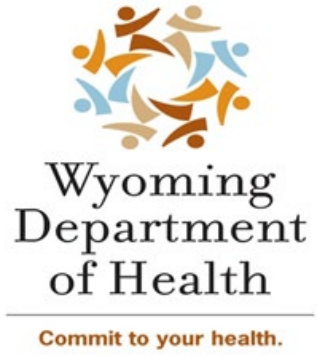

SFY 2020 WYOMING MEDICAID REIMBURSEMENT BENCHMARKING STUDY

Based on Data Ending State Fiscal Year 2020

Wyoming Department of Health

Table of Contents

Section 1: Introduction

The SFY 2020 Wyoming Medicaid Benchmarking Study is the thirteenth published, comprehensive study of reimbursement trends designed to support analysis of Medicaid reimbursement by the Wyoming Department of Health (WDH). This report is a companion document to the *Wyoming Medicaid SFY 2020 Annual Report* to provide information to policymakers as they evaluate reimbursement systems and payment levels and balance the competing demands of Medicaid providers and recipients for limited state resources.

Section 2 of this report reviews payment methodologies and analyzes Wyoming Medicaid reimbursement in comparison to other payers' rates and methodologies for the service areas listed in Figure 1.1. The SFY 2020 Benchmarking Study compares Wyoming Medicaid rates to rates from Medicare, six other state Medicaid programs (Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah) and commercial payers, where available. The methodologies and benchmarks used are detailed in Appendices A-D of this report. Section 2 also describes all Wyoming Medicaid reimbursement and benefit changes that occurred during SFY 2020. As this report focuses on SFY 2020, only reimbursement and policy changes due to COVID-19 through the end of June 2020 are addressed in this report. Please see the section below on COVID-19 impacts for more information.

Figure 1.1: Service Areas Included in the SFY 2020 Benchmarking Study

Service Areas Included in the Benchmarking Study	
Ambulance	Nursing Facilities
Ambulatory Surgery Center (ASC)	Program of All-Inclusive Care for the Elderly (PACE)
Behavioral Health	Public Health, Federal (Tribal Facilities)
Dental	Physician and Other Practitioner: *includes primary care, physician specialist, and maternity providers*
Developmental Center	Prescription Drug
Durable Medical Equipment, Prosthetic, Orthotic and Supply (DMEPOS)	Psychiatric Residential Treatment Facility (PRTF)
End Stage Renal Disease (ESRD)	Rural Health Clinic (RHC)
Federally Qualified Health Center (FQHC)	School Based Services
Home Health	Supplemental Payments
Hospice	Vision- Ophthalmology
Hospital[1]	Vision- Optician/Optometry
Intermediate Care Facility – Intellectually Disabled (ICF-ID)	Telehealth/Telemedicine
Laboratory	Home and Community Based Services (HCBS) Waiver Services
Waiver Services	

Considerations Regarding Medicaid Reimbursement

In many states, Medicaid rates are generally lower than commercial and Medicare rates. Additionally, Medicaid rates are often held to a different standard. Although comparisons to reimbursement benchmarks are useful to WDH for planning purposes, the Federal requirements for Medicaid rates ultimately govern reimbursement decisions. The Federal requirements allow each state to set its own rates, but states must comply with the provisions of *42 U.S.C. § 1396a(a)(30)(A)*, which requires states to:

> *… assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the*

[1] Includes inpatient and outpatient hospital services. Inpatient services DRG benchmarking information is included in Appendix B1.

plan at least to the extent that such care and services are available to the general population in the geographic area.

In addition, it is generally accepted that Medicaid will act as a prudent purchaser of services. As a public program, Medicaid has limited resources with which to provide services and must promote responsible use of taxpayer funds. Medicaid, therefore, must make difficult choices regarding provider payment relative to the economic environment of the State and the availability of funding.

Finally, there are Federal regulations regarding the upper limitations of Medicaid payments for hospital, physician, clinic, prescription drugs and laboratory services with which states must comply. For example:

- For inpatient and outpatient hospital services, clinic services, Psychiatric Residential Treatment Facilities (PRTFs), and other qualified practitioners, Medicaid payments may not exceed a reasonable estimate of the amount that would be paid under Medicare to a group of service providers within one of the provider grouping categories (state-owned or operated, non-state owned or operated, and private).[2] For these providers the upper payment limit (UPL) for Medicaid payment may not exceed a reasonable estimate of the amount that would be paid under Medicare. Further, Medicaid payments to a group of facilities within one of the providers grouping categories (state-owned or operated, non-state government owned or operated, and private) may not exceed the upper payment limit.[3,4]
- For PRTFs and Institutions of Mental Disease (IMDs), Medicaid payment may not exceed the provider's customary charges.[2]
- Medicaid payment for clinical diagnostic laboratory services provided by a physician, independent laboratory or hospital may not exceed the Medicare fee schedule.[5]

Considerations Regarding Rate Adjustments

Wyoming Medicaid performs rate updates for most services on an "as needed" basis, although some rate components are updated annually to use new service weights [for example, relative values for outpatient hospital Ambulatory Payment Classifications (APCs) and provider cost-to-charge ratios for the inpatient and outpatient payment systems]. Wyoming Medicaid must take into account State budget targets when performing updates, which can involve maintaining budget neutrality for a particular service area or for the entire Wyoming Medicaid program, or implementing legislatively-mandated budget increases or decreases (service-specific or overall)[6]. Updates to one fee schedule may affect multiple service areas [for example, Wyoming Medicaid's Physician and Other Practitioner Resource Based Relative Value Scale (RBRVS)

[2] 42 CFR § 447.272
[3] 42 CFR § 447.321
[4] The provider grouping categories are 1) state-owned or operated, 2) non-state owned or operated and 3) privately owned or operated.
[5] State Medicaid Manual, Title XIX State Plan Amendments, Part 6 Section 6300.2 "Fee Schedules for Outpatient Clinical Laboratory Tests".
[6] Beginning January 1, 2021, Wyoming Department of Health, Division of Healthcare Financing implemented a 2.5 percent rate reduction across all provider services as a result of the economic impact of COVID-19.

fee schedule applies to physicians, nurse practitioners, and other physical health and behavioral health providers. Performing updates in a coordinated, timely fashion minimizes the potential for payment approaches to become out of sync with industry standards and current utilization and expenditure trends.

Comparison to Other States' Medicaid Programs

Comparisons to other states' Medicaid rates can provide Wyoming Medicaid with relevant benchmarks. However, it is important to consider that states have different reimbursement methodologies and coverages so direct rate comparisons may be difficult in some situations. Medicaid rates may be impacted by a state's desire to provide consistent reimbursement between service areas, or impacted by efforts to attract and retain provider types that are especially important to the Medicaid population. Therefore, when looked at in isolation, rate comparisons across states or service areas may not provide an accurate view of a state's underlying policy decisions.

