



SFY 2024 WYOMING MEDICAID REIMBURSEMENT BENCHMARKING STUDY

Based on Data Ending State Fiscal Year 2024

Wyoming Department of Health

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Section 1: Introduction

The *SFY 2024 Wyoming Medicaid Benchmarking Study* is the seventeenth 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 2024 Annual Report* that provides information to policymakers as they evaluate reimbursement systems and payment levels to 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 2024 Benchmarking Study compares Wyoming Medicaid rates to rates from Medicare, six other surrounding state Medicaid programs (Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah), and commercial payers, where available. The methodologies and benchmarks used in the benchmarking analysis are detailed in Appendices A-I of this report. Section 2 also describes all Wyoming Medicaid reimbursement and benefit changes that occurred during SFY 2024.

Figure 1.1: Service Areas Included in the SFY 2024 Benchmarking Study

Service Areas Included in the Benchmarking Study	
Ambulance	Maternity
Ambulatory Surgery Center (ASC)	Nursing Facilities
Behavioral Health	Physician and Other Practitioner ¹
Dental	Prescription Drugs
Developmental Center	Psychiatric Residential Treatment Facility (PRTF)
Durable Medical Equipment, Prosthetic, Orthotic and Supply (DMEPOS) ²	Public Health, Federal (Tribal Facilities)
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 - Inpatient	Vision - Optician/Optomety
Hospital - Outpatient	Telehealth/Telemedicine
Intermediate Care Facility – Intellectually Disabled (ICF-ID)	Waiver Services (HCBS)
Laboratory	

Considerations Regarding Medicaid Reimbursement

The Federal government allows each state to set its own Medicaid rates based upon their program goals and objectives as long as states 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 plan at least to the extent that such care and services are available to the general population in the geographic area.

¹ Includes primary care, physician specialist, and maternity providers.

² Includes DMEPOS rentals and purchases.

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 program leaders, therefore, must sometimes make difficult choices regarding provider payment levels relative to the economic environment of the State and the availability of funding.

Finally, there are Federal regulations regarding the limits 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, and other qualified practitioners, Medicaid payments may not exceed a reasonable estimate of the amount that would be paid under the Medicare program to a group of service providers within each of the provider grouping categories (state-owned or operated, non-state owned or operated, and private).³ 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 each of the providers grouping categories (state-owned or operated, non-state government owned or operated, and private) may not exceed the upper payment limit.^{4,5}
- For PRTFs and Institutions of Mental Disease (IMDs), Medicaid payment may not exceed the provider's customary charges.³
- Medicaid payment for clinical diagnostic laboratory services provided by a physician, independent laboratory, or hospital may not exceed the Medicare fee schedule on an individual procedure code level.⁶

Considerations Regarding Rate Adjustments

Wyoming Medicaid adjusts most service rates on an "as needed" basis, while certain components, such as relative weight values for outpatient hospital Ambulatory Payment Classifications (APCs) and provider cost-to-charge ratios and rates for the outpatient and inpatient payment systems, are updated annually. Wyoming Medicaid must also consider State budget targets when performing updates, which can involve maintaining budget neutrality for a particular service area and/or for the entire Wyoming Medicaid program. There are also, on occasion, legislatively mandated budget increases or decreases (service-specific or overall).⁷

Updates to one fee schedule may affect multiple service areas. For example, the Wyoming Medicaid's Physician and Other Practitioner Resource Based Relative Value Scale (RBRVS) 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

³ 42 CFR § 447.272

⁴ 42 CFR § 447.321

⁵ The provider grouping categories are 1) state-owned or operated, 2) non-state owned or operated and 3) privately owned or operated.

⁶ State Medicaid Manual, Title XIX State Plan Amendments, Part 6 Section 6300.2 "Fee Schedules for Outpatient Clinical Laboratory Tests".

⁷ Effective January 1, 2021, Wyoming Department of Health, Division of Healthcare Financing implemented a 2.5 percent rate reduction across all provider services.

reimbursement levels to become disconnected from industry standards and current utilization and expenditure trends.

Comparison to Other States' Medicaid Programs

Comparisons of Wyoming Medicaid rates to other states' Medicaid rates can provide Wyoming Medicaid with useful reference points for evaluating Wyoming's rates. These comparisons confirm that Wyoming rates are sufficient to enlist enough providers such that Medicaid beneficiaries have sufficient access to services. However, states may have different reimbursement methodologies and coverages, so direct rate comparisons are not always available. Medicaid rates may be impacted by a state's desire to provide consistent reimbursement across service areas or by efforts to attract and retain provider types that are particularly important to their Medicaid population. Therefore, when viewed in isolation, rate comparisons across states or service areas may not provide an accurate comparison due to 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 in Appendix A, and detailed analyses by service area are provided in Appendix B.

Comparison to Medicare

Although there are differences between Medicare and Medicaid in terms of population demographics, coverage, and payment policies, Medicare is an important comparison point for Medicaid, as Medicare payment rates are generally determined based on the relative cost of a service. 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 determines Medicare reimbursement levels, while Medicaid coverage, reimbursement methodologies, and payment levels are determined by state legislatures and the state agencies that administer the programs.

There are select Medicaid services that are covered only to a limited extent by Medicare. For example, nursing homes are primarily covered by Medicaid and to a more limited extent (and with different coverage) by Medicare. There are other Medicaid services, such as dental or vision, which are generally not covered by Medicare.

For services that Medicare reimburses under a fee schedule, WDH compared Wyoming Medicaid SFY 2024 payments to the CY 2024 Medicare fee schedules.⁸ Medicare reimburses the following services under a fee schedule: ambulance, behavioral health, DMEPOS, hospice, laboratory, physician, and vision services.⁹ To the extent that the Medicare payments varied by geographic region, WDH uses those payments that are specific to Wyoming.¹⁰ To determine

⁸ 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 2024 to Wyoming Medicaid rates from SFY 2024.

⁹ 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.

¹⁰ WDH used Wyoming-specific Medicare fee schedules for the following service areas: ambulance, behavioral health,

Medicare rates for home health services, WDH calculated average Medicare home 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 2024 claims volume (see Figure 2.10) to Medicare's CY 2024 Outpatient Prospective Payment System (OPPS) conversion factor. The methodology for these comparisons is in Appendix A, and detailed analyses are provided in Appendix C.

Comparison to Commercial Payers

Another benchmark for comparison in the SFY 2024 Benchmarking Report are rates that commercial health plans (i.e., non-government) pay providers in the State. While commercial payers are often the "highest" payer, a comparison of commercial rates offers insights into the commercial market and rates paid by commercial payers. 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 determining the average amount paid for each service, using the 2023 Truven MarketScan database.¹¹ The methodology for these comparisons is discussed in Appendix A, and detailed analyses by service area are presented in Appendix B.

Medicaid Expansion

Medicaid expansion has continued to gain traction across the United States. As of 2025, forty-one states and the District of Columbia have adopted Medicaid expansion provisions. This includes all states surrounding Wyoming. For example, Colorado adopted Medicaid expansion when first available on January 1, 2014. Since then, Idaho, Montana, Nebraska, South Dakota, and Utah have all approved and implemented Medicaid expansion. In 2018, voters in Idaho, Nebraska, and Utah approved Medicaid expansion via ballot measure for implementation in 2020. In 2022, South Dakota voters approved Medicaid expansion, and it was implemented on July 1, 2023, using the traditional model.¹² While most states, such as Montana and Utah, traditionally expanded Medicaid as outlined by the Affordable Care Act, some expanded Medicaid in a CMS approved alternative manner through 1115 waivers.¹²

Many states cited expansion as a means to remove a "hidden health care tax" and provide health care providers with compensation for the monetary losses resulting from treating Medicare and Medicaid patients and uninsured patients. A hidden health care tax refers to the cost that is shifted to privately insured patients, placing a burden on the state's population and their employers.

Figure 1.2 presents a timeline of Medicaid expansion adoption among the comparative states included in this benchmarking analysis. It highlights the staggered implementation dates,

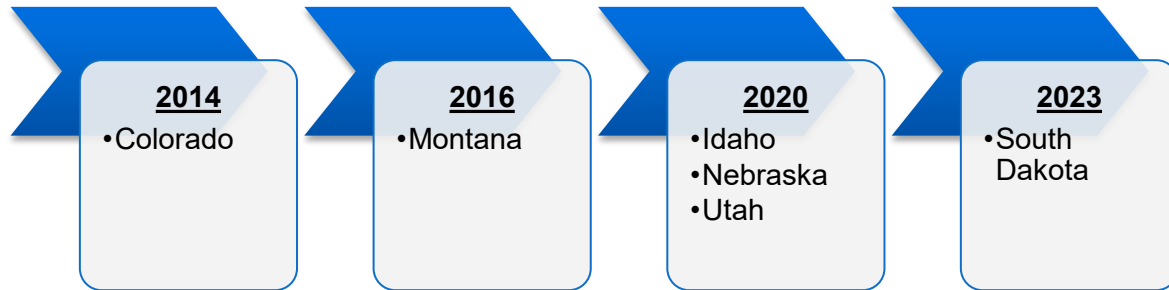
DMEPOS, laboratory, physician, and vision. Medicare does not produce Wyoming-specific fee schedules for ASC or hospice.

¹¹ 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 2023 (the most recent year of data available).

¹² Kaiser Family Foundation, (April 9, 2025). *Status of State Medicaid Expansion Decisions*. Available online: <https://www.kff.org/status-of-state-medicaid-expansion-decisions/>

beginning with Colorado in 2014 and most recently South Dakota in 2023. This progression underscores regional trends and policy shifts in Medicaid coverage over the past decade.

