

# ***HOSPITAL STAKEHOLDER ENGAGEMENT MEETING***

*Friday, March 6, 2020  
9:00 AM - 12:00 PM*

**Location:** The Department of Health Care Policy & Financing, 303 East 17<sup>th</sup> Avenue, Denver, CO 80203. 7<sup>th</sup> 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](mailto:elizabeth.quaife@state.co.us)

# *Welcome & Introductions*

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

# ***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 begins to interrupt the meeting, all lines will be muted.
- Please speak clearly when asking a question and give your name and hospital

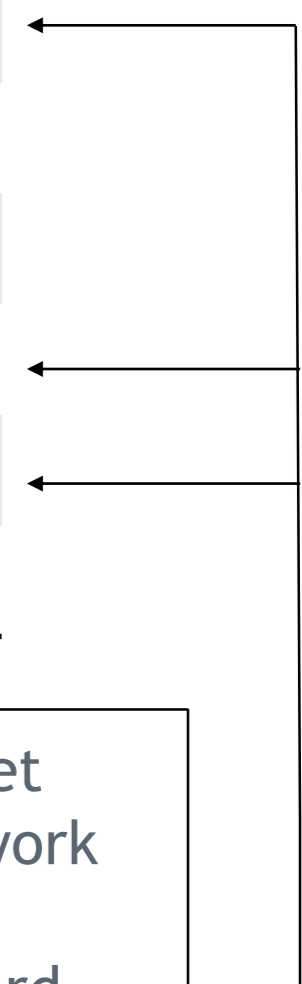
**Thank you for your cooperation**

# AGENDA

<b>HOSPITAL ENGAGEMENT MEETING TOPICS 3/6/2020 9:00am -12:00pm</b>
Inpatient Engagement Meeting Topics Received
SCR Update
HMS Audits
Hospital Peer Groups
In-depth Review of Base Rate Reform Development with Myers & Stauffer
Separating Baby from Mother's Claim
Outpatient Engagement Meeting Topics Received
3M Module Update
Drug EAPG Re-Weight
JW Modifier
VNS Access to Care
Staffing Updates

# Dates and Times for Future Hospital Stakeholder Engagement Meetings in 2020

Dates of Meetings	Meeting Time
<del>January 10, 2020</del>	<del>1:00pm-4:00pm</del>
March 6, 2020	9:00am-12:00pm
May 1, 2020	9:00am-12:00pm
July 10, 2020	1:00pm-4:00pm
September 11, 2020	1:00pm-4:00pm
November 6, 2019	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

# Inpatient Topics/Questions Submitted

Topic	Brief Description	Status
PAR	<p>We get a referral from a physician that says “Evaluate and Treat”. The therapist does an evaluation and determines the plan of care (frequency and duration). When we then send in a PAR request, we are not getting authorization as there isn’t a frequency or duration on the physician order and our plan of care doesn’t have a physician signature. Is there not something we can do in terms of Medicaid giving us authorization so that we aren’t delaying care for our patients, specifically as it relates to our external providers?</p>	<p>No Update - still completing follow ups</p>
Member Notification	<p>We would like what notification needs to be send to HCPF and member? Letter, call or ICN? They are different type of letters as well:            Notice to Colorado Medicaid Provider of illegal billing action            Health First Colorado Medicaid Provider Notice            Notice to Colorado Medicaid Provider of Unauthorized Billing Action</p>	<p>Correspondence has been sent to Legal and Member Call Center for complete guidelines. Awaiting response.</p>

# Inpatient Topics/Questions Submitted (cont)

Topic	Brief Description	Status
RAEs	<p>Would Denver Health and Rocky Mountain HMO Medicaid plans still be the payer source for substance abuse claims or would those also go through the RAE? (Assuming Denver Health would go to CO Access and Rocky Mountain would go to their own RAE). Will the RAE be backdating their eligibility in the future? Will the RAE extend their timely filing requirements at all? Currently Medicaid allows for 1 year and the RAE are either 60 days or 120 days.</p>	<p>Hand off to Jeff Appleman who runs the BHO Monthly Meetings for group discussion.</p>
HMS Audit Process	<p>At the next Stakeholder meeting, can we talk about the HMS audit and the process with Medicaid retracting their original payment? Several claims that have been waiting for the Medicaid take back.</p>	<p>HMS Audit Department Representative attending March 6, 2020 Meeting.</p>

# *System Change Request (SCR) Updates*

- LTAC and Rehab Per Diem (44201) - SCR was completed and went live 02/27/2020.
- Separating Claims for Baby and Mom/Transgender Edits (42992). Currently has an updated manual workaround.



