

Wyoming Air Ambulance Waiver - Public Notice

August 2019

Wyoming Medicaid is providing Public and Tribal notice of its initial application for the Wyoming Medicaid Air Ambulance Waiver, a new Medicaid waiver under Section 1115 of the Social Security Act.

This document summarizes material from the full waiver application, per 42 CFR § 431.408(a)(1), as a full public notice.

Description of the demonstration program and proposed health care delivery system [§ 431.408(a)(1)(i)(A) and (B)]

In Wyoming, the average cost of air ambulance is too high and access to care is uneven. This waiver addresses these issues by expanding Medicaid coverage to all State residents for the specific benefit of air ambulance transportation.

Under the plan, Medicaid would:

- Determine holistic Statewide requirements for air ambulance coverage;
- Issue competitive bids for a selected network of air ambulance providers to meet those requirements;
- Stand up a centralized call center that would direct all air ambulance volume to this network;
- Make periodic flat payments (similar to a gym membership) to these providers, eliminating the perverse incentives set up by the current fee-for-service model;
- Set clear and transparent cost-sharing for patients on a sliding-fee scale; and,
- Recoup the revenue needed to fund the system from the insurance companies, employer plans and individuals already paying for transports.

This plan is a common-sense, all-payer solution.

- It treats air ambulance coverage very similar to a public utility, regulating supply so air ambulance services can be provided efficiently and effectively;
- It injects more free-market activity into the industry than exists today, by emphasizing competitive bidding on the provider side and price transparency for patients. We believe these free-market principles are critical in reducing costs and overutilization.

More details on the description of the demonstration can be seen in Section I of the full waiver application.

Demonstration goals and objectives [§ 431.408(a)(1)(i)(A)]

This waiver is likely to assist in promoting the objectives of the Medicaid program because it moves the system away from fee-for-service to set up payment incentives that will improve access to care for current Medicaid beneficiaries. Primary goals include:

- Evening out geographic coverage; and,
- Ensuring minimum quality standards for air ambulance providers;

Additionally, the change in payment incentives will also reduce overutilization, and therefore reduce costs to Medicaid, Medicare, TRICARE and VA.

There is fundamental interdependence between Medicaid and rest of payers in the system on this particular issue.

- Medicaid does not have the market share to implement payment reforms effectively. Needs other payers to be involved.
- Other payers need Medicaid in order to implement any reforms, due to ADA preemption.

Eligibility, benefits and cost-sharing [§ 431.408(a)(1)(i)(B)]

The demonstration would expand eligibility to all persons requiring an air ambulance flight in Wyoming, regardless of residency or income level, for the specific benefit of air ambulance transport. For the purposes of this application, we will refer to this group as the “Air Ambulance Expansion” (AAE) group.

(a) Eligibility requirements

There would be no eligibility changes for existing Medicaid members.

For the AAE group, eligibility would be processed retroactively upon having an air ambulance flight. Once processed (see how this interacts with cost-sharing and TPL identification in the next section), AAE eligibility would expire after 12 months, though would be renewed upon having a subsequent transport.

With the exception of waiving freedom of choice (i.e., any willing provider) for all Medicaid members, this demonstration would not affect any other statutory protections associated with Medicaid eligibility, either for the traditional Medicaid population or this air ambulance expansion group (e.g.

comparability, reasonable promptness, ADA, non-discrimination, A/D/S, due process, continued benefits, etc.).

(b) Benefit coverage

Benefits for the new AAE group will differ from current Medicaid and/or CHIP members under the current State plan.

The sole medical benefit available for the AAE group will be air ambulance transportation that: (a) must be ordered by a medical professional through the centralized call center and (b) must be provided by a contracted Medicaid air ambulance provider.

(c) Cost-sharing

Current Medicaid and CHIP members will see no change to their cost-sharing requirements. Cost-sharing for the AAE group will center on a flat co-pay for inter-facility transports (i.e., not 9-1-1 scene responses).

The copayment will be capped at the lower of:

- A full amount set by Wyoming Medicaid in policy (e.g. \$5,000); or,
- A certain percent of gross income (e.g. 2%); or,
- For Medicare, IHS, VA or TRICARE members, the maximum allowable copayment.

A full summary can be seen on page 16 of the application.

Expected changes in enrollment [§ 431.408(a)(1)(i)(C)]

As of June 2019, there were 54,982 members in Wyoming Medicaid. The State of Wyoming has an estimated population of 577,737 people.

