Wyoming Department of Health

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SFY 2025 Wyoming Medicaid Reimbursement Benchmarking Study

Based on Data Ending State Fiscal Year 2025

Wyoming Department of Health

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Section 1: Introduction

The *SFY 2025 Wyoming Medicaid Benchmarking Study* is the eighteenth 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 2025 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 2025 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 2025.

Figure 1.1: Service Areas Included in the SFY 2025 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/Optometry
Hospital - Outpatient	Telehealth/Telemedicine
Intermediate Care Facility – Intellectually Disabled (ICF-ID)	Waiver Services (HCBS)
Laboratory	

[1] Includes primary care, physician specialist, and maternity providers.
[2] Includes DMEPOS rentals and purchases.

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."*

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

[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".

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 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 may not always be 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

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

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 2025 payments to the CY 2025 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 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 2025 claims volume (see Figure 2.10) to Medicare's CY 2025 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 Payer

Another benchmark for comparison in the SFY 2025 Benchmarking Report is the 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 2024 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 2026, 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

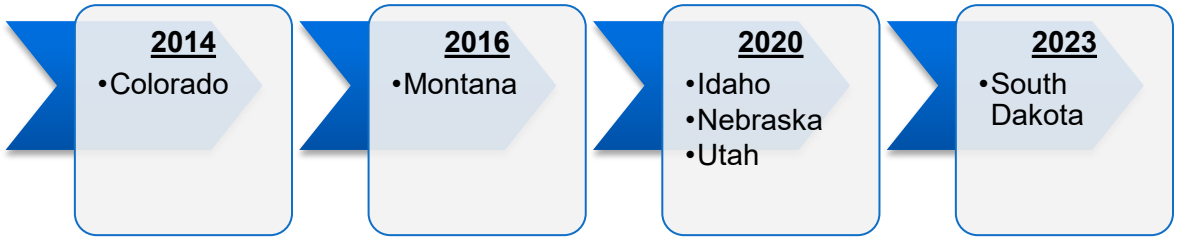
[8] Medicare updates rates on a calendar year (CY) basis while Wyoming Medicaid updates rates on a state fiscal year (SFY) basis; therefore, we compared Medicare rates from CY 2025 to Wyoming Medicaid rates from SFY 2025.
[9] FFS Medicare does not normally cover routine vision services, such as eyeglasses 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, 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 2024 (the most recent year of data available).

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, 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

[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/
[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

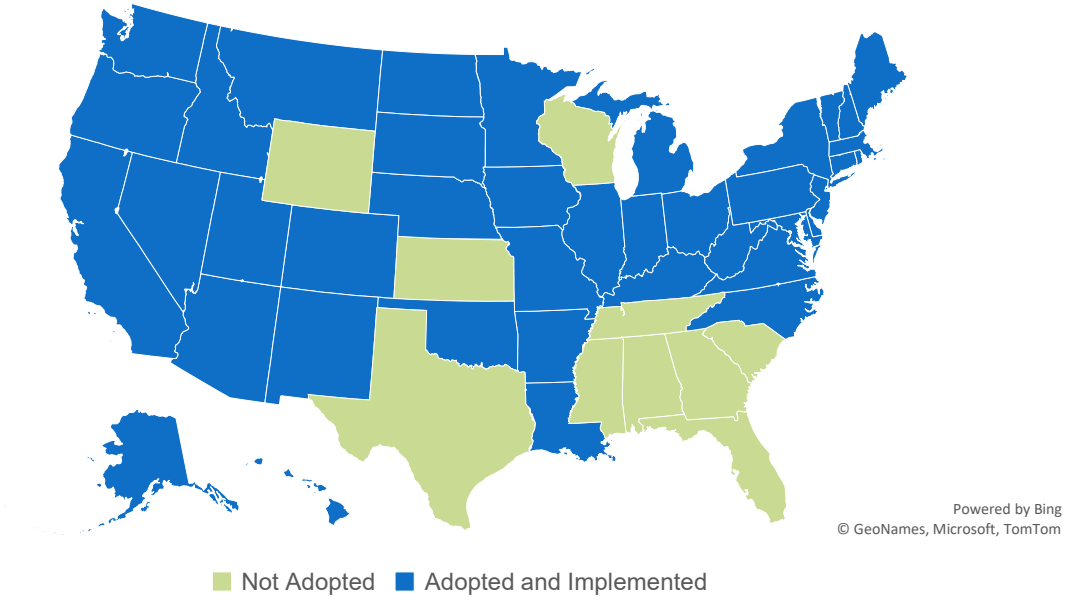
requirement provision would not be approved.[14] Additionally, in December 2021, CMS notified Montana that the premium requirement for the expansion population contained in the Section 1115 Demonstration needed to be phased out by 2022.[15] In March 2025, Governor Gianforte signed legislation removing the June 2025 termination date, thereby extending the Medicaid expansion program indefinitely. [16] Montana law also includes a 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]

[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
[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

Figure 1.3 illustrates the current landscape of Medicaid expansion across the United States under the Affordable Care Act. States that have adopted and implemented expansion are shown in blue, while those that have not are highlighted in green. The visual underscores the geographic disparities in Medicaid coverage and highlights ongoing policy divergence at the state level.

Figure 1.3: State Medicaid Expansion Under the Affordable Care Act



Impact of Medicaid Expansion of the Surrounding States

Many studies have identified the benefits to states that have expanded Medicaid. Areas that have demonstrated improvement include:

- **Improved Financial Outcomes for Providers:** Studies have shown that expanding Medicaid has a positive impact on healthcare providers by increasing their financial performance, which results in payer mix improvements. Medicaid expansion also leads to a lower share of uninsured patients in hospitals and lower overall uncompensated care costs for specific types of hospitals, including rural facilities. This helps to boost revenue and increases stability for providers.[23]
- **Rural Hospitals:** The financial health of rural hospitals and their impact on access to care and local economies has been an ongoing concern for many states. A recent analysis found that rural hospitals in non-expansion states fared worse financially than those in expansion states. The study found that in 2022, the median operating margins of rural hospitals in expansion states (3.9%) were higher than those in non-expansion states (2.2%).[24]

[23] Center on Budget and Policy Priorities, "Medicaid Expansion: Frequently Asked Questions," (June 14, 2024). Available online: https://www.cbpp.org/research/health/medicaid-expansion-frequently-asked-questions-0
[24] Kaiser Family Foundation, "Rural Hospitals Have Fared Worse Financially in States that Haven't Expanded Medicaid Coverage," (February 23, 2023). Available online: https://www.kff.org/health-costs/press-release/rural-hospitals-have-fared-worse-financially-in-states-that-havent-expanded-medicaid-coverage/

- **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. SFY 2025 represents the first full fiscal year in which states operated without temporary pandemic-related federal financial support. Below are the highlights of each state's FFS rate increases that remained in effect for SFY 2025 [26]:

- **Wyoming**: Rate increases implemented in prior fiscal years remained in effect during SFY 2025, including 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**: FFS rate increases adopted prior to SFY 2025 continued to support providers, including a three percent (3%) across-the-board increase for Home and Community-Based Services (HCBS) waiver services effective July 1, 2023.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**: Behavioral health rate increases that became effective July 1, 2023 remained in place during SFY 2025. These adjustments affected multiple behavioral health service codes and reflected the results of a behavioral health reimbursement rate analysis, with increases ranging from five percent (5%) to thirty percent (30%).[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

Medicaid provider rate increase was to provide stability to healthcare providers and expand access to services.[29] Provider rate increases authorized through House Bill 2 continued to phase in during SFY 2025.

- **Nebraska:** A three percent (3%) Medicaid provider rate increase effective July 1, 2023 remained in effect throughout SFY 2025, with no additional statewide FFS rate increases adopted during the year.[30]
- **South Dakota:** Inflationary and targeted rate increases implemented beginning July 1, 2023 remained in effect during SFY 2025, including a five percent (5%) inflationary increase for most services and targeted 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 fee-for-service payment provisions of the CMS Ensuring Access to Medicaid Services final rule, CMS-2442-F, establish new rate transparency, comparative payment rate analysis, and payment rate disclosure requirements for state Medicaid agencies. Beginning July 1, 2026, states must publish Medicaid FFS fee schedule payment rates on a publicly available and accessible website and develop public-facing analyses and disclosures consistent with 42 CFR § 447.203(b).[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 disclosures every two years.

Wyoming Medicaid has established several practices that support the objectives of the Access Rule through its SFY 2025 Benchmarking Study and companion Annual Report. These analyses provide comparisons of Medicaid payment rates to Medicare and other benchmarks across multiple service areas and include evaluations of physician services, maternity care, and behavioral health services, which align with several of the service categories identified in the Access Rule.

The Benchmarking Study also provides a foundation for ongoing rate transparency, comparative payment rate analysis, and access monitoring by documenting key rate comparisons and methodologies. As Wyoming Medicaid continues to build on this framework, additional

[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-medicaid-services-final-rule-cms-2442-f

enhancements will be necessary to fully align with the Access Rule's transparency, comparative analysis, and disclosure requirements.

While the current analyses address several components of the federal requirements, they are based on a subset of high-utilization and high-expenditure procedure codes rather than a comprehensive review of all applicable Medicaid FFS fee schedule payment rates. In addition, the reports are not currently organized according to the Access Rule's required service categories and do not establish a formal biennial reporting process or a centralized public reporting structure for ongoing rate transparency and disclosure.

To support full compliance and ongoing maintenance of Access Rule requirements, Wyoming Medicaid will need to build upon its existing benchmarking and reporting processes by ensuring that all applicable Medicaid FFS fee schedule payment rates are publicly available and maintained, that comparative analyses include the required CMS-specified service categories and codes, that required payment rate disclosures for personal care, home health aide, homemaker, habilitation, and other applicable home- and community-based services are developed, maintained, and updated on a biennial basis, and that public-facing rate information is updated following rate changes in accordance with federal requirements.

Through these refinements, Wyoming Medicaid can leverage its existing benchmarking and reporting infrastructure while establishing the additional processes necessary to support full compliance with the Access Rule's transparency and disclosure requirements.

