



Summary Notes

HB23-1215 Hospital Facility Fee Steering Committee Meeting

[Register to attend the Zoom meeting](#)

Tuesday, December 12, 2023
4:00 - 6:00 p.m.

[Meeting Recording](#)

1. Agenda and recap

- a. Introduced steering committee members
- b. Facilitator recapped the shared purpose (slide 5), group norms (slide 7), boundaries (slide 8), and open meeting law

2. Facility Fees Education

- a. John Bartholomew and Tom Nash, contractors to HCPF, presented draft definitions for critical vocabulary (starting at 4:13pm) and Steering Committee members shared their perspectives on [term definition sources, proposed revisions, and missing terms](#). Steering Committee members should send suggested revisions and additions to Greg Bellomo (greg@governmentperformance.us):
 - i. Term definition sources:
 1. 4:14pm Dan Rieber, Chief Financial Officer, University of Colorado Hospital Authority, represents Colorado Hospital Association: should not define “facility fee” differently from what is documented in HB23-1215. Items in the proposed glossary with an asterisk come from a source that could be biased and would like to read through the source.
 2. 4:18pm Isabel Cruz, Policy Director, Colorado Consumer Health Initiative, a consumer advocacy organization: recognize the challenges with finding a completely unbiased source and seeks to clarify if concerns are with the definitions themselves or only the source.



- ii. Proposed revisions - Steering Committee members suggested to send revisions to Greg Bellomo for the following terms (starting 4:23pm):
 1. *CPT A/M*
 2. *High-acuity services*
 3. *Low-acuity services*
 4. *Non-Excepted HOPD*
 5. *Professional Service Fee*
- iii. Missing terms - Steering Committee members suggested to send additional terms and proposed definitions to Greg Bellomo, including the following (starting at 4:27pm):
 1. *Frontier hospital*
 2. *Sole community hospital*
 3. *Essential community hospital*
 4. *Payer mix*
- b. [Haugen Consulting Group](#) shared Billing 101 presentation (available on the [steering committee web page](#)) and the Steering Committee asked questions (starting at 4:41pm):
 - i. Question: If a physician owns an ASC or office-based lab, are they using a UB04 form? Slides are missing a type of care (provided by) outpatient facilities owned by private practices. Answer: UB04 form is most often used in institutional facilities. Will confirm which form and provide an answer to the Steering Committee.
 - ii. Question: If a patient has a high deductible health plan (HDHP) and has not yet met the deductible, is the process different? Answer: In terms of what is owed (allowable amounts, etc.), there is no difference; but if the patient hasn't met deductible, then the responsibility goes to the patient. The patient responsibility component would be different.
 - iii. Question: when a split bill is sent to a payer under private insurance, is a separate co pay applied to those claims resulting in a higher patient out-of-pocket? Answer: (Haugen) has not seen a split billing approach used outside of government programs. Typically, commercial payers are not going to accept split billing. Response: Steering Committee would appreciate follow up on that. People are getting separate bills for provider and facility fees on non-governmental plans.
 - iv. Question: What do bills look like when people receive services from outpatient offices that are affiliated with a hospital (but



not owned by the hospital)? Answer: Even hospital-owned outpatient clinics can elect not to do provider-based billing.

- v. Steering Committee suggests using a real-life example to help illustrate these scenarios
 - vi. Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital, a critical access hospital in Hugo that operates four primary care clinics in a large geographic area with a small population: there are negotiated contracts that dictate the level and form of payment for virtually every service.
 - 1. Question from chat: Do the insurance companies negotiate costs for facility fees? Answer: Needs follow up.
 - vii. Diane Kruse, Health Care Consumer: Why do they not pull facility fees out on a bill for consumers so we can see them? The bills make it look like we are just paying for the doctor. Answer: Patients can request an itemized bill to see specific components and fees.
2. Rebecca Parrot from HCPF discussed how prices are set (beginning at 5:13pm) and Steering Committee members offered comments:
- a. Dr. Omar Mubarak, Managing Partner, Vascular Institute of the Rockies: Slide 15 is misleading in that it implies that private clinics charge global fees and are on par with hospitals.
 - b. Dan Rieber, Chief Financial Officer, University of Colorado Hospital Authority, represents Colorado Hospital Association (via chat): I think we need to outline how plan designs negotiated by employers with the payers impacts the way the cost is shared and that is outside the control of a hospital. Education is provided I believe by the employers in their plan documents provided to employees and beneficiaries around patient responsibilities.
 - c. Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital: We need data for the payer mix before we can make broad assumptions about what happens. Regarding Medicare price setting (slide 16), statute says 101%, then shave 2% for sequestration. Critical access hospitals are paid less than the cost of the service.
 - d. Rebecca Parrot confirmed the Steering Committee will continue to discuss the explanation of fees in future sessions.

