HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

Friday, January 11, 2019
12:30 PM - 4:00 PM

Location: The Department of Health Care Policy & Financing, 303 East 17th Avenue, Denver, CO 80203. 7th Floor Rooms B&C.

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

Topic Suggestions, due by close of business one week prior to the meeting. Send suggestions to Elizabeth Quaife at elizabeth.quaife@state.co.us
Welcome & Introductions

• Thank you for participating today!

• We are counting on your participation to make these meetings successful

[Poll]
GROUND RULES FOR WEBINAR

• WE WILL BE RECORDING THIS WEBINAR.

• ALL LINES ARE MUTED. PRESS *6 IF YOU WISH TO UNMUTE. PARTICIPANTS CAN ALSO UTILIZE THE WEBINAR CHAT WINDOW

• If background noise and/or inappropriate language occurs all lines will be hard muted.

• Please speak clearly when asking a question and give your name and hospital

Thank you for your cooperation
Overview of the Day

• Hospital Engagement Meeting  12:30-4:00
• Coffee Break  TBA
<table>
<thead>
<tr>
<th>Hospital Engagement Meeting Topics 1/11/2019 12:30pm-4:00pm</th>
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<tbody>
<tr>
<td>- CC/CCEC Enrollment</td>
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<tr>
<td>- Items Pending Additional Research/Action</td>
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<td>- 15 Day Readmission</td>
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<tr>
<td>- 7/1/2018 Base Rate Update</td>
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<td>- Separating Mom and Baby Claims</td>
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<td>- Move to National Weights Updates</td>
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<td>- Graduate Medical Education for Managed Care Organization Utilization</td>
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<td>- FY 2019-20 Inpatient Hospital Rebasining Data to Meyers &amp; Stauffer</td>
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<td>- 3M Module Update</td>
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<td>- EAPG Multiple Same Day Visits</td>
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<tr>
<td>- JW Modifier SCR</td>
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<tr>
<td>- EAPG Survey Results</td>
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</table>
### Dates and Times for Future Hospital Stakeholder Engagement Meetings in 2019

<table>
<thead>
<tr>
<th>Dates of Meetings</th>
<th>Meeting Time</th>
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<tbody>
<tr>
<td>January 11, 2019</td>
<td>12:30 p.m. - 4:00 p.m.</td>
</tr>
<tr>
<td>March 1, 2019</td>
<td>9:00 a.m. - 12:30 p.m.</td>
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<tr>
<td>May 3, 2019</td>
<td>9:00 a.m. - 12:30 p.m.</td>
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<tr>
<td>July 12, 2019</td>
<td>12:30 p.m. - 4:00 p.m.</td>
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<tr>
<td>September 13, 2019</td>
<td>12:30 p.m. - 4:00 p.m.</td>
</tr>
<tr>
<td>November 1, 2019</td>
<td>9:00 a.m. - 12:30 p.m.</td>
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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](https://www.colorado.gov/pacific/hcpf/hospital-engagement-meetings)

Please note the offset dates and times to work around holidays AND Medical Services Board.
Community Clinic and Community Clinic and Emergency Center (CC/CCEC) Reminder

CC/CCECs previously enrolled as a hospital provider type and/or billing through their main hospital ID need to enroll as and bill under the CC/CCEC provider type for dates of service beginning December 1, 2018, going forward.

The CLIA field was updated on December 12, 2018.

Details on enrolling as in the CC/CCEC provider type can be found on the Information by Provider Type page under Community Clinic.
Pending Additional Research and/or Actions

The following items have been discussed at previous meetings and are pending while additional research and/or processes are being completed.

- Observations over 24 hours
- Observation 24-48 hours prior to Inpatient Stay
Upcoming Topics/Discussions

March 1, 2019 Hospital Stakeholder Engagement Meeting
• 12X Medicare Crossover Claims Update
• BHO/RAE Representatives

May 3, 2019 Hospital Stakeholder Engagement Meeting
• UB-04: IP and OP Billing Manual Update
Inpatient Hospital Review Program

Email Sent

• Newsletter was sent to provide Updates and Resources for the Inpatient Hospital Review Program

• Used Hospital Stakeholder Engagement Meeting Email list to reach high number of Stakeholders

• For Questions/Comments please email HospitalReview@hcpf.state.co.us

Thank you!
Inpatient Readmission Policy

The Department is proposing changing to the inpatient readmission policy from 48 hours to 15 days and has asked stakeholder for feedback on situations or conditions that should be exempted from this policy and should not be considered one episode of care even when services are delivered within the readmission window.