# HMS Audits

Known Issues, Tentative Solutions and Q & A

Presented by

Ashley Dirienzo

Third Part Liability and Recovery Officer

# Hospital Peer Groups and Definitions

- We are still considering options for peer groups
- The peer group definitions will be used to impact components of the payment methodology (e.g. base rate add-ons, weight sets, etc.)
- These peer groups will be developed to align with other Colorado initiatives like the Public Option and the Hospital Transformation Program



# Hospital Base Rate Reform Development

Joe Gamis, Kelly Swope and Brad  
Zuzenak



# HOSPITAL INPATIENT BASE RATES

The Department is working with Myers and Stauffer to explore inpatient base rate reform. This process involves:

- Establishing an underlying base rate methodology
- Evaluating hospital-specific and peer group add-ons
- Achieving budget neutrality in the new system

# HOSPITAL INPATIENT BASE RATES

## Underlying Base Rate Methodology:

- Initially looked at a cost-based approach (presented in January meetings)
  - Process involved costing Medicaid claims for each hospital
  - Options for hospital-specific, peer group, or statewide rates
- Now looking into the national operating standardized amounts for a statewide rate as the starting point
  - Every hospital starts with the same underlying base rate
    - Published annually in Federal Register
      - FFY 2020 = \$5,796.63
  - Add-ons will adjust each hospital's base rate

# HOSPITAL INPATIENT BASE RATES

## Add-Ons to Evaluate:

- Medical Education
  - DGME – Direct Graduate Medical Education
  - IME – Indirect Graduate Medical Education
- Current Nursery/NICU add-ons
  - Still necessary with Mother/Baby claim splits?
- Peer group Add-On
  - Single Add-on amount per established peer group
    - Can be calculated using aggregated hospital cost or prior reimbursement.

# HOSPITAL INPATIENT BASE RATES

## Timeline:

- Targeting July 1, 2021 implementation
- Mom/baby claim separation impact on modeling
- Continued updates at stakeholder engagement meetings







**DEDICATED TO**

**GOVERNMENT HEALTH PROGRAMS**

# Separating Baby from Mother's Claim

- For years, the Department was asked to separate birth claims into two separate claims since there was significant extra work done by hospitals to combine their claims for just Medicaid
- The Department seriously started discussing making this change going back to July 2017
- So this has been in the works 3 long years and we want to thank you for both your participation and your patience as we worked through the necessary changes
- Estimated implementation date is 7/1/2020