For purposes of this report, WDH compared Wyoming Medicaid rates to Medicaid rates from the surrounding states of Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah. The methodology for these comparisons is explained in Appendix A and detailed analyses by service area are presented in Appendix B.

Comparison to Medicare

Although there are differences between Medicare and Medicaid in terms of coverage and payment policies, Medicare is an important comparison point for Medicaid. Some Medicaid services are covered only to a limited extent by Medicare. For example, there are several services, including nursing home, that are primarily covered by Medicaid and to a more limited extent (and with different coverage) by Medicare. There are other services, such as dental or vision, that are generally not covered by Medicare. Medicare policy often influences payment policies of other payers, including both commercial and Medicaid payers. In addition, Medicaid and Medicare are both public programs and must provide access to care while appropriately and responsibly spending public funds. However, Congress decides Medicare reimbursement levels, while Medicaid reimbursement methodologies and levels are determined by state legislatures and the agencies that administer the programs.

For services which Medicare bases service reimbursement on a fee schedule, WDH compared Wyoming Medicaid rates for each procedure to the Medicare rates in 2020 fee schedules.[7] Medicare pays for the following services using a fee schedule: ambulance, behavioral health, DMEPOS, hospice, laboratory, physician, and vision services.[8] To the extent that the Medicare rates varied by geographic region, WDH used those rates that are specific to Wyoming.[9] To determine Medicare rates for home health services, WDH calculated average Medicare home

[7] Medicare updates rates on a calendar year (CY) basis while Wyoming Medicaid updates rates on a state fiscal year (SFY) basis; therefore, we compared Medicare rates from CY 2020 to Wyoming Medicaid rates from SFY 2020.
[8] FFS Medicare does not normally cover routine vision services, such as eyeglasses and eye exams, but it may cover some vision costs associated with eye problems that result from an illness or injury.
[9] WDH used Wyoming-specific Medicare fee schedules for the following service areas: ambulance, behavioral health, DMEPOS, laboratory, physician, and vision. Medicare does not produce Wyoming-specific fee schedules for ASC or hospice.

health visit rates in Wyoming using the average Wyoming Wage Index Budget Neutrality Factor. To compare Wyoming Medicaid outpatient hospital payments to Medicare, WDH compared Wyoming Medicaid's weighted outpatient conversion factor based on SFY 2020 claims volume (see Figure 2.6) to Medicare's CY 2020 Outpatient Prospective Payment System (OPPS) conversion factor. The methodology for these comparisons is explained in Appendix A, and detailed analyses are presented in Appendix C.

Comparison to Commercial Payers

Another benchmark for consideration in the SFY 2020 Benchmarking Report and the rates that commercial health plans (i.e., non-government) pay providers in the State. For services that Medicaid reimburses using a fee schedule, WDH compared rates to amounts paid by commercial health plans in Wyoming. We calculated a benchmark by calculating the average amount paid for each service, using the 2019 Truven MarketScan database.[10] The methodology for these comparisons is explained in Appendix A, and detailed analyses by service area are presented in Appendix B.

[10] Truven MarketScan commercial claims data contains claims from commercial major medical plans, and therefore does not include claims for dental or vision services. For our analysis, we used allowed amounts for services provided by in-network providers. Truven data comprises claims from all of calendar year 2019 (the most recent year of data available).

Reimbursement Changes in Response to COVID-19

The COVID-19 public health crisis had notable effects on reimbursement rates and polices in Wyoming, comparison states (Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah), and Medicare for the last few months of SFY 2020 and into SFY 2021. As many of these reimbursement and policy changes were temporary and fluctuated in response to the crisis, this report captures SFY 2020 rates as they were before the COVID-19 crisis occurred for purposes of consistency. We have highlighted changes made to reimbursement rates and policies to demonstrate the impact of the public health crisis throughout the report, as appropriate.

In response to the public health crisis, Wyoming and most comparison states implemented temporary rate reimbursements changes for the last few months of SFY 2020 (March - June 2020). In addition, COVID-19 had a large impact on states budgets resulting in Medicaid reimbursement modifications for SFY 2021 for several states. The following table highlights these key rate changes in SFY 2020 and SFY 2021 for services of interest in this report:

	Wyoming	Colorado	Idaho	Montana	Nebraska	South Dakota	Utah
SFY 2020	• Instituted a temporary rate increase for: – Nursing Facilities – HCBS[11] • Instituted a rate reduction for: – Inpatient Hospital Services[11]	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Hospital Services (Inpatient and Outpatient) – Nursing Facilities – HCBS[11]	• Instituted a temporary rate increase for: – Nursing Facilities – HCBS • Instituted a rate reduction for: – Hospital Services (Inpatient and Outpatient)[11]	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Nursing Facilities – HCBS • Instituted a rate reduction for: – Inpatient Hospital Services[11]	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Hospital Services (Inpatient and Outpatient) – Nursing Facilities – HCBS[11]	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Hospital Services (Inpatient and Outpatient) – Nursing Facilities – HCBS[11]	No information available

[11] http://files.kff.org/attachment/Report-State-Medicaid-Programs-Respond-to-Meet-COVID-19-Challenges.pdf

	Wyoming	Colorado	Idaho	Montana	Nebraska	South Dakota	Utah
SFY 2021	• Implemented a 2.5 percent rate reduction across all provider services	• Instituted a rate decrease for: – Hospital Services (Inpatient and Outpatient) – Primary Care – Physical Specialists – Dentists – HCBS • Instituted a rate increase for: – Nursing Facilities • Increased its hospital provider tax and expanded member cost sharing requirements to generate additional revenue[12]	• Instituted a rate decrease for: – Hospital Services (Inpatient and Outpatient) • Expanded member cost sharing requirements[13]	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Nursing Facilities – HCBS • Instituted a rate reduction for: - Inpatient Hospital Services	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Hospital Services (Inpatient and Outpatient) – Nursing Facilities – HCBS	• Instituted a temporary rate increase for: – Primary Care – Physician Specialists – OB/GYNs – Dentists – Hospital Services (Inpatient and Outpatient) – Nursing Facilities – HCBS	No information available

In addition to state-specific changes, the federal government also instituted some changes as a result of COVID-19 that impacted rates. For 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act, authorized a 6.2 percent increase in federal Medicaid matching funds to help states respond to COVID-19. These funds were made available to states from January 1, 2020 through the quarter in which the public health crisis period ends[14]. For 2021, the federal government passed the Consolidated

[12] https://www.colorado.gov/pacific/hcpf/provider-rates-fee-schedule
[13] https://healthandwelfare.idaho.gov/providers/idaho-medicaid-providers/information-medicaid-providers
[14] https://www.congress.gov/bill/116th-congress/house-bill/748/

Appropriations Act of 2021, which implemented a 3.75 percent increase to the Physician Fee Schedule for all Medicare providers in order to support physicians and other professionals providing care during the public health crisis.[15]

Additional information on the effect of COVID-19 is provided in Appendix B.1.