Figure 1.2: Timeline of Surrounding States Medicaid Expansion Coverage



Summary of Surrounding States Medicaid Expansion

- Colorado:** The state was an early adopter of Medicaid expansion, extending coverage to parents of covered Medicaid youth and childless adults in 2009, prior to passage of the Affordable Care Act. As a result, Colorado was eligible for the increased FMAP for the Medicaid expansion population when it was first available on January 1, 2014.¹³
- Idaho:** Following a Medicaid expansion ballot measure in 2018, Idaho began Medicaid coverage on January 1, 2020, for adults with an annual income up to one hundred thirty-eight percent (138%) of the federal poverty level (FPL). The Idaho legislature directed the State to submit several waivers targeted at the expansion population, including work requirements and coverage choice.
- Montana:** Montana submitted a 1115 waiver to CMS in 2015 and began Medicaid coverage on January 1, 2016, for adults with an annual income up to one hundred thirty-eight percent (138%) of the FPL. CMS initially approved the Section 1115 Demonstration for Medicaid expansion through 2019. In 2019, Montana submitted a Section 1115 Demonstration waiver renewal for an additional six years. However, the 2019 waiver included work requirements as a condition of eligibility. In 2021, the Biden Administration notified Montana that the work requirement provision would not be approved.¹⁴ Additionally, in December 2021, CMS notified Montana that the premium requirement for the expansion population contained in the Section 1115 Demonstration needed to be phased out by 2022.¹⁵ In March 2025, Governor Gianforte signed legislation removing the June 2025 termination date, thereby extending the Medicaid expansion program indefinitely.¹⁶ Montana law also includes a

¹³ Colorado Health Institute, "ACA at 10 Years: Medicaid Expansion in Colorado," Available online: <https://www.coloradohealthinstitute.org/research/aca-ten-years-medicaid-expansion-colorado>

¹⁴ Montana DPHHS, "Montana's New Healthcare Option," Available online: <https://dphhs.mt.gov/medicaidexpansion/>

¹⁵ KFF, "Status of State Medicaid Expansion Decisions," (April 9, 2025). Available online: <https://www.kff.org/status-of-state-medicaid-expansion-decisions/>

¹⁶ Montana Legislative Services, HB 245: Revise the Montana HELP Act workforce development provisions and termination date, (2025). Available online: https://bills.legmt.gov/#/laws/bill/2/LC0953?open_tab=sum

trigger provision that requires the termination of the Medicaid expansion if the federal medical assistance percentage (FMAP) falls below 90 percent.¹⁷

- **Nebraska:** Following a Medicaid expansion ballot measure in 2018, Nebraska began Medicaid coverage on January 1, 2020. CMS initially approved a waiver to implement a tiered benefit structure that requires members to meet a work requirement; however, Nebraska withdrew that waiver in 2021, following the Biden Administration's decision to withdraw Medicaid work requirement provisions. Nebraska began offering full benefits to all expansion adults beginning on October 1, 2021.¹⁸ Nebraska initially introduced a modified tiered benefits approach but later abandoned it in favor of the standard expansion model.²³
- **Utah:** Following a Medicaid expansion ballot measure in 2018, Utah began Medicaid coverage on January 1, 2020. At the direction of the Utah state legislature, the state amended its 1115 Primary Care Network Waiver to expand Medicaid eligibility to adults under the age of sixty-five with an annual income thirty-eight up to one hundred thirty-eight percent (138%) of the FPL. If available, Utah requires newly eligible adults to enroll in their employer-sponsored health plan and will cover monthly premiums, co-pays, and deductibles. In August 2021, CMS withdrew approval of Utah's Community Engagement (CE) requirement.^{19,20}
- **South Dakota:** Following a Medicaid expansion ballot measure in 2022, South Dakota began Medicaid coverage on July 1, 2023, for adults ages 18 to 64 with incomes up to one hundred thirty-eight percent (138%) of the federal poverty level. Expansion recipients receive the same benefit package as traditional adult Medicaid recipients regardless of their category of eligibility.²¹ In November 2024, South Dakota voters approved a constitutional amendment allowing the state to pursue work requirements for Medicaid expansion enrollees. However, implementation of such requirements is contingent upon receiving approval from CMS.²²

¹⁷ Kaiser Family Foundation, (April 9, 2025). *Status of State Medicaid Expansion Decisions*. Available online: <https://www.kff.org/status-of-state-medicaid-expansion-decisions/>

¹⁸ Nebraska DHHS, "Medicaid Expansion in Nebraska," Available online: <https://dhhs.ne.gov/Pages/Medicaid-Expansion.aspx>

¹⁹ Utah Department of Health, Medicaid, "Medicaid Expansion," Available online: <https://medicaid.utah.gov/expansion/>

²⁰ Utah Department of Health and Human Services. (n.d.). *ESI Enrollment Requirements*. Retrieved March 25, 2025, from https://oepmanuals.dhhs.utah.gov/300/348-3.1_ESI_Enrollment_Requirements.htm

²¹ South Dakota DSS, "Medicaid Expansion and Unwinding," (2023). Available online: https://dss.sd.gov/docs/medicaid/general_info/tribal/2023/01_24_23/Medicaid_Expansion_and_Unwinding.pdf

²² South Dakota Legislature, Senate Joint Resolution 501, (2024). Available online: <https://sdlegislature.gov/Session/Bill/24592>

- **Reduced Postpartum Hospitalizations:** A study based on hospital data collected from 2010 to 2017, has shown Medicaid expansion led to greater coverage of lower-income birthing people for preconception and postpartum care. When comparing changes in hospitalizations in states with a Medicaid covered delivery in states with and without Medicaid Expansion, it was found that a seventeen percent (17%) reduction in hospitalizations associated with Medicaid Expansion occurred in the first sixty days postpartum.²⁵

Fee-for-Service (FFS) Reimbursement Rates

During the COVID-19 pandemic, federal policymakers sought to financially bolster states, hospitals, and other healthcare providers through various methods including enhanced federal matching funds for Medicaid, which were available through December 31, 2023. After the enhanced federal medical assistance percentage (FMAP) expired, rising inflation and workforce shortages put pressure on states to sustain the increased funding. Below are the highlights of each state's FFS rate increases for SFY 2024 ²⁶:

- **Wyoming:** Wyoming implemented a twenty-five percent (25%) increase in dental rates effective April 1, 2023, followed by a 20% increase in nursing facility rates effective July 1, 2023.
- **Colorado:** Effective July 1, 2023, Colorado's Medicaid program implemented a three percent (3%) across-the-board provider rate increase for Home and Community-Based (HCBS) waiver services. In addition to this general increase, the state also approved targeted rate increases and base wage rate adjustments for specific services, including Non-Medical Transportation under the Developmental Disabilities (DD) and Supported Living Services (SLS) waivers, as well as Residential Habilitation services under the DD Waiver.²⁷
- **Idaho:** Effective July 1, 2023, Idaho Medicaid increased reimbursement rates for 38 unique service codes for various behavioral health services. The rate increases ranged from five percent (5%) to thirty percent (30%) and resulted from a behavioral health reimbursement rate analysis.²⁸
- **Montana:** On June 14, 2023, Montana passed House Bill 2, which included \$339 million in rate increases for Medicaid providers over fiscal years 2026 and 2027. The aim of this

²⁵ Health Affairs, "Medicaid Expansion Led to Reductions in Postpartum Hospitalizations," (January 2023). Available online:

<https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2022.00819?journalCode=hlthaff>

²⁶ Hinton, E., Williams, E., Raphael, J., Mudumala, A., Rudowitz, R., Gifford, K., Lashbrook, A., & Knapp, C., "50-state Medicaid budget survey: FY 2024-2025 provider rates and taxes," (October 23, 2024). Available online: <https://www.kff.org/report-section/50-state-medicaid-budget-survey-fy-2024-2025-provider-rates-and-taxes/>

²⁷ Medicaid, Colorado Combined Appendix K Amendment, (July 2023). Available online: <https://www.medicaid.gov/state-resource-center/downloads/co-combined-16-appendix-k-appvl.pdf>

²⁸ Optum, "May 1, 2023, Provider Alert on Reimbursement Rate Increases, Effective July 1, 2023," (May 2023). Available online: <https://public.providerexpress.com/content/dam/ops-optidaho/idaho/docs/alerts/2023-alerts/May%201%202023%20--%20IBHP%20Reimbursement%20Rate%20Increases%20Effective%20July%201%202023.pdf>

historic Medicaid provider rate increase was to provide stability to healthcare providers and expand access to services.²⁹

- **Nebraska:** Effective July 1, 2023, Nebraska implemented a three percent (3%) rate increase for Medicaid services.³⁰
- **South Dakota:** Starting July 1, 2023, South Dakota Medicaid implemented a five percent (5%) inflationary rate increase for most services, along with targeted rate enhancements for private duty nursing, home health, and applied behavior analysis services.³¹

Medicaid Services Final Rule: Ensuring Access to Medicaid Services (Access Rule)

The CMS payment rule disclosure 447.203(b)(2) to (4) will go into effect on July 1, 2026. The payment rule disclosure draws from the fee-for-service provisions outlined in the *Ensuring Access to Medicaid Services (Access rule)* final rule (CMS-2442-F).³² Notable components of the Access Rule fee-for-service provisions include state requirements to:

1. Publish all FFS Medicaid fee schedule payment rates on a publicly available and accessible website.
2. Compare state Medicaid FFS payment rates for primary care, obstetrical and gynecological care, and outpatient mental health and substance use disorder services to Medicare rates and publish the analysis every two years.
3. Publish the average hourly rate paid for personal care, home health aide, homemaker, and habilitation services, and the disclosure every two years.

