

HOSPITAL STAKEHOLDER ENGAGEMENT MEETING

*Friday, September 13, 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

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

Overview of the Day

- Prior Authorization Request (PAR)
- NPI Law (1:30pm-2:00pm)
- Coffee Break (TBA)
- Engagement Meeting

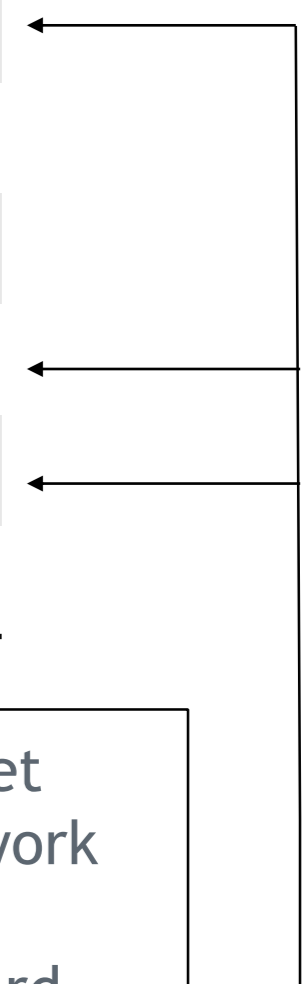
AGENDA

HOSPITAL ENGAGEMENT MEETING TOPICS 9/13/2019 12:30pm-4:00pm

- Prior Authorization Request (PAR)
- NPI Law
- System Change Request (SCR) Updates
- Inpatient Engagement Meeting Topics Received
- Inpatient Base Rates Fiscal Year 2019-20 CMS Approved
- Separating Mom and Baby Claims
- Hospital Peer Groups/Definitions
- Base Rate Reform
- Outpatient Engagement Meeting Topics Received
- 3M Module Update
- Drug Carveout/Weights
- Staffing Updates

Dates and Times for Future Hospital Stakeholder Engagement Meetings in 2019

Dates of Meetings	Meeting Time
January 11, 2019	12:30 p.m. - 4:00 p.m.
March 1, 2019	9:00 a.m. - 12:30 p.m.
May 3, 2019	9:00 a.m. - 12:30 p.m.
July 12, 2019	12:30 p.m. - 4:00 p.m.
September 13, 2019	12:30 p.m. - 4:00 p.m.
November 1, 2019	9:00 a.m. - 12:30 p.m.



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

Prior Authorization Request (PAR)

**Kunal Bhat
Manager**

NPI Law

**Chris Underwood
Deputy Chief of Staff**

System Change Request (SCR) Updates

- Part B Only (43373) - DXC to begin testing. Targeted implementation October 2019
- IPP-LARC (42654) - In process; Goal to present timeline in November's Meeting
- LTAC and Rehab Per Diem (44201) - In process; Present timeline in November's Meeting

System Change Request (SCR) Updates

- JW Modifier (44898) -DXC is proceeding to development. Targeted implementation October 2019.
- Colorado NPI Law (44430) - Targeted Implementation December 2019 to allow updates prior to 1/1/2020. Formal notice to begin within the next 6 weeks.

Inpatient Topics/Questions Submitted

Topic	Brief Description	Status
Medicaid as tertiary payer	Providers receiving payments resulting in overpayment and returning amount to Medicaid	Systems currently investigating
PAR claim denials	Providers are receiving denials when submitting a claim with PAR number. Provider confirms active and approved PAR, but still receives denial	Completed - PAR representative to attend September's Meeting

Hospital Rates Effective 7/1/2019

- The Department of Health Care Policy & Financing (the Department) has received notification from the Centers for Medicare & Medicaid Services (CMS) that FY2019-20 Inpatient Hospital Rates were approved.
- New Base Rates were loaded into system as of 9/5/2019.
- By 9/16/2019 all inpatient hospital claims with a last date of service between July 1 - September 4, 2019 will be reprocessed.

Separating Baby from Mother's Claim

How do we estimate the DRG-SOIs for 16,811 missing well-baby claims?

