

SPECIALTY HOSPITAL ENGAGEMENT MEETING

Friday, June 8, 2018
3:00 PM – 4:00 PM

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

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

For more information contact: 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
- We are a small group so we highly encourage logging onto the Conference Line for discussion.

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



COLORADO

Department of Health Care
Policy & Financing

GROUND RULES FOR WEBINAR

- **WE WILL BE RECORDING THIS WEBINAR**
- Please speak clearly when asking a question/comment and give your name and hospital
- We are going to try to avoid muting the phone lines to encourage conversation, so please don't:
 - Put us on hold
 - Drive in your car w/window open while listening
 - Sit in a noisy location
 - Be cautious of side conversations and language (we can hear you and it is being recording)



Specialty Hospital Meetings

Future Meetings: Will be announced via Provider Bulletin, Hospital Engagement Meetings, Hospital Engagement Website and Email Notification.

We plan on having at least one more meeting prior to the end of the year but will be communicated using all of the forms above.

For more information, please visit our Hospital Engagement Meeting Page <https://www.colorado.gov/pacific/hcpf/hospital-engagement-meetings>



COLORADO

Department of Health Care
Policy & Financing

Final Per Diem Calculation

Per Diem calculated based on Fiscal Year 2017 Claims

CLASSIFICATION	B1	B1 Rate	B2	B2 Rate	B3	B3 Rate	B4	B4 Rate
LTAC	21	\$ 2,125.50	35	\$ 2,019.22	56	\$ 1,918.26	>56	\$ 1,822.35
REHAB	6	\$ 985.71	14	\$ 936.42	18	\$ 936.42	>18	\$ 845.12
SPINE	28	\$ 2,807.61	49	\$ 2,667.23	77	\$ 2,533.87	>77	\$ 2,407.17

After Fiscal Year 2018 1.4% increase and Fiscal Year 2019 1% increase

FINAL RATE								
CLASSIFICATION	B1	B1 Rate	B2	B2 Rate	B3	B3 Rate	B4	B4 Rate
LTAC	21	\$2,176.81	35	\$2,067.97	56	\$1,964.57	>56	\$1,866.34
REHAB	6	\$1,009.50	10	\$959.03	14	\$911.08	>14	\$865.52
SPINE	28	\$2,875.38	49	\$2,731.61	77	\$2,595.03	>77	\$2,465.28



Timeline & Deadlines

Budget Neutral Per Diem planned implementation July 1, 2019

Timeline:

May 4, 2018 – Additional discussion and feedback from Meeting

May 18, 2018 – Per diem to move forward for implementation, start State Plan Amendment (SPA)

July 30, 2018 – Submit system changes

- Allows for testing
- Adequate implementation time
- Prevent mass adjustments

November 1, 2018* – Have SPA submitted

May 1, 2019* – Rule and SPA approved.

*Completed at the latest, hoping to have completed prior to date provided



COLORADO

Department of Health Care
Policy & Financing

Per Diem Rules:

1. Continue to utilize type of bill 11X for Inpatient Billing
Outpatient billing currently unchanged and will continue to be billed using EAPGs
2. Interim Billing
 - Type of bill 112 (requires patient status 30), 113 (requires patient status 30), 114 (requires patient status with a discharge code)
 - Eligible to bill every 30 days
 - Cannot have a third party payer (includes Medicare and Private insurance)
3. Medicare Crossovers
'Lesser of' Logic
 - Per Diem Amount – Medicare Paid Amount
 - OR
 - Coinsurance + Deductible
4. Procedure and Revenue code requirements remain the same



COLORADO

Department of Health Care
Policy & Financing

Where are we?

Finalizing:

- Per Diem is making final rounds through the Department for approval
- System Change Request (SCR) is in it's final stages of being written prior to submitting to DXC
- Billing Rules of Per Diem

Still Pending/Working on:

- Language defining Classifications
- Rough Draft of State Plan Amendment (SPA) and Rule
- Beginning to build a permanent solution



COLORADO

Department of Health Care
Policy & Financing

Additional Details to be Defined

- Construct language to define each Classification for future enrollment. Possible options include:
 - Utilize Colorado Department of Public Health and Environment License
 - Medicare Licensure
- Obtain approval and feedback from other groups within Health First Colorado
- Write State Plan Amendment (SPA), State Rule and System documentation for implementation



Future Elements Ideas

Quality Measures customized to each classification. Review existing reporting metrics such as HCAHPS.

Examples

1. Discharge percentage to home
2. Patient fall count
3. Bedsore occurrence
4. Unplanned Readmittance/transfer back to Hospital
5. Cleanliness
6. Client satisfaction

Rebuilding Base Per Diem based on:

- Rent/Own the building
- Basic Business Expenditures (utilities, cable, phone, internet etc)
- Administration Costs
- Specialists (wounded care nurses, occupational therapist, physical therapists etc)
- Contract for Maintenance on Medical Equipment
- Lifespan of Equipment



COLORADO

Department of Health Care
Policy & Financing

Future Elements Ideas (cont)

Review Patient Severity calculations in creating additional per diem tiers:

Challenges

1. Patient Severity calculations are proving difficult to find under current logged claim information in Medicaid system
2. Severity of Illness not applicable due to new claims under the Per Diem are not subjected to the APR-DRG grouper
3. Current Severity calculations are incomplete for some APR-DRG due to low claim volume
4. Will have to be heavily researched and possibly manually calculated to create database to build from
5. How to allow the system to capture the information necessary to bill correct 'Severity' category

Critical Access Percentage in Per Diem (LTACs & IRFs only)

Customize Tiers to each class and Patient Severity Category



COLORADO

Department of Health Care
Policy & Financing

Provider Action/Assistance In:

1. Identifying Severity measures for clients
2. Different reporting already being utilized that Medicaid could use to build Quality Measures from
3. Continue with onsite visits to assist with building a new calculation for base per diem, Quality Measures and continue open discussions regarding future of reimbursement methodology
4. The Department will be looking at/asking about:
 - Staffing requirements
 - Equipment requirements
 - Maintenance of Equipment
 - Own/Rent building
 - Type of Rental Contract
 - Additional contract expenses



COLORADO

Department of Health Care
Policy & Financing

Questions and Discussion





Elizabeth Quaife
Specialty Hospital Rates Analyst
Elizabeth.Quaife@state.co.us



COLORADO

Department of Health Care
Policy & Financing