While Wyoming addresses some of these requirements through the Benchmarking and Annual reports, the SFY 2025 Benchmarking report will begin to provide more detail on the required information as provisions are finalized.

²⁹ DPHHS, "Montana Healthcare Programs Notice," (July 2023). Available online:

<https://medicaidprovider.mt.gov/docs/providernotices/2023/ProviderRateIncreases.pdf>

³⁰ Nebraska DHHS, "Division of Medicaid and Long-Term Care Nebraska Medicaid Annual Report," (December 2024).

Available online: <https://dhhs.ne.gov/Reports/Medicaid%20Annual%20Report%20-%202024.pdf>

³¹ South Dakota DSS, "Provider Bulletin," Available online:

https://dss.sd.gov/docs/medicaid/providers/ProviderBulletins/2022/08.03.22_Summer_Provider_Newsletter.pdf

³² CMS, Ensuring Access to Medicaid Services Final Rule, (April 2024). Available online:

<https://www.cms.gov/newsroom/fact-sheets/ensuring-access-medicare-services-final-rule-cms-2442-f>

Section 2: Reimbursement Options

Policymakers face complex decisions about the most effective and equitable distribution of limited state resources. As part of their decision-making process, they must evaluate reimbursement systems and payment levels, make recommendations for further analyses and changes, and set priorities. The purpose of this section is to provide information and rationale to support WDH's decision-making processes regarding reimbursement policies and levels.

Section 2 describes WDH's recommendations regarding Medicaid reimbursement methodologies, payment amounts, and the 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 and equitable payments that support providers' continued participation in the Wyoming Medicaid program and beneficiaries' access to services.

Program Changes During SFY 2024

Wyoming Medicaid made several program changes pertaining to covered services and reimbursement during SFY 2024, which are presented in Figure 2.1. For additional information on the table below, please reference the SFY 2024 Wyoming Medicaid Annual Report.

Figure 2.1: Medicaid Coverage and Reimbursement Changes

Eligibility Category/ Service Area	Action	Effective Dates
Ambulance	<ul style="list-style-type: none">Supplemental payments became available for in-state ground ambulance providers.	July 1, 2023
Durable Medical Equipment	<ul style="list-style-type: none">Updated the reimbursement methodology for durable medical equipment/supplies to allow for 90% non-rural and rural rate according to the member's physical address.	July 1, 2023
End-Stage Renal Disease	<ul style="list-style-type: none">Updated the reimbursement methodology from using a percentage of charges reimbursement to using an average Medicare rate.	October 1, 2023
Hospice	<ul style="list-style-type: none">Updated the reimbursement methodology for hospice services to include reduced reimbursement when quality data is not submitted by a provider.	July 1, 2023
Inpatient Hospital	<ul style="list-style-type: none">Updates made to the reimbursement methodology Diagnosis Related Group (DRG) payment method for hospital inpatient services.	July 1, 2023
Maternity	<ul style="list-style-type: none">Elected the option described in section 1902(e)(16) of the Social Security Act to provide 12 months of postpartum coverage to Medicaid-eligible pregnant individuals.	July 1, 2023

Figure 2.1: Medicaid Coverage and Reimbursement Changes

Eligibility Category/ Service Area	Action	Effective Dates
Nursing Facilities	<ul style="list-style-type: none"> Increased reimbursement rates for Wyoming nursing facilities by 20%. 	July 1, 2023
Podiatry Care	<ul style="list-style-type: none"> Added Podiatry Care as a covered benefit for all Wyoming Medicaid Members. 	July 1, 2023
Psychiatric Residential Treatment Facility (PRTF)	<ul style="list-style-type: none"> Increased PRTF reimbursement rates based on analysis of Medicaid cost reports and budget allocations. Established PRTFs in Wyoming that are privately owned and operated, or affiliated with a privately owned and operated hospital, qualify for quarterly supplemental payments.³³ 	July 1, 2023

Wyoming Medicaid Comparisons to Benchmarks

Comparing Wyoming 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 and/or retain provider types that are especially important to the Wyoming Medicaid population. WDH conducted comparisons with 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 the other states' Medicaid rates, Medicare rates, and average commercial payments.³⁴

Calculating this percentage allows a comparison of payment rates in each relative service area and these percentages can be used as an indicator of consistency between service areas. For example, if the Medicaid to Medicare rate ratios are similar for all the service areas, this may suggest that payment is set at a consistent level across service areas. If there are noticeably high or low 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' Medicaid rates, Medicare, and commercial payers.

Figure 2.2 compares Wyoming Medicaid rates to other state Medicaid programs, Medicare, and commercial payers, based on services with the highest total paid claims in SFY 2024 for each service area.

³³ CMS, "SPA WY 23-0014," (December 19, 2023). Available online: <https://www.medicaid.gov/medicaid/spa/downloads/WY-23-0014.pdf>

³⁴ The review of rates is limited to the top twenty procedure codes in Wyoming Medicaid claims data for each service area, based on the most frequently utilized codes and the top twenty codes with highest total expenditures during SFY 2024.

Figure 2.2: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Utilization³⁵

Service Area	Wyoming SFY 2024 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2024 Medicare Rates	Average Commercial Payments (2023)
Ambulance	95%	66%	Data not available.*
ASC	134%	114%	Data not available.*
Behavioral Health ³⁶	81%	89%	61%
Dental	120%	Medicare does not cover this service.	Data not available.*
Developmental Center	87%	80%	50%
DMEPOS ³⁷	120%	91%	Data not available.*
Home Health	72%	46%	Data not available.*
Hospice	99%	98%	Data not available.*
Hospital – Inpatient	Wyoming Medicaid pays approximately 71% of inpatient costs. ³⁸		
Hospital – Outpatient	The weighted average OPPS conversion factor for Wyoming is \$62.84. Montana uses a single conversion factor of \$58.39 and Utah follows a 0.8720 reduction of Medicare's OPPS conversion factor.	72%	Different reimbursement methodologies do not allow for direct comparisons.
Laboratory	110%	107%	105%

³⁵ For these comparisons, WDH reviewed the top codes for each service area based on paid claims volume in SFY 2024 and compared the SFY 2024 Wyoming Medicaid rates to CY 2024 Medicare rates and SFY 2024 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2024 fee schedules were not available online, WDH used the most recent rates available).

³⁶ 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.

³⁷ The Wyoming 2024 Medicaid rate as a percentage of other states and Medicare rates for DMEPOS used to purchase DMEPOS equipment.

³⁸ Inpatient costs are calculated using cost-to-charge ratios from hospital Medicare cost reports. See Figure 2.9 for additional information.

Figure 2.2: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Utilization³⁵

Service Area	Wyoming SFY 2024 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2024 Medicare Rates	Average Commercial Payments (2023)
Maternity Care	98%	103%	61%
Nursing Facility ³⁹	100%	Data not available.*	
Physician and other Practitioner	96%	90%	52%
Primary Care	96%	88%	59%
Physician Specialist	91%	90%	47%
Prescription Drugs	Wyoming's dispensing fee: \$10.64 Other states' dispensing fees range from \$9.31 to \$17.01 depending on various factors. ⁴⁰	N/A	Data not available*
PRTF	88%	Medicare does not cover this service.	Data not available.*
Vision – Ophthalmology	98%	98%	61%
Vision – Optician and Optometrist	101%	83%	Data not available.*

Figure 2.3 compares Wyoming Medicaid rates to other state Medicaid programs, Medicare, and commercial payers, based on services with the highest total expenditures in SFY 2024 for each service area.

³⁹ Wyoming's reimbursement methodology for nursing facilities is cost-based.

* There is little or no data available for this service area

⁴⁰ Excluding dispensing fees for drug compounding and hemophilia clotting factor. See Appendix B.1 for more information about prescription drug reimbursement in each state.

Figure 2.3: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Expenditures⁴¹

Service Area	Wyoming SFY 2024 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2024 Medicare Rates	Average Commercial Rates in Wyoming (2023)
Ambulance	95%	66%	Data not available.*
ASC	129%	103%	Data not available.*
Behavioral Health ³⁶	79%	87%	61%
Dental	119%	Medicare does not cover this service.	Data not available.*
Developmental Center	87%	80%	50%
DMEPOS ³⁷	123%	117%	Data not available.*
Home Health	72%	46%	Data not available.*
Hospice	99%	98%	Data not available.*
Hospital – Inpatient	Wyoming's reimbursement of in-state inpatient services covers approximately 71% of costs. ³⁸		
Hospital – Outpatient	<p>The weighted average OPPS conversion factor for Wyoming is \$62.84.</p> <p>Montana uses a single conversion factor of \$58.39 and Utah follows a 0.8720 reduction of Medicare's OPPS conversion factor.</p>	72%	Reimbursement methodology does not allow for direct comparisons.
Laboratory	115%	116%	113%
Maternity Care	98%	103%	61%
Nursing Facility ³⁹	100%	Data not available.*	

⁴¹ For these comparisons, WDH reviewed the top codes for each service area based on total expenditures in SFY 2024 and compared the SFY 2024 Wyoming Medicaid rates to CY 2024 Medicare rates and SFY 2024 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2024 fee schedules were not available on the States' websites, we used the most recent rates available).