[15] https://www.congress.gov/116/bills/hr133/BILLS-116hr133enr.pdf

Medicaid Expansion

Medicaid expansion has continued to gain traction across the United States with 39 states (including the District of Columbia) adopting expansions to their Medicaid program as of SFY 2020, including several states surrounding Wyoming. Colorado chose to adopt Medicaid expansion when first available on January 1, 2014. Since then Idaho, Montana, Nebraska, and Utah have all approved Medicaid expansion. Medicaid expansion was approved via ballot measure by voters in November 2018 in Idaho, Nebraska, and Utah.[16] While most states expanded Medicaid in the traditional manner as outlined by the Affordable Care Act, a few states including Montana and Utah expanded Medicaid in an alternative manner (with approval from CMS) through a 1115 waiver.[17]

Trend Towards Value-Based Payments

There is significant movement in the health care industry away from volume-based fee-for-service payment strategies and towards strategies that link payments to quality and outcomes. There are many emerging and evolving payment and service delivery models that provide state Medicaid agencies with the opportunity to move in this direction. For example, add-on care coordination payments, bundled episodes of care, and shared savings arrangements frequently used with accountable care organizations (ACOs). These models require sophisticated analytical and claims processing support and significant collaboration with providers as changes to service delivery systems are often required. WDH currently provides health and utilization management through its WYhealth program and can build upon its experience with WYhealth to look towards value-based payments for opportunities to slow cost growth and improve health outcomes.

Fee-for-Service (FFS) vs Medicaid Managed Care Activities

Another trend seen in the health care industry is the transition from fee-for-service to managed care. In a bid to control rising health care costs, state Medicaid programs have contracted with managed care plans to provide service for their enrollees as well as integrated elements of managed care into their state Medicaid programs.

As shown in Figure 1.2 on the next page, all of Wyoming's six surrounding comparison states have implemented elements of managed care into their Medicaid programs, with actions ranging from assigning enrollees to medical homes to contracting with accountable care organizations. Two of these surrounding states – Nebraska and Utah – have gone one step farther and enrolled over 80 percent of their Medicaid populations in comprehensive managed care plans. In comparison, Wyoming operates primarily on a fee-for-service model and has less

[16] Medicaid expansion was implemented on the following dates: Montana (1/1/2016), Idaho (1/1/2020), Nebraska (10/1/2020), and Utah (1/1/2020).
[17] National Academy for State Health Policy. Where states stand on Medicaid expansion as of January 2021. Available online: https://nashp.org/states-stand-medicaid-expansion-decisions/

than one percent of their total Medicaid population enrolled in any type of Medicaid managed care.[18]

Figure 1.2: Percent of Medicaid Beneficiaries Enrolled in Managed Care[19]

State	Percent of Medicaid Beneficiaries Enrolled in Any Type of Managed Care	Percent of Medicaid Beneficiaries Enrolled in Comprehensive Managed Care
Wyoming[20]	0.6%	0.2%
Colorado	89.9%	9.4%
Idaho	90.9%	1.3%
Montana	73.8%	0.0%
Nebraska	99.6%	99.6%
South Dakota	74.4%	0.0%
Utah	98.4%	82.3%

The percent of Medicaid spending on managed care varies from state to state, as shown in Figure 1.3. All of Wyoming's surrounding comparison states still use a fee-for-service reimbursement model for some acute and long-term care costs.[21] Nebraska and Utah have the highest spending for Medicaid managed care services, with managed care expenditures accounting for about 50 percent of each state's total Medicaid spending. While these states have the majority of their Medicaid population enrolled in managed care, Medicaid beneficiaries with more extensive needs are difficult to serve through managed care due to the specialized services and resources needed to adequately meet their needs. These populations are often served on a fee-for-service model and can help explain the disconnect between Medicaid enrollment in managed care and spending. Colorado and Idaho have almost 100 percent of their Medicaid population enrolled in some type of managed care, but only a small proportion enrolled in comprehensive managed care. As a result, managed care accounts for only 9 percent of spending in Colorado and 14 percent of spending in Idaho. Wyoming, along with Montana and South Dakota, which have the smallest percent of their population enrolled in managed care, spend one percent or less of Medicaid costs on managed care.

[18] CMS defines Comprehensive Managed Care as managed care plans that provide enrollees with comprehensive benefits including acute, primary care, specialty, etc. CMS also classifies PACE programs as comprehensive managed care.
[19] Reported by CMS as of July 2018. See "Medicaid Managed Care Enrollment Report," available online: https://www.medicaid.gov/medicaid/managed-care/enrollment/index.html
[20] Wyoming Medicaid managed care was primarily used for the PACE program. Wyoming has one 1915(b) managed care waiver that provides wraparound Care Management Entity (CME) benefits for children with serious emotional disorders-statewide, as well as a PACE program that was only available in Laramie County.
[21] Wyoming accounting for the majority of their Medicaid spending through FFS Acute Care and Long-Term Care.

Figure 1.3: Medicaid Spending by Service Area[22]

State	Acute Care (FFS)	Long Term Care (FFS)	Managed Care	Payments to Medicare	DSH[23]
Wyoming	47%	51%	N/A	3%	0%
Colorado	55%	32%	9%	2%	3%
Idaho	47%	34%	14%	3%	1%
Montana	72%	23%	2%	3%	0%
Nebraska	3%	42%	49%	3%	3%
South Dakota	55%	40%	0%	4%	0%
Utah	24%	29%	44%	2%	1%

Numbers may not sum to 100% due to rounding

Section 2: Reimbursement Options

Policymakers face difficult decisions about how to most effectively distribute limited state resources. As part of the process, they must evaluate reimbursement systems and payment levels, make recommendations for further analysis, and change and set priorities. The purpose of this section is to provide information and rationale to support WDH's decision-making process regarding reimbursement policies and levels.

Section 2 describes WDH's recommendations regarding Medicaid reimbursement methodologies, payment amounts, and timing and methodology of payment increases. These reimbursement recommendations support WDH's goals of using rational payment methodologies, providing consistency across service areas, and providing fair payments that supports providers' continued participation in Wyoming Medicaid and beneficiaries access to services.

Program Changes During SFY 2020

Wyoming Medicaid made several program changes pertaining to covered services and reimbursement during SFY 2020, which are presented in Figure 2.1.

[22] Reported by Kaiser Family Foundation from data based on the Urban Institutes Federal FY 2019 data as reported to CMS as of August 2020. See "Distribution of Medicaid Spending by Service," available online: https://www.kff.org/medicaid/state-indicator/distribution-of-medicaid-spending-by-service/.

[23] DSH payments are supplementary payments made to hospitals that serve a disproportionate number of low-income patients.

