

---

## Table of Contents

**State/Territory Name:** Wyoming

**State Plan Amendment (SPA) #:** WY-16-0008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



---

**Financial Management Group**

**FEB 21 2017**

Ms. Teri Green  
State Medicaid Agent  
Office of Health Care Financing  
6101 Yellowstone Road, Suite 210  
Cheyenne, WY 82002

Re: Wyoming 16-0008

Dear Ms. Green:

We have reviewed the proposed amendment to Attachment 4.19-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 16-0008. Effective for services on or after July 1, 2016, this amendment provides for quarterly supplemental payments to qualifying private hospitals for inpatient and outpatient hospital services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 16-0008 is approved effective July 1, 2016. The CMS-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,



Kristin Fan  
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

WY16-0008

2. STATE:

WYOMING

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE  
July 1, 2016

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.300 through 447.325 and Section 1902(a)(30) of the SSA

7. FEDERAL BUDGET IMPACT:

July 1, 2016 – September 30, 2016 = \$936,511

- Inpatient = \$262,286

- Outpatient = \$674,225

FFY2017 – \$3,746,045

- Inpatient = \$1,049,144

- Outpatient = \$2,696,900

FFY2018 – \$3,746,045

- Inpatient = \$1,049,144

- Outpatient = \$2,696,900

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19A, Part 1, Addendum 3  
Attachment 4.19B, Part 1, Addendum 2- Page 24B

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

10. SUBJECT OF AMENDMENT:

Wyoming is seeking to implement a broad-based inpatient and outpatient provider supplemental payment program for qualified private hospitals.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Delegated to Teri Green, State Medicaid Agent, Division of Healthcare Financing

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

16. RETURN TO:

TERI GREEN  
STATE MEDICAID AGENT  
DIVISION OF HEALTHCARE FINANCING  
6101 YELLOWSTONE ROAD, SUITE 210  
CHEYENNE, WY 82002

13. TYPED NAME: TERI GREEN

14. TITLE: STATE MEDICAID AGENT

CC: CHRIS BASS, MANAGEMENT ASSISTANT  
(SAME ADDRESS)

15. DATE SUBMITTED: June 20, 2016

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:

FEB 21 2017

19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2016

20. [Redacted] OFFICIAL:

21. TYPED NAME:

Tristen FAN

22. TITLE:

Director, FMG

REMARKS:



## PRIVATE HOSPITAL SUPPLEMENTAL (PHS) PAYMENT - INPATIENT

- I. Subject to the provisions of this section, a privately owned and operated hospital located in Wyoming shall be eligible for a private hospital supplemental payment each quarter (based on a yearly calculation) to compensate such hospitals for the costs of covered services furnished to Wyoming Medicaid patients.

The amount available within the Private Hospital Supplemental Payment pool will equal the aggregate Upper Payment Limit (UPL) gap for privately owned and operated hospitals. The UPL gap is calculated to be the total of the difference between the amount that would have been paid under Medicare payments principles (cost based) in accordance with 42 CFR 447.272 (Upper Payment Limit) and the amount paid for such services by the Medicaid agency.

- II. A privately owned and operated hospital may be eligible for a PHS payment if its calculated inpatient Medicaid costs for the payment period are greater than its inpatient Medicaid payments for the same period. The inpatient Medicaid payments equal the hospital's pre-PHS inpatient Medicaid payments for the payment period.
- III. Private hospital inpatient supplemental payments will be equal to a percentage of each hospital's UPL gap based on each hospital's UPL gap as a proportion of the aggregate UPL gap for all private hospitals. The State determines the UPL gap annually by estimating Medicaid costs using the following data:
- Provider-specific cost-to-charge ratios and/or costs per day developed from the hospital's most recently available cost reports.
  - Charges and payments from each hospital's Medicaid claims with dates of payment from the most recent 12 month period, inflated using the most currently available CMS Prospective Payment System Hospital Input Price Index.

| Hospital     | Inpatient UPL Available for Payment |                                   |                                  | Inpatient Supplemental Payments           |                                      |
|--------------|-------------------------------------|-----------------------------------|----------------------------------|---|--------------------------------------|
|              | Medicaid Deficit                    | Medicaid Payments Exceeding Costs | Amount Available for UPL Payment | Inpatient Payment Distribution Percentage | Total Inpatient Supplemental Payment |
|              | A                                   | B                                 | C=A-B                            | D=C/A                                     | E = A*D                              |
| Hospital A   | 100,000                             | -                                 | 100,000                          |   | 85,000                               |
| Hospital B   | 200,000                             | -                                 | 200,000                          |   | 170,000                              |
| Hospital C   | 300,000                             | -                                 | 300,000                          |   | 255,000                              |
| Hospital D   | 400,000                             | -                                 | 400,000                          |   | 340,000                              |
| Hospital E   | -                                   | 150,000                           | (150,000)                        |   | -                                    |
| <b>Total</b> | <b>1,000,000</b>                    | <b>150,000</b>                    | <b>850,000</b>                   | <b>85.00%</b>                             | <b>850,000</b>                       |