The Department received feedback from two hospital systems on the proposed change to the inpatient readmission policy. The information provided is currently under review.

Please contact Raine Henry at Raine.Henry@hcpf.state.co.us and Rob Edwards at Robert.Edwards@hcpf.state.co.us with any additional questions.
Hospital Rates Effective 7/1/2018
Approved by CMS

➢ Notification of CMS approval was received by the Payment Reform Division on 12/26/2018 and a transmittal to update rates and reprocess claims with serve to dates of July, 1, 2018 or later was immediately submitted to DXC.

➢ All mass adjustments for FY2018-19 rates should be completed by end of January 2019.
Separating Baby from Mother’s Claim

During the November 2nd Hospital Engagement Meeting, we discussed in detail the results of the survey regarding whether to separate baby from mother’s claim.

Survey: Over 70% of participating hospitals said yes or were neutral to separating Mother and baby claims. This supports what we have been hearing for years that combining them is burdensome to hospitals.

| Do you support separating mother and baby claims? |
|-----------------|------|----------|
| No              | 14   | 29.2%    |
| Yes             | 31   | 64.6%    |
| Neutral         | 3    | 6.3%     |
| TOTAL           | 48   | 100.0%   |

Based on these results, separating Baby from Mother’s birth claim is the first in a series of steps we would like to make this year.
Separating Baby from Mother’s Claim

To make the change, the Department has been working on a plan to present to hospitals which will consist of the following universe of Delivery & Neonatal DRGs:

<table>
<thead>
<tr>
<th>DRG</th>
<th>APR-DRG DESCRIPTION</th>
</tr>
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<tbody>
<tr>
<td>540</td>
<td>Cesarean delivery</td>
</tr>
<tr>
<td>560</td>
<td>Vaginal delivery</td>
</tr>
<tr>
<td>541</td>
<td>Vaginal delivery w complicating procedures exc sterilization &amp;/or D&amp;C</td>
</tr>
<tr>
<td>542</td>
<td>Vaginal delivery w sterilization &amp;/or D&amp;C</td>
</tr>
<tr>
<td>589</td>
<td>Neonate bwt &lt;500g or GA &lt;24 weeks</td>
</tr>
<tr>
<td>634</td>
<td>Neonate, birthwt &gt;2499g w resp dist synd/oth maj resp cond</td>
</tr>
<tr>
<td>630</td>
<td>Neonate birthwt &gt;2499g w major cardiovascular procedure</td>
</tr>
<tr>
<td>588</td>
<td>Neonate bwt &lt;1500g w major procedure</td>
</tr>
<tr>
<td>593</td>
<td>Neonate birthwt 750-999g w/o major procedure</td>
</tr>
<tr>
<td>612</td>
<td>Neonate bwt 1500-1999g w resp dist synd/oth maj resp cond</td>
</tr>
<tr>
<td>602</td>
<td>Neonate bwt 1000-1249g w resp dist synd/oth maj resp or majanom</td>
</tr>
<tr>
<td>591</td>
<td>Neonate birthwt 500-749g w/o major procedure</td>
</tr>
<tr>
<td>640</td>
<td>Neonate birthwt &gt;2499g, normal newborn or neonate w other problem</td>
</tr>
<tr>
<td>625</td>
<td>Neonate bwt 2000-2499g w other significant condition</td>
</tr>
<tr>
<td>614</td>
<td>Neonate bwt 1500-1999g w or w/o other significant condition</td>
</tr>
<tr>
<td>639</td>
<td>Neonate birthwt &gt;2499g w other significant condition</td>
</tr>
<tr>
<td>607</td>
<td>Neonate bwt 1250-1499g w resp dist synd/oth maj resp or majanom</td>
</tr>
<tr>
<td>631</td>
<td>Neonate birthwt &gt;2499g w other major procedure</td>
</tr>
<tr>
<td>633</td>
<td>Neonate birthwt &gt;2499g w major anomaly</td>
</tr>
<tr>
<td>609</td>
<td>Neonate bwt 1500-2499g w major procedure</td>
</tr>
<tr>
<td>622</td>
<td>Neonate bwt 2000-2499g w resp dist synd/oth maj resp cond</td>
</tr>
<tr>
<td>611</td>
<td>Neonate birthwt 1500-1999g w major anomaly</td>
</tr>
<tr>
<td>583</td>
<td>Neonate w ECMO</td>
</tr>
<tr>
<td>608</td>
<td>Neonate bwt 1250-1499g w or w/o other significant condition</td>
</tr>
<tr>
<td>621</td>
<td>Neonate bwt 2000-2499g w major anomaly</td>
</tr>
<tr>
<td>626</td>
<td>Neonate bwt 2000-2499g, normal newborn or neonate w other problem</td>
</tr>
</tbody>
</table>
Separating Baby from Mother’s Claim

