COLORADO
Department of Health Care Policy & Financing

AGENDA

HB23-1215 Hospital Facility Fee Steering Committee Meeting

Tuesday, May 14, 2024

4:00 – 6:00 p.m.

Participants register for Zoom meeting.

Link to video recording.

1. Agenda, shared purpose, and commitments (10 minutes)

a. Introduce steering committee members to the public.
   a. Isabel Cruz, Policy Director, Colorado Consumer Health Initiative
   b. Diane Kruse, Health Care Consumer
   c. Dr. Omar Mubarak, Managing Partner, Vascular Institute of the Rockies
   d. Dan Rieber, Chief Financial Officer, UC Health
   e. Bettina Schneider, Chief Financial Officer, Colorado Department of Health Care Policy and Financing (HCPF)
   f. Kevin Stansbury, Chief Executive Officer, Lincoln Community Hospital – **Unable to attend today.**
   g. Karlee Tebbutt, Regional Director, America's Health Insurance Plans

b. Facilitator recaps the shared purpose, boundaries, open meeting law, and shared commitments

2. Data scorecard and key gaps (30 minutes)

a. Review data scorecard concept, then discuss key gaps and closure plan (see slides 11 -12)
   a. Seth from Optumas provided a recap and high-level overview of data obstacles (slides 11-12)
      i. For Yellow items, Optumas and HCPF will share the proposed path and solicit Steering Committee feedback
      ii. For Red items, we will discuss more radical options and determine if the Steering Committee is comfortable proceeding.

b. Seth from Optumas reviewed the draft data scorecard available at CO HB1215 - Data Progress.xlsx - Google Sheets)
    i. The Summary tab provides a high-level overview with red, yellow, and green to indicate progress
    ii. Reviewed the "Detail" tab
        1. Laid out in the same order as listed in HB23-1215.
        2. Broken out by major sections, description, progress, progress notes, and report input.
        3. Reviewed the details, explained why items are marked as red, and reviewed a few rows marked as yellow.
            a. Reasons for red and yellow are listed in column G of the Google sheet.
    iii. Rebecca from HCPF contacted the Chamber of Commerce distributed list and is arranging to speak with a representative from the business group about health.
    iv. Karlee, has there been any consultation with the state employee plan to see if they have any data? Rebecca's answer: No, but we can do that.
        1. ***Action: HCPF to reach out to the state employee plan.***
    v. Dan, Can you add the dates when the data will be ready for the steering committee to review?
        1. ***Action: HCPF/Optumas/GPS to enrich the plan with expectations for when the analysis will be ready, by month.***
    vi. Dan, Is there a plan to review the report before the second meeting in July so we can say we agree or disagree?
        1. Nancy, the report is due on August 1, and the final report is due in September. There will be meetings in August and September.
        2. Karlee agrees with Dan's question and suggests the steering committee can provide written comments.

3. Isabel, August is a touchpoint and we don't all have to agree with the draft in August.

3. Commercial market methodology (40 minutes)

a. Seth from Optumas reviewed challenges to facility fee identification in the commercial market (slides 14 – 18)
   i. From Rebecca at HCPF via chat: "Data update: We received a few more independent provider surveys since speaking with representatives at Colorado Medical Society. The survey will be distributed in their May 15 newsletter as well."
   ii. Billing policies – provider surveys what they found (slides 14 -15)
      1. Karlee, what is an "incremental" facility fee?
         a. Seth, on the Medicare side of the G code, hospitals may bill in addition to the other services.
      2. Dan, the "incremental" facility fee is a little misleading; it is baked into the lump price the physician bills for staff, equipment, etc.
         a. Seth, on our first pass, we were looking to see if there was a similar policy to Medicare that flags this kind of code.
      3. Isabel, clarify whether provider surveys are independent providers or hospital outpatient department clinics.
         a. Seth is the hospital provider survey.
      4. Isabel, is the facility fee for independent and hospital-affiliated providers?
         a. On the commercial side, we are looking at the entirety of the outpatient visit, and a professional claim covers overhead and additional services for total reimbursement.
      5. Karlee, suggest connecting with CMS or Medpac (https://www.medpac.gov/) to verify you have the whole picture.
      6. Diane, I'm wondering if facility fees started with Medicare.