Figure 2.1: Medicaid Coverage and Reimbursement Changes During SFY 2020

Eligibility Category/ Service Area	Action	Dates of Implementation
Outpatient Prospective Payment System (OPPS)	Recalculated the OPPS conversion factors to: ○ $45.79 for General Acute Care Hospitals (7.7% increase over SFY 2019) ○ $83.59 for Children's Hospitals (5.5% decrease over SFY 2019) ○ $109.66 for Critical Access Hospitals (3.6% increase over SFY 2019) ○ $40.30 for Ambulatory Surgical Centers (ASCs) (7.7% increase over SFY 2019)	January 1, 2020
Hospital Inpatient	All Patients Refined Diagnosis Related Groups (APR- DRG) implemented May 31, 2019 with an effective date of February 1, 2019. Second year of DRG rates implemented February 1, 2020	February 1, 2020
Speech Therapy and Behavioral Health Services	Updated speech therapy and behavioral health services (for adults age 21 and older) to require a prior authorization for services over the threshold of 30 visits per calendar year.	January 1, 2020
Coronavirus Related Response: Enhanced FMAP	Temporary 6.2 percent increase in the federal share of Medicaid spending (FMAP) to help states cover the higher costs of COVID-19	January 1, 2020
Coronavirus Related Response: Waivers	Provider rates for some Comprehensive and Supports Waiver services were increased by 12.5% in response to the COVID-19 public health emergency. Rates for some Community Choices Waiver direct care services were increased in response to COVID-19 public health emergency.	March 1, 2020
Coronavirus Related Response: Telehealth	Temporary policy change allowing telehealth services for: Indian Health Services (IHS), Federally Qualified Health Centers (FQHCs), Rural Health Clinics, (RHCs), behavioral health peer specialists, group therapy sessions, and other clinically appropriate services.	March 1, 2020
Coronavirus Related Response: Ambulance	Temporary policy change allowing ambulance providers to perform services similar to those enrolled as Community Emergency Medical Services (treat and release) and allowing transport	March 1, 2020

Figure 2.1: Medicaid Coverage and Reimbursement Changes During SFY 2020

Eligibility Category/ Service Area	Action	Dates of Implementation
	by ambulance to medically necessary appointments, such as dialysis.	
Coronavirus Related Response: Nursing Homes	Rates for some nursing home services were temporarily increased in response to COVID-19 public health emergency. A temporary policy change established an extraordinary care rate for clients with a positive COVID diagnosis for a 14-day quarantine period.	March 1, 2020
Home Health	Prior authorization requirements for home health suspended.	March 1, 2020

Wyoming Medicaid Comparisons to Benchmarks

Comparing state Medicaid rates to other benchmarks may be useful in assessing rates, providing consistency between service areas, or in efforts to direct funding to provider types or service areas to attract or retain provider types that are especially important to the Medicaid population. WDH conducted comparisons to other states' Medicaid rates, Medicare rates and average commercial payments to provide Wyoming Medicaid with relevant benchmarks. WDH calculated Wyoming Medicaid rates in each service area as a percentage of other states' Medicaid rates, Medicare rates, and average commercial payments.[24] Calculating this percentage allows the payment rates in each service area to be compared relative to each other and the percentages can be used as an indicator of consistency. For example, if the Medicaid to Medicare rate ratios are similar for all the service areas, it may suggest that payment is set at a consistent level across service areas. If there are high or low outlier ratios, WDH may wish to further review payment levels for those services.

Figures 2.2 and 2.3 present summaries of Wyoming Medicaid rates by service area to three benchmarks where available: other states' rates, Medicare, and commercial payers.

Figure 2.2 compares Wyoming Medicaid rates to other states, Medicare, and commercial payers, based on services with the highest total paid claims in SFY 2020 within each service area.

[24] The review of rates is limited to the top 20 procedure codes in Wyoming Medicaid claims data for each service area, based on the most frequently utilized codes and the top 20 codes with highest total expenditures during SFY 2020.

Figure 2.2: Comparison of Wyoming Medicaid Rates to Other States, Medicare, and Commercial Payers Using Top Services Based on Utilization[25]

Service Area	Wyoming 2020 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2020 Medicare Rates	Average Commercial Payments (2020)
Ambulance	122%	78%	Data not available[26]
ASC	116%	96%	Data not available[25]
Behavioral Health[27]	100%	82%	Data not available[25]
Dental	113%	Medicare does not cover this service.	Data not available[25]
Developmental Center	108%	84%	58%
DMEPOS[28]	119%	86%	Data not available[25]
Home Health	89%	53%	Data not available[25]
Hospice	96%	98%	42%
Hospital – Inpatient	Wyoming Medicaid pays approximately 77.6 percent of inpatient costs.[29]		
Hospital – Outpatient	The weighted average OPPS conversion factor for Wyoming is $57.66. Montana uses a single conversion factor of $56.64 and Utah follows Medicare's OPPS conversion factor ($80.78 in CY 2020).	72%	Reimbursement methodology does not allow for direct comparisons.
Laboratory	109%	112%	87%
Maternity Care[30]	112%	102%	62%

[25] For these comparisons, WDH reviewed the top codes for each service area based on paid claims volume in SFY 2020 and compared the 2020 Wyoming Medicaid rates to 2020 Medicare rates and 2020 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2020 fee schedules were not available online, WDH used the most recent rates available).
[26] There is little or no Truven MarketScan 2019 data for this service area.
[27] Only CPT codes were included in this analysis because Medicare and other states do not consistently use the H, T, and G codes that Wyoming uses; therefore, no rate comparisons were possible for those codes. According to Appendix B.1, the number of codes for By Utilization is 11 because 11 of the top 20 codes were CPT codes, and the other 9 are H, T, and G codes.
[28] The Wyoming 2020 Medicaid rate as a percentage of other states' and Medicare rates for DMEPOS equals the average of the rates for purchasing DMEPOS equipment. There is little to no rental DMEPOS data available for SFY2020.
[29] Inpatient costs are calculated using cost-to-charge ratios from hospitals' Medicare cost reports. See Figure 2.5 for additional explanation.
[30] Over the past three years, Wyoming Medicaid has historically paid from 102% to 104% more for maternity care services than Medicare.

Figure 2.2: Comparison of Wyoming Medicaid Rates to Other States, Medicare, and Commercial Payers Using Top Services Based on Utilization[25]

Service Area	Wyoming 2020 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2020 Medicare Rates	Average Commercial Payments (2020)
Nursing Facility[31]	97%	Data not available	
Physician and other Practitioner	123%	116%	128%
Primary Care	105%	98%	61%
Physician Specialist	94%	100%	56%
Prescription Drugs	Wyoming's dispensing fee: $10.65 Other states' dispensing fees range from $9.31 to $15.11 depending on various factors.[32]	N/A	N/A
PRTF	95%	Medicare does not cover this service.	Data not available[25]
Vision – Ophthalmology	105%	97%	69%
Vision – Optician and Optometrist	121%	80%	Data not available[25]

Figure 2.3 compares Wyoming Medicaid rates to other states, Medicare, and commercial payers, based on services with the highest total expenditures in SFY 2020 within each service area.