# Separating Baby from Mother's Claim

## DRGs involved in this Analysis:

APR_DRG	NEONATE DRGS
580	NEONATE, TRANSFERRED <5 DAYS OLD, NOT BORN HERE
581	NEONATE, TRANSFERRED < 5 DAYS OLD, BORN HERE
583	NEONATE W ECMO
588	NEONATE BWT <1500G W MAJOR PROCEDURE
589	NEONATE BWT <500G OR GA <24 WEEKS
591	NEONATE BIRTHWT 500-749G W/O MAJOR PROCEDURE
593	NEONATE BIRTHWT 750-999G W/O MAJOR PROCEDURE
602	NEONATE BWT 1000-1249G W RESP DIST SYND/OTH MAJ RESP OR MAJ ANOM
603	NEONATE BIRTHWT 1000-1249G W OR W/O OTHER SIGNIFICANT CONDITION
607	NEONATE BWT 1250-1499G W RESP DIST SYND/OTH MAJ RESP OR MAJ ANOM
608	NEONATE BWT 1250-1499G W OR W/O OTHER SIGNIFICANT CONDITION
609	NEONATE BWT 1500-2499G W MAJOR PROCEDURE
611	NEONATE BIRTHWT 1500-1999G W MAJOR ANOMALY
612	NEONATE BWT 1500-1999G W RESP DIST SYND/OTH MAJ RESP COND
613	NEONATE BIRTHWT 1500-1999G W CONGENITAL/PERINATAL INFECTION
614	NEONATE BWT 1500-1999G W OR W/O OTHER SIGNIFICANT CONDITION
621	NEONATE BWT 2000-2499G W MAJOR ANOMALY
622	NEONATE BWT 2000-2499G W RESP DIST SYND/OTH MAJ RESP COND
623	NEONATE BWT 2000-2499G W CONGENITAL/PERINATAL INFECTION
625	NEONATE BWT 2000-2499G W OTHER SIGNIFICANT CONDITION
626	NEONATE BWT 2000-2499G, NORMAL NEWBORN OR NEONATE W OTHER PROBLEM
630	NEONATE BIRTHWT >2499G W MAJOR CARDIOVASCULAR PROCEDURE
631	NEONATE BIRTHWT >2499G W OTHER MAJOR PROCEDURE
633	NEONATE BIRTHWT >2499G W MAJOR ANOMALY
634	NEONATE, BIRTHWT >2499G W RESP DIST SYND/OTH MAJ RESP COND
636	NEONATE BIRTHWT >2499G W CONGENITAL/PERINATAL INFECTION
639	NEONATE BIRTHWT >2499G W OTHER SIGNIFICANT CONDITION
640	NEONATE BIRTHWT >2499G, NORMAL NEWBORN OR NEONATE W OTHER PROBLEM

APR_DRG	DELIVERY DRGS
540	CESAREAN DELIVERY
541	VAGINAL DELIVERY W STERILIZATION &/OR D&C
542	VAGINAL DELIVERY W COMPLICATING PROCEDURES EXC STERILIZATION &/OR D&C
560	VAGINAL DELIVERY

# Separating Baby from Mother's Claim

Steps involved in estimating change in payment:



Estimate number of claims for babies born who did not stay after Mother left

Claim Type	Approximate Claim Count CY2018
<b>DELIVERY DRGS</b>	21,800
<b>NEONATES WHO STAY AFTER MOM LEAVES</b> (Admit Source 5 = Transfer from a SNF, ICF, ALF, or NF) Recalculates covered days from birthdate	4,700
<b>TRANSFERRED IN NEONATES</b> (Admit Source <> 5)	1,000
<b>TOTAL ESTIMATED MISSING WELL BABY CLAIMS</b> (Calculated by taking hospital Delivery Claims - Neonates who stay after mom leaves) Any hospital with a negative number of missing babies, is reset to zero.	17,000
<b>TOTAL ESTIMATED NUMBER OF CLAIMS AFTER MOM/BABY SEPARATION</b>	<b>44,500</b>

# Separating Baby from Mother's Claim

## Steps involved in estimating change in payment:



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.

- We must therefore use the National DRG Weights since Colorado weights currently combine mother and baby on delivery claims.
- **Data Source:** [3M HSRV National DRG Weight Table Version 33.](#)

# Separating Baby from Mother's Claim

## 3M APR-DRG National HSRV Weight Table Ver 33

- 3M calculates two sets of national weights, “standard” and “hospital-specific relative values” (HSRV).
- The standard weights reflect hospital charges as a measure of resource use for each APR DRG relative to the average inpatient stay.
- The HSRV weights include adjustments to reduce the effect on weights of the differences among hospitals in how they set charges.
- On balance, 3M recommends HSRV weights as the more accurate reflection of true differences in relative resource use across APR DRGs at the national level.

# Separating Baby from Mother's Claim



Policy Adjustments / Adjusting to CO Weights for budget neutral change in payments