Figure 2.3: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Expenditures⁴¹

Service Area	Wyoming SFY 2024 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2024 Medicare Rates	Average Commercial Rates in Wyoming (2023)
Physician and other Practitioner	95%	87%	53%
Primary Care	95%	87%	51%
Physician Specialist	93%	95%	48%
Prescription Drugs	Wyoming's dispensing fee: \$10.64 Other states' dispensing fees range from \$9.31 to \$17.01 depending on various factors. ⁴⁰	N/A	Data not available*
PRTF	88%	Medicare does not cover this service.	Data not available. *
Vision – Ophthalmology	96%	102%	62%
Vision – Optician and Optometrist	100%	84%	Data not available.*

Key Findings

Wyoming Medicaid has largely maintained the same provider reimbursement rates since a two-point five percent (2.5%), across-the-board reduction implemented during SFY 2021 as part of the Governor's Budget Cuts. While some targeted services have received increases, most rates have remained consistent. As surrounding states continue to increase their Medicaid reimbursement rates, Wyoming's rates have declined relatively.

In SFY 2024, Wyoming Medicaid rates exhibited several significant trends. Wyoming Medicaid consistently exceeded Medicare and surrounding state Medicaid rates for DMEPOS and Laboratory Services. Additionally, ASC, DMEPOS, and Laboratory Services exceeded both surrounding state Medicaid rates and Medicare rates. In Wyoming, Dental Services also consistently exceeded the surrounding state Medicaid rates, while Maternity Care and Ophthalmology Services exceeded Medicare rates.

However, there were notable declines in other service areas in Wyoming. Recently, Optician and Optometrist Services, which typically exceeded one hundred percent (100%) of the surrounding state rates, dropped to one hundred percent (100%) in SFY 2024. Similarly, Ambulance and Ophthalmology Services, which also usually exceeded 100% of the surrounding

state rates, fell below this benchmark in SFY 2024. Behavioral Health and Primary Care Services have shown steady decreases over time, with the gap between Wyoming and surrounding states widening since SFY 2019. This year marks Behavioral Health's lowest percentage, at seventy-nine percent (79%), compared to surrounding state rates.

Conversely, there were some increases in Wyoming Medicaid rates relative to surrounding states. Nursing Facility Services increased to one hundred percent (100%) of surrounding state rates, and PRTF Services saw a ten percent (10%) increase, reaching eighty-eight percent (88%) of the surrounding state rates. These observations highlight the dynamic nature of Wyoming Medicaid reimbursement, with some services maintaining or exceeding benchmarks while others experience declines.

Key Findings by Specific Service Area Expenditure Data Include:

- Ambulance:** As shown below in Chart 1 and Figure 2.4, Wyoming's Medicaid ambulance reimbursement has undergone a notable shift. Historically reimbursing above surrounding state levels, **SFY 2024 marks the first time in six years that Wyoming fell below one hundred percent (100%) of other states' Medicaid rates, declining to ninety-five percent (95%).** This drop is not due to a rate reduction in Wyoming, but rather to surrounding states implementing increases in their ambulance fee schedule service rates, while Wyoming's rates remained unchanged. Notably, effective July 1, 2023, WDH implemented the Ground Ambulance Supplemental Payment Program to provide supplemental payments for in-state ground ambulance providers.

Chart 1: Wyoming Ambulance Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

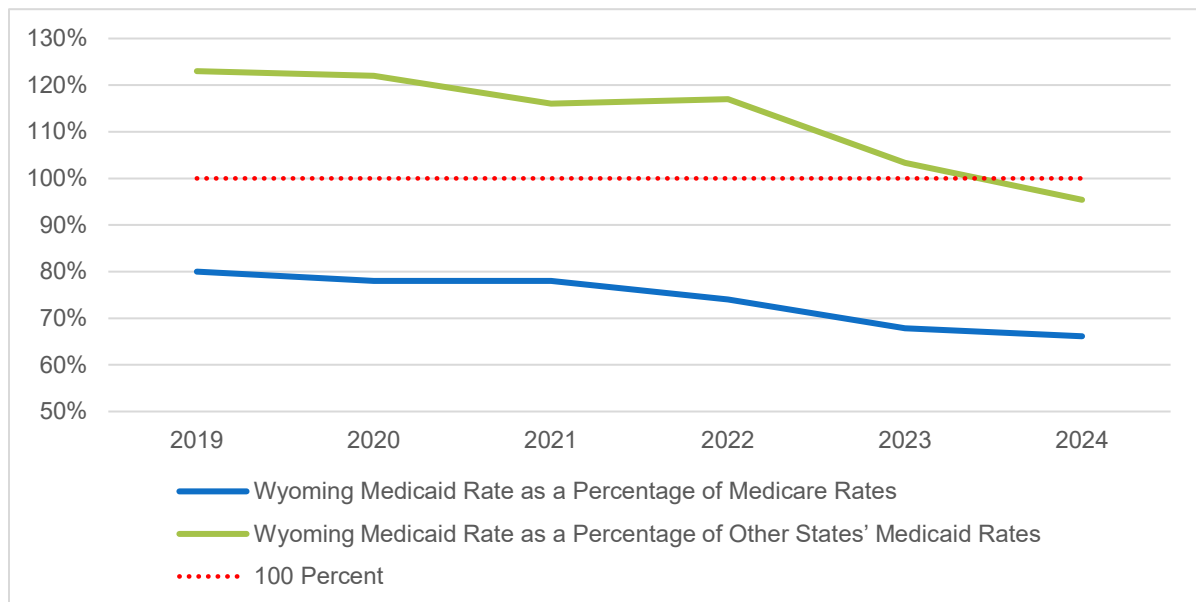
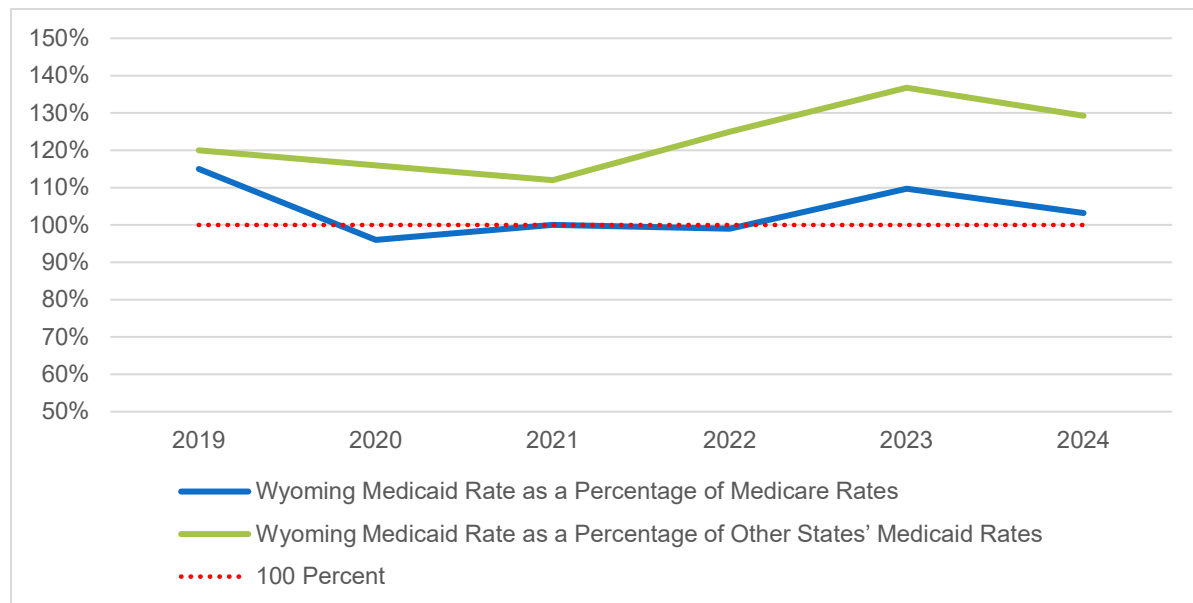


Figure 2.4: Wyoming Ambulance Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024
WDH Rate as a Percentage of Medicare Rates	80%	78%	78%	74%	68%	66%
WDH Rate as a Percentage of Other States' Medicaid Rates	123%	122%	116%	117%	103%	95%

- Ambulatory Surgery Center:** As shown below in Chart 2, Ambulatory Surgery Center (ASC) reimbursement in Wyoming observed a slight reduction relative to both Medicare and other state Medicaid programs. **In SFY 2024, Wyoming's ASC rates dropped from one hundred thirty-seven percent (137%) to one hundred twenty-nine percent (129%) of other states' Medicaid rates and one hundred ten percent (110%) to one hundred three percent (103%) of Medicare rates.** Wyoming currently reimburses Ambulatory Surgical Centers (ASCs) using the Wyoming OPPS fee schedule, which follows a methodology similar to that used for general acute care hospital outpatient services in the state. In contrast, Medicare and many other states reimburse ASC providers through an ASC-specific fee schedule that employs a distinct set of service weights and status indicators.

Chart 2: Wyoming ASC Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)



- Behavioral Health:** As shown below in Chart 3 and Figure 2.5, **Behavioral health services in Wyoming have experienced a multi-year decline in relative reimbursement.** From SFY 2019 through SFY 2024, Wyoming's rates have steadily dropped, landing at seventy-nine percent (79%) of other states' Medicaid rates in SFY 2024. Seventy-nine percent (79%) marks the lowest point of other states' Medicaid rates in six years. The decline may be attributed to a lack of rate adjustments in Wyoming, while surrounding states have invested in targeted increases.

