

HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, October 7, 2022
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 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

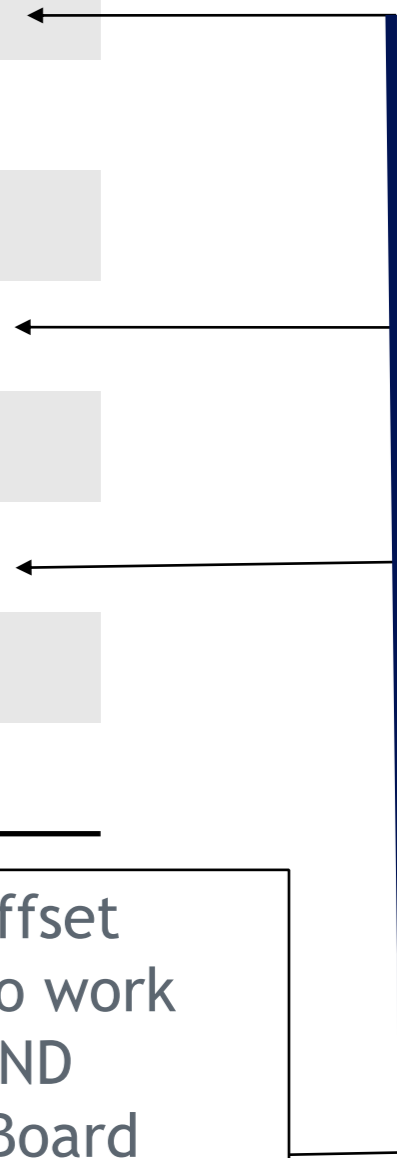
- We will be recording this meeting.
- Please speak clearly when asking a question and give your name and hospital
- A recording of this meeting will be posted to the [Hospital Engagement Meeting website](#) for later viewing.
- **Hospital Generated Topics:** Please contact Tyler Samora at Tyler.Samora@state.co.us 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

Added date to discuss Inpatient Model feedback



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

October 2022 Hospital Stakeholder Engagement Meeting Topics

Observation Billing for Outpatient Claims

Same Drug HCPCS Code with Multiple NDCs

EAPG Rate Updates

EAPG Module Update

CMS SPA Approval

Inpatient Base Rate Methodology



STAFFING UPDATE

Diva Wood
Hospital Policy Specialist

Jessica Short
Hospital Policy Specialist

Observation Billing for Outpatient Claims

- Observation stays are a covered benefit and paid as follows:
- Must have an observation time between 8 and 48 hours
- With appropriate documentation, clients may stay in observation for more than 24 hours, but it shall not exceed forty-eight hours per 10 CCR 2505-10 8.300.3.B.1
- An inpatient admission cannot be converted to an outpatient observation stay after the client is discharged

Observation Billing for Outpatient Claims

➤ Example 1:

- HCPCS G0378 is billed with 8-48 billed units on a claim, along with a Type 2 Significant Procedure EAPG. Regardless of what else is billed on the claim, G0378 will be assigned EAPG code 450 and will package.

➤ Example 2:

- HCPCS G0378 is billed with 8-48 billed units on a claim along with a Medical Visit AND Type 21-25 Significant Procedure EAPG. G0378 will be assigned EAPG code 450 and not be packaged.

Observation Billing for Outpatient Claims

➤ Example 3:

- HCPCS G0378 is billed and no Type 2 Significant Procedure EAPG or Medical Visit are present. G0378 will be assigned EAPG 999.

➤ Example 4:

- HCPCS G0378 is billed, and no Significant Procedure and no medical visit is present, but a Type 21-25 Significant Procedure is present, G0378 will be assigned EAPG 450 and will package.

➤ Example 5:

- HCPCS G0378 is billed with 8-48 billed units on a claim along with a medical visit AND NO Type 21-25 Significant Procedure EAPG. G0378 will be assigned EAPG code 450 and not be packaged.

Same Drug HCPCS Code with Multiple NDCs

- 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 Rate Updates

- Long Bill (HB22-1329) authorized a 2 percent increase to the January 1, 2022 rates effective July 1, 2022
 - Consistent with inpatient rates, the Department received approval from leadership to implement this 2 percent increase prior to CMS approval
- As of July 28, all claims began paying with the appropriate base rates and weight set
- Both sets of base rates and weights are posted on the Outpatient Hospital Payment [web page](#)

EAPG Module Update

- 3M released GCPS v2022.3.0 on September 22
- This update was installed into the MMIS system on September 28.
- Applies quarterly CPT/HCPCS and annual ICD-10 update
- No claim adjustments required

