

# HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Thursday, January 7, 2021  
2:00-4:00 PM*

*Friday, January 8, 2021  
1:00-4:00 PM*

Location: Online Only

Conference Line: 1-877-820-7831 Passcode: 294442#

Topic Suggestions, due by close of business one week prior to the meeting. Send suggestions to [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us) or [Andrew.abalos@state.co.us](mailto:Andrew.abalos@state.co.us).

# Welcome & Introductions

- **Thank you for participating today!**
- We are counting on your participation to make these meetings successful

# About this Webinar

- We will be recording this webinar.
- Please speak clearly when asking a question and give your name and hospital
- A recording of this webinar will be posted to the [Hospital Engagement Meeting website](#) for later viewing.

Thank you for your cooperation

# AGENDA

## January 2021 Hospital Stakeholder Engagement Meeting Topics

FY 20-21 Inpatient & Outpatient SPA Update

FY 21-22 Rate Update Discussion

Outpatient Hospital Rate Update

EAPG Drug Re-weight Update

Outpatient Mass Adjustment Scheduling

EAPG Module Update

COVID-19 Infusion Billing Guidance

EAPG Version Updates

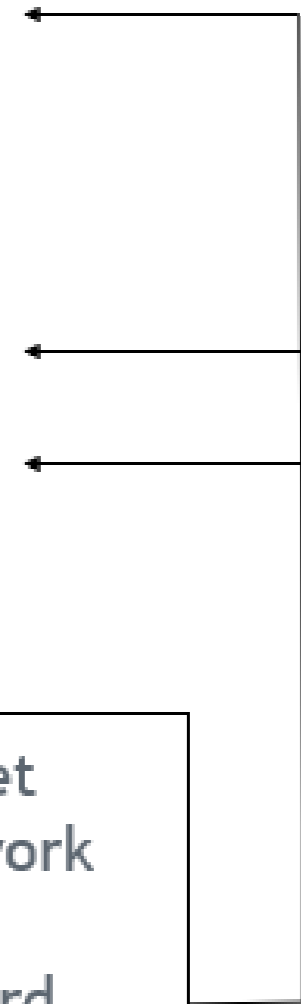
Drug Acquisition Cost Surveys

# 2021 Rural Hospital Engagement Meeting Schedule

Rural Community Meetings 2021 Schedule			
Date	RHC Time	Break	Hospital Time
1/7/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
3/4/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
5/6/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
7/8/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
9/9/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm
11/4/2021	12:30pm-1:30pm	1:30pm-2:00pm	2:00pm-4:00pm

# Dates and Times for Future General Hospital Stakeholder Engagement Meetings in 2021

Dates of Meetings	Meeting Time
January 8, 2021	1:00pm-4:00pm
March 5, 2021	9:00am-12:00pm
May 7, 2021	9:00am-12:00pm
July 9, 2021	1:00pm-4:00pm
September 10, 2021	1:00pm-4:00pm
November 5, 2021	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

# FY 20-21 Inpatient Rate Update

- FY 20-21 Inpatient Rates were approved by CMS on 12/22/2020.
- Updated rates are currently being added to the claims system and reprocessing of all claims with last date of service  $\geq$  7/1/2020 should be done by end of January.

# Draft Inpatient Base Rate Methodology

- Estimated Implementation Date extended to **7/1/2022**.
- The Department needs to decide how we will be updating FY 21-22 Rates to be implemented on 7/1/2021.
- The Department suggests keeping FY 20-21 Inpatient Base Rates as they are and applying the State Budget Action (SBA) set by legislature directly to those rates.
- Why do we suggest this method to update base rates?



# Reason for Suggesting SBA Application

- Allows us to continue work on the draft base rate methodology in preparation for a 7/1/2022 implementation.
- Removes uncertainty from variables resulting from COVID-19.
- It is important to note that EAPGs and Per Diem Rates are currently updated with the State Budget Action (SBA).