Chart 3: Wyoming Behavioral Health Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

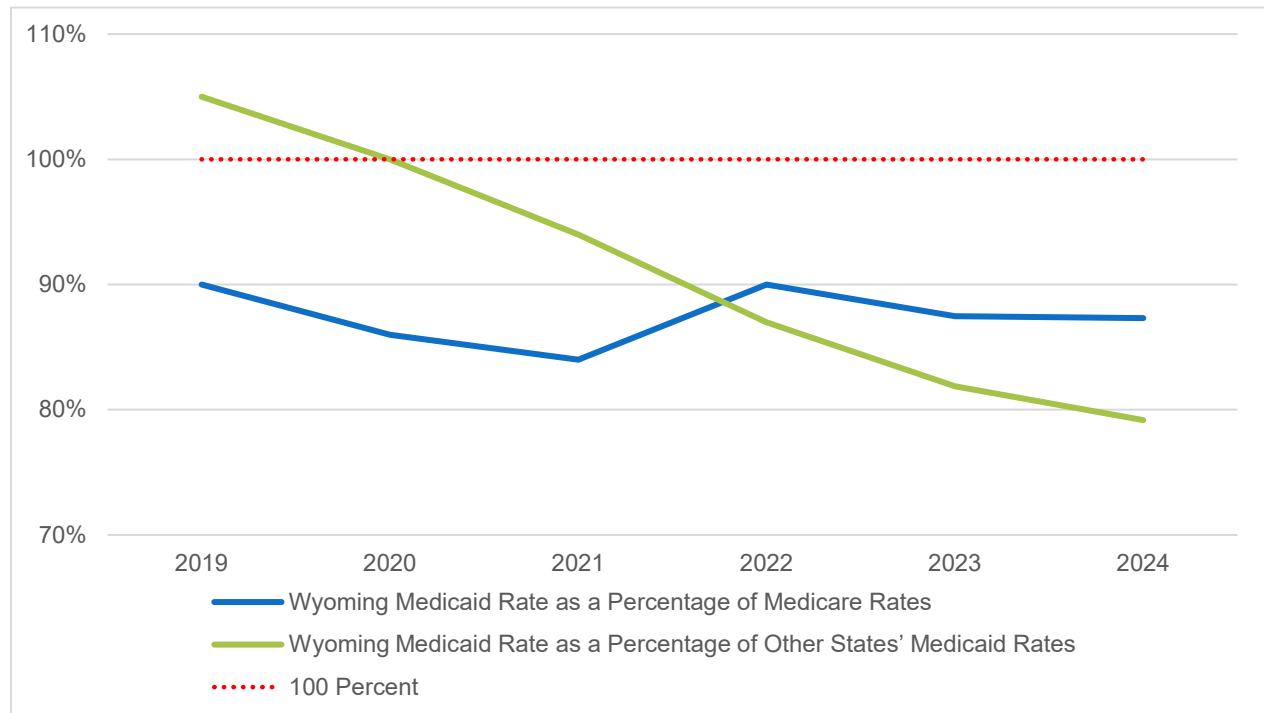


Figure 2.5: Wyoming Behavioral Health Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024
WDH Rate as a Percentage of Medicare Rates	90%	86%	84%	90%	87%	87%
WDH Rate as a Percentage of Other States' Medicaid Rates	105%	100%	94%	87%	82%	79%

- **Dental:** Wyoming Medicaid implemented a legislator-approved 25% increase in dental reimbursement beginning in April 2023, which drove a spike in comparative rates in SFY 2023. However, **by SFY 2024, surrounding states had responded with their own increases, reducing Wyoming's comparative advantage.** As a result, Wyoming's dental reimbursement dropped from one hundred thirty-two percent (132%) to one hundred nineteen percent (119%) of other states' Medicaid rates. While still above the benchmark, the trend reflects a shifting regional landscape.
- **Developmental Center:** After a sharp decline in SFY 2023 to eighty-four percent (84%), developmental center rates in Wyoming slightly recovered to eighty-seven percent (87%) of surrounding state Medicaid levels in SFY 2024. **This rebound reflects decreasing rates in some neighboring states, rather than increasing rates in Wyoming.** Nonetheless, the category remains below benchmark, suggesting ongoing need for review if Wyoming aims to sustain adequate rates in developmental center services.
- **Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS):** As in previous years, Wyoming's DMEPOS rates in SFY 2024 continue to exceed both 100% of Medicare and other states' Medicaid rates. Specifically, they are set at one hundred seventeen percent (117%) of Medicare rates and one hundred twenty-three percent (123%) of other states' Medicaid rates in SFY 2024. **Effective July 1, 2023, WDH modified the payment for the purchase of new DMEPOS to the lesser of ninety percent (90%) of the rural or non-rural rate established by Medicare DMEPOS and determined by the member's physical address.**
- **Hospital:** From SFY 2023 to SFY 2024, Wyoming's outpatient hospital OPPS conversion factor remained relatively stable. **Wyoming's outpatient weighted average OPPS conversion factor decreased slightly from \$63.38 in SFY 2023 to \$62.84 in SFY 2024, while Montana's single conversion factor increased from \$56.14 to \$58.39 in SFY 2024.**
- **Laboratory Services:** As shown below in Chart 4 and Figure 2.6, Laboratory Services continue to represent a large portion of reimbursement in Wyoming's Medicaid program. **In SFY 2024, fees reached one hundred fifteen percent (115%) of other states and one hundred sixteen percent (116%) of Medicare, continuing a multi-year trend.** Wyoming Medicaid reimbursement methodology for independent laboratory services is based on ninety percent (90%) of the outdated 2009 Medicare clinical laboratory fee schedule (CLFS). CMS introduced an updated CLFS methodology in 2018 and has seen a decrease in Medicare rates.

Chart 4: Wyoming Laboratory Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

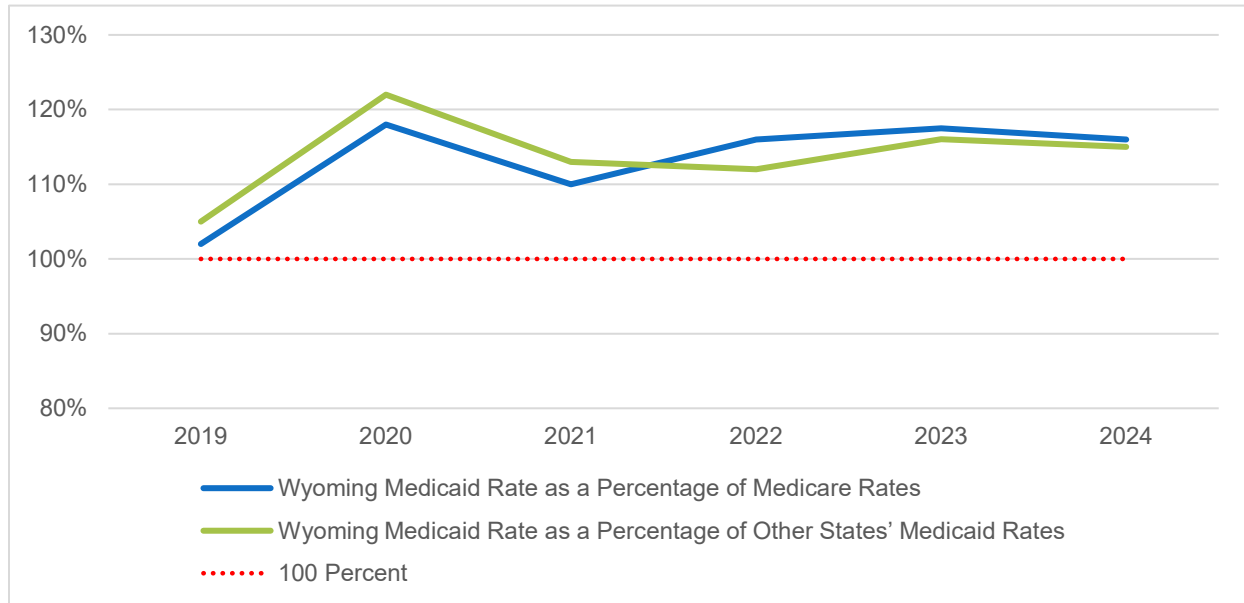


Figure 2.6: Wyoming Laboratory Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024
WDH Rate as a Percentage of Medicare Rates	102%	118%	110%	116%	117%	116%
WDH Rate as a Percentage of Other States' Medicaid Rates	105%	122%	113%	112%	116%	115%

- Nursing Facility:** In SFY 2024, nursing facility reimbursement in Wyoming reached parity with surrounding states for the first time in several years, rising to one hundred percent (100%) of peer Medicaid rates. The average facility rates in surrounding states continue to vary, ranging from \$155.41 (SD) to \$828.38 (ID). Of note, effective July 1, 2023, WDH increased reimbursement rates for nursing facilities by \$22 million, which likely contributed to this rise to one hundred percent (100%) of peer Medicaid rates.
- Ophthalmology:** Ophthalmology services experienced a significant shift in SFY 2024. **For the first time in the last six years, Wyoming's rates fell below benchmark values, dropping to ninety-six percent (96%) of other states' Medicaid rates.** The trend underscores increasing competitiveness from surrounding states, even as Wyoming remains strong relative to Medicare.