DRG_SOI	HSRV National Weights Ver 33	CO Policy Adjustments	National HSRV w/CO Policy Adjustments	CO Weight Factor	New Weight after CO Weight Factor Applied	New CO Weight (after LARCS adjustment reduced by .004)	New CO ALOS (National HSRV ALOS Ver 33)	New CO TrimPoint (National HSRV TrimPoint Ver 33)
540-1	0.5654	=Vaginal Delivery Weight	0.3638	1.2699	0.4620	0.4580	2.96	5
540-2	0.6863		0.6863		0.8715	0.8675	3.62	10
540-3	0.9354		0.9354		1.1879	1.1839	5.64	34
540-4	2.3718		2.3718		3.0119	3.0079	10.06	45
541-1	0.5628		0.5628		0.7147	0.6822	2.08	3
541-2	0.6075		0.6075		0.7715	0.7364	2.33	5
541-3	0.8660		0.8660		1.0997	1.0497	4.21	27
541-4	2.3515		2.3515		2.9862	2.8503	7.96	43
542-1	0.3695		0.3695		0.4692	0.4652	2.15	6
542-2	0.4647		0.4647		0.5901	0.5861	2.47	6
542-3	0.8571		0.8571		1.0884	1.0844	4.62	36
542-4	3.6194		3.6194		4.5963	4.5923	10.85	36
560-1	0.3307	1.1	0.3638		0.4620	0.4580	2.00	3
560-2	0.3855	1.1	0.4241		0.5386	0.5346	2.28	5
560-3	0.5399	1.1	0.5939		0.7542	0.7502	3.35	18
560-4	1.5061	1.1	1.6567		2.1038	2.0998	7.61	37
589-1	11.5467	No Policy Adjustments	11.5467		14.6632	13.9958	58.43	181
589-2	10.4971		10.4971		13.3303	12.7235	48.45	158
589-3	9.5429		9.5429		12.1185	11.5669	28.22	144
589-4	0.4453		0.4453		0.5655	0.5397	1.14	17

Abbreviated table focused on DRGs with policy changes.

# Separating Baby from Mother's Claim

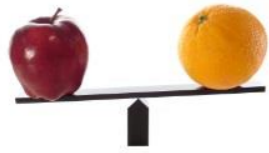
## DRG 589: Neonate Birthweight <500G or Gestational Age<24 weeks

DRG_SOI	DRG NAME	Old CO APR-DRG Weight Table Ver 33	HSRV National Weights Ver 33	CO Policy Adjustments	National HSRV w/CO Policy Adjustments	CO Weight Factor	New Weight after CO Weight Factor Applied	New CO Weight (after LARCS adjustment reduced by .004)	New CO ALOS (National HSRV ALOS Ver 33)	New CO TrimPoint (National HSRV TrimPoint Ver 33)
589-1	NEONATE BWT <500G OR GA <24 WEEKS	16.0264	11.5467	No Policy Adjustments	11.5467	1.2699	14.6632	13.9958	58.43	181
589-2		16.0264	10.4971		10.4971	13.3303	12.7235	48.45	158	
589-3		16.0264	9.5429		9.5429	12.1185	11.5669	28.22	144	
589-4		16.0264	0.4453		0.4453	0.5655	0.5397	1.14	17	

- DRG 589 has received a policy weight adjustment since the inception of APR-DRGs on 1/1/2014.
- Out of 18 claims paid since 1/1/2014, all but 3 (83%) were paid using the “lower of” exception where hospitals are paid billed charges.
- This policy adjustment has created a situation where the DRG, particularly Severity of Illness=4, appears to be broken.
- The Department has suspended this policy adjustment.
- We will continue to monitor DRG 589 going forward.



# Separating Baby from Mother's Claim



Prepare a comparison of the old payments (current state) vs. new payments by Claim Types.

Claim Type	Approximate Claim Count CY2018	Old Payment	New Payment	Difference
<b>DELIVERY DRGS</b>	21,800	\$81,625,039	\$75,790,365	-\$5,834,674
<b>NEONATES WHO STAY AFTER MOM LEAVES</b> (Admit Source = 5 Recalculates covered days from birthdate)	4,700	\$59,733,690	\$46,644,555	-\$13,089,135
<b>TRANSFERRED IN NEONATES</b> (Admit Source <> 5)	1,000	\$14,136,579	\$12,687,027	-\$1,449,553
<b>TOTAL ESTIMATED MISSING WELL BABY CLMS</b> (Calculated by taking hospital Delivery Claims - Neonates who stay after mom leaves) Any hospital with a negative number of missing babies, is reset to zero.	17,000		\$20,372,254	
<b>TOTAL ESTIMATED NUMBER OF CLAIMS AFTER MOM/BABY SEPARATION</b>	<b>44,500</b>	<b>\$155,495,308</b>	<b>\$155,494,201</b>	<b>-\$1,107</b>