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 2025

Wyoming Medicaid did not implement new programmatic changes related to covered services or reimbursement methodologies during SFY 2025. The program changes summarized in Figure 2.1 were implemented in prior fiscal years and remained in effect throughout SFY 2025. Wyoming Medicaid did make several changes after the close of SFY 2025 that are discussed in the final section of this report, Looking Beyond SFY 2025.

Figure 2.1: Medicaid Coverage and Reimbursement Changes Implemented Prior to SFY 2025

Eligibility Category/ Service Area	Action	Effective Dates
Ambulance	• Supplemental payments became available for in-state ground ambulance providers.	July 1, 2023
Durable Medical Equipment	• 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	• Updated the reimbursement methodology from using a percentage of charges reimbursement to using an average Medicare rate.	October 1, 2023
Hospice	• 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	• Updates made to the reimbursement methodology Diagnosis Related Group (DRG) payment method for hospital inpatient services.	July 1, 2023

Figure 2.1: Medicaid Coverage and Reimbursement Changes Implemented Prior to SFY 2025

Eligibility Category/ Service Area	Action	Effective Dates
Maternity	• 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
Nursing Facilities	• Increased reimbursement rates for Wyoming nursing facilities by 20%.	July 1, 2023
Podiatry Care	• Added Podiatry Care as a covered benefit for all Wyoming Medicaid Members.	July 1, 2023
Psychiatric Residential Treatment Facility (PRTF)	• 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.

[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 2025.

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 2025 for each service area.

Figure 2.2: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Utilization[35]

Service Area	Wyoming SFY 2025 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2025 Medicare Rates	Average Commercial Payments (2024)
Ambulance	88%	65%	46%
ASC	127%	99%	50%
Behavioral Health[36]	79%	88%	69%
Dental	110%	Medicare does not cover this service.	N/A
Developmental Center	84%	80%	N/A
DMEPOS[37]	118%	88%	N/A
Home Health	82%	60%	N/A
Hospice	81%	98%	N/A
Hospital – Inpatient	Wyoming Medicaid pays approximately 67% of inpatient costs.[38]		
Hospital – Outpatient	The weighted average OPPS conversion factor for Wyoming is $67.44. Montana uses a single conversion factor of $60.72 and Utah follows a 0.8478 reduction of	77%	Different reimbursement methodologies do not allow for direct comparisons.

[35] For these comparisons, WDH reviewed the top codes for each service area based on paid claims volume in SFY 2025 and compared the SFY 2025 Wyoming Medicaid rates to CY 2025 Medicare rates and SFY 2025 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2025 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 2025 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 Utilization[35]

Service Area	Wyoming SFY 2025 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2025 Medicare Rates	Average Commercial Payments (2024)
	Medicare's OPPS conversion factor.		
Laboratory	113%	110%	121%
Maternity Care	99%	108%	49%
Nursing Facility[39]	97%	N/A	
Physician and other Practitioner	94%	91%	38%
Primary Care	95%	94%	52%
Physician Specialist	94%	94%	30%
Prescription Drugs	Wyoming's dispensing fee: $10.65 Other states' dispensing fees range from $9.31 to $17.01 depending on various factors.[40]	N/A	N/A
PRTF	90%	Medicare does not cover this service.	N/A
Vision – Ophthalmology	97%	100%	N/A
Vision – Optician and Optometrist	96%	83%	N/A

[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 compares Wyoming Medicaid rates to other state Medicaid programs, Medicare, and commercial payers, based on services with the highest total expenditures in SFY 2025 for each service area.

Figure 2.3: Comparison of Wyoming Medicaid Rates to Other State Medicaid Programs, Medicare, and Commercial Payers Using Top Services Based on Expenditures[41]

Service Area	Wyoming SFY 2025 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2025 Medicare Rates	Average Commercial Rates (2024)
Ambulance	90%	65%	46%
ASC	121%	93%	36%
Behavioral Health[36]	77%	88%	73%
Dental	108%	Medicare does not cover this service.	N/A
Developmental Center	84%	80%	N/A
DMEPOS[37]	118%	88%	N/A
Home Health	82%	60%	N/A
Hospice	81%	98%	N/A
Hospital – Inpatient	Wyoming's reimbursement of in-state inpatient services covers approximately 67% of costs.[38]		
Hospital – Outpatient	The weighted average OPPS conversion factor for Wyoming is $67.44. Montana uses a single conversion factor of $60.72 and Utah follows a 0.8474 reduction of Medicare's OPPS conversion factor.	77%	Reimbursement methodology does not allow for direct comparisons.
Laboratory	114%	114%	137%
Maternity Care	98%	108%	49%

[41] For these comparisons, WDH reviewed the top codes for each service area based on total expenditures in SFY 2025 and compared the SFY 2025 Wyoming Medicaid rates to CY 2025 Medicare rates and SFY 2025 fee schedules from Colorado, Idaho, Montana, Nebraska, South Dakota, and Utah (if SFY 2025 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 Expenditures[41]

Service Area	Wyoming SFY 2025 Medicaid Rate as a Percent of Benchmarks		
	Other States' Medicaid Rates	2025 Medicare Rates	Average Commercial Rates (2024)
Nursing Facility[39]	97%	N/A	
Physician and other Practitioner	93%	90%	45%
Primary Care	96%	91%	50%
Physician Specialist	99%	94%	36%
Prescription Drugs	Wyoming's dispensing fee: $10.65 Other states' dispensing fees range from $9.31 to $17.01 depending on various factors.[40]	N/A	N/A
PRTF	90%	Medicare does not cover this service.	N/A
Vision – Ophthalmology	100%	109%	66%
Vision – Optician and Optometrist	95%	82%	N/A

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 and some small rate increases in SFY 2023. 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. Wyoming has made changes to some rates since SFY 2025 ended, discussed further in the final section of this report, Looking Beyond SFY 2025.

In SFY 2025, Wyoming Medicaid rates showed divergent trends across service categories when compared to Medicare and surrounding state Medicaid rates. Wyoming Medicaid continued to exceed both Medicare and surrounding state Medicaid rates for Ophthalmology, and Laboratory Services. Ambulatory Surgery Center rates remained higher than surrounding state Medicaid rates, although they declined below Medicare rates in SFY 2025. Dental Services continued to exceed surrounding state Medicaid rates, while Maternity Care exceeded Medicare rates.

Several service areas experienced notable relative declines in SFY 2025. Ambulance, Maternity, and Optician and Optometrist Services, which historically exceeded surrounding state

Medicaid rates, fell to or below one hundred percent (100%) of surrounding state rates. Behavioral Health Services continued a steady multi-year decline relative to surrounding states, reaching their lowest level in SFY 2025 at approximately seventy-seven percent (77%) of surrounding state Medicaid rates. Primary Care rates declined relative to surrounding states through SFY 2023 before partially rebounding in SFY 2025.

Conversely, some services showed relative improvement. Nursing Facility Services increased to one hundred percent (100%) of surrounding state Medicaid rates in SFY 2024 before declining slightly in SFY 2025. Psychiatric Residential Treatment Facility rates increased steadily after reaching a low point in SFY 2022, reaching approximately ninety percent (90%) of surrounding state Medicaid rates in SFY 2025. Overall, the findings illustrate increasing divergence across service categories, with selected services maintaining rates above benchmarks while others continue to lose relative position.

Key Findings by Specific Service Area Expenditure Data Include:

- **Ambulance:** The chart below shows Wyoming Medicaid Ambulance rates as a percentage of Medicare rates and Medicaid rates from other states. Between SFY 2020 and SFY 2024, Wyoming's rates consistently exceeded other states, with a drop below one hundred percent (100%) for the first time in six years in SFY 2024. In SFY 2025, Wyoming's ambulance rates dropped further, reaching ninety percent (90%).

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

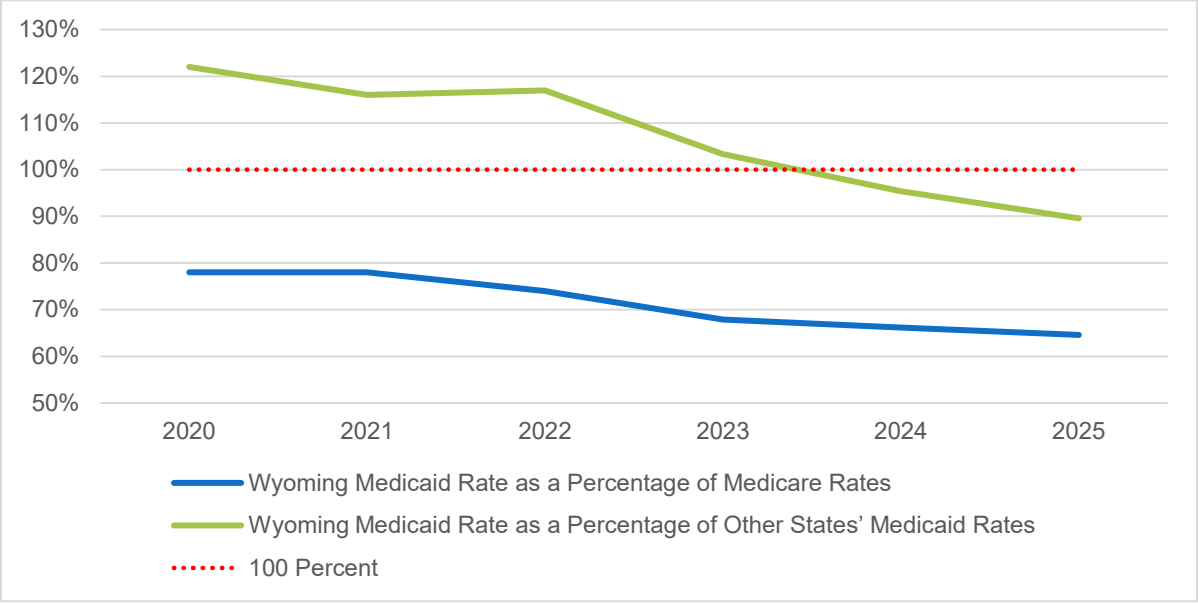


Figure 2.4: Wyoming Ambulance Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	78%	78%	74%	68%	66%	65%
WDH Rate as a Percentage of Other States' Medicaid Rates	122%	116%	117%	103%	95%	90%

- **Ambulatory Surgery Center:** The chart below shows Wyoming Medicaid Ambulatory Surgery Center (ASC) rates as a percentage of Medicare rates and Medicaid rates from other states. From SFY 2020 to SFY 2025, Wyoming's Medicaid ASC rates averaged one hundred twenty-three percent (123%) of other states' Medicaid rates, declining to one hundred twenty-one percent (121%) in SFY 2025. Notably, in SFY 2025, Wyoming's Medicaid ASC average rates declined below Medicare rates to ninety-three percent (93%).