- **Optician and Optometrist:** Wyoming Medicaid rates for optician and optometrist services aligned with surrounding state averages in SFY 2024 for the first time in the last six years. Rates dropped to one hundred percent (100%) of other states' Medicaid rates, reflecting increases in surrounding state reimbursement.
- **Psychiatric Residential Treatment Services (PRTF):** As shown below in Chart 5 and Figure 2.7, Wyoming Medicaid rates for PRTF services decreased as a percentage of other states' Medicaid rates from SFY 2018 through SFY 2022. This decline was partly due to the two-point five percent (2.5%) rate decrease in SFY 2021, resulting from the Governor's budget cuts. Since the SFY 2021 rate decrease, Wyoming PRTFs received rate increases effective July 1, 2022, and July 1, 2023. Both rate increases were made based on analysis of Medicaid cost reports and budget allocations. **Wyoming Medicaid PRTF rates increased from seventy-seven percent (77%) in SFY 2023 to eighty-eight percent (88%) in SFY 2024.** Please note, a comparison with Medicare is not possible, as PRTF services are not covered by Medicare.

Chart 5: Wyoming PRTF Rates as a Percentage of Other States' Medicaid Rates (Based on Expenditures)

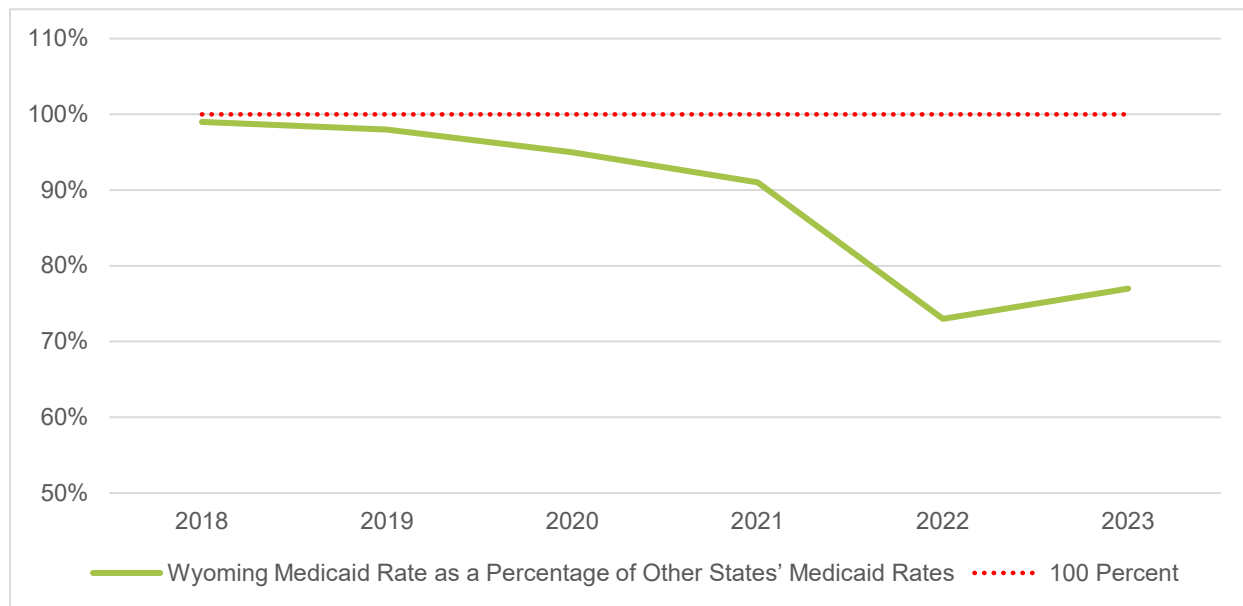


Figure 2.7: Wyoming PRTF Rates as a Percentage of Other States' Medicaid Rates (Based on Expenditures)

	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024
WDH Rate as a Percentage of Other States' Medicaid Rates	99%	98%	95%	91%	73%	77%	88%

- Physician Services:** In the prior year's benchmarking analysis, Wyoming Medicaid, on average, paid higher rates for physician services than Medicaid programs in surrounding states. However, the SFY 2024 analysis demonstrated continued downward trends in Wyoming's Maternity Care, Physician and Other Practitioner, and Primary Care rates. Of note, effective July 1, 2023, WDH extended postpartum coverage for pregnant women from 60 days to 12 months and added podiatry as a covered benefit available to all Wyoming Medicaid members. Both programmatic changes potentially impacted the physician service landscape and, in turn, expenditures. While rates continue to decrease, they remain near one hundred percent (100%) of the other state Medicaid rates. As shown in Chart 6 and Figure 2.8, Wyoming Medicaid rates for primary care services continue to decrease, shifting from ninety-eight percent (98%) in SFY 2023 to ninety-five percent (95%) of surrounding states' rates in SFY 2024.

Chart 6: Wyoming Primary Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

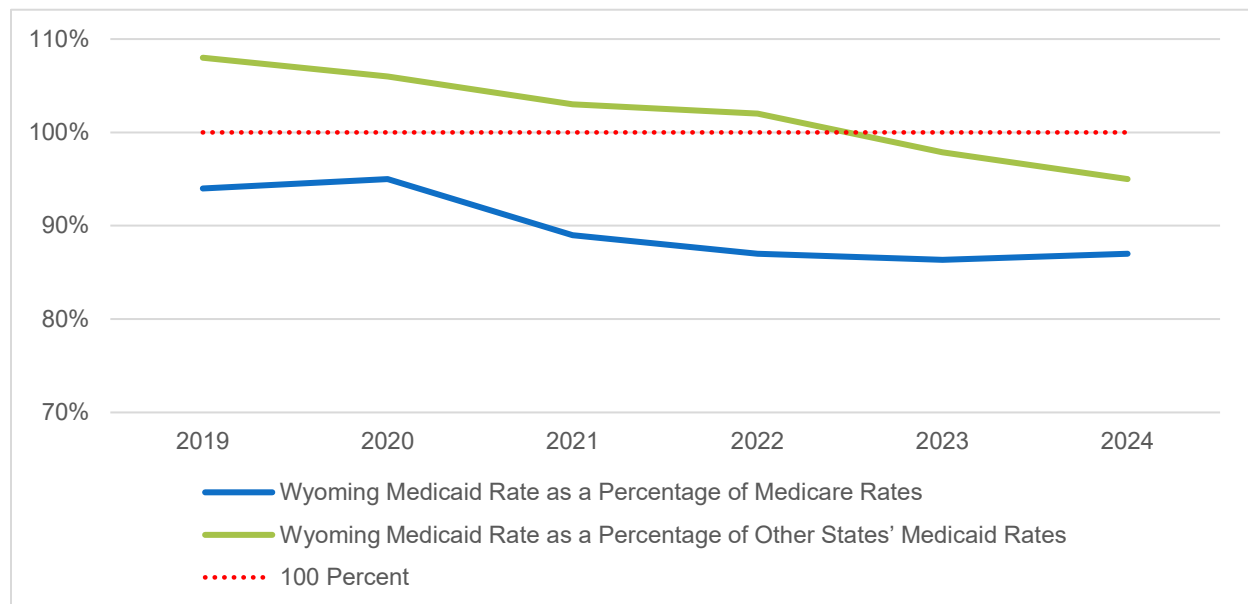


Figure 2.8: Wyoming Primary Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024
WDH Rate as a Percentage of Medicare Rates	94%	95%	89%	87%	86%	87%
WDH Rate as a Percentage of Other States' Medicaid Rates	108%	106%	103%	102%	98%	95%

Hospital Benchmarks

WDH and Guidehouse utilized data from Wyoming Medicaid's SFY 2024 Upper Payment Limit Demonstration, along with additional data from out-of-state hospitals, to estimate cost coverage for participating inpatient and outpatient hospitals. Figure 2.9 illustrates the hospital cost coverage benchmarks for Wyoming's in-state providers in SFY 2024, representing the average level of hospitals' costs covered by Medicaid payments. To estimate the costs for Medicaid cost coverage calculations, WDH applied cost-to-charge ratios and cost per diems from Medicare hospital cost reports to Wyoming Medicaid paid claims data. These estimated costs are considered a reasonable approximation of the amount Medicare would have paid for the same services. Comparing Wyoming's Medicaid payments to hospitals' costs is useful, as cost coverage can serve as a benchmark for assessing the reasonableness of a state's Medicaid payments.

Wyoming Medicaid has two hospital supplemental payment programs that improve cost coverage for in-state Wyoming providers: the Wyoming Qualified Rate Adjustment (QRA) and the Private Hospital Assessment supplemental payment programs. Figure 2.11 below illustrates cost coverage for in-state Wyoming hospitals, both with and without supplemental payments. Without the inclusion of QRA and Private Hospital Supplemental Payments, cost coverage is approximately seventy-one percent (71%) for inpatient services and forty-three percent (43%) for outpatient services. However, when QRA and Private Hospital Assessment Payments are included, inpatient cost coverage increases to one hundred twenty-four percent (124%) and outpatient cost coverage rises to one hundred one percent (101%). 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.

Figure 2.9: Hospital Cost Benchmarks for In-State Hospitals

Hospital Payment Type	Cost Coverage Before QRA and Private Hospital Assessment Payments	Cost Coverage Including QRA and Private Hospital Assessment Payments
Inpatient	71%	124%
Outpatient	43%	101%

Inpatient Services

Wyoming APR DRG Transition: On May 20, 2019, CMS approved Wyoming's APR DRG payment methodology, transitioning payments for inpatient services from the Level of Care (LOC) based payment methodology effective February 1, 2019. As part of this transition, WDH and Guidehouse reassessed out-of-state provider participation and cost coverage for Wyoming in-state providers and participating out-of-state providers. Beginning in SFY 2025, Wyoming Medicaid updated the version of APR DRGs used and the DRG payment parameters *on an annual basis* with the new version and payment parameters effective at the start of the state fiscal year, July 1.