[31] Wyoming's reimbursement methodology for nursing facilities is cost-based; reimbursement currently covers an estimated 88 percent of nursing facilities' costs when supplemental payments (based on the nursing home assessment program) are included in the cost coverage calculation.
[32] Excluding dispensing fees for drug compounding. See Appendix B.1 for more information about prescription drug reimbursement in each state.

Figure 2.3: Comparison of Wyoming Medicaid Rates to Other States, Medicare, and Commercial Payers Using Top Services Based on Expenditures[33]

Service Area	Wyoming 2020 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2020 Medicare Rates	Average Commercial Rates in Wyoming (2020)
Ambulance	122%	78%	Data not available[25]
ASC	116%	96%	Data not available[25]
Behavioral Health[27]	100%	86%	Data not available[25]
Dental	115%	Medicare does not cover this service.	Data not available[25]
Developmental Center	108%	84%	58%
DMEPOS[28]	106%	N/A	Data not available[25]
Home Health	89%	53%	Data not available[25]
Hospice	96%	98%	94%
Hospital – Inpatient	Wyoming's reimbursement of in-state inpatient services covers approximately 77.6 percent of costs. [34]		
Hospital – Outpatient	The weighted average OPPS conversion factor for Wyoming is $57.66. Montana uses a single conversion factor of $56.64 and Utah follows Medicare's OPPS conversion factor ($80.78 in CY 2020).	72%	Reimbursement methodology does not allow for direct comparisons.
Laboratory	122%	118%	106%
Nursing Facility[31]	97%	Data not available	
Physician and other Practitioner	106%	95%	69%
Primary Care	106%	95%	59%
Physician Specialist	103%	90%	51%

[33] For these comparisons, WDH reviewed the top codes for each service area based on total expenditures in SFY 2020 and compared the 2020 Wyoming Medicaid rates to 2020 Medicare rates and 2020 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2020 fee schedules were not available on the States' websites, we used the most recent rates available).
[34] Inpatient costs are calculated using cost-to-charge ratios from hospitals' Medicare cost reports. See Figure 2.5 for additional explanation.

Figure 2.3: Comparison of Wyoming Medicaid Rates to Other States, Medicare, and Commercial Payers Using Top Services Based on Expenditures[33]

Service Area	Wyoming 2020 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2020 Medicare Rates	Average Commercial Rates in Wyoming (2020)
Prescription Drugs	Wyoming's dispensing fee: $10.65 Other states' dispensing fees range from $9.31 to $15.11 depending on various factors.[32]	N/A	N/A
Maternity Care[35]	114%	104%	62%
PRTF	95%	Medicare does not cover this service.	Data not available[25]
Vision – Ophthalmology	112%	110%	71%
Vision – Optician and Optometrist	122%	80%	Data not available[25]

Key findings from these analyses include:

- The Medicaid programs in surrounding states use similar methodologies to Wyoming for most service areas.
- Wyoming Medicaid pays higher rates than Medicaid programs in surrounding states for many service areas but pays slightly lower rates for other service areas. Additional information about Wyoming's and surrounding states' rates are included in Appendix B.1 of this report.
- Based on highest utilized services, Wyoming Medicaid rates as a percentage of the average of other states' rates range from 89 percent for home health services to 122 percent for ambulance, laboratory, and vision (Optician and Optometrist) services.
- In the benchmarking analysis, Wyoming Medicaid, on average, paid more for physician services included in the Physician and other Practitioner, Physician Specialist, and Maternity Care when looking at the top utilized procedure codes for these service areas compared to surrounding states. A similar tend occurs with Maternity Care and Vision/Ophthalmology services when looking at the top service expenditures.
- For several services, the Wyoming rate as a percent of other state's rates decreased from SFY 2019, including a decrease:

[35] Over the past three years, Wyoming Medicaid has historically paid from 102% to 108% more for maternity care services than Medicare.

- From 160 to 122 percent for Vision – Optician services. While Wyoming Medicaid did not change their rates for these services between SFY 2019 and SFY 2020, Nebraska and Utah had increases in rates, leading to a decrease in the average expenditure rates.
- From 115 to 96 percent for ASC services. This decrease may be attributed to the fact that Medicare rates increased at a greater rate than Wyoming Medicaid in SFY 2020.
- From 105 to 97 percent for Nursing Facility services. While the average nursing facility rate decreased for Wyoming Medicaid, Montana, South Dakota, and Utah increased their rates. Additionally, Colorado provided nursing facility rates indicating average rates higher than Wyoming Medicaid for SFY 2020, which was incorporated into the calculation.

- Wyoming Medicaid also had higher rates compared to Medicare for several services. The following sections below discuss these key findings and highlight potential explanations of the differences in rates between Wyoming Medicaid program and Medicare. This differential rate of change has resulted in Wyoming Medicaid using a higher RBRVS conversion factor for Anesthesia and Non-Anesthesia CPT codes than Medicare does. Comparative analysis between Wyoming Medicaid's RVU-based fee schedule and current Medicare RBRVS was most recently conducted in 2020. Figure 2.4 below provides a comparison of Wyoming's SFY 2020 and Medicare's 2020 RBRVS Conversion Factors.

Payer	Anesthesia Conversion Factor	Non-Anesthesia Conversion Factor
Medicare	22.01	36.0896
Wyoming Medicaid	26.50	36.86

  - In addition, while conversion factors for Medicare have changed over the past decade the relative weights that are tied to the Medicare RBRVS system used for physician payments have also been revised multiple times to meet federal policy goals. This has resulted in some CPT codes in the Physician and other Practitioner, Physician Specialist, and Maternity Care categories having Medicare RVUs that are lower than the ones used by Wyoming Medicaid. The following figure provides additional insight as to Wyoming Medicaid's higher rate relative to Medicare.

Figure 2.4: Investigation of Service Areas Where Wyoming Medicaid Benchmarks Are Higher Than Medicare

Service Area	Method of Determining Top 20 Codes	Wyoming Medicaid Rate as a Percent of Medicare	Explanation
Physician and other Practitioner	Utilization	116%	In the benchmarking analysis Guidehouse only benchmarked four of the top twenty codes due to the current methodology excluding injection pharmaceuticals and anesthesia services. This small sample size causes Wyoming Medicaid's reimbursements to appear higher than that of Medicare. When looking at the expenditure benchmark for this same service, Wyoming Medicaid reimburses at 95 percent of the Medicare rate.
Physician Specialist	Utilization	100%	In the benchmarking analysis Guidehouse only benchmarked four of the top twenty codes due to the current methodology excluding injection pharmaceuticals and anesthesia services. This small sample size causes Wyoming Medicaid's reimbursements to appear higher than that of Medicare. When looking at the expenditure benchmark for this same service, Wyoming Medicaid reimburses at 90 percent of the Medicare rate.
Maternity Care[36]	Expenditures Utilization	102% 102%	Wyoming Medicaid's Rate as a percentage of Medicare increased both due to Wyoming Medicaid's higher conversion factors and Wyoming Medicaid's higher RVUs for most codes. Wyoming's RVUs have not been updated in more than 10 years, resulting changes in Medicare's practice patterns measured by RVUs not being incorporated into the Wyoming Medicaid payment methodology. Additionally, due to the age of the Medicare population, maternity services represent a lower percentage of total services compared to that of Medicaid, also resulting in lower levels of reimbursement for maternity care for Medicare.