# Separating Baby from Mother's Claim

Hospitals who may have a reduction in estimated payment going forward look like this:

- Have an above average number of Neonate transfers coming into hospital
- AND/OR had 0 missing baby claims to make up change in Neonate payment
- AND/OR Had at least one large 598-4 claim that paid the billed amount during CY2018
- AND/OR Hospitals with a CMI lower than the estimated .2029 for well baby claims

# Separating Baby from Mother's Claim

HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
CHILDREN'S HOSPITAL	\$12,625,434.37	\$11,377,799.39	-\$1,247,634.98	-11.0%
GUNNISON VALLEY	\$92,119.59	\$82,846.26	-\$9,273.33	-11.2%
SEDGWICK	\$13,805.73	\$12,595.98	-\$1,209.75	-9.6%
GRAND RIVER	\$809.81	\$1,199.73	\$389.92	32.5%
ASPEN VALLEY	\$116,581.04	\$128,816.60	\$12,235.56	9.5%
KIT CARSON CTY	\$110,274.46	\$133,345.39	\$23,070.93	17.3%
COMMUNITY-GJ	\$170,981.93	\$198,241.13	\$27,259.20	13.8%
ESTES PARK HEALTH	\$119,272.51	\$155,045.57	\$35,773.06	23.1%
WRAY	\$216,420.76	\$254,435.32	\$38,014.56	14.9%
MEMORIAL CRAIG	\$223,371.22	\$264,108.93	\$40,737.71	15.4%
SALIDA (Heart of the Rockies)	\$183,367.45	\$230,162.78	\$46,795.33	20.3%
BOULDER COMMUNITY	\$385,636.40	\$432,558.18	\$46,921.78	10.8%
MONTROSE	\$350,749.82	\$418,729.76	\$67,979.94	16.2%
VALLEY VIEW HOSPITAL	\$1,370,643.81	\$1,442,950.72	\$72,306.91	5.0%
PROWERS MED CTR	\$401,193.75	\$505,673.39	\$104,479.64	20.7%
DELTA	\$358,007.77	\$463,071.05	\$105,063.28	22.7%
SOUTHWEST	\$509,516.02	\$630,939.20	\$121,423.18	19.2%
ARKANSAS VALLEY	\$462,434.21	\$585,308.53	\$122,874.32	21.0%
COLORADO PLAINS	\$753,548.17	\$931,721.19	\$178,173.02	19.1%
VAIL VALLEY MEDICAL CENTER	\$1,135,430.26	\$1,332,540.21	\$197,109.95	14.8%
SAN LUIS VALLEY	\$1,085,031.04	\$1,312,529.68	\$227,498.64	17.3%
PARKVIEW	\$5,386,893.09	\$5,926,980.50	\$540,087.41	9.1%
<b>TOTAL</b>	<b>\$155,495,308.44</b>	<b>\$155,494,201.11</b>	<b>-\$1,107.33</b>	<b>0.00%</b>

Hospitals in yellow highlight had no missing baby claims

# Separating Baby from Mother's Claim

BANNER HEALTH				
HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
NORTH COLORADO MEDICAL CENTER	\$4,738,873.96	\$5,375,765.38	\$636,891.42	11.8%
MCKEE MEDICAL	\$819,468.91	\$952,521.69	\$133,052.78	14.0%
EAST MORGAN COUNTY	\$202,253.82	\$250,723.47	\$48,469.65	19.3%
STERLING MED CTR	\$443,918.09	\$558,804.77	\$114,886.68	20.6%
BANNER HEALTH-FT COLLINS	\$575,361.98	\$732,387.69	\$157,025.71	21.4%
	<b>\$6,779,876.76</b>	<b>\$7,870,203.01</b>	<b>\$1,090,326.25</b>	<b>13.9%</b>