Starting in SFY 2024, WDH changed the calculation of the annual Upper Payment Limit for hospital inpatient services from a cost-based calculation to a determination of Medicare payment under the Medicare Inpatient Prospective Payment System (IPPS) for those hospitals reimbursed through the IPPS by Medicare. This resulted in significantly higher Upper Payment Limits for the applicable hospitals and allowed for larger supplemental payments through the QRA and Private Hospital Supplemental payment programs.

Outpatient Services

Wyoming adopted Medicare's Ambulatory Payment Classification (APC) relative weights for reimbursement of outpatient hospital services but utilizes state-specific conversion factors.⁴² Wyoming Medicaid uses three conversion factors for its outpatient hospitals: critical access hospitals (CAH), children's hospitals, and general hospitals compared to Medicare's single conversion factor. Medicare also applies geographic adjustments, which Wyoming Medicaid does not. As shown in Figure 2.10, the weighted average of the three conversion factors for CY 2024 was \$62.84, compared to Medicare's single conversion factor for 2024 of \$87.38.⁴³ The Wyoming Medicaid rate was determined to be approximately seventy-two percent (72%) of Medicare's.

Figure 2.10: Wyoming Outpatient Hospital Conversion Factors for CY 2024

Type	OPPS Conversion Factor	Percent of CY 2022 Claims	Weighted Average WY Conversion Factor	Conversion Factor and Payment Rates as Percentage of Medicare
Medicare (CY 2024)	\$87.38	N/A	N/A	N/A
WY General Hospital (CY 2024)	\$46.37	73.31%	\$62.84	72%
WY CAH (CY 2024)	\$111.42	23.51%		
WY Children's Hospital (CY 2024)	\$83.39 ⁴⁴	3.18%		

⁴² At WDH's initial implementation of the OPSS, 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.

⁴³ WDH calculated the weighted average WY conversion factor based on the volume of claims in CY 2022 for each hospital type.

⁴⁴ The children's hospital OPSS conversion factor only applies to out-of-state providers as there are no children's hospitals in Wyoming.

Wyoming Medicaid Rates as a Percentage of Medicare Rates

Wyoming Medicaid has had higher benchmarked rates compared to Medicare for several services including ASC, DMEPOS, Laboratory, Maternity Care, and Ophthalmology. These higher Medicaid payments can create challenges in meeting the federal Upper Payment Limit (UPL) requirements. As a result, Wyoming Medicaid has adopted a higher Resource-Based Relative Value Scale (RBRVS) conversion factor for both Anesthesia and Non-Anesthesia CPT codes in comparison to Medicare.

Over the past decade, Medicare's conversion factors have generally decreased, and the relative weights tied to the Medicare RBRVS system used for physician payments have fluctuated to align with evolving federal policy goals. As a result of higher Medicaid Relative Value Units (RVU) assigned to specific procedure codes, higher rates are observed in various Wyoming Medicaid CPT procedure codes. For example, Ophthalmology codes 66984, 66982, and 92136, have significantly higher payment rates than Medicare.

Historically, higher Medicaid RVUs were also observed in the Physician and Other Practitioner, Physician Specialist, and Maternity Care areas. However, these service areas have been impacted by a sampling bias due to the high number of injection pharmaceuticals and anesthesia services included in the top twenty benchmarked codes for utilization. To address this, WDH and Guidehouse adjusted the sampling methodology in SFY 2021 to exclude injection pharmaceuticals and anesthesia services from the top twenty codes. In the current SFY 2024 analysis, the Wyoming Medicaid rates, as a percentage of Medicare, for Physician and Other Practitioner and Primary Care services have remained below one hundred percent (100%), while Maternity Care has slightly increased to one hundred and three percent (103%).

Based on expenditures, Wyoming Medicaid generally pays less on average than Medicare for most service areas, except for ASC, DMEPOS, Laboratory, and Maternity Care, and Ophthalmology services, where Medicaid pays more than Medicare. Wyoming Medicaid's SFY 2024 rates, as a percentage of Medicare's rates, range from forty-six percent (46%) for home health services to one hundred seventeen percent (117%) for DMEPOS services.

Limitations

Comparisons cannot be made for services where reimbursement methodologies differ significantly among payers, payment rates are cost-based and vary by provider, or comparable rates are unavailable. Figure 2.11 lists the services for which comparisons were not possible.

While most of Wyoming's Medicaid reimbursement methodologies align with those of other Medicaid states, there are a few exceptions with services covered. For adult dental services, Wyoming only covers preventative and emergency services, with no coverage for restorative services for adults. In contrast, four of Wyoming's surrounding states offer extensive dental treatment under their state Medicaid programs. Restorative treatment options in these surrounding states are covered but come with limitations on either service, annual cost, or benefit caps to control costs.

Figure 2.11: Explanation of Benchmarking Limitations

Service Area	Benchmarking Limitations
ESRD	A new ESRD reimbursement methodology was implemented October 1, 2023, and is reflected in the SFY 2024 report.
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 surrounding states.
Inpatient hospital	Wyoming reimburses Medicaid services using an APR-DRG based payment methodology with base rates, policy adjustors, and cost-to-charge ratios specific to Wyoming. This makes comparisons to inpatient reimbursement rates in other states inaccurate, as other states use different reimbursement methodologies. For SFY 2024, information about each comparison state's inpatient payment methodologies and the Wyoming APR-DRG system is provided in Appendix B.
Outpatient hospital	Comparisons are limited to Medicare and states that also follow the Medicare OPPS system (Montana, South Dakota, and Utah).
Prescription drugs	Variation in reimbursement methodologies does not allow for direct comparisons of drug reimbursement. However, WDH describes the range in dispensing fees in Appendix B.
Supplemental payments	Payments vary according to each state's service delivery system and approved 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 across states and there are many potential variables in service definition, provider qualifications, and reimbursement methodologies between states and waiver programs.

Medicare's reimbursement methodologies are identified 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 identified for the top procedures in Appendix B.1, when possible.

Considerations Regarding Rate Adjustments

Wyoming Medicaid rates continue to exceed those of surrounding states in select service areas, including ASC, Dental, DMEPOS, and Laboratory services. In SFY 2024, notable rate decreases of eight percent (8%) or greater were observed in comparison with surrounding states for Ambulance, ASC, Dental, and Ophthalmology services. In addition, Behavioral Health experienced a modest decrease of three percent (3%), resulting in Wyoming's rates declining to seventy-nine percent (79%) of other states' Medicaid rates, marking the lowest point over the past several years. Primary care also demonstrated a multi-year decline, landing at ninety-five

percent (95%) in SFY 2024. Notably, Ambulance and Ophthalmology rates dropped below 100% of benchmarks from other states for the first time in several years.

Compared to Medicare, Wyoming Medicaid rates are generally lower across most service categories to comply with federal UPL requirements ensuring they do not exceed a reasonable estimate of allowed Medicare payments. Based on expenditures, Wyoming's Medicaid rates as a percentage of Medicare rates were sixty-six percent (66%) for ambulance services and eighty-six percent (86%) for primary care services. However, there are several service areas where Wyoming rates exceed Medicare rates. For example, Wyoming Medicaid's rates equaled one hundred three percent (103%) of Medicare rates for ASC services.

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, Wyoming Medicaid does not have a systematic way to address cost increases on a regular basis.

In addition to considering systematic updates to the Wyoming Medicaid fee schedule, there are several 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 future rate updates, it will consider – among other factors – how the rate changes support Wyoming Medicaid's priorities of encouraging fair reimbursement to service providers and while increasing and/or maintaining access for beneficiaries. In developing these recommendations, WDH considered expenditures in each service area, current reimbursement methodologies and the results of the Medicaid, Medicare, and commercial rate comparisons outlined in this report.

Based on the analyses presented in this report, WDH recommends evaluating provider rates in several service areas to determine the need for adjustments. WDH 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 deviate from benchmarks, or where cost data might address payment-related questions. Additionally, high-priority service areas that represent a sizable portion of Medicaid expenditures, or have high, unexplained growth.
- **Low priority:** Service areas with methodologies that are subject to ongoing monitoring and maintenance, and that also constitute a small proportion of total Medicaid expenditures.

Figures 2.12 and 2.13 describe high and low priority recommendations.