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

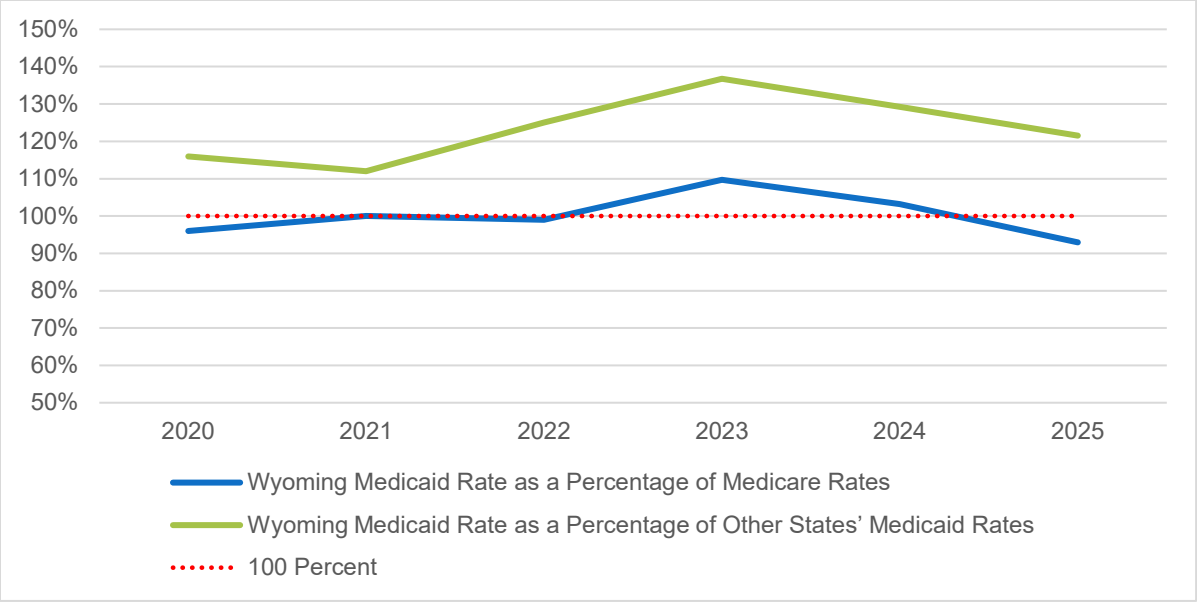


Figure 2.5: Wyoming ASC Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	96%	100%	99%	110%	103%	93%

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Other States' Medicaid Rates	116%	112%	125%	137%	129%	121%

- **Behavioral Health:** The chart below displays Wyoming Medicaid Behavioral Health rates as a percentage of Medicare rates and other states' Medicaid rates. Since SFY 2020, Wyoming's Behavioral Health rates have declined steadily when compared with other states. Rates reached their lowest level in SFY 2025, totaling seventy-seven percent (77%) of other states' Medicaid rates over the six-year period. In response to observed differences between Wyoming's Behavioral Health rates and those of comparison states, the Department conducted a Behavioral Health rate assessment in early 2026 to support consideration of rate updates.

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

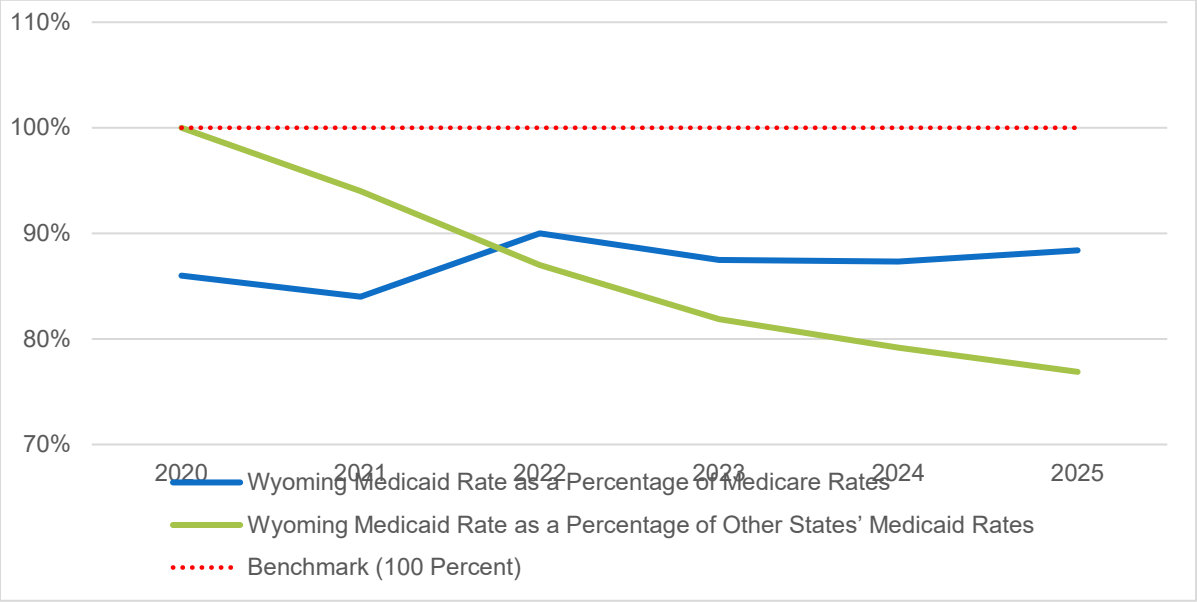


Figure 2.6: Wyoming Behavioral Health Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	86%	84%	90%	87%	87%	88%
WDH Rate as a Percentage of Other States' Medicaid Rates	100%	94%	87%	82%	79%	77%

- **Dental:** The chart below displays Wyoming Medicaid dental rates as a percentage of other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's dental rates exceeded those of other states by an average of approximately one hundred fourteen percent (114%). After declining to ninety-six percent (96%) in SFY 2022 rates increased sharply to one hundred thirty two percent (132%) in SFY 2023. Since that peak, the average rate has declined across two consecutive years, reaching one hundred nineteen percent (119%) in SFY 2024 and one hundred eight percent (108%) in SFY 2025. The overall downward trend from SFY 2023 reflects rate increases in several comparison states while Wyoming's rates remained unchanged.

  Note: Medicare does not typically cover dental services and therefore no comparisons to Medicare are included in this chart.

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

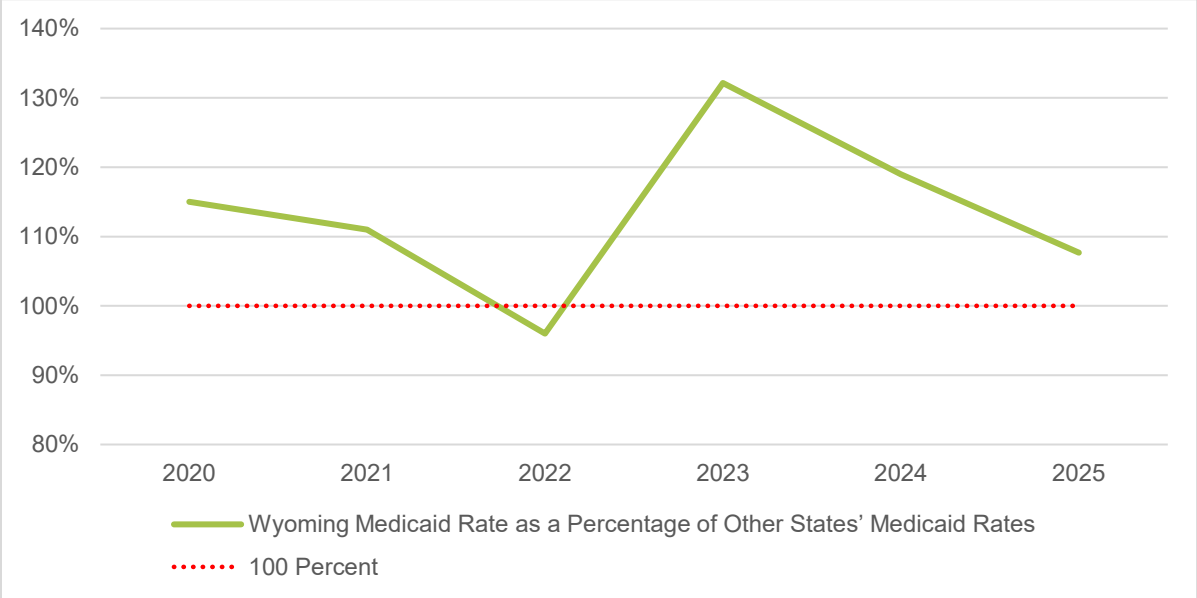


Figure 2.7: Wyoming Dental Rates as a Percentage of Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Other States' Medicaid Rates	115%	111%	96%	132%	119%	108%

- **Developmental Center:** The chart below displays Wyoming Medicaid Developmental Center rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's rates averaged approximately ninety four percent (94%) of other states' Medicaid rates. Rates declined from one hundred eight percent (108%) in SFY 2020 to ninety seven percent (97%) in SFY 2022, followed by a sharper decrease to eighty four percent (84%) in SFY 2023. Rates increased slightly to eighty seven percent (87%) in SFY 2024 before declining again to eighty four percent (84%) in SFY 2025. Wyoming has remained relatively stable in comparison to Medicare over the last six years.

