

Public and Tribal Notice

Wyoming Department of Health

State Plan Amendment for Attachment 4.19-A – Inpatient Hospital Reimbursement

August 30, 2023

Public and Tribal notice is hereby given that the Wyoming Department of Health intends to submit a State Plan Amendment (SPA) to the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services. The SPA documents changes to the Diagnosis Related Group (DRG) payment method for hospital inpatient services, the calculation of supplemental payments for government-owned hospitals through the Qualified Rate Adjustment (QRA) program, the calculation of supplemental payments for privately-owned hospitals through the Private Hospital Supplemental (PHS) payment program, and makes a very small wording change the language describing Disproportionate Share Hospital (DSH) supplemental payments. This SPA also includes new documentation of the WY Medicaid hospital inpatient Upper Payment Limit demonstration methodology, and documents the method used for calculating Medicaid reimbursement on hospital inpatient Medicare Crossover claims in which Medicare is the primary payer. A separate public and tribal notice was posted earlier in the summer of 2023 for a new supplemental payment program also documented in State Plan Attachment 4.19- A. This new supplemental payment program is for services provided by Psychiatric Residential Treatment Facilities (PRTFs).

The SPA changes include the following:

1. **Diagnosis Related Group (DRG):** Wyoming Medicaid intends to update the DRG payment methodology for hospital inpatient services. This includes updating from version 33 of All Patient Refined (APR) DRG to version 40, updating some payment parameters including policy adjustors, and changing the categories of hospitals receiving separate base rates.
2. **Qualified Rate Adjustment (QRA) and Private Hospital Supplemental (PHS) Payment Programs:** Wyoming Medicaid intends to remove the description of how the hospital outpatient UPL is determined from these two sections.
3. **Disproportionate Share Hospitals (DSH):** Wyoming Medicaid intends to make a wording substitution to Section 4.(c)(ii)(c) to replace “QRA payments” with “all hospital supplemental payments.”
4. **Inpatient UPL:** Wyoming Medicaid intends to add a new section to State Plan Attachment 4.19-A to describe the current WY Medicaid hospital inpatient Upper Payment Limit demonstration methodology. Also, new with SFY 2024 WY Medicaid plans to shift from cost-based to Medicare pricing for determination of the UPL for hospitals that are paid by Medicare via the Medicare Inpatient Prospective Payment System (IPPS).

5. **Inpatient Crossover:** Wyoming Medicaid intends to add a new section to State Plan Attachment 4.19-A to describe the payment method for calculation of Medicaid Allowed Amount on hospital inpatient Medicare crossover claims in which Medicare is the primary payer. This payment method is already in place and documented in State Plan Attachment 4.19-B.

Wyoming Medicaid estimates this programmatic change to be budget neutral for the Medicaid general fund, but will use approved inter-governmental transfer, assessment, and distribution methodologies to access additional federal revenue for qualifying providers and services.

Pursuant to governing statute, Wyoming Medicaid may withhold up to 3% of calculated payments to cover the program's administrative costs.

Copies of the Wyoming Medicaid State Plan will be available at the Department of Health, Division of Healthcare Financing. To obtain a copy of the State Plan Amendment or provide comment, please contact:

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Public comment will be accepted from August 30, 2023 – September 30, 2023.