CMS SPA Approval

- CMS approval has been received for CO SPA 22-0020 as of September 28, 2022
 - Officially gave approval for the 2% rate increase. No further adjustments are required
 - As discussed in the May 6 Stakeholder meeting, this does impact the new In-state hospitals and Out-of-State hospital rates
- Does not impact existing In-State hospital rates

Draft Inpatient Base Rate Methodology

- Quick overview of changes since the September Hospital Engagement Meeting:
 - Updated Pediatric add-on from 21% to 25%
 - Added SCH/MDH add-on of 20% to set of mutually exclusive add-ons
 - Added column to model worksheet to show final rate after State Budget Action is applied
 - Added several columns showing how the 10% corridor will be applied in non-rebasing years
 - Close to final version of workbook non-PPS hospitals will need to fill out in order to add Indirect Medical Education (IME) to their base rates

Draft Inpatient Base Rate Methodology

Base Rate Methodology Feedback:

- **Request for Pediatric add-on to be increased from 21% to 25%**
 - The Department has applied this adjustment primarily due to larger than expected losses related to separating mom/baby claims back in 7/1/2020. Children's Hospital does not have well-baby claims to offset reduced weights in neonatal DRGs.

- **Request to review whether Sole Community Hospitals (SCH) need a special add-on**
 - The Department has implemented a 20% add-on for SCH and Medicare Dependent Hospitals (MDH).
 - 20% was chosen as the add-on percentage since it was the amount needed to keep the median FY22-23 IP Base Rate essentially the same in the new base rate methodology.

- See document “Draft Inpatient Rate Model October 2022 Stakeholder Review” on the Department’s website [Inpatient Hospital Payment](#).

Draft Inpatient Base Rate Methodology

Base Rate Methodology Feedback:

- **Question about when State Budget Action is applied to Draft Base Rate Methodology**
 - The State Budget Action is applied after the budget neutrality and corridor has been calculated.
 - An updated draft base rate methodology Excel workbook on the website has been updated in column “CN.” See document “[Draft Inpatient Rate Model October 2022 Stakeholder Review](#)” on the Department’s website [Inpatient Hospital Payment](#).

- **How Corridor will be applied in non-rebasing years.**
 - In non-rebasing years, the 10% corridor along with that year’s State Budget Action will be applied to those hospitals who have not yet reached their final base rate.
 - We will go into more detail later in the presentation.

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 is open to expanding this to hospitals with subunits of psych and rehab. We also intend to keep the ceiling and floors as currently set unless the change produces unexpected results. New lines to incorporate 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
 - The Department will work toward updating this data point before the final version of the model to be presented during November 4th Hospital Engagement Meeting.

Draft Inpatient Base Rate Methodology

Base Rate Methodology Feedback:

- **Update on Workbook that non-PPS hospitals will fill out to have Indirect Medical Education (IME) applied to the inpatient base rate model.**
 - A DRAFT version of that workbook has been added to the Department's website [Inpatient Hospital Payment](#).
 - Details on where and how the workbook and accompanying materials will be submitted are being finalized and may change based on auditing needs and/or convenience of all parties involved.
 - If you have concerns or suggestions, please contact Diana Lambe at diana.lambe@state.co.us

Draft Inpatient Base Rate Methodology

Worksheet for non-PPS Hospitals get 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

Operating

I&R / Bed

IME

Ratio Calc.

Calculation

Description

Source Reference / Description

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!

Draft Inpatient Base Rate Methodology

How non-PPS Hospitals get Indirect Medical Education (IME)

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:

Enter CCN/Medicare ID:

Cost Report Date:

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	<input type="text"/>	
Divided by; # days in year		<input type="text"/>	
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

Base Rate Methodology Feedback:

- **Request for Corridor to be reduced to 5%**
 - We've heard conflicting feedback from hospitals that even with the 10% corridor, it will take a long time for the new base rates to be fully implemented.
 - Therefore, the Department will not be reducing the corridor.

Draft Inpatient Base Rate Methodology

IP Base Rate Methodology Timeline:

- The Department views the model to be 98% finished since we are likely to come across some things that need to be tweaked during implementation.
- Next meeting set for Friday, November 4th from 9-noon when the final model will be presented.
 - The model needs to be finalized in November in order to meet the Department's obligations to make necessary regulatory changes to Rule and State Plan in order to institute the new rates on 7/1/2023.
- 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

Base Rate Methodology Feedback:

- How Corridor will be applied in non-rebasing years.
 - Columns CP thru CT contain the process upon which an additional 10% corridor will be applied to those hospitals who have not yet reached their final base rate.
 - Let's go to the updated workbook to review the calculations.

Questions?



Questions, Comments, & Solutions



Thank You!

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

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

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

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

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

Diva Wood
Hospital Policy Specialist
Diva.Wood@state.co.us

Jessica Short
Hospital Policy Specialist
Jessica.Short@state.co.us