Chart 5: Wyoming Developmental Center Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

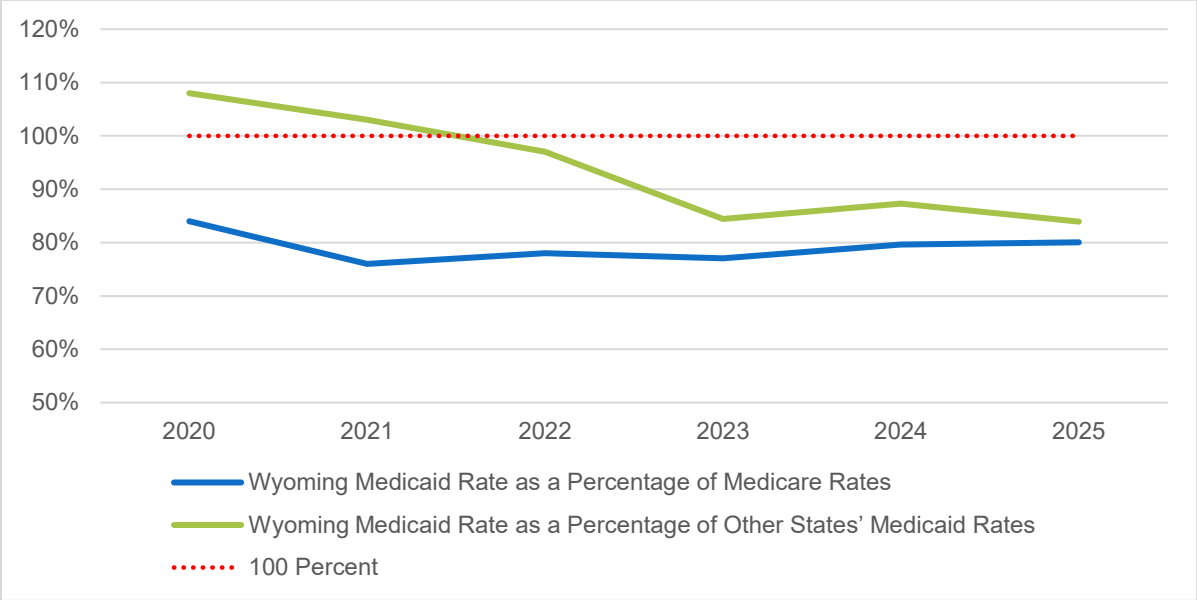


Figure 2.8: Wyoming Developmental Center Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	84%	76%	78%	77%	80%	80%
WDH Rate as a Percentage of Other States' Medicaid Rates	108%	103%	97%	84%	87%	84%

- **Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS):** The chart below presents Wyoming Medicaid DMEPOS rates as a percentage of other states' Medicaid rates. From SFY 2021 through SFY 2025, Wyoming's DMEPOS rates averaged approximately one hundred twenty-one percent (121%) of other states' Medicaid rates. Rates increased between SFY 2022 and SFY 2024, peaking at one hundred twenty-five percent (125%) of other states' Medicaid rates in SFY 2023. In SFY 2025, rates declined to one hundred eighteen percent (118%) of other states' Medicaid rates. Wyoming Medicare rates dropped below Medicare in SFY 2025 for the first time since 2021.

  Note: SFY 2020 was excluded from the analysis as a result of insufficient data.

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

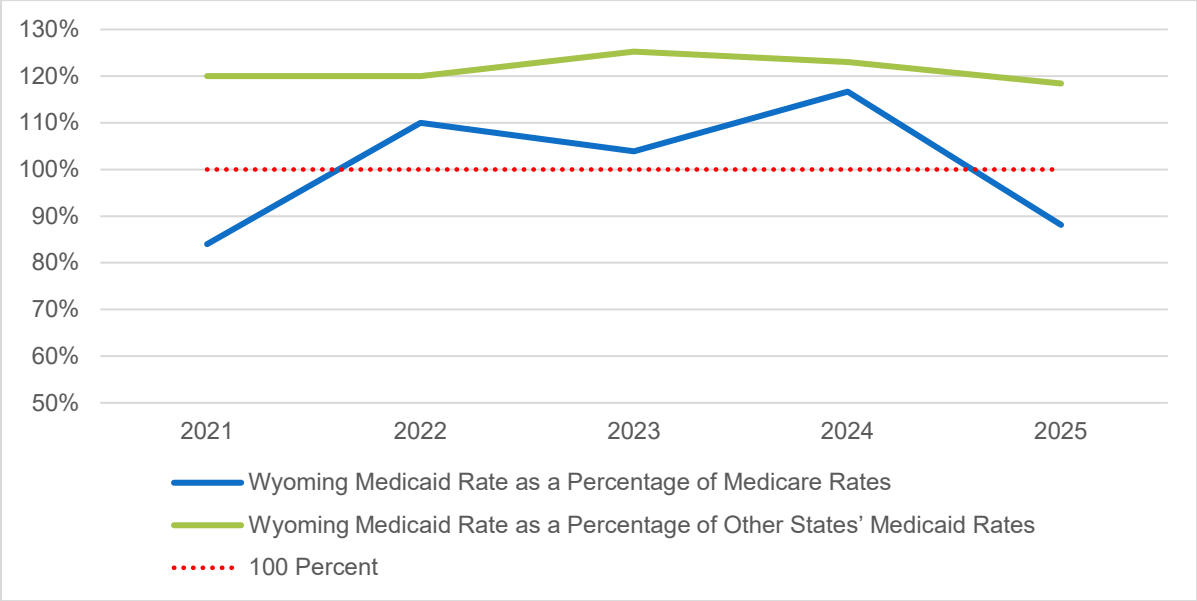


Figure 2.9: Wyoming DMEPOS Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	84%	110%	104%	117%	88%
WDH Rate as a Percentage of Other States' Medicaid Rates	120%	120%	125%	123%	118%

- **Home Health:** The chart below displays Wyoming Medicaid Home Health rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's Home Health rates averaged approximately eighty percent (80%) of other states' Medicaid rates and approximately fifty-one percent (51%) of Medicare rates. Rates as a percentage of other states' Medicaid decreased from eighty-nine percent (89%) in SFY 2020 to sixty-nine percent (69%) in SFY 2023, followed by increases to seventy-two percent (72%) in SFY 2024 and eighty-two percent (82%) in SFY 2025. Rates as a percentage of Medicare followed a similar pattern, declining from fifty-three percent (53%) in SFY 2020 to forty-six percent (46%) in SFY 2024 before increasing to sixty percent (60%) in SFY 2025.

Chart 7: Wyoming Home Health Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates

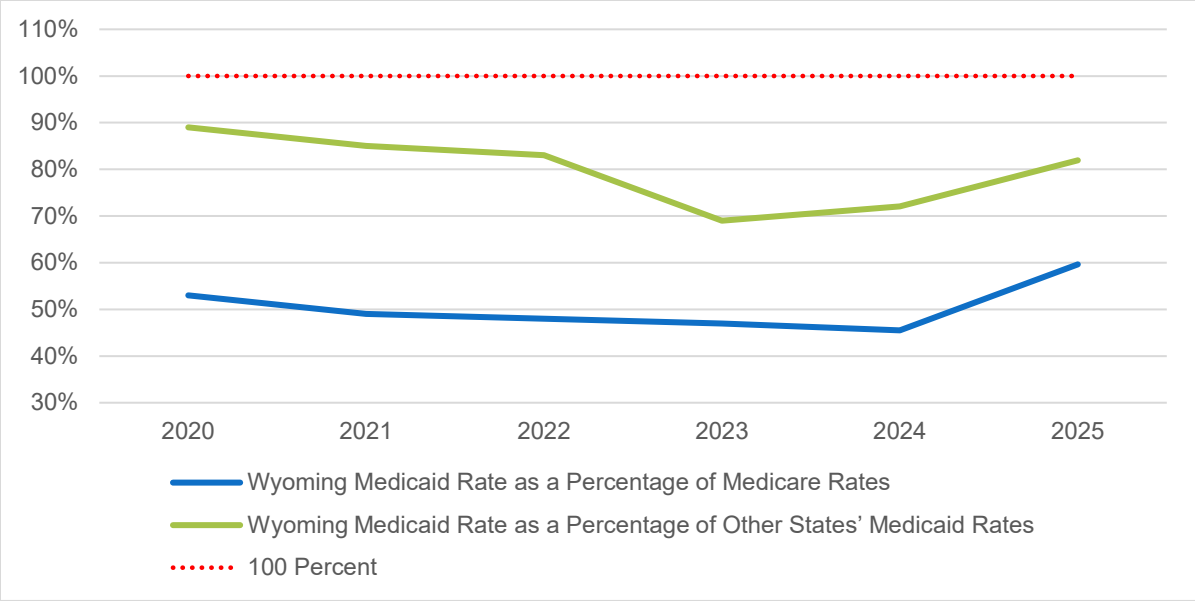


Figure 2.10: Wyoming Home Health Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	53%	49%	48%	47%	46%	60%
WDH Rate as a Percentage of Other States' Medicaid Rates	89%	85%	83%	69%	72%	82%

- **Hospice:** The chart below displays Wyoming Medicaid Hospice rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's hospice rates averaged approximately ninety-seven percent (97%) of Medicare rates and approximately ninety-seven percent (97%) of other states' Medicaid rates. Rates as a percentage of Medicare remained stable between SFY 2024 and SFY 2025, holding at ninety-eight percent (98%). Rates as a percentage of other states' Medicaid decreased slightly to ninety-eight percent (98%) in SFY 2025.

