

# HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, October 11, 2024  
1:00 PM - 3:00 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 [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>
November 1, 2024	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

## October 2024 Hospital Stakeholder Engagement Meeting Topics - **mm:ss**

APR-DRG Version 40 effective date 10/1/2024 received CMS approval on 10/9/2024 - **4:29**

Proposed Changes to two Inpatient Base Rate Add-on calculations - **6:24**

LARCs - Duplicate Claim Denial Issue - **20:45**

Regulatory Updates - **24:20**

# Version 40 Update implementation effective date 10/1/2024

- The Department received [CMS approval on SPA 24-0011](#) on 10/9/2024. We are loading the new weight table and will reprocess all claims with a last date of service  $\geq$  10/1/2024 with the new Version 40 APR-DRG weight table.
- The APR-DRG Weight Table Version 40 is available on the [Inpatient Hospital Payment](#) page.

# Requested change to Payer Mix Add-On Calculation 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 Graduate Medical Education (GME) Calculations for IP Base Rates & effective 7.1.2025

GME COST PER DISCHARGE							
Column Label:	A	B	C	D	E	F	
Source:	<a href="#">2023 Teaching Hospital List</a>	Most Recent Cost Report Period on File in Jan 2023	WS B Col 21-22 Ln 30-43	WS B Col 21-22 Ln 50-77 and 90-91	WS C Title XIX Col 6 Ln 202	WS C Title XIX Col 8 Ln 202	
Medicare Provider Number	CMS Teaching Hospital?	Cost Report Period Start Date	Cost Report Period End Date	Total GME Routine Costs	Total GME Ancillary Costs	Inpatient Charges	Total Charges

## Draft Inpatient Base Rate Methodology

Screen shot of CMS 2552 Worksheet B, Part 1 Cost Centers

ANCILLARY SERVICE COST CENTERS		
50.00	05000	OPERATING ROOM
52.00	05200	DELIVERY ROOM & LABOR ROOM
53.00	05300	ANESTHESIOLOGY
54.00	05400	RADIOLOGY-DIAGNOSTIC
55.00	05500	RADIOLOGY-THERAPEUTIC
57.00	05700	CT SCAN
58.00	05800	MRI
60.00	06000	LABORATORY
65.00	06500	RESPIRATORY THERAPY
66.00	06600	PHYSICAL THERAPY
67.00	06700	OCCUPATIONAL THERAPY
68.00	06800	SPEECH PATHOLOGY
69.00	06900	ELECTROCARDIOLOGY
70.00	07000	ELECTROENCEPHALOGRAPHY
71.00	07100	MEDICAL SUPPLIES CHARGED TO PATIENT
72.00	07200	IMPL. DEV. CHARGED TO PATIENTS
73.00	07300	DRUGS CHARGED TO PATIENTS
74.00	07400	RENAL DIALYSIS
76.00	03950	KIDSTREET
76.01	03951	ORTHOPAEDICS
76.02	03952	BEHAVIORAL SCIENCES
OUTPATIENT SERVICE COST CENTERS		
90.00	09000	CLINIC
91.00	09100	EMERGENCY
92.00	09200	OBSERVATION BEDS (NON-DISTINCT PART

**D**  
WS B Col 21-22 Ln 50-77 and 90-91  
**Total GME Ancillary Costs**

In particular, the Department will want to discuss the appropriateness of including Outpatient Service Cost Centers (90=Clinic & 91=Emergency) in Total GME Ancillary Costs during the next rebasing year in 2025.

- As we mentioned last year after the New IP Base Rate Methodology was implemented, the Department noticed that historically there have been some cost centers pulled in the Total GME Ancillary Cost column for use in the calculation of IP GME Add-on payments.
- Since these cost centers are Outpatient based (90=Clinic & 91=Emergency), there is some question whether they should be included in an Inpatient GME payment going forward.



# Proposed Change to GME Calculations for IP Base Rates Effective 7.1.2025 (cont'd)

GME COST PER DISCHARGE											GME ADD-ON	
Column Label:	A	B	C	D	E	F	G	H	I	J	K	L
Source:	<a href="#">2023 Teaching Hospital List</a>	Most Recent Cost Report Period on File in Jan 2023	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 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%
Medicare Provider Number	CMS Teaching Hospital?	Cost Report Period Start Date	Cost Report Period End Date	Total GME Routine Costs	Total GME Ancillary Costs	Inpatient Charges	Total Charges	Inpatient Ancillary GME Costs	Total GME Costs	Total Discharges	GME Cost per Discharge	10% of GME Cost per Discharge

- Hospital feedback recommends maintaining the current calculation.
  - Outpatient Clinic and Emergency Room (ER) visits can result in an inpatient hospital stay. This results in services provided in the Clinic or ER being added to the IP claim.
  - Since the Total GME Ancillary Costs is multiplied by the Inpatient Charges Ratio, the inpatient portion of Clinic and ED ancillary costs factor into the total ratio (despite being proportionately less in some cases).
- Based on hospital feedback, the Department is not planning to eliminate these cost centers from the calculation entirely. Rather, the Department will assess the impact of an alternate calculation to improve the accuracy of GME costs associated with Clinic and ED cost centers, while including GME from the Clinic and ED cost centers.

# Proposed Change to GME Calculation for IP Base Rates Effective 7.1.2025 (cont'd)

## ➤ 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.

# November 1, 2024, Hospital Engagement Meeting

- The regularly scheduled November Hospital Engagement Meeting will include the results of our review of proposed GME changes and a decision on how we'll move forward for IP Base Rates effective 7/1/2025.
- We greatly appreciate the feedback received and will reach out to those hospitals if we have additional questions.

# Long Acting Reversible Contraceptive - Duplicate Claim Denial

- Issues occurring with reprocessed inpatient claim that have corresponding outpatient claim for LARC Carveout
- Department is exploring solutions to reduce effort required in rebilling

# 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!*

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