Steps involved in estimating change in payment:

1. Estimate payments for babies born who did not stay after Mother left - we currently have no claims for these since they are combined with Mother’s delivery claim. These births will be assigned to a low severity Neonate DRG (DRG= 640 & 626) to cover normal birth with very few difficulties.

2. Estimate payments for Sick Newborns who stay after their Mother leaves the hospital. We will take Neonate DRGs and use birth date to re-calculate the full stay for these claims.

3. Use National DRG Weights, Average Length Of Stay and TrimPoint for delivery and neonate DRGs since the standard in the US is to separate Mother’s delivery and Baby birth claims.
Separating Baby from Mother’s Claim

Steps involved in estimating change in payment cont’d:

4. Apply a multiplier to National DRG Neonate & Delivery Weights to align with current Colorado DRG weights. This will allow Inpatient Hospital Base Rates to remain stable.

5. Remove claims where a solid payment cannot be reasonably estimated such as third-party liability payments.

6. Prepare a comparison of the old payments (current state) vs. new payments by DRG to be presented in March.

7. We aren’t sure what other things we may encounter but this is what we’ve uncovered as being important so far...
Managing Change

We’ve realized that combining the change to National Weights & Separating Baby from Mom’s Claim is just too much change at once. Therefore we currently see the upcoming changes to Inpatient Reimbursement in this order:

1. Separating Baby from Mom’s Claim
2. Move to National Weights (we discussed during November 2\textsuperscript{nd} meeting)
3. Begin work on creating a new Hospital Base Rate methodology since the maintenance on using Medicare - Disproportionate Share as the starting point for the Medicaid Base Rate has increased substantially over the years.

We also recognize that there are other policy-driven changes that are currently being made so avoiding too much change all at once will help avoid unintended consequences.
Graduate Medical Education (GME) payments to hospitals for Managed Care Entities (MCE) utilization

➢ In the November 2018 Provider Bulletin, the Department notified hospitals that it was considering amending the rules governing reimbursement for GME. The Department’s proposed rule would have incorporated GME payments into managed care capitation payments.

➢ However, under C.R.S. §25.5-5-402(5), “GME funding for recipients enrolled in an MCE shall be excluded from the premiums paid to the MCE and shall be paid directly to the teaching hospital.” The rule, if put into effect, would have been in direct conflict with state statute. It was therefore removed from consideration for presentation to the Medical Services Board.
Graduate Medical Education (GME) payments to hospitals for Managed Care Entities (MCE) utilization

➢ Should the Department wish to incorporate GME funding into the premiums paid for recipients enrolled in an MCE, the statute must first be amended to eliminate the conflict.

➢ Effectively immediately, MCE utilization reports delivered to the department on a quarterly basis should be resumed starting with the Q3-2018 report until C.R.S. §25.5-5-402(5) can be amended.

➢ Additionally, the Department will be reaching out to MCEs individually to notify them to resume normal reporting processes as detailed in their contracts.

➢ You can find this notification in its entirety in the January 2019 Provider Bulletin.
Graduate Medical Education (GME) payments to hospitals for Managed Care Entities (MCE) utilization

- Payments for GME MCE utilization Q1-2017 through Q2-2018 will be made to hospitals by end of Q1-2019.
FY2019-20 Rate Build has already begun...

➢ Hospitals participating in rural community hospital demonstration: CMS has provided the State with confirmation of whether a hospital qualifies for low volume payments based on mileage from closest hospital.