Chart 8: Wyoming Hospice Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates

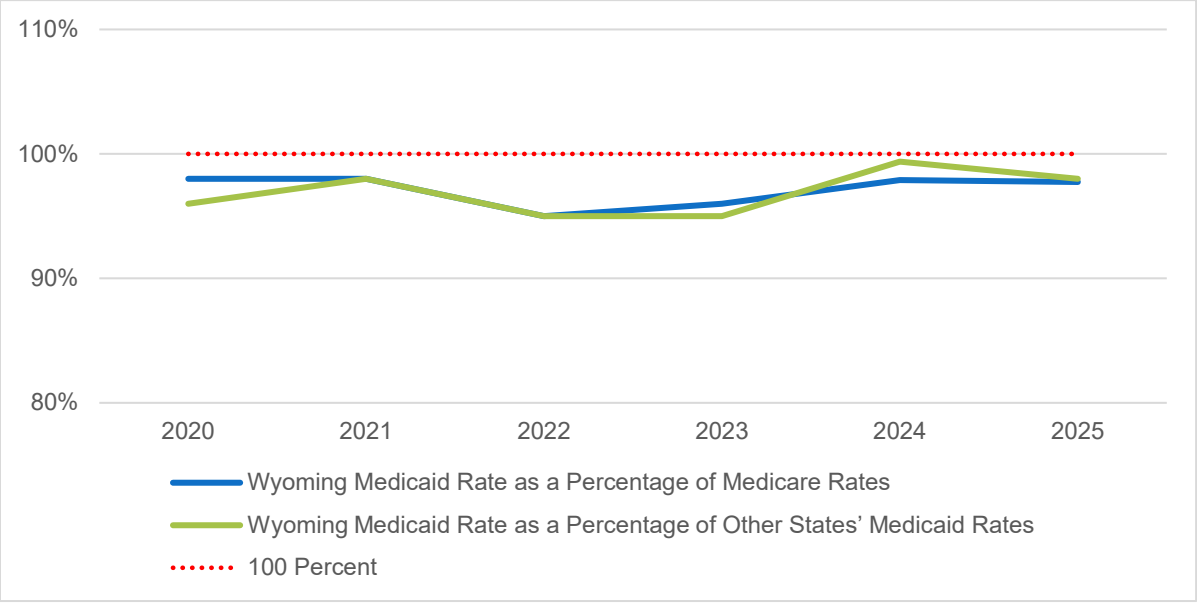


Figure 2.11: Wyoming Hospice Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	98%	98%	95%	96%	98%	98%
WDH Rate as a Percentage of Other States' Medicaid Rates	96%	98%	95%	95%	99%	98%

- **Hospital:** From SFY 2024 to SFY 2025, Wyoming's outpatient hospital OPPS conversion factor increased. Wyoming's outpatient weighted average OPPS conversion factor increased from $62.84 in SFY 2024 to $67.79 in SFY 2025, while remaining below Medicare's conversion factor of $89.17, approximately seventy six percent (76%) of Medicare.

- **Laboratory Services:** The chart below displays Wyoming Medicaid Laboratory rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's laboratory rates averaged approximately one hundred fifteen percent (115%) of Medicare rates and one hundred fifteen percent (115%) of other states' Medicaid rates. Rates declined from one hundred eighteen percent (118%) of Medicare rates and one hundred twenty-two percent (122%) of other states' Medicaid rates in SFY 2020 to one hundred ten percent (110%) and one hundred thirteen percent (113%), respectively, in SFY 2021. Rates increased in SFY 2022 and SFY 2023 before gradually declining through SFY 2025, reaching one hundred fourteen percent (114%) for both comparisons in the most recent year.

Chart 9: Wyoming Laboratory Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

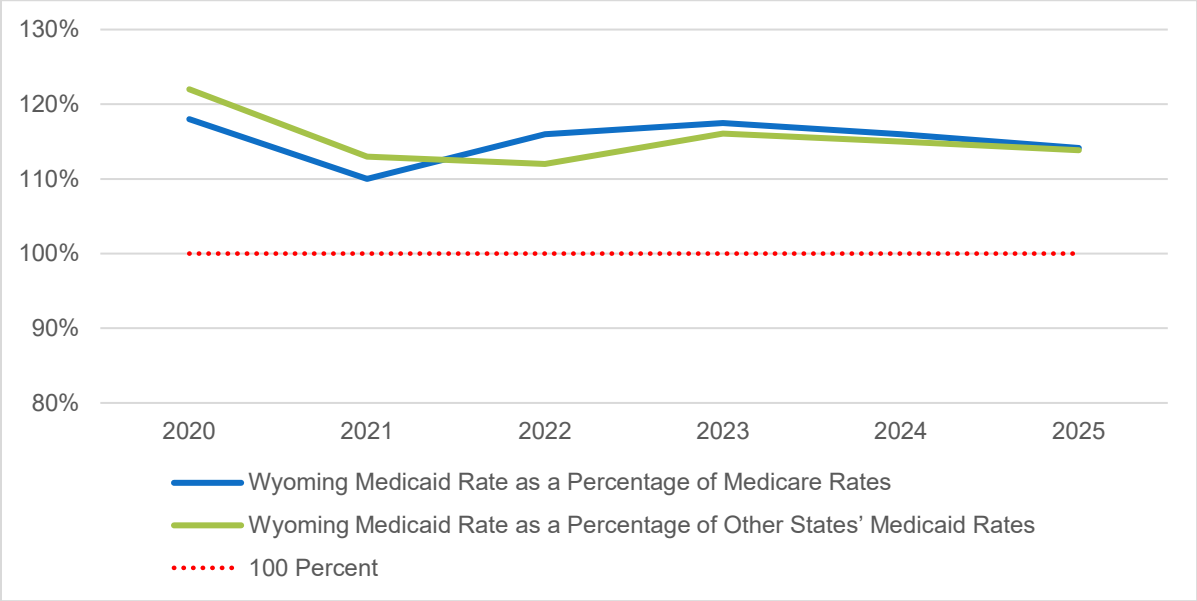


Figure 2.12: Wyoming Laboratory Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	118%	110%	116%	117%	116%	114%
WDH Rate as a Percentage of Other States' Medicaid Rates	122%	113%	112%	116%	115%	114%

- **Maternity:** The chart below displays Wyoming Medicaid Maternity Care rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's maternity care rates averaged approximately one hundred two percent (102%) of Medicare rates and one hundred three percent (103%) of other states' Medicaid rates. Rates as a percentage of Medicare declined from one hundred four percent (104%) in SFY 2020 to ninety-two percent (92%) in SFY 2021, before increasing steadily to one hundred eight percent (108%) in SFY 2025. Rates as a percentage of other states' Medicaid followed a gradual downward trend over the period, decreasing from one hundred fourteen percent (114%) in SFY 2020 to ninety-eight percent (98%) in SFY 2024 and remaining unchanged in SFY 2025.

Chart 10: Wyoming Maternity Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates

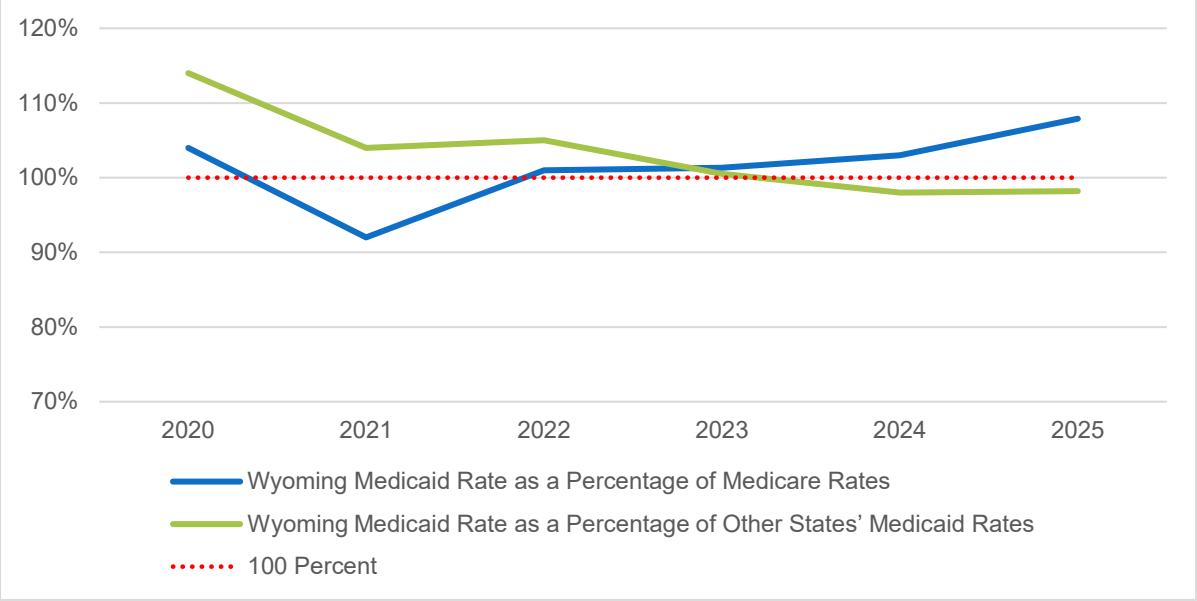


Figure 2.13: Wyoming Maternity Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	104%	92%	101%	101%	103%	108%
WDH Rate as a Percentage of Other States' Medicaid Rates	114%	104%	105%	100%	98%	98%

- **Nursing Facility:** The chart below displays Wyoming Medicaid Nursing Facility rates as a percentage of other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's nursing facility rates averaged approximately ninety-five percent (95%) of other states' Medicaid rates. Rates declined from ninety-seven percent (97%) in SFY 2020 to ninety-one percent (91%) in SFY 2021, then increased steadily through SFY 2024, reaching one hundred percent (100%). In SFY 2025, rates declined to ninety-seven percent (97%).

  Note: Medicare does not cover Nursing Facility services and is excluded from this analysis.

Chart 11: Wyoming Nursing Facility Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

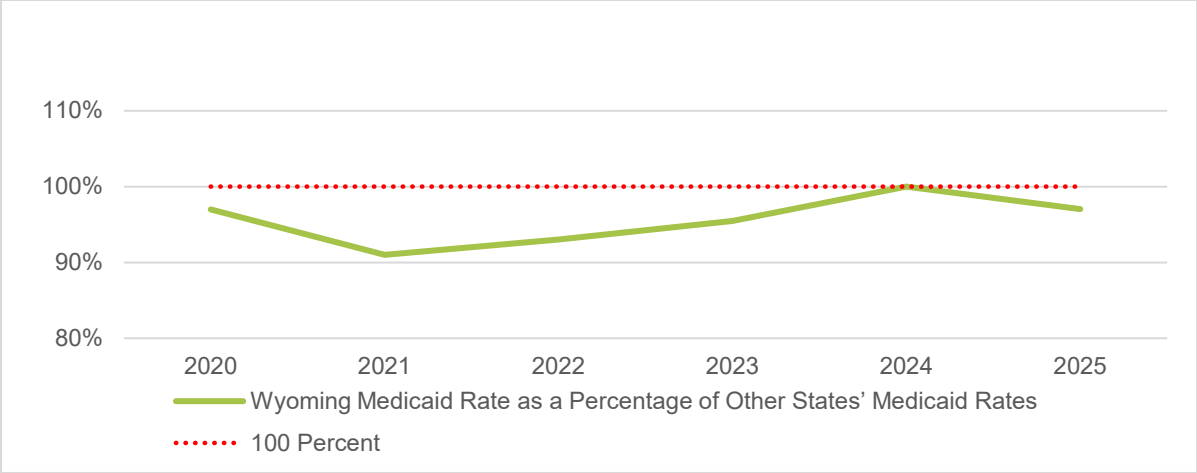


Figure 2.14: Wyoming Nursing Facility Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Other States' Medicaid Rates	97%	91%	93%	95%	100%	97%

- **Ophthalmology:** The chart below displays Wyoming Medicaid Ophthalmology rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, rates averaged approximately one hundred seven percent (107%) of Medicare rates and one hundred nine percent (109%) of other states' Medicaid rates. The SFY 2025 analysis demonstrates that Wyoming Medicaid is paying one hundred nine percent (109%) of Medicare and one hundred percent (100%) of other states' Medicaid rates.