iii. Seth reviewed "Thoughts on next steps" (slide 16)
    1. Diane, you're describing a commercial experience. From personal experience, I got a bill with coding, and the insurance somehow split out the facility fee, so I wonder how we can capture that.
        a. Seth, we looked for an individual code, but unfortunately, there is no consistent way to identify that in the APCD at the aggregate level. We also are trying to be consistent with the facility fee defined in HB23-1215. (slide 17)
    2. Dr. Mubarak, the report should stress that the professional fee, according to the AMA, has not risen in about 10 – 15 years, and that is why private practice is dying and should be included in the report.
    3. Dan, if you think of a patient in observation status, it is in an outpatient status. If a physician comes into the hospital for a consultation, they have their own billing codes and separate billings. This is common at community hospitals.

iv. Methodology illustration (slide 18)
    1. Diane, I appreciate the diagram, but the billing consumers get includes all kinds of things separate from the facility fees.
        a. Seth, we really are sticking with the definition as it is written in HB23-1214.
    2. Dan, we sometimes call it hospital-based services contracted out, and they can bill separately, and we know there can be a lot of bills. Legislation is trying to address the "out-of-network" billing. Also, July 1 transparency billing requires a cost estimate for the professional side, such as what we discussed.
    3. Karlee, I feel for you, and I don't think anyone fully understands the complexity of the U.S. health care system and billing, so it is not just you. Is there something about the definition that is making it challenging to identify data?
        a. Seth, in terms of getting at Diane's specific example, it is challenging to identify, regardless of how we define it, because there is no

consistent methodology for that type of billing practice. And, regarding the definition, changing it is not within our purview.

4. Isabel, I think the question is teasing out the specific service code that is explicitly being used, like the Medicare G code. We know that something separate and distinct is being billed from the provider.
    a. Seth, we cannot find a consistent code or methodology on the commercial side equivalent to the G code in Medicare.

b. Rebecca from HCPF reviewed impact methodology (slides 20-22)
    i. We have received feedback about the terms used on slide 20, but we ask you to focus on the methodology.
    ii. We also are not talking about the drivers of the extra costs but the "what." (slide 21)
    iii. Charge comparisons, like the language in the statute, we propose the comparative analysis to quantify the financial impact at the total cost of the service level because billing processes are different at different service sites.
    iv. Kevin's comments (as shared via email to Greg, the facilitator). Kevin reinforces that hospitals and providers are simply following the rules and the payers (e.g., Medicare, Medicaid, and Commercial Insurers) and cannot arbitrarily raise rates. They are "rate takers" in this situation.
    v. Dan, this comparison works when there is an apples-to-apples comparison. We want to make sure we are picking up the differences, like bundled payments for maternity care, and carving those out because there isn't a one-to-one match.
        1. ***Action: Optumas to identify a method to address bundled payment scenarios.***
    vi. Isabel, I think this method makes sense where we do have one-to-one data. Have you been talking to APCD and CIVIC about how they are working through this data in the commercial space? Other states have also done similar data comparisons and are using E&M codes.
    vii. Diane, I'm afraid I have to disagree with this visual because it should be flipped. I question whether the independent

doctor bill would be higher than the hospital provider. When we do the comparison, the outpatient

viii. Dr. Mubarak, the diagram is hugely deceptive. There is no $20 difference, but $2,000 more for a hospital bill.
ix. Karlee, I think the diagram was just meant to be a visualization, and it wasn't intended to reflect what providers are being paid or billed. I also echo what Isabel said about asking APCD and CIVIC.
x. Seth, we understand the numbers on the illustration are not reflective. Still, the overall structure of the illustration is beneficial, so we should ignore the numbers listed in the illustration.
xi. Dan, I think it would be helpful to talk to CMS to understand the reason why they pay the delta depending on the location.
xii. Isabel, I agree; I think it would be helpful to hear from CMS
xiii. Dr. Mubarak, I would argue that lobbying from hospitals and large health care conglomerates impacts what CMS makes as policy, and independent providers are not a policy advocacy group and don't have that same level of lobbying.
xiv. Karlee, I suggest looking at Medpac reports.
    1. Action: HCPF to examine Medpac reports