Figure 2.12: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
High Priorities for Evaluation			
Behavioral Health Strategy	<p>WDH does not have a systematic approach to adjusting Wyoming Medicaid behavioral health rates. Wyoming Medicaid completed a rate study of community mental health centers (CMHCs) and substance abuse treatment centers (SATCs). WDH also supports the Care Management Entity (CME) program which targets youth with significant behavioral health needs.</p> <p>The gap between Wyoming and surrounding states has consistently widened each year since SFY 2019, with Wyoming's rates falling to their lowest level, totaling seventy-nine percent (79%) of the other states' Medicaid rates in SFY 2024.</p>	WDH should actively monitor behavioral health reimbursement and consider leveraging its recent community behavioral rate study and rate modeling to provide administrative rate updates as needed.	2.7%
Laboratory	<p>WDH currently pays independent laboratory providers on a fee schedule basis at ninety percent (90%) of the 2009 Medicare clinical laboratory fee schedule (CLFS). CMS introduced an updated CLFS methodology in 2018 and updates the CLFS at least every 3 years. As expected, CMS has seen a decrease in overall Medicare payments under the new CLFS methodology and expects this trend to continue.</p> <p>A fiscal analysis was provided to WDH in early 2025 to bring laboratory fees to 90% of current Medicare fees. The clinical laboratory fee schedule is scheduled to be updated during CY 2025.</p>	<p>WDH is currently out of compliance with the Wyoming State Plan and federal UPL requirements.</p> <p>According to the Wyoming State Plan, Medicaid payment for clinical diagnostic laboratory services provided by a physician, independent laboratory or hospital may not exceed the Medicare fee schedule. However, without recent updates to the current Wyoming fee schedule, the Wyoming rate exceeds the Medicare rate.</p> <p>An update will allow WDH to stay current with Medicare's methodology and to maintain Medicaid payments at or below</p>	8.4%

Figure 2.12: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
		<p>Medicare payments in compliance with UPL requirements.</p> <p>WDH should continue to support the planned clinical laboratory fee schedule update implementation during CY 2025.</p>	
Ambulance	<p>Reimbursement is currently set at seventy-five percent (75%) of Medicare's 2008 ambulance rates.</p> <p>The Ground Ambulance Supplemental Payment Program was implemented for in-state ground ambulance providers on July 1, 2023.</p> <p>WDH's rate as a percentage of Medicare has been steadily decreasing over the last few years. This trend continued in SFY 2024 with Wyoming's rates for ambulance services reaching sixty-six percent (66%) of Medicare's rate.</p> <p>A fiscal analysis was provided to WDH in early 2025 to bring ambulance rates to ninety percent (90%) of Medicare. Implementation of a rate increase requires consideration of the rate increase, supplemental payments and the provider tax.</p>	<p>WDH should continue to monitor the effectiveness of the newly implemented Ground Ambulance Supplemental Payment Program for in-state ground ambulance providers.</p> <p>WDH may consider conducting an ambulance rate study to assess whether the current payment methodology and rates should be updated to align with current Medicare rates.</p>	0.7%
Ambulatory Surgical Centers	<p>Wyoming Medicaid reimburses ASC using a system similar to the Outpatient Prospective Payment System (OPPS). The system uses Medicare's relative weights and the Wyoming Medicaid payment method for each procedure code based on each service's OPPS status code. Medicaid adopted Medicare's OPPS status indicators for most services, with some adjustments</p>	<p>WDH should consider reviewing all Wyoming ASC payments in comparison to Medicare ASC weights and status indicators. This review would help determine whether the Wyoming ASC State Plan should be updated to calculate payments on the Medicare ASC OPPS fee</p>	1.0%

Figure 2.12: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
	<p>to address Medicaid policies. Services are paid based on one of the following (by status indicator): 1) Ambulatory Payment Classification (APC) fee schedule, 2) separate Medicaid fee schedule, or 3) a percentage of charges.</p> <p>In SFY 2024, the WDH ASC rates were one hundred three percent (103%) of Medicare and one hundred three percent (129%) of other states' Medicaid rates.</p>	<p>schedule, rather than the Medicare Hospital OPPS fee schedule.</p> <p>Aligning the Medicaid OPPS fee schedule used to calculate ASC rates with the Medicare ASC rates could help prevent future UPL issues in the clinic service category, where ASC payments might otherwise exceed those made by Medicare.</p>	
Developmental Center	<p>In SFY 2023, the Wyoming Developmental Center's rates dropped to 84% of the average Medicaid rates in other states for SFY 2024. However, they experienced a modest increase to 87%, marking the first rise in six years, partly due to a decline in rates among some comparison states.</p>	<p>WDH should evaluate the Wyoming Medicaid developmental center rates in comparison to those of similar states. Rebasings Wyoming's rates may be necessary to ensure reimbursement remains competitive and does not fall behind regional or national benchmarks.</p>	0.2%
Home Health	<p>Wyoming Medicaid home health rates were previously calculated using the average in-state Medicare home health visit rates, adjusted by the Wyoming Wage Index Budget Neutrality factor.</p> <p>As of SFY 2024, Wyoming home health rates are significantly lower than comparable Medicare rates, averaging just forty-six percent (46%). Separately, when compared to the other states' Medicaid programs, Wyoming's Medicaid rates have increased slightly to seventy-two percent (72%) of the comparable Medicaid rates.</p>	<p>WDH should consider conducting a provider wage and cost study to compare provider costs with the average Medicare home health visit payment. This would help determine whether home health rates need to be rebased.</p> <p>Additionally, Individuals enrolled in the Community Choices Waiver (CCW) may receive home health services through both the waiver and the Medicaid State Plan. While waiver services typically support long-term needs, State Plan home health services are available for short-term medical</p>	0.1%

Figure 2.12: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
		needs such as illness or injury. As of June 2025, WDH is currently evaluating the extended State Plan home health aide services. This alignment could support rate equity and standardization where appropriate.	
Maternity	<p>Payment rates for maternity codes are based on the RBRVS using 2013 Medicare RVUs. In SFY 2024, Maternity Care rates dropped slightly to ninety-eight percent (98%) of other states' Medicaid rates and increased to one hundred three percent (103%) of Medicare rates. The decrease comes as several of the comparative states increased their rates and Wyoming rates observed no change.</p> <p>A fiscal analysis was provided to WDH in early 2025 to bring physician reimbursement to ninety percent (90%) of Medicare. A further review is planned for 2025 with adjustments to bring maternity care to one hundred percent (100%) of Medicare.</p>	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. 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.	N/A
Physician and Other Practitioners	There is not a systematic approach to adjusting physician rates in the current RBRVS methodology. Wyoming Medicaid reduced the RBRVS conversion factors in SFY 2017 due to budget cuts, but rates for some services in Wyoming are higher than surrounding states. Updating Wyoming's RVUs and conversion factors will allow provider payments to better align with new Medicare payment methodologies.	WDH may consider 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 best Medicare payment practices, causing certain benchmarked service areas to have higher Wyoming Medicaid reimbursement amounts than Medicare. Updating the Wyoming RVUs and	8.7%

Figure 2.12: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
	A fiscal analysis was provided to WDH in early 2025 to bring physician reimbursement to ninety percent (90%) of Medicare. A further review is planned for 2025 with adjustments for maternity care.	conversion factors will continue to ensure that Wyoming's RBRVS payment methodology is compliant while Wyoming Medicaid continues to receive high value care for professional service payments.	

Figure 2.13: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
Low Priorities for Evaluation			
Hospital - General	Wyoming Medicaid updated their APR-DRG reimbursement system in October 2023, to reflect updated DRG grouper logic and equitable reimbursement for services. A new update is scheduled for July 1, 2025, to reflect best practices. Additional funds will be directed towards critical access hospitals (CAHs), particularly for those who provide maternity and delivery services.	WDH should continue to update its APR-DRG reimbursement system annually to reflect evolving best practices. Annual updates allow for incremental adjustments, helping to avoid large, disruptive changes that can accumulate over time.	Inpatient: 10.9% Outpatient: 5.3%
Prescription Drugs	Prescription drug expenditures have consistently increased year over year. In the past five years, prescription drug expenditures have increased year over year. From SFY 2023 to SFY 2024 prescription drug expenditures	WDH should consider performing an in-depth cost and trend study on prescription drugs to identify the primary drivers of increased payments and explore potential cost saving strategies. One option	14.3%

Figure 2.13: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
	decreased by zero-point five percent (0.5%).	may include modifying WDH's formulary list to prioritize lower-cost drugs with comparable clinical efficacy. Identifying the most frequently used and highest expenditure drugs could inform formulary and utilization management changes, as well as highlight areas that may benefit from enhanced disease management efforts.	
Long Term Care (Nursing Facilities and HCBS Waivers)	<p>The Comprehensive and Supports Waivers (DD waiver services) and the Community Choices Waiver (CCW) offer individuals the opportunity to receive home- and community-based services.</p> <p>After an increase in expenditures in SFY 2016, nursing facility expenditures and the number of recipients have declined. In contrast, the CCW, which offers an alternative to nursing home level of care, has experienced double digit expenditure growth over the last few years. This includes a 12.5% temporary rate increase, funded through the American Rescue Plan Act (ARPA), which remains in effect through March 31, 2025. As required by statute, Wyoming is required to perform a rate study for its HCBS waivers every 2 to 4 years.</p> <p>Accordingly, the state should continue monitoring both the availability and the quality of services provided through its waiver programs to ensure they remain</p>	<p>The recently completed SFY 2027 rebasing study for DD Services provided WDH with insights into future priorities for the DD system, including the distinction between “agency” and “independent” providers.</p> <p>WDH may consider exploring additional cost-saving strategies within its waiver program, such as adopting value-based payment models that tie reimbursement to outcomes, quality, or compliance rather than the volume of services delivered.</p>	<p>Nursing Facility: 13.8%</p> <p>Community Choices Waivers: 5.6%</p> <p>Comprehensive Waivers: 18.2%</p> <p>Supports Waivers: 2.0%</p>

Figure 2.13: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2024)
	<p>a viable and sustainable alternative to institutional care.</p> <p>WDH completed its SFY 2027 rate study for the DD Waivers in September 2024. As of June 2025, WDH is actively conducting a rate study for the CCW, with plans to rebase rates for implementation in SFY 2026.</p>		