted after implemented into MMIS

# Questions, Comments, & Solutions



# *Thank You!*

Kevin Martin  
Fee for Service Rates Division Director  
[Kevin.Martin@state.co.us](mailto:Kevin.Martin@state.co.us)

Andrew Abalos  
Facility Rates Section Manager  
[Andrew.Abalos@state.co.us](mailto:Andrew.Abalos@state.co.us)

Diana Lambe  
Inpatient Hospital Rates Analyst  
[Diana.Lambe@state.co.us](mailto:Diana.Lambe@state.co.us)

Gabriel Hottinger  
Hospital Rate Analyst  
[Gabriel.Hottinger@state.co.us](mailto:Gabriel.Hottinger@state.co.us)

Della Phan  
Specialty Hospital Rates Analyst  
[Della.Phan@state.co.us](mailto:Della.Phan@state.co.us)

Raine Henry  
Hospital and Specialty Care Section Manager  
[Raine.Henry@state.co.us](mailto:Raine.Henry@state.co.us)

Chris Lane  
Specialty Care and Facilities Unit Manager  
[Christopher.Lane@state.co.us](mailto:Christopher.Lane@state.co.us)

Diva Wood  
Hospital Policy Specialist  
[Diva.Wood@state.co.us](mailto:Diva.Wood@state.co.us)

Jessica Short  
Hospital Policy Specialist  
[Jessica.Short@state.co.us](mailto:Jessica.Short@state.co.us)