# Possibly Rebase Inpatient Base Rates Every Other Year

- During years when the inpatient base rate would be rebased, the SBA would be included in the budget neutrality calculation which determines the overall budget for inpatient base rates.
- In years when rates are not rebased, they would be updated with the SBA
  - If there is an **INCREASE**, the new FY 21-22 rate would be Hospital's FY 20-21 Rate \* (1 + x%)
  - OR**
  - If there is a **DECREASE**, the new FY 21-22 rate would be Hospital's FY 20-21 Rate \* (1 - x%)

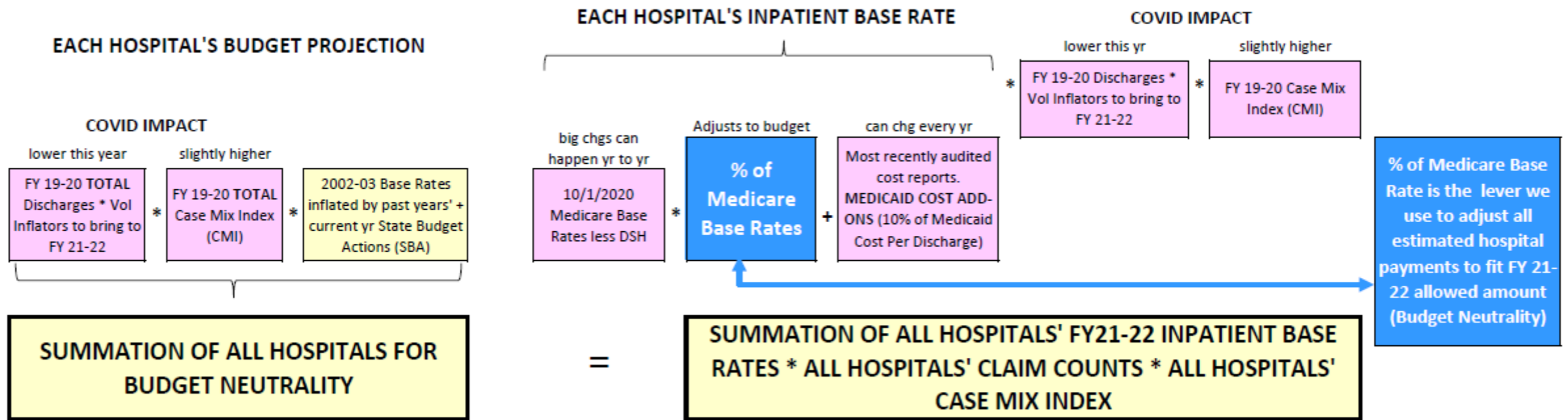
How should FY 21-22 Inpatient Hospital Base Rates be updated this year?

- State Budget Action applied to FY 20-21 Rates
- Regular base rate calculation

# Survey Results

- We've had very low response from hospitals which resulted in basically a tie.
  - One hospital system had two votes that cancelled each other out.
  - Several survey responses were from non-hospital groups.
- In response to subsequent questions from hospitals regarding the survey, we've put together a diagram detailing all the moving parts of the current inpatient base rate methodology.

## HOW YEARLY BUDGET IS DETERMINED



boxes in light pink are variable from year to year

How should FY 21-22 Inpatient Hospital Base Rates be updated this year?

- State Budget Action applied to FY 20-21 Rates
- Regular base rate calculation

# Survey Results cont'd

- Various hospitals have suggested altering existing methodology to avoid any detrimental Covid-19 impacts.
- Any change we make will require approval from State Medical Services Board (MSB) and Centers for Medicare & Medicaid Services (CMS)
- Using the State Budget Action (SBA) for updating Inpatient Base Rates solves many of the issues we have moving forward as detailed in earlier slides.
  - SBA, again, has been accepted as an appropriate way to update both rehabilitation/LTAC per diem and EAPG base rates.
  - SBA would also allow us to continue work on the draft base rate methodology. Otherwise, work will stop for 4-6 months.