HEALTHONE				
HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
MED CTR OF AURORA	\$2,676,864.99	\$2,963,863.45	\$286,998.46	9.7%
PRESBYTERIAN/ST LUKES MED CTR	\$13,960,425.35	\$10,124,640.81	<b>-\$3,835,784.54</b>	<b>-37.9%</b>
ROSE MED CTR	\$4,330,220.32	\$4,803,738.83	\$473,518.51	9.9%
SKY RIDGE	\$1,342,398.02	\$1,441,327.32	\$98,929.30	6.9%
SWEDISH	\$3,040,974.44	\$3,371,236.86	\$330,262.42	9.8%
NORTH SUBURBAN MED CTR	\$2,751,270.08	\$3,059,364.99	\$308,094.91	10.1%
	<b>\$28,102,153.20</b>	<b>\$25,764,172.26</b>	<b>-\$2,337,980.94</b>	<b>-9.1%</b>

DRG 589-4 CHANGE	
<b>-\$2,615,873.99</b>	<b>62.0%</b>

# Separating Baby from Mother's Claim

CENTURA HEALTH					
HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE	
CASTLE ROCK ADVENTIST	\$770,529.09	\$865,673.45	\$95,144.36	11.0%	
ST ANTHONY NORTH	\$1,595,223.42	\$1,951,155.91	\$355,932.49	18.2%	
LONGMONT	\$924,830.41	\$1,059,367.14	\$134,536.73	12.7%	
AVISTA HOSPITAL	\$4,165,933.68	\$4,530,617.65	\$364,683.97	8.0%	
ST MARY CORWIN	\$4,034.42	\$5,039.34	\$1,004.92	19.9%	
PENROSE ST FRANCIS	\$6,680,344.21	\$5,934,165.22	-\$746,178.99	-12.6%	
ST. THOMAS MORE	\$559,678.84	\$642,383.15	\$82,704.31	12.9%	
LITTLETON ADVENTIST	\$1,156,833.05	\$1,158,503.57	\$1,670.52	0.1%	
MERCY DURANGO	\$1,415,033.80	\$1,610,127.71	\$195,093.91	12.1%	
PARKER ADVENTIST	\$1,194,790.08	\$1,280,142.01	\$85,351.93	6.7%	
ST. ANTHONY SUMMIT	\$671,919.70	\$821,770.58	\$149,850.88	18.2%	
	<b>\$19,139,150.70</b>	<b>\$19,858,945.72</b>	<b>\$719,795.02</b>	<b>3.6%</b>	
					<b>DRG 589-4 CHANGE</b>
					-\$654,457.01 87.7%

HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
DENVER HEALTH	\$14,155,425.36	\$14,500,195.35	\$344,769.99	2.4%

# Separating Baby from Mother's Claim

SCL HEALTH				
HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
BRIGHTON COMM HOSPITAL	\$1,285,066.25	\$1,560,517.73	\$275,451.48	17.7%
LUTHERAN MEDICAL CENTER	\$3,234,598.06	\$3,564,761.18	\$330,163.12	9.3%
ST MARY'S G J	\$4,197,484.54	\$3,464,317.86	-\$733,166.68	-21.2%
ST JOSEPH-DENVER	\$10,015,437.35	\$10,052,581.63	\$37,144.28	0.4%
GOOD SAMARITAN	\$1,437,173.46	\$1,607,486.85	\$170,313.39	10.6%
	<b>\$20,169,759.66</b>	<b>\$20,249,665.25</b>	<b>\$79,905.59</b>	<b>0.4%</b>

UC HEALTH				
HOSPITAL NAME	TOTAL OLD PMT	TOTAL EST NEW PMT	\$ DIFFERENCE	% DIFFERENCE
POUDRE VALLEY	\$4,869,948.75	\$4,652,493.41	-\$217,455.34	-4.7%
UNIVERSITY HOSPITAL	\$33,016.35	\$40,915.20	\$7,898.85	19.3%
UCH-MHS	\$17,995,621.45	\$16,974,454.09	-\$1,021,167.36	-6.0%
UNIVERSITY HOSPITAL	\$15,492,789.29	\$15,732,189.86	\$239,400.57	1.5%
MEDICAL CENTER OF THE ROCKIES	\$1,376,777.92	\$1,508,724.84	\$131,946.92	8.7%
YAMPA VALLEY	\$481,369.64	\$580,796.87	\$99,427.23	17.1%
LONGS PEAK HOSPITAL	\$827,896.15	\$939,845.78	\$111,949.63	11.9%
	<b>\$41,077,419.55</b>	<b>\$40,429,420.06</b>	<b>-\$647,999.49</b>	<b>-1.6%</b>

<b>DRG 589-4 CHANGE</b>	
-\$503,686.20	49.3%

# Separating Baby from Mother's Claim

- If you would like to see your own numbers in more detail, please contact Diana Lambe at [diana.lambe@state.co.us](mailto:diana.lambe@state.co.us) with the names and Medicaid IDs of your hospitals
- The modified portion of DRG Weight Table (DRGs for Delivery & Neonates) will be uploaded by mid-week next week.