Chart 12: Wyoming Ophthalmology Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

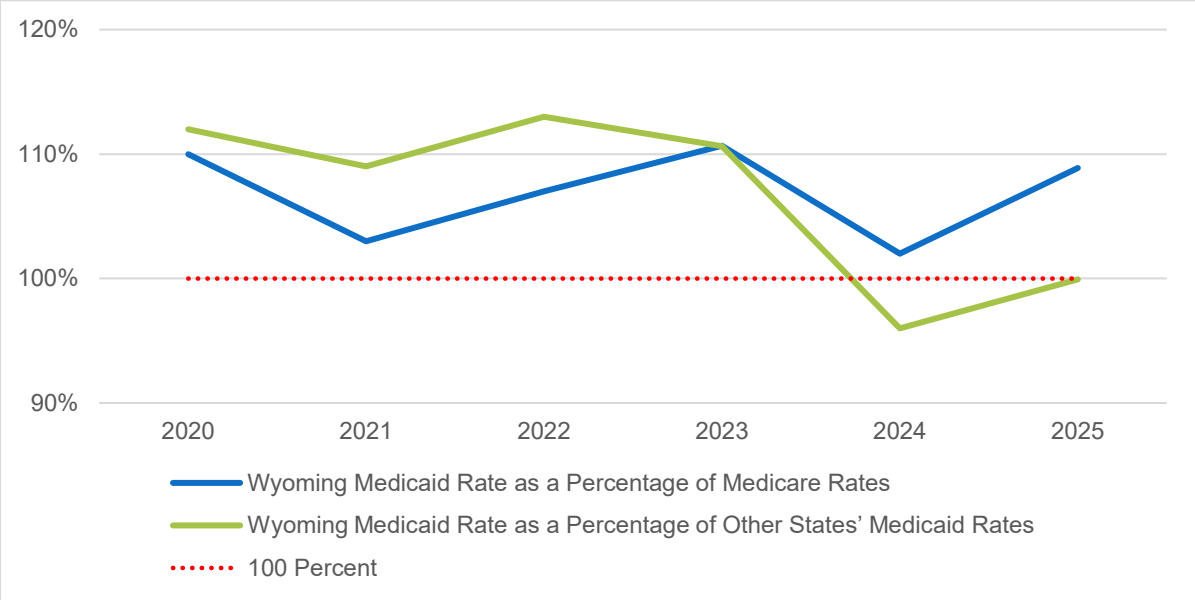


Figure 2.15: Wyoming Ophthalmology Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	110%	103%	107%	111%	102%	109%
WDH Rate as a Percentage of Other States' Medicaid Rates	112%	109%	113%	111%	96%	100%

- **Optician and Optometrist:** The chart below displays Wyoming Medicaid Optician and Optometrist rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, rates averaged approximately eighty-three percent (83%) of Medicare rates and one hundred nine percent (109%) of other states' Medicaid rates. Rates as a percentage of other states' Medicaid declined steadily from one hundred twenty-two percent (122%) in SFY 2020 to ninety-five percent (95%) in SFY 2025, while rates as a

percentage of Medicare remained relatively stable, ranging from seventy-eight percent (78%) to eighty-seven percent (87%) over the period.

Chart 13: Wyoming Optician and Optometrist Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

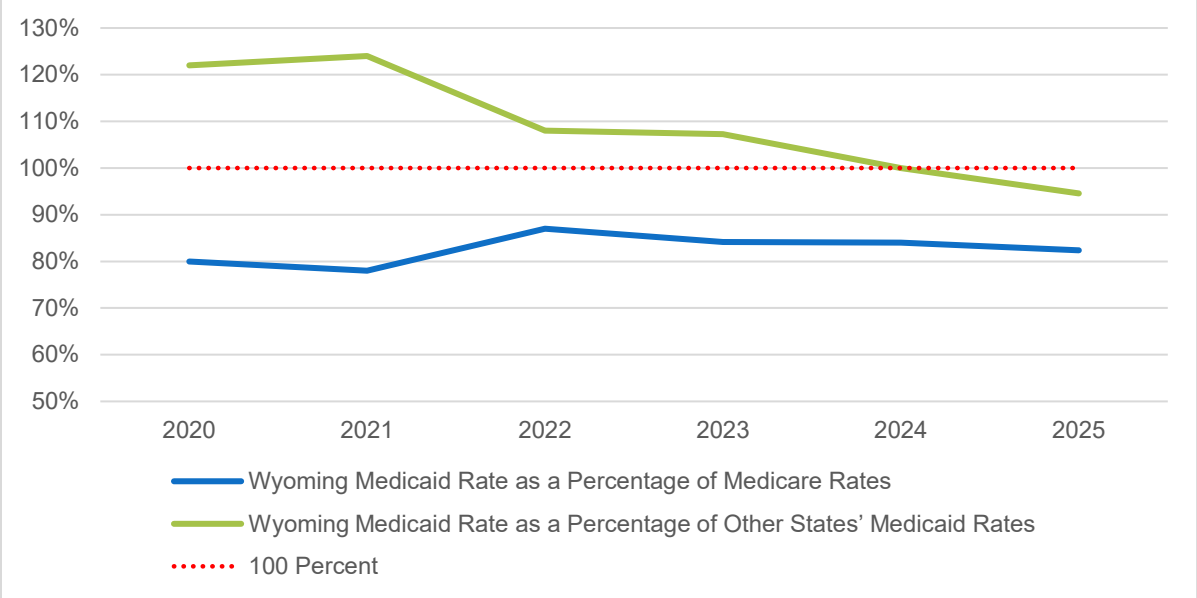


Figure 2.16: Wyoming Optician and Optometrist Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	80%	78%	87%	84%	84%	82%
WDH Rate as a Percentage of Other States' Medicaid Rates	122%	124%	108%	107%	100%	95%

- **Psychiatric Residential Treatment Services (PRTF)**: The chart below displays Wyoming Medicaid Psychiatric Residential Treatment Facility rates as a percentage of other states' Medicaid rates. From SFY 2020 through SFY 2025, Wyoming's PRTF rates averaged approximately eighty-seven percent (87%) of other states' Medicaid rates. Rates declined from ninety-five percent (95%) in SFY 2020 to a low of seventy-three percent (73%) in SFY 2022, before increasing steadily to ninety percent (90%) in SFY 2025.

  Note: Medicare does not cover PRTF services and is excluded from this analysis.

Chart 14: Wyoming PRTF Rates as a Percentage of Other States' Medicaid Rates (Based on Expenditures)

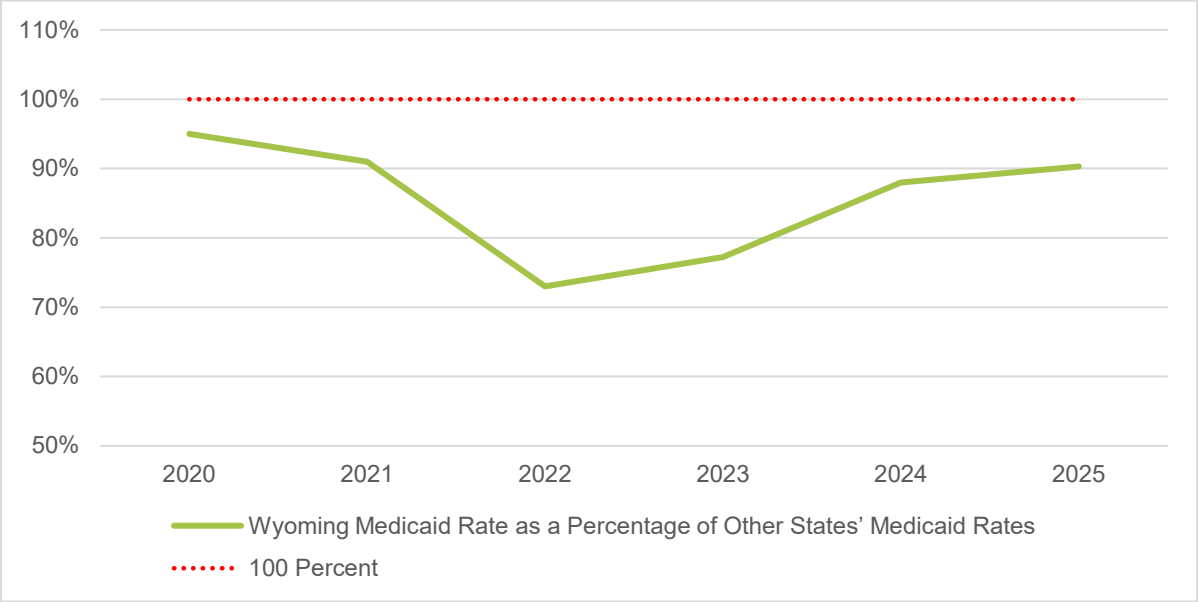


Figure 2.17: Wyoming PRTF Rates as a Percentage of Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Other States' Medicaid Rates	95%	91%	73%	77%	88%	90%

- **Physician and Other Practitioner:** The chart below displays Wyoming Medicaid Physician and Other Practitioner rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, rates averaged approximately eighty-eight percent (88%) of Medicare rates and ninety-eight percent (98%) of other states' Medicaid rates. Rates as a percentage of other states' Medicaid declined from one hundred six percent (106%) in SFY 2020 to ninety-three percent (93%) in SFY 2024 and remained unchanged in SFY 2025, while rates as a percentage of Medicare decreased in SFY 2021 and remained relatively stable through SFY 2025.