3. HB23-1215 report and data requirements

- a. Seth Adamson from CBIZ Optumas shared a summary of the data requirements from [HB23-1215](#) (starting at 5:28pm)



- b. Discussion on methodology for estimating facility fees for Medicaid and Medicare, noting that commercial pay methodology will be discussed in a future meeting (starting at 5:30pm)
- c. Seth Adamson from CBIZ Optumas highlighted gaps that the provider survey must close (starting at 5:39pm)
 - i. 5:41pm Isabel Cruz, Policy Director, Colorado Consumer Health Initiative: Would like to elevate again, it remains unclear what billing looks like when an outpatient office is affiliated but not owned (by a hospital) (and how that) impacts facility fee billing. (We) want to be sure to understand that.

4. Revisit the emerging roadmap

- a. 5:43pm Facilitator Greg Bellomo discussed the timing of key tasks aligned with upcoming meetings

5. Public Comment

- a. 5:45pm Erica Pike, CO Academy of Family Physicians: thank you for volunteering for this Steering Committee. We represent 2,500 family physicians across Colorado, 1/3 are in independent practices. Would like to highlight the importance of using accurate data and provide insight into differences for independently owned offices.
 - i. HCPF slides are an inaccurate portrayal of practices. Specifically, the global fee is not what is allowed for independently owned offices.
 - ii. Encourage the Committee to look at Medicare data so that it is as transparent as possible.
 - iii. The proposed definition for professional services fees currently says can cover overhead but this is inaccurate. The Steering Committee aim is to use accurate information and we encourage validated and accurate sources. Facilities fees have consequences for patients; also have impact on mergers and acquisitions. Independent and primary care doctors are paid professional fees but must cover other expenses (e.g., EHR, etc.) from that fee. Facility fees may be seen as an anti-competitive force that allows (some to) shift costs to consumers and patients, where independent practices cannot do that. Independent practices provide lower cost, high quality care and would be happy to provide studies around this. Excited about being involved.



- iv. Question (via chat): How should the public inform the committee's decisions on definitions / data sources? Should we send follow up letters?
 - 1. Answer (via chat): We have a dedicated email box which staff monitor. If you'd like to send to that email address, we'll be sure the committee receives the information: hcpf_facilityfee@state.co.us
- b. 5:49pm Tom Rennel, Senior Vice President of Financial Policy and Data Analytics, Colorado Hospital Association
 - i. Would encourage us to look at statute for definition of facility fees and what they are intended to cover. We are talking about hospital outpatient services as most basic and broad definition. We are also trying to consider coverage in this discussion as well. Looking forward to seeing analysis.

6. Steering committee Q&A

- a. Next steps were covered
- b. Steering Committee asked its final questions:
 - i. 5:54pm Isabel Cruz, Policy Director, Colorado Consumer Health Initiative: Based on the conversation today I wonder if adding the raised hands function and having a norm of not interrupting each other would be good to add to our agreements.
 - 1. Dan Rieber, Chief Financial Officer, University of Colorado Hospital Authority, represents Colorado Hospital Association: (I will) try to adhere to it, but there are times we forget because we are caught up. But give each other grace. Raising hands might be too robotic.
 - 2. Isabel Cruz, Policy Director, Colorado Consumer Health Initiative: Respectfully disagree. There are personality differences and what might seem a friendly interjection might be received differently. Important for everyone to get their thoughts out and the conversation to go in a more organized direction.
 - ii. 5:57pm Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital: This (facility fees) is such an important issue. Any thought given to having an in-person, longer session where we can have an in-depth discussion?



1. Response: The Steering Committee is supportive of this idea and requests sufficient notice.

7. Next meeting: January 9, 2024, from 4:00 - 6:00 p.m.

- a. Please visit [Hospital Facility Fee Steering Committee | Colorado Department of Health Care Policy & Financing](#) to register for this meeting

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