The UPL gap equals the difference between calculated inpatient Medicaid costs and inpatient Medicaid payments for the payment period. Private hospital supplemental payments will not be subject to cost settlement. Aggregate payments to private hospitals, including the private hospital supplemental payments, shall not exceed the Medicaid upper payment limits (UPL) as defined in 42 CFR 447.272.

- IV. The State will make quarterly private hospital supplemental payments for private hospital inpatient services rendered during the applicable quarter (based on a yearly calculation) for each State Fiscal year. Private hospital supplemental payments will be distributed in equal quarterly lump sum payments based on each hospital's UPL gap for the most recent rate year as a proportion of the aggregate UPL gap for all private hospitals.

## PRIVATE HOSPITAL SUPPLEMENTAL (PHS) PAYMENT - OUTPATIENT

- I. Subject to the provisions of this section, a privately owned and operated hospital located in Wyoming shall be eligible for a private hospital supplemental payment each quarter (based on a yearly calculation) to compensate such hospital for the costs of covered services furnished Wyoming Medicaid patients.

The amount available within the Private Hospital Supplemental Payment pool will equal the aggregate Upper Payment Limit (UPL) gap for privately owned and operated hospitals. The UPL gap is calculated to be the total of the difference between the amount that would have been paid under Medicare payments principles (cost based) in accordance with 42 CFR 447.321 (Upper Payment Limit) and the amount paid for such services by the Medicaid agency.

- II. A privately owned and operated hospital may be eligible for a PHS payment if its calculated outpatient Medicaid costs for the payment period are greater than its outpatient Medicaid payments for the same period. The outpatient Medicaid payments equal the hospital's pre-PHS outpatient Medicaid payments for the payment period.
- III. Private hospital outpatient supplemental payments will be equal to a percentage of each hospital's UPL gap based on each hospital's UPL gap as a proportion of the aggregate UPL gap for all private hospitals. The State determines the UPL gap annually by estimating Medicaid costs using the following data:
- Provider-specific cost-to-charge ratios and/or costs per day developed from the hospital's most recently available cost reports.
  - Charges and payments from each hospital's Medicaid claims with dates of payment from the most recent 12 month period, inflated using the most currently available CMS Prospective Payment System Hospital Input-Price Index.

| Hospital     | Outpatient UPL Available for Payment |                                   |                                  | Outpatient Supplemental Payments           |                                       |
|--------------|--------------------------------------|-----------------------------------|----------------------------------|--|---------------------------------------|
|              | Medicaid Deficit                     | Medicaid Payments Exceeding Costs | Amount Available for UPL Payment | Outpatient Payment Distribution Percentage | Total Outpatient Supplemental Payment |
|              | A                                    | B                                 | C=A-B                            | D=C/A                                      | E = A*D                               |
| Hospital A   | 100,000                              | -                                 | 100,000                          |  | 85,000                                |
| Hospital B   | 200,000                              | -                                 | 200,000                          |  | 170,000                               |
| Hospital C   | 300,000                              | -                                 | 300,000                          |  | 255,000                               |
| Hospital D   | 400,000                              | -                                 | 400,000                          |  | 340,000                               |
| Hospital E   | -                                    | 150,000                           | (150,000)                        |  | -                                     |
| <b>Total</b> | <b>1,000,000</b>                     | <b>150,000</b>                    | <b>850,000</b>                   | <b>85.00%</b>                              | <b>850,000</b>                        |

The UPL gap equals the difference between calculated outpatient Medicaid costs and outpatient Medicaid payments for the payment period. Private hospital supplemental payments will not be subject to cost settlement. Aggregate payments to private hospitals, including the private hospital supplemental payments, shall not exceed the Medicaid upper payment limits (UPL) as defined in 42 CFR 447.321.

- IV. The State will make quarterly private hospital supplemental payments for private hospital outpatient services rendered during the applicable quarter (based on a yearly calculation) for each State Fiscal year. Private hospital supplemental payments will be distributed in equal quarterly lump sum payments based on each hospital's UPL gap for the most recent rate year as a proportion of the aggregate UPL gap for all private hospitals.