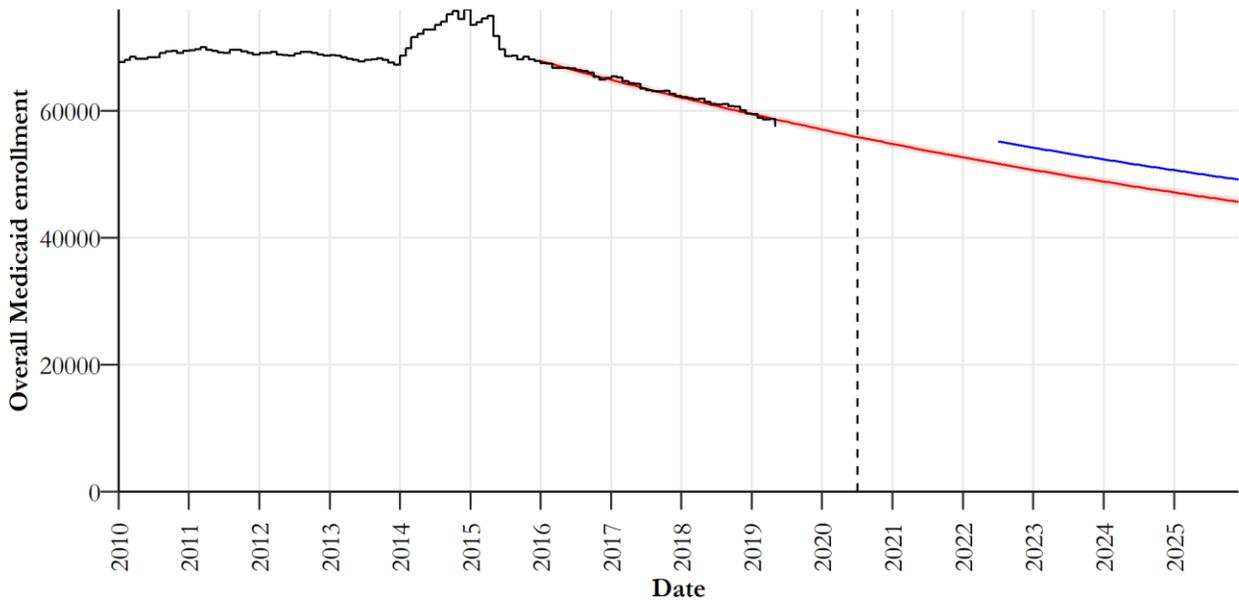
As noted above, however, eligibility would be processed retroactively upon having an air ambulance flight, and expire after twelve (12) months. This means that the actual number of individuals enrolled in the AAE group will be proportionate to the volume of air ambulance transports; we estimate this at 3,500 people per year.

As such, we anticipate total monthly Medicaid eligibility to increase to 3,500 people above projected levels; because of the expected twelve month eligibility period, we anticipate average annual enrollment increasing by the same amount.

Pages 14 and 15 of the full application have details on the projection, but average annual enrollment is expected to trend per the table below (assuming a full implementation date of July 2022):

Year	2021	2022	2023	2024	2025
Without waiver	53,850	51,800	49,886	48,115	46,452
With waiver		54,800	53,386	51,615	49,951

The figure below illustrates the change in overall monthly enrollment over time; the “without-waiver” projection is in red, and the “with waiver” projection is in blue.



Expected increase or decrease in aggregate expenditures [§ 431.408(a)(1)(i)(C)]

The State projects that aggregate Medicaid expenditures will increase by approximately \$45.6 million.

The table on the next page provides historical annual aggregate air ambulance costs, as well as projections for the demonstration period, assuming full waiver implementation in July 2022.

Note that this increase, however, will be fully-paid for by third-party liability (TPL) recoveries from current payers.

Data	CY	Total Amount	Net Medicaid expenditures		
			State share	Federal share	Third-party share
Actual expenditures by service date	2010	\$1,826,119	\$913,059	\$913,059	
	2011	\$1,754,349	\$877,174	\$877,174	
	2012	\$2,194,438	\$1,097,219	\$1,097,219	
	2013	\$2,167,716	\$1,083,858	\$1,083,858	
	2014	\$2,626,582	\$1,313,291	\$1,313,291	
	2015	\$2,638,819	\$1,319,409	\$1,319,409	
	2016	\$2,367,467	\$1,183,733	\$1,183,733	
	2017	\$1,775,903	\$887,951	\$887,951	
	2018	\$1,945,139	\$972,569	\$972,569	
W/W projected expenditures	2019	\$1,911,408	\$955,704	\$955,704	
	2020	\$1,884,722	\$942,361	\$942,361	
	2021	\$1,867,777	\$933,888	\$933,888	
	2022	~\$47,500,000	~\$950,000	~\$950,000	~\$45,600,000
	2023	~\$47,500,000	~\$950,000	~\$950,000	~\$45,600,000
	2024	~\$47,500,000	~\$950,000	~\$950,000	~\$45,600,000
	2025	~\$47,500,000	~\$950,000	~\$950,000	~\$45,600,000