# Questions & Comments?

# Outpatient Hospital Rate Update

- CMS approved 1% decrease in EAPG rates effective July 1, 2020 on December 22, 2020
- All updated EAPG rates loaded as of morning of January 5, 2021
- After validation of rates in interChange, mass adjustments to follow

# EAPG Drug Re-weighting Update

- Balances payment for drugs provided in outpatient hospital setting to reflect cost discrepancies in hospital groups, effective June 1, 2020
  - See [EAPG Drug Re-Weight Meetings](#) for more detail
- All authorities required for implementation
- Collaborating with Gainwell (formerly DXC) and 3M for system implementation with mass adjustment to follow

# Mass Adjustment Scheduling

- Objective: minimize unnecessary adjustments resulting from two payment policy updates
- Since EAPG rates implemented first, claims with FDOS on or after July 1, 2020 will be initially targeted for adjustment
  - Claims impacted by drug re-weight will be excluded



# Mass Adjustment Scheduling

- Assuming rates are correctly loaded:
  - ~700,000 total outpatient hospital claims to be adjusted over next few weeks, beginning next week
  - Excludes ~34,000 claims impacted by drug re-weight with FDOS on or after 7/1/2020
- Once drug re-weight policy implemented:
  - ~34,000 claims impacted by drug re-weight to be adjusted with FDOS on or after 7/1/2020 (claim volume expected to increase over time).
  - ~6,000 claims to be adjusted with FDOS between 6/1 - 6/30

# EAPG Module Update

- 3M released v2021.0.0 on December 29, 2020
- Installed into interChange evening of January 6, 2021
- Accommodates CPT/HCPCS annual updates, some COVID updates
  - Impacted claims will be adjusted part of previously mentioned adjustment efforts
- Version 3.10 remains in effect

# COVID-19 Infusion Code Guidance

- [January 2021 Provider Bulletin](#) for more detail
- Providers should only bill Health First Colorado for the administration procedure codes and should not include the monoclonal antibody-specific procedure codes on the claim when doses of either therapy are provided without charge from the federal government. If codes are billed for the monoclonal antibody(ies), the line(s) may pay at zero or be denied. This information is subject to change dependent on the COVID-19 public health emergency declaration.

# EAPG Version Updates

- 3M does not maintain versions beyond a certain point (version 3.10, currently in use, will not be maintained beyond January 1, 2022)
- EAPG versions released January 1 of each year by 3M
- 3M released version 3.16 for January 1, 2021
- Department intends to update to this version

# EAPG Version Updates

- Intended to account for changes in outpatient hospital care delivery based on national data / statistics compiled by 3M
- Addition, Removal, Modification of EAPGs
  - CPT/HCPCS/ICD-10 codes can be moved to different EAPGS
- New set of cost weight statistics are developed by 3M based on changes in costs of procedures associated with EAPGs (National Weights)

# EAPG Version Updates

- Modifications of packaging and consolidation lists
- **Lastly, 3M version update will modify inpatient-only procedure list to accommodate changes in deliveries for related services and as suggested through Centers for Medicare & Medicaid Services (CMS)**

# EAPG Version Updates

- Please see [December 11, 2020 Hospital Stakeholder Engagement Meeting](#) for proposed methodology for transition
- National Weights developed by 3M presently unavailable, will be available in coming week
  - No payment modeling could be completed.

# EAPG Version Updates

- Updating will require changes to rule and SPA
- Rule updates can only be made prospectively, as opposed to SPA (with some limitations)
- Due to interest in collaboration with stakeholders and thorough fiscal impact analysis, reconsideration of July 1, 2021 implementation date



# Drug Surveys

- Assessment of long-term payment solution for drugs in outpatient
- Myers and Stauffer - collecting information on drug costs until the end of January
- [Webinar Link](#)
- Myers and Stauffer email: [copharmacy@mslc.com](mailto:copharmacy@mslc.com)

# Questions, Comments, & Solutions



# *Thank You!*

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

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

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

Justen Adams  
Hospital Policy Specialist  
[Justen.Adams@state.co.us](mailto:Justen.Adams@state.co.us)

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

Janna Leo  
Hospital Policy Specialist  
[Janna.Leo@state.co.us](mailto:Janna.Leo@state.co.us)