Chart 15: Wyoming Physician and Other Practitioner Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates

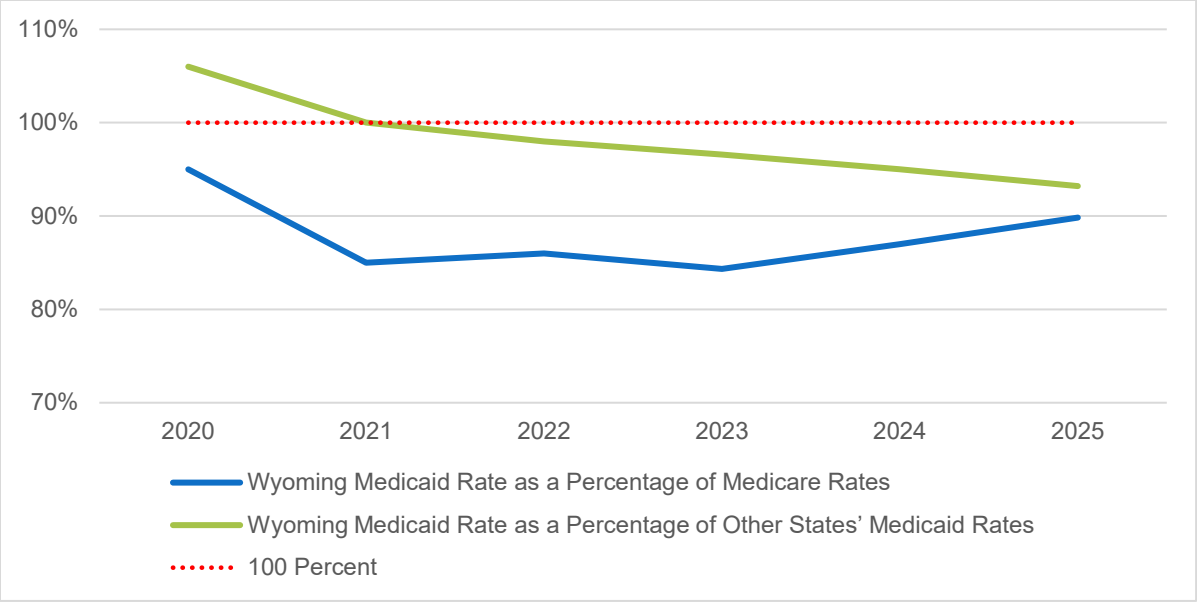


Figure 2.18: Wyoming Physician and Other Practitioner Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	95%	85%	86%	84%	87%	90%
WDH Rate as a Percentage of Other States' Medicaid Rates	106%	100%	98%	97%	95%	93%

- **Primary Care:** The chart below displays Wyoming Medicaid Primary Care rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, rates averaged approximately eighty-nine percent (89%) of Medicare rates and one hundred percent (100%) of other states' Medicaid rates. Rates as a percentage of other states' Medicaid decreased from one hundred six percent (106%) in SFY 2020 to ninety-five percent (95%) in SFY 2024 before increasing slightly to ninety-six percent (96%) in SFY 2025, while rates as a percentage of Medicare decreased through SFY 2023 and then increased to ninety-one percent (91%) in SFY 2025.

Chart 16: Wyoming Primary Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates

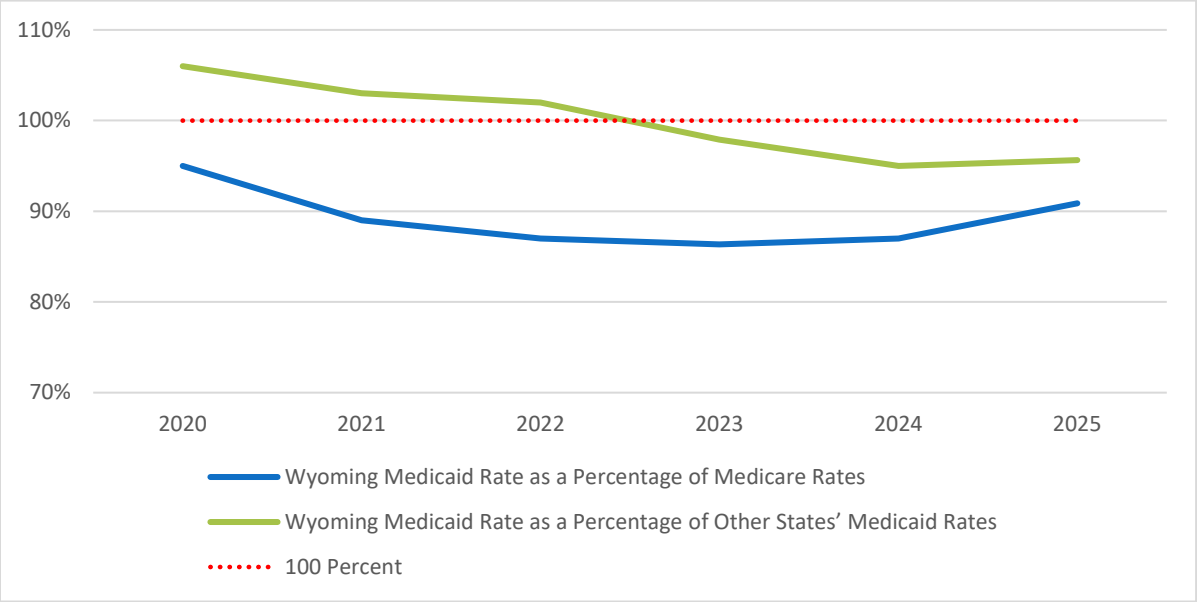


Figure 2.19: Wyoming Primary Care Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	95%	89%	87%	86%	87%	91%
WDH Rate as a Percentage of Other States' Medicaid Rates	106%	103%	102%	98%	95%	96%

- **Physician Specialist Services:** The chart below displays Wyoming Medicaid Physician Specialist rates as a percentage of Medicare rates and other states' Medicaid rates. From SFY 2020 through SFY 2025, rates averaged approximately ninety percent (90%) of Medicare rates and ninety-nine percent (99%) of other states' Medicaid rates. Rates as a percentage of other states' Medicaid declined from one hundred three percent (103%) in SFY 2020 to ninety-two percent (92%) in SFY 2023, before increasing to ninety-nine percent (99%) in SFY 2025, while rates as a percentage of Medicare increased from a low of eighty-two percent (82%) in SFY 2021 to ninety-four percent (94%) in SFY 2025.

Chart 17: Wyoming Physician Specialist Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

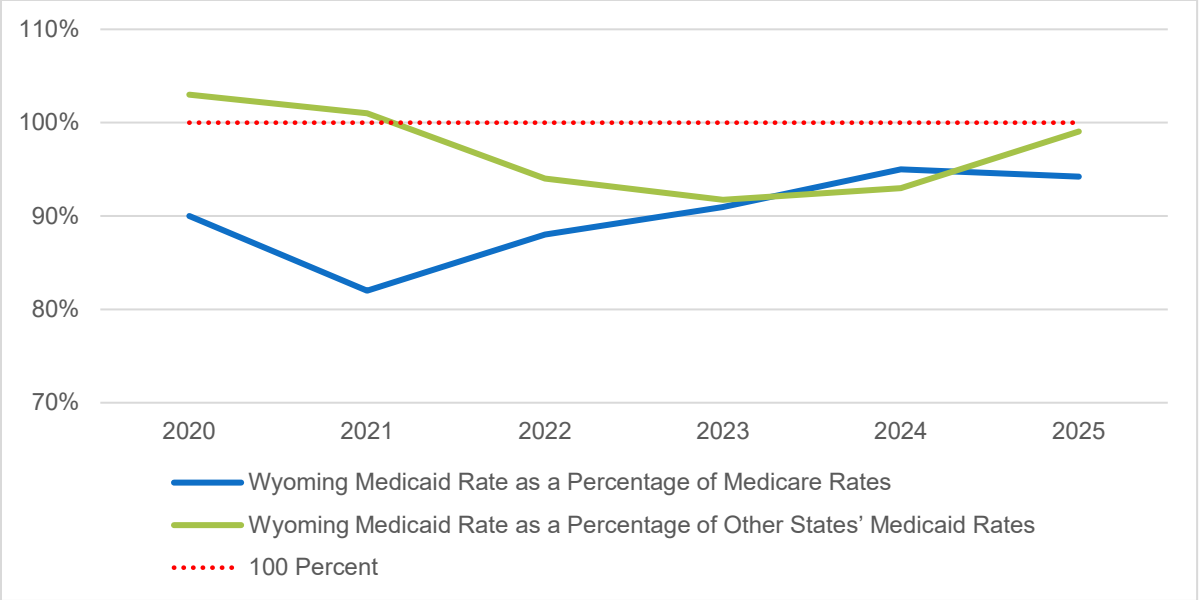


Figure 2.20: Wyoming Physician Specialist Rates as a Percentage of Medicare Rates and Other States' Medicaid Rates (Based on Expenditures)

	SFY 2020	SFY 2021	SFY 2022	SFY 2023	SFY 2024	SFY 2025
WDH Rate as a Percentage of Medicare Rates	90%	82%	88%	91%	95%	94%
WDH Rate as a Percentage of Other States' Medicaid Rates	103%	101%	94%	92%	93%	99%

Hospital Benchmarks

WDH and Guidehouse utilized data from Wyoming Medicaid's SFY 2025 Upper Payment Limit Demonstration 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 2025, 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 supplemental payment programs. Figure 2.9 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 sixty-seven percent (67%) for inpatient services and forty-two percent (42%) for outpatient services. However, when QRA and Private Hospital Assessment Payments are included, inpatient cost coverage increases to one hundred twenty-five percent (125%) 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 is included in Appendices B and C of this report.

Figure 2.21: Hospital Cost Benchmarks for In-State Hospitals

Hospital Payment Type	Cost Coverage Before QRA and Private Hospital Supplemental Payments	Cost Coverage Including QRA and Private Hospital Supplemental Payments
Inpatient	67%	125%
Outpatient	42%	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. Wyoming Medicaid updates 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

[42] 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.