[36] Over the past three years, Wyoming Medicaid has historically paid from 102% to 108% for maternity care services than Medicare.

Figure 2.4: Investigation of Service Areas Where Wyoming Medicaid Benchmarks Are Higher Than Medicare

Service Area	Method of Determining Top 20 Codes	Wyoming Medicaid Rate as a Percent of Medicare	Explanation
Vision – Ophthalmology	Expenditures	110%	A few codes (67228, 66984, 67028) with significantly higher payment rates than Medicare bring up the average for Ophthalmology as a whole. These codes also have higher Medicaid RVUs, accounting for higher Medicaid payment rates.

- Based on expenditures, Wyoming Medicaid pays less than Medicare for the majority of service areas, excluding laboratory, maternity care and vision/ophthalmology services (where Medicaid pays more than Medicare, on average). Based on expenditures, Wyoming Medicaid's rates as a percentage of Medicare's range from 53 percent for home health services to 118 percent for laboratory services.
- For laboratory services, the overall Wyoming rate as a percent of Medicare, surrounding states, and commercial increased. Wyoming's rate as a percent of Medicare increased from 102 percent to 118 percent, as a percent of the surrounding states from 105 percent to 122 percent, and as a percent of commercial rates from 100 percent to 106 percent. Wyoming's increase may be attributed to the fact that the State largely maintained their laboratory fee schedule from SFY 2019 to SFY 2020, while Medicare, Colorado, Montana, Nebraska, and South Dakota decreased several of their rates for laboratory services.

We are unable to make comparisons for services for which reimbursement methodologies vary significantly across payers, payment rates are cost-based and vary by provider, or because comparison rates were not available. Figure 2.4 outlines the services for which we were unable to make comparisons.

Figure 2.4: Explanation of Benchmarking Limitations

Service Area	Benchmarking Limitations
ESRD	Wyoming Medicaid reimburses on a percentage of billed charges basis; therefore, there are no facility-specific Wyoming Medicaid prospective payment rates to use for comparison to Medicare's and other states' prospective payment rates.

Service Area	Benchmarking Limitations
FQHC and RHC	Reimbursement for Medicaid services is a provider-specific per-visit rate based on an analysis of allowable costs.
ICF-ID	Per diem rates are not publicly available for Colorado, Idaho, Montana, Nebraska, or South Dakota.
Inpatient hospital	Wyoming reimburses for Medicaid services using on an APR-DRG based payment methodology with base rates, policy adjustors, and cost to charge ratios that are unique to the State. This causes comparisons to the inpatient reimbursement rates in other states to be inaccurate as other states reimburse differently. For the SFY 2020 we have populated information about each comparison state's inpatient payment methodologies and the Wyoming APR-DRG system in Appendix B on page B.1-20.
Outpatient hospital	Comparisons are limited to Medicare and states that also follow the Medicare OPPS system (Montana, South Dakota, and Utah).
PACE	Payments to PACE providers are made on a per-member per-month capitated basis. Comparison rates are not publicly available.
Prescription drugs	Variation in reimbursement methodologies do not allow for direct comparisons of drug prices. However, WDH describes the range in dispensing fees in Appendix B.
Supplemental payments	Payments vary according to each state's service delivery system and approve supplemental payment programs and methodologies.
Home and Community Based Services (HCBS) Waivers	Medicare does not cover most HCBS waiver services. Comparisons to surrounding states are limited as waivers vary greatly across states and there are many potential variables in service definition, provider qualifications and reimbursement methodologies between waivers.

Medicare's reimbursement methodologies are detailed in Appendix D and methodologies for the services for which we were unable to make rate comparisons are outlined in Appendix B.1. Rates from Medicare, other states and commercial payers are also detailed for the top procedures in Appendix B.1, when possible.

Hospital Benchmarks

WDH used data from Wyoming Medicaid's SFY 2020 Qualified Rate Adjustment (QRA) payment analysis, in combination with additional data from out-of-state hospitals, to estimate cost coverage for participating inpatient and outpatient hospitals. Figure 2.5 shows the hospital cost benchmarks for Wyoming's in-state providers in SFY 2020, which represent on average how much of hospitals' costs are covered by Medicaid payments. To estimate the costs for Medicaid cost coverage calculations, WDH applied cost-to-charge ratios and per diems from Medicare hospital cost reports to Wyoming Medicaid paid claims data. These estimated costs are considered a reasonable estimate of what Medicare would have paid for the same services. Comparing Wyoming's Medicaid payments to hospitals' Medicare cost is useful as Medicare often serves as a benchmark for assessing the reasonableness of a state's Medicaid payments.

Wyoming Medicaid has two hospital supplemental payment programs that improve the cost coverage for in-state Wyoming providers: the Wyoming QRA and Private Hospital Assessment supplemental payment programs. Figure 2.5 displays the cost coverage for in-state Wyoming hospitals with and without supplemental payments.

Figure 2.5: Hospital Cost Benchmarks

Hospital Payment Type	Cost Coverage Before QRA and Private Hospital Assessment Payments	Cost Coverage Including QRA and Private Hospital Assessment Payments
Inpatient	77.6%	100.0%
Outpatient	46.4%	99.9%

Additional information about Wyoming's and surrounding states' supplemental payment programs and DRG based rates are included in Appendices B and C of this report.

Wyoming APR DRG Transition

On May 20, 2019, CMS approved Wyoming's APR DRG payment methodology, which transitioned payments for inpatient services from the LOC based payment methodology effective February 1, 2019. As part of the APR DRG payment transition, WDH and Guidehouse reassessed out-of-state provider participation and cost coverage for Wyoming in-state providers and participating out-of-state providers.

Outpatient Services

Wyoming adopted Medicare's relative weights for its outpatient hospital reimbursement but uses state-specific conversion factors.[37] Wyoming Medicaid uses three conversion factors for outpatient hospitals: critical access hospitals (CAH), children's hospitals, and general hospitals compared to Medicare's single conversion factor. As shown in Figure 2.6, the weighted average of the three conversion factors for CY 2020 was $57.66, compared to Medicare's single conversion factor for 2020 of $81.40.[38] We determined that Wyoming Medicaid's rate is approximately 70.8 percent of Medicare's.