➢ Low Volume Payment - those who are looking for Table 14 “List of Hospitals with fewer than 1,600 Medicare Discharges...” on the CMS site, they no longer produce this table and the information can be found on the FY 2019 IPPS Impact File.

➢ If you have anything special going on this year, please contact me at diana.lambe@state.co.us or 303.866.5526.
We used to send FedEx letters but to save money and time. We now post a notice in the February Provider Bulletin and will also be sending reminder emails to all emails listed on our Hospital Engagement Meeting mailing list.

If you are not on this mailing list - please sign up here and choose “Hospital Engagement Meeting.”

As specified by Medicaid regulations, 10 CCR 2505-10, Section 8.300.5, for the purpose of rate setting effective on July 1 of each fiscal year, the Department uses the most recently audited Medicare/Medicaid Cost Report (CMS 2552) available as of March 1 of each fiscal year.

In order to calculate your hospital’s inpatient base rate and the Medicaid specific add-ons for FY 2019-2020, it is imperative that the Department’s hospital contractor, Myers and Stauffer LC, receives your agency’s most recent finalized Medicare Notice of Program Reimbursement (NPR) by March 1, 2019. The Department will be using the most recent finalized report Myers and Stauffer LC has as of March 1, 2019 close of business for rebasing inpatient hospital rates. Please note that there is no extension to this date.
Please submit the following: Electronic Cost Report (ECR) file (if available) or hard copy, copy of Medicare adjustments and NPR letter. If a reopening was completed, send the most recent finalized report. If your facility fails to include the NPR letter, the documents you have submitted will not be used for rate setting.

Electronic submissions may be sent to Kelly Swope at kswope@mslc.com or through regular mail to:

Kelly Swope, Senior Manager
Myers and Stauffer LC
6312 S. Fiddlers Green Circle
STE 510N
Greenwood Village, CO 80111
In summary, we need two things by March 1, 2019:
1. Most recently audited Medicare/Medicaid Cost Report (CMS 2552) available as of March 1, 2019.
2. Most recent finalized Medicare Notice of Program Reimbursement (NPR)

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EAPG Module Updates

• GPS v2019.0.0 Released December 27, 2018
  ➢ Installed into DXC system January 2, 2019
    ▪ EAPG Grouper will recognize 2019 updates to CPT/HCPCS
    ▪ Version 3.10 remains in use
    ▪ No rate change effective January 1, 2019

• No planned changes for any upcoming Service Packs released during this quarter
  ➢ In rare circumstance of an interim update, communication will be released as soon as possible
JW Modifier - Discarded Drugs

• Impacts claims where discarded portions of drugs were billed (JW modifier)

• DXC’s system not interfacing correctly with EAPG grouper

• System Change Request submitted
Multiple Same Day Visits

Emergency Room visits should not be included on outpatient claims describing recurring visits (regularly scheduled visits for ongoing treatment, such as physical therapy or oncology treatment). Emergency Room visits should be billed separately in order for the EAPG grouper to calculate payment appropriately per claim and visit. Recurring visits which may include Observation services should have each visit billed separately to avoid unintended bundling during payment calculation.
Multiple Same Day Visits

• Services may not appropriately bundle per visit, causing issues with payment calculation

• Multiple same-day visits should be combined, unless otherwise instructed (see previous slide)

• Topic of discussion in previous EAPG meetings / survey
EAPG Survey Results

- Non-Packaged Drug Carveout
- Multiple Same Day Visit Payment
- Observation Policy
- Specialty Drugs
- Modifier 25 - Medical Visits
- National Weights
- EAPG Base Rate Development

Prioritization Score

29
EAPG Survey Results

• 17 hospitals responded to the survey
  • Entries were de-duplicated

• EAPG Base Rate Reform as the highest priority

• Non-packaged Drug Carveout lowest priority

• Survey feedback
  • Usefulness of survey
  • Future surveys
Questions, Comments, & Solutions

The final poll is now an external survey to provide anonymity, please take a few moments to complete it. Thank you
Resource Links

- Inpatient Hospital Rates Webpage Link
- Outpatient Hospital Rates Webpage Link
- Hospital Engagement Meeting Webpage Link
- UB-04: IP and OP Billing Manual Webpage Link
- Inpatient Per Diem Reimbursement Group Webpage Link
Thank You!

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