2025 was $67.79, compared to Medicare's single conversion factor for 2025 of $89.17.[43] The Wyoming Medicaid rate was determined to be approximately seventy-six percent (76%) of Medicare's.

Figure 2.22: Wyoming Outpatient Hospital Conversion Factors for CY 2025

Type	OPPS Conversion Factor	Percent of CY 2024 Claims	Weighted Average WY Conversion Factor	Conversion Factor and Payment Rates as Percentage of Medicare
Medicare (CY 2025)	**$89.17**	**N/A**	**N/A**	**N/A**
WY General Hospital (CY 2025)	$45.44	62.7%	$67.79	76%
WY CAH (CY 2025)	$108.95	32.5%		
WY Children's Hospital (CY 2025)	$82.17[44]	4.8%		

Wyoming Medicaid Rates as a Percentage of Medicare Rates

Wyoming Medicaid continues to have higher benchmarked rates compared to Medicare for several services including Ambulance, ASC, Developmental Center, DMEPOS, Home Health, Laboratory, Physician and other Practitioner, Primary Care, Physician Specialist and Optician and Optometrist services. 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

[43] WDH calculated the weighted average WY conversion factor based on the volume of outpatient claims in CY 2024 for each hospital type.
[44] The children's hospital OPPS conversion factor only applies to out-of-state providers as there are no children's hospitals in Wyoming.

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 2025 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 eight percent (108%).

Based on expenditures, Wyoming Medicaid generally pays less on average than Medicare for most service areas, except for Laboratory, Maternity, and Ophthalmology services, where Medicaid pays more than Medicare. Wyoming Medicaid's SFY 2025 rates, as a percentage of Medicare's rates, range from sixty percent (60%) for home health services to one hundred fourteen percent (114%) for Laboratory services.

Limitations

Benchmarking 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 in covered services. For adult dental services, coverage in Wyoming is limited and includes preventive and emergency services, as well as extractions and limited denture-related services, but does not include a full range of restorative procedures typically covered for children. In contrast, surrounding states generally offer broader adult dental benefits, which may include restorative services such as fillings, crowns, or dentures, often subject to service limits, annual caps, or other utilization controls.

Figure 2.23: Explanation of Benchmarking Limitations

Service Area	Benchmarking Limitations
ESRD	A revised ESRD reimbursement methodology was implemented October 1, 2023, and is reflected in the SFY 2025 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, limiting the ability to perform cross-state comparisons.
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 2025, information about each comparison state's inpatient payment methodologies and the Wyoming APR-DRG system is provided in Appendix B.

Service Area	Benchmarking Limitations
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 2025, notable rate decreases of eight percent (8%) or greater were observed in comparison with surrounding states for ASC, Dental, and Home Health services. In addition, Behavioral Health, Developmental Center, DMEPOS, Hospice, Laboratory, Nursing Facility, and Physician and Other Practitioner services experienced a modest decrease of six percent (6%) or less. Notably, Nursing Facility and Optician and Optometrist rates dropped below 100% of benchmarks from other states compared to prior years.

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 these service areas a priority level 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 2.24 and 2.25 describe high and low priority recommendations.

Figure 2.24: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2025)
High Priorities for Evaluation			
Ambulatory Surgical Centers	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 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. In SFY 2025, the WDH ASC rates were ninety-three (93%) of Medicare and one hundred twenty one percent (121%) of other states' Medicaid rates.	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 schedule, rather than the Medicare Hospital OPPS fee schedule. 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. Alternatively, WDH may consider transitioning to an EAPG-based payment methodology. EAPGs is intended for all outpatient services, so the methodology can adapt to pay appropriately for ASCs.	0.9%
Developmental Center	In SFY 2023, the Wyoming Developmental Center's rates dropped to 84% of the average Medicaid rates in other states for SFY 2024. However in 2024, 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. In 2025, they decreased to 84% again.	WDH should evaluate the Wyoming Medicaid developmental center rates in comparison to those of similar states. Rebasing Wyoming's rates may be necessary to ensure reimbursement remains competitive and does not fall behind regional or national benchmarks.	0.2%

Figure 2.24: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – High Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2025)
DMEPOS	In SFY 2024, WDH updated the DME payment methodology. For the purchase of new DMEPOS is the lesser of ninety percent (90%) of the rural or non-rural rate established by Medicare DMEPOS or the provider's usual and customary charge. In cases where there is no clear Medicare code, WDH relies on manual pricing, which can be a significant amount of administrative work for WDH staff.	WDH should evaluate alternative reimbursement options for the thousands of codes where they currently pay manual pricing. An alternate methodology could reduce administrative burden for State staff and could create clearer payment structure for DMEPOS providers.	1.8%

Figure 2.25: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2025)
Low Priorities for Evaluation			
Hospital - General	For inpatient, 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, 2026, 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. WDH may also consider updating the outpatient methodology to an EAPG-based reimbursement system. This system is based on a population that more closely resembles the Medicaid	Inpatient:10.8% Outpatient: 4.6%

Figure 2.25: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2025)
	For outpatient, Wyoming Medicaid updates their APC-based methodology conversion factors on a yearly basis.	population and can accommodate more direct policy adjustments.	
Prescription Drugs	Prescription drug expenditures have consistently increased year over year. In the past five years, prescription drug expenditures have increased year over year. Prescription drug expenditures increased zero-point three percent (0.3%) from SFY 2024 to SFY 2025.	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 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.	14.6%
Long Term Care (Nursing Facilities and HCBS Waivers)	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. 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. As	The recently completed SFY 2027 rebasing studies for the three HCBS waivers provided WDH with insights into future priorities for the DD system, including the distinction between "agency" and "independent" providers on the DD waivers, shifting models of care and service definitions on the CCW, and exploring improvements in case management across HCBS. WDH may consider exploring additional cost-saving strategies within its waiver program, such as	Nursing Facility: 13.4% Community Choices Waivers: 5.9% Comprehensive Waivers: 19.0%

Figure 2.25: Recommendations for Further Evaluation of Reimbursement Rates and Methodologies – Low Priority Services

Service Area	Discussion	Recommendation	Percent of Total Expenditures (SFY 2025)
	required by statute, Wyoming is required to perform a rate study for its HCBS waivers every 2 to 4 years. Accordingly, the state should continue monitoring both the availability and the quality of services provided through its waiver programs to ensure they remain a viable and sustainable alternative to institutional care. WDH completed its SFY 2027 rate study for the DD Waivers in September 2024 and for the CCW in December 2025.	adopting value-based payment models that tie reimbursement to outcomes, quality, or compliance rather than the volume of services delivered. WDH may also evaluate the cost profiles of rural providers, especially those in more "frontier" areas of Wyoming, to determine how to further target investment for access and quality throughout the state. Frontier providers may face extraordinary challenges in transportation, scale, recruitment, and other aspects of their operations.	Supports Waivers: 2.7%

Looking Beyond SFY 2025

In response to findings from historical benchmarking reports, WDH has begun implementing targeted payment increases for behavioral health, maternity services, and critical access hospitals to better align reimbursement with external benchmarks and support access to care across Wyoming.

Effective July 1, 2026 (SFY 2027), Wyoming Medicaid is implementing reimbursement increases targeted to service categories with access and sustainability concerns, including behavioral health, maternity/obstetrics professional services, and labor-and-delivery capacity at critical access hospitals. The changes broadly bring WDH in alignment with Medicare-based and cost-based benchmarks. This approach provides Wyoming Medicaid with a more transparent basis for evaluating payment adequacy relative to Medicare, peer-state Medicaid programs, and, where available, commercial market benchmarks.

For behavioral health, the SFY 2027 updates build on Wyoming's review of behavioral health professional claims and its RBRVS-based reimbursement structure. For non-maternity RBRVS services, including behavioral health RBRVS equivalent codes, WDH is moving reimbursement to 90% of Medicare rates. WDH made these changes in response to findings from Wyoming's prior year benchmarking analyses, which showed behavioral health reimbursement had declined relative to peer-state Medicaid programs. Bringing rates closer to Medicare and peer-

state benchmarks may improve provider participation and help stabilize access to behavioral health services across the state.

For maternity and obstetric services, Wyoming Medicaid is increasing maternity-related physician services to 105 percent of Medicare beginning July 1, 2026. This policy recognizes the unique challenges associated with maintaining obstetric capacity, particularly in communities with low birth volumes. While Wyoming maternity reimbursement has historically compared favorably with Medicare and peer-state Medicaid programs, the enhanced payment level positions the state more proactively to support provider participation and preserve access to prenatal, delivery, and postpartum care, which is particularly important in the Medicaid population.

Figure 2.26: SFY 2027 Reimbursement Rates as a Percentage of Medicare

Maternity Split	Codes	% of Medicare
Non-Maternity	Radiology (7XXXX)	90.0%
Maternity	Delivery (59400, 59510, 59610, 59618)	105.0%
Maternity	Maternity (59XXX)	105.0%
Non-Maternity	Lab (8XXXX)	90.0%
Non-Maternity	All Other	90.0%
Total		**90.9%**

Effective July 1, 2026, critical access hospitals that offer labor and delivery services will be reimbursed at 100 percent of actual cost for eligible inpatient services, reflecting the significant fixed costs associated with maintaining obstetric services regardless of patient volume. Unlike prospective payment methodologies that may not fully capture the cost of sustaining labor and delivery units, a cost-based approach more directly supports hospitals' ability to keep these services available.

These increases may have an outsized impact on rural healthcare providers, which often serve a higher proportion of Medicaid beneficiaries and operate with more limited financial margins compared to hospitals in more urban locations. For rural behavioral health providers, higher reimbursement can support workforce recruitment and retention, reduce financial burden, and expand access to services in underserved frontier communities. For hospitals and clinicians providing maternity care, enhanced payments help offset the substantial costs associated with maintaining labor and delivery services despite relatively low utilization. By moving reimbursement closer to Medicare-based and cost-based benchmarks, Wyoming is creating stronger financial support for providers that are critical to preserving healthcare access, reducing service instability, and sustaining essential behavioral health and maternal health services throughout rural areas of the state.