Demonstration hypotheses and evaluation parameters [§ 431.408(a)(1)(i)(D)]

(1) Geographic rotor-wing trauma response coverage will improve. To test this hypothesis, the State will measure:

- Evaluating geographic (haversine) distance from contracted bases to points Statewide.
 - Data: new base locations, Wyoming cities and towns locations
- Measuring changes in overall EMS response time to highway crashes.
 - Data: Highway crash data collected by the Wyoming Department of Transportation.
- Measuring changes in air ambulance response times.
 - Data: Air ambulance trip data collected by the Wyoming Ambulance Trip Reporting System.

(2) Disproportionate air ambulance utilization will decrease for both the traditional Medicaid population and newly-eligible members. To test this hypothesis, the State will measure:

- Count of fixed- and rotor-wing air ambulance trips by county and county subdivision.

- Data: Air ambulance trip data collected by the Wyoming Ambulance Trip Reporting System.

(3) The average cost per flight will decrease. To test this hypothesis, the State will measure:

- Average cost per flight.
 - Data: Total amount of air ambulance costs, as paid by Wyoming Medicaid in fixed-price contracts, divided by the total number of trips delivered.

Waiver authorities needed [§ 431.408(a)(1)(i)(E)]

The State of Wyoming would apply to waive the following provisions in the Social Security Act:

- Eligibility. Sec. 1902 (a)(10)

Under the proposed plan, every Wyoming resident would be covered by air ambulance services as provided through the “utility” / “managed care” model operated by Wyoming Medicaid.

- Freedom of Choice. Sec. 1902(a)(23)

This project would waive “freedom of choice” of providers for Wyoming Medicaid members, as well as all Wyoming residents who would be newly-covered for air ambulance services under the waiver.

The State plans to competitively procure air ambulance services on a regional or statewide basis, similar to how states procure Medicaid managed care plans under Section 1915. Under this model, air ambulance providers would be contracted to provide air ambulance services for all residents of a particular region. Therefore, participants would not have a choice of provider.

It is important to note, however, that there is little consumer choice of provider in the current air ambulance market. Patients requiring air ambulance services are often incapacitated and rarely — if ever — “shop” for providers.

- Third Party Liability recovery. Sec 1902(a)(25)

In order to fund the new system after paying for it up front, Wyoming Medicaid will need to recoup costs from Medicare, private insurers and self-insured plans who also cover the Air Ambulance Expansion population.

For these individuals, the State proposes a version of “pay and chase” TPL authority where these payers are charged (and, in the case of private insurers and ERISA plans, required to pay) an average cost-based rate that includes State administrative and reserving fees. This version of TPL would be implemented in State statute specifically for this waiver.

Public notice process

(1) [§ 431.408(a)(1)(ii)] The full 1115 Wyoming Air Ambulance Waiver Application are available for public review and comment at the following URL:

<https://airambulancewaiver.wyo.gov/>

Physical copies are also available at the following address:

Wyoming Department of Health
478 Hathaway Building
Cheyenne, WY 82001

(2) [§ 431.408(a)(1)(iii)] The 30-day public comment period will run from August 26, 2019 until September 27th, 2019. The Tribal public comment period will run concurrently. Comments can be submitted in three ways:

- Online, at the same link (airambulancewaiver.wyo.gov);
- Via email, to: franz.fuchs@wyo.gov
- Or by mail to the following address:

Franz Fuchs
Wyoming Department of Health
478 Hathaway Building
Cheyenne, WY 82001

(3) [§ 431.408(a)(1)(iv)] The State will hold two public hearings to seek public input on the demonstration.

9/3/2019
Torrington, WY
Goshen County Library - Activities Center
11:00 am - 1:00 pm

9/5/2019
Laramie, WY
University of Wyoming Student Union - Senate Chambers
5:00 pm - 7:00 pm

Call-in information will be posted on the calendar accessible at airambulancewaiver.wyo.gov