# Outpatient Topics/Questions Received

Inquiries were not received and none currently pending.



# EAPG Module Update

- 3M Plans to release new module 03/26/2020
  - Quarterly CPT/HCPCS updates
  - April 1, 2020 implementation date anticipated
  - No changes in Colorado payment policies
- EAPG Version 3.10 will remain in effect
- Integration of NCCI/MUE for greater accuracy in a future version, timing to be determined

# Drug EAPG Re-weighting

- Feedback from several Critical Access and Medicare Dependent Hospitals (CAHs and MDHs) regarding the discrepancy in EAPG payment in relation to drug costs in outpatient setting
  - Analysis has shown that providing outpatient hospital drugs is more costly for these hospitals than their counterparts
- **CONCEPT:** Rebalance EAPG drug weights such that Critical Access and Medicare Dependent Hospitals see payment in greater alignment with drug costs

# Drug EAPG Re-weighting

- In order to provide relief to such hospitals providing outpatient drugs, drug EAPG weights are proposed to be increased
- Since EAPG weights are based on averages an increase to one group of hospitals will necessarily cause a decrease for another group.
- Non-CAH non-MDH rural hospitals and urban independent hospitals will not have a change in drug EAPG weights.

# Listing of Drug v3.10 EAPGs

EAPG	EAPG Description	EAPG	EAPG Description
430	CLASS I CHEMOTHERAPY DRUGS	441	CLASS VI CHEMOTHERAPY DRUGS
431	CLASS II CHEMOTHERAPY DRUGS	443	CLASS VII CHEMOTHERAPY DRUGS
432	CLASS III CHEMOTHERAPY DRUGS	444	CLASS VII PHARMACOTHERAPY
433	CLASS IV CHEMOTHERAPY DRUGS	460	CLASS VIII COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
434	CLASS V CHEMOTHERAPY DRUGS	461	CLASS IX COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
435	CLASS I PHARMACOTHERAPY	462	CLASS X COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
436	CLASS II PHARMACOTHERAPY	463	CLASS XI COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
437	CLASS III PHARMACOTHERAPY	464	CLASS XII COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
438	CLASS IV PHARMACOTHERAPY	465	CLASS XIII COMBINED CHEMOTHERAPY AND PHARMACOTHERAPY
439	CLASS V PHARMACOTHERAPY	495	MINOR CHEMOTHERAPY DRUGS
440	CLASS VI PHARMACOTHERAPY	496	MINOR PHARMACOTHERAPY

# Hospitals with Drug Payment Increase

Hospital Name	CY18 Drug Revenue	Hospital Name	CY18 Drug Revenue
Delta County Memorial Hospital	\$675,207.02	Mt San Rafael Hospital	\$34,144.58
Memorial Hospital	\$304,856.69	Kit Carson County Memorial Hospital	\$27,757.09
Centura Health-St Thomas More Hospital	\$241,134.56	Melissa Memorial Hospital	\$27,341.21
Prowers Medical Center	\$234,123.56	Southeast Colorado Hospital	\$24,677.19
Heart Of Rockies Regional Medical Center	\$202,218.91	San Luis Valley Health Conejos County	\$23,057.38
Southwest Memorial Hospital	\$182,258.76	Grand River Medical Center	\$17,918.20
Pagosa Mountain Hospital	\$147,238.77	Sedgwick County Memorial Hospital	\$12,291.32
Estes Park Medical Center	\$132,458.57	Spanish Peaks Regional Health Center	\$12,181.92
Family Health West	\$106,561.39	St Vincent Hospital	\$10,973.64
Wray Community District Hospital	\$95,852.04	Rio Grande Hospital	\$10,268.42
East Morgan County Hospital	\$75,327.86	Gunnison Valley Hospital	\$9,864.05
Yuma District Hospital	\$72,909.81	Pioneers Medical Center	\$6,164.35
Aspen Valley Hospital	\$70,084.84	Rangely District Hospital	\$4,361.86
Arkansas Valley Regional Medical Center	\$63,864.30	Haxtun Hospital District	\$3,133.75
University Pikes Peak	\$42,431.14	Weisbrod Memorial County Hospital	\$1,827.18
Kremmling Memorial Hospital	\$36,119.99	Keefe Memorial Hospital	\$1,531.05
Lincoln Community Hospital	\$34,355.29		