4. Draft final report outline discussion (15 minutes)

a. Greg, the facilitator, reviewed the proposal for the perspectives section of the draft report (slides 25-26)
b. Greg reviewed the instructions for Steering Committee members (instructions slide 27)
c. Karlee, are we voting up or down that we are OK with the proposal?
d. Dan, knowing we are outnumbered here, I would argue that urban and rural hospitals are very different, and each gets one page.
    i. Motion by Dan: I make a motion to what Greg has proposed on slides 25 – 26.
    ii. Seconded by Isabel to open discussion.
        1. Isabel, I don't think hospitals should have more than one page. The task is to make it shorter and

more concise, so I do not support this motion as it stands.
2. Karlee, I think all of us could benefit from two pages because we all have rural vs. urban perspectives. It would be more challenging for us to have only one page.
3. Kevin (as shared with Greg, the facilitator): I don't think one page is enough and that no one should tell another group what an acceptable perspective is. It is their perspective and it is in their best interest to be brief.

iii. Isabel, Move to amend so each of the four perspectives represented on the steering committee receives 1 page.
iv. Dan, I'm afraid I have to disagree.
v. Facilitator shares Bettina's perspective that she shared via chat before leaving the meeting. I am a yes vote for the proposal as written on the slides, which is acceptable.
vi. Public comments occurred before voting
1. Adeline Ewing with CHA: The proposal around citations was taken out, so everyone can write whatever they want and use citations they feel are appropriate. I support 2 pages for everyone since it is nuanced for all perspectives.

vii. Dan, would Karlee and Isabel support 2 pages for everyone?
viii. Diane, the task is to focus on the report. A single page is a nice introduction, so to have that many pages does not make sense.
ix. Facilitator calls for the vote: 1 page for each of the 4 perspectives represented on the Ste
1. Total votes for (4): (Isabel Cruz, Dr. Mubarak, Diane Kruse, Karlee Tebbutt
2. Total votes against (1): Dan Reiber
a. Not in attendance and therefore unable to vote (2): Bettina Schneider, Kevin Stansbury

x. Karlee, what is the process for providing perspectives since we are teamed up and we don't want to run into an open meeting?

1. Answer from Greg: you can work within the document using comments and track changes. Or, if you want to work together in a meeting, please reach out to me (Greg), and we can coordinate with the Department to notice the meeting. We ask that you draft your perspectives in 4 weeks from today (June 11).
2. Nancy, open meetings are not specific, but the Department has used 24-hour notice.

5. Public comment (10 minutes; 5:35 – 5:45 p.m.)

a. Time is divided equally between the people who ask to speak
b. Written comments are also welcome at hcpf_facilityfee@state.co.us
c. No additional public comment.

6. Draft Final Report Steering Committee Action (10 minutes)

*a. **ACTION: SteerCo to write one-page perspectives by June 11 (for review at the June 11 steering committee meeting).***

7. Steering committee final Q&A (5 minutes)

a. Greg reviewed the plan for upcoming meetings (see slides 33 – 34) and said Optumas will notify the steering committee when data will be available.

b. Steering Committee asks its final questions
   i. None
c. Next meeting: June 11, 2024, from 4:00 – 6:00 p.m.

   Today's meeting ended at 5:53 p.m. MT.

d. **Please visit:** Hospital Facility Fee Steering Committee | Colorado Department of Health Care Policy & Financing

Reasonable accommodation will be provided upon request for persons with disabilities. Please notify the Board Coordinator at 303-866-4764 or Shay.Lyon@state.co.us or the 504/ADA Coordinator at hcpf504ada@state.co.us at least one week before the meeting to make arrangements.