

News from the Wyoming Department of Health

Thursday, November 8, 2012

Department of Health Budget Reduction Plans Available

A report containing both planned and potential future Wyoming Department of Health (WDH) budget reductions of nearly \$132 million, as required by legislative action, is now available online.

During its most recent session, the Wyoming Legislature directed the WDH to reduce state general fund spending by 4 percent (more than \$19 million) for state fiscal year 2014, which begins on July 1, 2013. “This 4 percent general fund reduction was included in the final state budget. What we are doing now is reporting on the areas within our budget where those reductions will occur,” said Tom Forslund, Wyoming Department of Health director.

WDH was also required to prepare for additional 8 percent reductions (more than \$74 million) for the department’s future 2015-16 biennium budget. Descriptions of these possible future reductions are also included in the report.

“While closely reviewing programs and spending is certainly valuable, going ahead with budget reductions is always challenging,” said “We hope for a brighter state revenue picture in the next biennium so the potential general fund reductions we’ve described for fiscal years 2015 and 2016 may not all occur. However, it was important for our department to prepare what the legislature requested.”

“With the Wyoming Department of Health, it is important to note that roughly 90 percent of our budget goes to direct patient care,” Forslund said. “This includes Medicaid, our five state healthcare facilities and funding for mental health and substance abuse services across the state. As a result, our opportunities to reduce budgets in ways that don’t directly affect Wyoming patients and clients are limited.”

Forslund continued, “Another challenge is that with Medicaid, our most expensive and complex program, for every state-funded dollar that we cut we lose an additional dollar in federal matching funds.” If all planned and potential future budget reductions in the report are implemented, an additional \$31 million in federal matching funds will be lost.

“Our department’s staff and leadership carefully considered what should be recommended,” Forslund said. “We looked at everything and evaluated our choices based on key priorities.” These priorities included minimizing impact on safety net health programs, core services, programs that serve a broader population and economically vulnerable provider groups. WDH also looked to reduce administrative costs, funding for programs that experienced large budget growth in recent years and reimbursements to out-of-state providers.

“At this time, due to attrition opportunities, we do not anticipate any WDH employees will lose their jobs as a result of the planned budget reductions,” Forslund said.

The report includes descriptions of the largest WDH programs along with details about the planned and potential future budget reductions. To read the report, visit www.health.wyo.gov.

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