[37] At WDH's initial implementation of the OPPS, the Wyoming outpatient hospital conversion factors were a percentage of Medicare's conversion factor. However, beginning in 2010, Wyoming began updating its conversion factors annually to remain budget neutral and no longer correlates them to Medicare's conversion factor updates.
[38] WDH calculated the weighted average WY conversion factor based on the volume of claims in SFY 2020 for each hospital type.

Figure 2.6: Wyoming Outpatient Hospital Conversion Factors for CY 2020

Type	OPPS Conversion Factor	Percent of 2020 Claims	Weighted Average WY Conversion Factor	Conversion Factor and Payment Rates as Percentage of Medicare
Medicare (CY 2020)	**$79.49**	**N/A**	**N/A**	**N/A**
WY General Hospital (CY 2020)	$45.79	75.1%	$57.66	78%
WY CAH (CY 2020)	$109.66	21.43%		
WY Children's Hospital (CY 2020)	$83.59[39]	3.5%		

Considerations Regarding Rate Adjustments

In SFY 2020, Wyoming Medicaid rates for most service areas continued to meet or exceed the Medicaid rates in surrounding states. In comparison to Medicare, however, Wyoming rates are lower for the majority of service areas, as the analyses show in Figures 2.2 and 2.3. For example, on average for the highest utilized services, Wyoming's rates for Ambulance services were 122 percent of surrounding states included in this analysis, while also being equal to only 78 percent of Medicare's rates for these services.

Elsewhere, Wyoming Medicaid addresses the increase in provider costs differently for certain services. For several service areas, including nursing facilities, FQHCs, and RHCs, Wyoming Medicaid updates rates annually using predetermined inflation indices, which are explained in more detail in Appendix E of this report. For other service areas, Medicaid does not have a systematic way to address cost increases on a regular basis and updates them as they are needed.

In addition to considering potential updates to the Wyoming Medicaid fee schedule, there are a number of service areas where adjustments to the underlying reimbursement methodologies may result in better alignment with provider costs or with payments from other payers, such as Medicare.

As WDH considers potential future rate updates, it will consider – among other factors – how the rate changes support Wyoming Medicaid's priorities of encouraging fair reimbursement of service providers and increasing access for beneficiaries. In developing these recommendations, WDH considered expenditures in each service area, current reimbursement methodologies, recent changes, and the results of the Medicaid, Medicare, and commercial rate comparisons outlined in this report.

[39] The children's hospital OPPS conversion factor only applies to out-of-state providers as there are no children's hospitals in Wyoming.

Based on the analyses presented in this report, WDH recommends evaluating provider rates in several service areas to determine the need for adjustments and has assigned each service area a priority for further evaluation:

- **High priority**: Service areas for which reimbursement methodologies have not been recently updated, that lack a mechanism for systematic updates, have methodologies or levels that are out of line with benchmarks, or where cost data might address payment-related questions. Additionally, high-priority service areas may represent a large portion of Medicaid expenditures, or have high, unexplained growth.
- **Low priority**: Service areas with methodologies that require ongoing monitoring and maintenance and constitute a small proportion of total Medicaid expenditures.

Figures 2.7 and 2.8 describe high and low priority recommendations.

Figure 2.7: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
High Priorities for Evaluation			
Physician and Other Practitioners	There is no systematic approach to adjusting physician rates in the current RBRVS methodology. Wyoming Medicaid reduced the RBRVS conversation factors in SFY 2017 due to budget cuts, but rates for some services in Wyoming are higher than those of Medicare and surrounding states. Updating Wyoming's RVUs and conversion factors will allow for provider payments to better align with new Medicare payment methodologies while maintaining conversion factors and payments that are lower than those used by Medicare.	WDH is considering updating the RBRVS RVUs to the most recently available Medicare RVUs and adjusting conversion factors to maintain a budget neutral system. Wyoming currently maintains a set of RVUs that no longer reflect some Medicare payment practices – causing certain benchmarked service areas to have higher Wyoming Medicaid reimbursement amounts than Medicare. Updating the Wyoming RVUs and conversion factors will continue to ensure that Wyoming's RBRVS payment methodology is compliant with that Wyoming continues to receive high value care for professional service payments. Although comparative analysis of the RBRVS frameworks for Wyoming and Medicare was last conducted in 2020, differences in the fee schedules for 2021 are likely to reflect the same trends.	9%

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
Laboratory	WDH currently pays independent laboratory providers on a fee schedule basis at 90 percent of the 2009 Medicare clinical laboratory fee schedule (CLFS). Effective in 2018, CMS revised the Medicare payment and coverage methodologies used to pay laboratory services under the CLFS. As CMS expected overall Medicare payments decreased under the new methodology for CLFS.CMS expects this trend to continue and controlled the rate decrease by capping payment reductions by 10 percent for CLFS tests for the first three years.	WDH may consider rebasing its laboratory fee schedule for SFY 2021 after CMS updates the CLFS methodology. This will allow WDH to stay current with Medicare's methodology and to maintain Medicaid payments at or below Medicare payments. The Wyoming rate as a percent of Medicare increased from 102 percent in SFY2019 to 118 percent in SFY2020.	<1%
Long Term Care (Nursing Facilities and HCBS Waivers)	The Comprehensive and Supports Waivers (DD waiver services) and the Community Choices Waivers offer individuals the opportunity to receive home- and community-based services. After an increase in expenditures in SFY 2016, nursing facility expenditures have declined, along with the number of recipients. The CCW program offers an alternative to the nursing home level of care and has seen double digit increases in expenditures and recipients over 5 years. Wyoming will want to continually monitor access to and services delivered by their waiver programs, as they provide a favorable alternative to institutionalized care. WDH is in the process of completing a rebase study for their Comprehensive and Supports Waivers (DD waiver services) in SFY 2021 and completed a rate rebasing study	For the SFY2020 benchmarking study, Guidehouse incorporated a review of how neighboring states defined certain services and their corresponding rates. WDH may consider expanding this review to incorporate other services delivered by the DD and CCW waiver programs. The recent rebasing study for CCW added new units of rates for several services, including nursing facilities, case management, and assisted living facilities. These units were added to better reflect how services are being delivered by providers. For the DD waiver services, WDH may want to explore "agency" and "independent" provider rates, which would differentiate, or tier, the payment rates based upon the provider operations and structure. Additionally, as a result of the COVID-19 Public Health Emergency (PHE) and the subsequent tightening of the State budget, WDH may look to other	Long Term Care % Unknown Total Nursing Facilities and Waiver: 43% • 16% (NF) • 21% (Waiver - Comprehensive) • 5% (Waiver - Community Choices) • 1% (Waiver - Supports)

