



Brent D. Sherard, M.D., M.P.H., Director and State Health Officer

Governor Dave Freudenthal

February 14, 2008

Schneider
Medicaid

Henry A. Waxman
Chairman
Congress of the United States
Committee on Oversight and Government Reform
2157 Rayburn House Office Building
Washington, DC 20515-6143

Dear Mr. Waxman:

The Wyoming Department of Health has prepared the following response to the Committee on Oversight and Government Reform's request for an analysis of the impact of each of the seven proposed rules mentioned in your letter: cost limits for public payers (CMS 2258-FC), payment for graduate medical education (CMS 2279-P), payment for hospital outpatient services (CMS 2213-P), provider taxes (CMS 2275-P), coverage of rehabilitation services (CMS 2261-P), payments for costs of school administrative and transportation services (CMS-2287-P) and targeted case management (CMS-2237-IFC).

We have reviewed the regulations and have assessed which regulations might impact Wyoming's Medicaid program. We present a summary of the impact in the tables below and a description of our analysis in the attachment to this letter.

In Table 1 on the next page, we provide our estimates of the reduction in Federal Medicaid funds for each proposed regulation. Wyoming Medicaid does not use provider taxes nor does it make payments for school administrative or transportation services, thus these regulations were not applicable to this analysis. For the remaining regulations, we compared our State regulations to the proposed Federal regulations to determine areas where the proposed Federal regulations might impact Wyoming's Federal Medicaid funds.

We provide the specific inflation factors that we used to project expenditures in Attachment A along with more detailed analysis for each of the relevant regulations. To project the Federal share of Wyoming Medicaid expenditures:



- We used the Centers for Medicare and Medicaid Services (CMS) Hospital Market Basket Index to project expenditures related to hospital services. This applies to the Cost Limit for Public Providers and Payment for Graduate Medical Education regulations.
- We used the CMS Medicare Economic Index to project expenditures related to professional services. This applies to Coverage of Rehabilitation Services and Targeted Case Management regulations.

Table 1: Estimated Reduction of Federal Medicaid Funds

Regulation	Annual Impact				
	2008	2009	2010	2011	2012
Cost Limit for Public Providers	\$1,115,633	\$1,136,471	\$1,166,588	\$1,197,502	\$1,232,230
Payment for Graduate Medical Education	\$93,327	\$95,070	\$97,589	\$100,175	\$103,080
Payment for Hospital Outpatient Services	None	None	None	None	None
Provider Taxes	Not applicable				
Coverage of Rehabilitation Services	\$1,562,001	\$ 1,561,924	\$ 1,583,791	\$1,607,548	\$1,633,268
Payments for Costs of School Administrative and Transportation Services	Not applicable				
Targeted Case Management	\$110,000	\$15,469	\$15,685	\$15,920	\$16,175

In Table 2 on the following page, we provide our estimates of the effect these reductions in Federal Medicaid funds might have on Medicaid applicants and beneficiaries. To estimate this we evaluated whether the regulation would influence the number of individuals who would be served by Wyoming Medicaid.



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Table 2: Estimated Effect of Reduction in Federal Medicaid Funds on Medicaid Applicants and Beneficiaries

Regulation	Annual Impact				
	2008	2009	2010	2011	2012
Cost Limit for Public Providers	No Impact				
Payment for Graduate Medical Education	No Impact				
Payment for Hospital Outpatient Services	No Impact				
Provider Taxes	Not applicable				
Coverage of Rehabilitation Services	Fewer than 200 individuals				
Payments for Costs of School Administrative and Transportation Services	Not applicable				
Targeted Case Management	Fewer than 50 individuals				

If you have any questions regarding this response, please contact Teri Green at 307-777-7908.

Sincerely,

Teri Green
State Medicaid Agent