# Hospitals with Neutral Drug Payment

Hospital Name	CY18 Drug Revenue
National Jewish Health	\$2,521,120.16
Denver General Hospital	\$2,398,467.71
Mercy Regional Medical Center	\$1,235,384.46
Sterling Regional Medical Center	\$629,520.41
Vail Valley Medical Center	\$521,480.33
San Luis Valley Regional Medical Center	\$518,812.95
Valley View Hospital	\$303,472.43
Yampa Valley Medical Center	\$300,102.45
St Anthony Summit Medical Center	\$260,712.68
Community Hospital Home Health Service	\$159,664.86
Montrose Memorial Hospital	\$140,397.86
Parkview Medical Center	\$126,789.55
Colorado Plains Medical Center	\$95,739.27
Boulder Community Hospital	\$59,781.49
Animas Surgical Hospital	\$5,441.46

# Hospitals with Drug Payment Decrease

Hospital Name	CY18 Drug Revenue	Hospital Name	CY18 Drug Revenue
University Hospital	\$8,038,987.09	Medical Center Of The Rockies	\$504,579.23
Childrens Hospital Colorado	\$7,679,963.92	Platte Valley Medical Center	\$454,369.22
Memorial Health System	\$3,545,949.59	Sky Ridge Medical Center	\$395,322.15
Poudre Valley Hospital	\$3,312,514.18	Swedish Medical Center	\$343,283.08
North Colorado Medical Center	\$1,734,318.83	Porter Memorial Hospital	\$329,790.39
Avista Adventist Hospital	\$1,397,596.50	St Anthony Hospital	\$244,058.72
Exempla Lutheran Medical Center	\$1,365,264.53	Rose Medical Center	\$199,062.04
St Mary Corwin Regional Medical Center	\$986,184.83	Parker Adventist Hospital	\$156,446.93
St Luke's Medical Center	\$897,058.40	Longmont United Hospital	\$101,073.13
Penrose-St Francis Hospital	\$874,889.25	Littleton Adventist Hospital	\$92,699.96
Saint Joseph Hospital	\$852,816.10	Banner Health - Ft. Collins	\$71,657.58
Mckee Medical Center	\$812,990.14	The Medical Center Of Aurora	\$69,893.59
St Marys Hospital & Medical Center	\$709,033.70	SCL Health Westminster	\$67,412.53
Exempla Good Samaritan Medical Center	\$552,539.43	North Suburban Medical Center	\$65,458.61
St Anthony Hospital North	\$521,377.59	Centura Health-Castle Rock Adventist Hospital	\$24,929.54

# Drug EAPG Re-weighting

- Re-weights proposed to be effective June 1, 2020
- Dedicated meetings held on January 31 and February 14 (see [Hospital Stakeholder Engagement Meetings](#) page)
- Regulatory requirements:
  - State Plan Amendment
  - Update to Colorado Rule
    - Initial reading to Medical Services Board scheduled for March 13, 2020
- System Updates



# JW Modifier Adjustments

- Payment Policy requires reporting of JW modifier when appropriate
- Such drugs are not reimbursed per Colorado payment policy
- Mass adjustments November 2019 did not include all impacted claims
- 203 claims remaining since 10/31/2016

# Vagus Nerve Stimulation (VNS) Access to Care

# Staffing Update

Congratulations to Andrew Abalos our new  
Manager of Facility Rates.

Welcome Justen Adams our new  
Hospital Policy Specialist

# Questions, Comments, & Solutions



# *Thank You!*

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