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
	of the Community Choices Waiver in SFY 2020.As part of this study, Wyoming added additional rates for services, such as separate RN and LPN rates for skilled nursing services. These additions better reflect how services are being delivered for this waiver. As Wyoming completes their rebasing study for DD waiver services, they will need to consider delivery models to look for administrative efficiencies and cost saving opportunities.	opportunities that will help reduce costs for their waiver programs. These may include: • Increasing use of telehealth services at a potentially reduced rate compared to in-person services. • Implementing value-based payments and paying for services based upon outcomes, quality or compliance, instead of the volume of services.	
Telemedicine Services	Due to COVID-19 and the resulting PHE, states, including Wyoming, have leveraged telemedicine to accommodate social distancing guidelines. States have loosened restrictions on allowable originating and distant sites, eligible modalities for telemedicine service delivery, and eligible telehealth services. During COVID-19, Wyoming relaxed telemedicine service delivery requirements for FQHCs/RHCs and tribal facilities. The State also allowed for home health providers as well as some peer-specialist groups and group therapy services to be delivered via telemedicine. These changes have continued into SFY2021 and the State has not indicated if the telehealth changes resulting from COVID-19 will be permanent.	WDH may consider conducting a comparison of Wyoming's telemedicine service policies and those supported by the Health Resource and Service Administration (HRSA), the America Telemedicine Association (ATA), and states similar to Wyoming to determine if the state should make any updates or changes to its telemedicine policies to increase service utilization. In addition, Wyoming can track changes to reimbursement patterns for services provided via telemedicine as a result of the PHE. WDH may also look to revisit the impact of rates to services, such as home health, as a result of delivery of services via telehealth.	Unknown

Figure 2.8: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
Low Priorities for Evaluation			
Ambulance	Reimbursement is currently set at 75% of Medicare's 2008 ambulance rates; however, WDH payments for certain ambulance codes are significantly higher than the rates of surrounding states. This trend continued in SFY2020 with Wyoming's rates for Ambulance services 122 percent of surrounding states.	WDH may consider an ambulance rate study to determine if the current payment methodology and rates should be updated to more closely match Medicare's current rates or to lower them to more closely align with surrounding states.	<1%
Ambulatory Surgical Centers	WDH currently reimburses ASCs using the Wyoming OPPS fee schedule and using a similar methodology to that of general acute care hospital outpatient services in the state. Medicare reimburses ASC providers via an ASC specific fee schedule, that uses a separate set of service weights and status indicators that result in Wyoming Medicaid paying more for comparable benchmarked services than Medicare.	WDH should consider doing a review of all Wyoming ASC payments compared to Medicare ASC weights and status indicators to determine if the Wyoming ASC State Plan Amendment (SPA) should be updated to base Wyoming ASC payments on the Medicare ASC OPPS fee schedule instead of the Medicare Hospital OPPS fee schedule. In the most recently completed SFY 2020 clinic UPL, Guidehouse calculated that Wyoming ASCs were being reimbursed at a level very near that of Medicare for the same set of services. Adjusting the OPPS fee schedule used to calculate ASC rates could prevent future UPL problems for the clinic service category caused by ASCs receiving payments greater than those made by Medicare.	<1%

Figure 2.8: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
Behavioral Health Strategy	Wyoming has conducted several activities related to behavioral health, including a rate study of community mental health centers (CMHCs) and substance abuse treatment centers (SATCs) in SFY2018. WDH also supports the Care Management Entity (CME) program which targets youth with severe behavioral health challenges.	The recently passed American Rescue Plan Act of 2021 will inject billions more into the healthcare system for behavioral health, including the injection of new payment incentives to meet increasing demand of behavioral health services. Additionally, COVID-19 has introduced new service delivery methods, such as the use of telehealth for group therapies. These emerging delivery system reforms will push states to evaluate innovative payment methodologies for behavioral health. WDH should conduct additional rate studies for CMHCs and SATCs. WDH should also continue to assess behavioral health services as part of the RBRVS framework.	4%
DMEPOS	WDH pays for DMEPOS using multiple methodologies, depending on the procedure code. There is considerable variation when comparing Wyoming's rates to Medicare and other states for both purchasing and renting many types of DMEPOS.	WDH may consider a DMEPOS rate study to more closely align specific rates with Medicare or other states.	2%
HEDIS Quality Review	Although WDH does not operate a managed care Medicaid program, it uses HEDIS to report key clinical measures for its Total Population Health Management Contract with its fiscal agent. The fiscal agent calculates rates for clinical measures and is expected to achieve performance targets as defined by HEDIS.	WDH should continue to evaluate whether rates submitted by the fiscal agent was in accordance with NCQA and State-specific technical specifications. WDH should look to track rates across years to determine accuracy and alignment with national standards.	N/A
Hospital	States are working hard to transition away from paying for quantity, and to paying for quality and value. Alternative payment models (APM) often include pay-for-performance	To continue to improve upon Wyoming's hospital payment reforms, WDH should consider examining the current state of APMs across the country. This would allow Wyoming to identify promising	16%

Figure 2.8: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2020)
	initiatives and require ongoing purchaser oversight. APMs require a shift from monitoring structures and processes to monitoring outcomes – or measuring the value of the purchased services. In other words, APMs force purchasers to become value generators rather than compliance monitors.	practices that may be transferable. Consideration of claims volume and the rural and frontier nature of the state will be crucial to sort through viable options.	
Maternity	Payment rates for maternity codes are based on RBRVS using 2013 Medicare RVUs. On average, WDH currently pays more than Medicare and comparison states for certain maternity services, but almost half of commercial payment rates.	WDH is considering updating the RBRVS RVUs for maternity codes to the most recently available Medicare RVUs and adjusting conversion factors to maintain a budget neutral system. In order to preserve current funding levels for maternity services, these codes would receive a separate conversion factor distinct from those used by other physician and professional services.	Unknown
School-based Services (SBS) Medicaid	Wyoming is the only State in the country that does not have an SBS Medicaid Program. The Departments of Education (WDE) and Health (WDH) completed a joint assessment on the costs and revenues of implementing a SBS Medicaid Program during SFY 2020. On April 1, 2021, Governor Gordon signed SEA No. 0020, which approved the development and implementation of a SBS Program in Wyoming. During SFY 2022 WDH will design and implement the SBS Program, which will allow local educational agencies to begin billing for SBS services by July 1, 2022.	WDH should consider reviewing the previous SBS Program assessment report to make sure the State is maximizing the most federal dollars under the SBS Program. During SFY 2021, WDH and WDE should be proactive in their engagement and outreach to LEAs to ensure there are enough districts that are willing to participate in the SBS Program. In addition, WDH should work with WDE to develop a parental consent to bill for Medicaid services form that LEAs can have parents sign now; without a parental consent on file a LEA cannot submit claims for reimbursement. Finally, WDH should consider including health services that are provided outside of special education in the SBS Program (e.g., services in a 504 plan, crisis services, nursing services, or mental health services).	N/A