CLAIM TYPE	CLAIM COUNT	OLD PMT	EST NEW PMT	DIFFERENCE
Delivery DRGs	22,524	\$\$\$\$\$	\$\$\$\$\$	↓
Neonate DRGs	5,713	\$\$\$\$\$	\$\$\$\$\$	↔
Estimated Missing Well-Baby Claims using 640-1 and FY19 Rates	16,811	\$0	\$\$\$\$\$	↑
TOTAL	45,048	\$\$\$\$\$	\$\$\$\$\$	\$0

Separating Baby from Mother's Claim

- 4,514 DRGs have been identified for babies that did not stay past their mother's discharge
- 86% (~3,900) are for DRG 640, the rest are spread across 24 neonate DRGs
- This information comes from two hospitals and accounts for 27% of the 16,811 "claims" where there is no data
- With the lack of information there is a high likelihood of inaccurate modeling
- This project will be put on hold and can be revisited when more hospitals can share the necessary information

Hospital Peer Groups and Definitions

- Through various projects it has become obvious that the current peer group designations are not granular enough
- Therefore the Department is considering the following peer groups
 - Urban
 - Rural
 - Frontier
 - Resort

County Designations

- Frontier* = any county with less than 6 people per square mile (based on land area)
- Rural* = A non-metropolitan county with no cities over 50,000 residents
- Resort = meet the following two criteria
 - Having 30% or more of the workforce in two tourist related industries based on census data
 - Arts, entertainment, and recreation
 - Accommodation and food services
 - Containing at least one ski resort

* Based on Colorado Rural Health Center's report named "Snapshot of Rural Health in Colorado - 2019": <https://coruralhealth.org/snapshot-of-rural-health>

Peer Group Designations

- Resort = located in a resort county and the closest hospital to a ski resort
- Frontier = located in a frontier county
- Rural = located in a rural county or a CAH; not included in the resort or frontier designation
- Urban = located in an urban county and not CAH
- The Department welcomes all feedback on these proposed designations

Base Rate Reform

- The base rate setting process for both DRG and EAPG rates are in need of reform for different reasons
- However, in both cases raw information from the Medicare cost report may be the solution
- The Department is working with vendors in order to derive an average price per visit for both settings for each peer group
- As this work develops more information will be presented at the hospital engagement meetings but hospitals should provide feedback at any point in the development

Outpatient Topics/Questions Received

Inquiries were not received and none are currently pending.

EAPG Module Update

- **3M Releases v.2019.3.0 on 9/26/2019**
 - No planned changes, other than accommodation of 10/1/2019 HCPCS/CPT updates, new ICD-10 code set
 - Anticipate update on week following - 10/2/2019
- **No planned updates until 1/1/2020**
 - Check provider bulletins if necessary for Service Pack updates

EAPG Drug Carveout Analysis

- Modeled EAPG pricing versus Fee Schedule Pricing (4/1/18 to (3/31/19)

Hospital	EAPG Base Rate	Total EAPG Payment	Total Repriced Payment (Fee Schedule)	Fiscal Impact
A	270.01	\$1,585,361.67	\$2,591,927.32	\$1,006,565.65
B	234.39	\$560,696.34	\$890,109.62	\$329,413.28
C	312.67	\$350,977.45	\$643,522.27	\$292,544.82
D	270.01	\$161,997.77	\$131,815.26	(\$30,182.51)
E	409.67	\$154,346.04	\$28,877.79	(\$125,468.25)
F	270.01	\$275,495.30	\$27,964.25	(\$247,531.05)

- Sampling shows winners and losers in this model
- Dependencies on hospital EAPG rates, mixture of drugs provided

Modification to EAPG Drug Weights

- Research in claims data and 2017 Hospital 2552-2010 form Worksheet C cost report data
- Converting claim charges to costs shows a significant difference in the average cost per drug detail in various groups
- If one group with a higher than average drug cost is removed from the rest then the others necessarily have a lower average drug cost

Staff Updates

- Shane Mofford - Rates and Payment Reform Division Director has left the Department.
- Zach Ulrich - Rates and Payment Reform Division Deputy Director has left the Department
- 2 other managers and 3 analysts in the Rates and Payment Reform Division have also left

Questions, Comments, & Solutions



Thank You!

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