

ENROLLED ACT NO. 58, SENATE

SIXTY-FIFTH LEGISLATURE OF THE STATE OF WYOMING
2019 GENERAL SESSION

AN ACT relating to the provision of health care; requiring a study of high Wyoming hospital costs and discrimination by the federal Medicare program against Wyoming residents and Wyoming health care providers; requiring a study of the impacts of the discrimination; requiring a study relating to health care services and funding as specified; requiring a study of the loss of medical services in Wyoming and the use of out-of-state providers to provide medical services to Wyoming residents; providing an appropriation; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1.

(a) The office of the governor, with the assistance of qualified persons or contractors hired for the purpose, shall perform the studies required by this section and include the studies in the report required by this section. The study shall, to the greatest extent possible, take advantage of existing data or studies already performed by state and federal agencies as well as private organizations. This study may be carried out in conjunction with the study required in section 338 of 2019 House Bill 0001.

(b) The governor, with the assistance of qualified persons or contractors, shall study and report on the following topics:

(i) Identify the cost shift in the Medicare prospective payment system (PPS) context to commercial insurers, self-insured businesses and private payors caused by Medicare and other payors who reimburse or pay less than the costs incurred by a health care provider, rural health clinic or hospital in providing a service;

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(ii) Identify the cost shift in the critical access hospitals and rural health clinics context, as defined by Medicare, to commercial insurers, self-insured businesses and private payors caused by Medicare and other payors who reimburse or pay less than the costs incurred by a health care provider or hospital in providing a service;

(iii) Identify how actual costs and charges paid in Wyoming by Medicare and by commercial insurers compare to similar payments made in surrounding states and in a sample of community and academic medical hospitals in coastal states for common medical procedures and for those procedures where a patient from Wyoming is most likely to receive the procedure out-of-state;

(iv) Identify or estimate total health care spending for all Wyoming residents and identify how much of that spending occurs outside of Wyoming. Identify whether the percentage of out-of-state spending is likely to change and, if so, the likely reasons for the change;

(v) Determine or estimate health care spending for Wyoming residents broken down by inpatient, outpatient and pharmacy costs and compare the distribution and the costs to comparable populations in other states;

(vi) Identify what types of medical care, if any, may become no longer economically or medically viable in Wyoming as a result of out-of-state or in-state competition or affiliation agreements with other hospitals. Identify the health risks to Wyoming residents which may result from any reduction in the identified types of medical care;

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(vii) Any difficulties in recruiting physicians and other health care providers created by low reimbursements in general, and low Medicare reimbursements in particular;

(viii) The reasons for high hospital costs in Wyoming. The validity and influence of the following factors and answers to the following questions, which may contribute to Wyoming's high hospital costs, shall be analyzed and considered:

(A) To what extent does there exist in Wyoming an inadequate volume of patients to spread fixed hospital costs, including capital costs, fixed or per unit administrative costs and costs of specialized medical teams;

(B) Do high professional labor costs and difficulties recruiting professional labor due to a lack of urban amenities and appropriate employment opportunities for professional spouses contribute to high hospital costs? Do these factors result in hospitals paying higher wages or paying the very high costs of retaining temporary traveling professionals;

(C) Do inefficiencies in hospital operations or governance models cause high hospital costs that could be controlled with better management? Does a lack of competitive cost pressure, caused in part by the isolated nature of many Wyoming hospitals and the fact that few health care options exist outside of a single hospital in many Wyoming communities, contribute to this problem;

(D) Do excessive profits lead to high hospital costs in Wyoming;

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(E) Does Wyoming provide less state and local support to hospitals than other states? This support includes Medicaid at the state level, local mill levies (either part of the county mill levy or hospital district mill levies), state programs to compensate hospitals for uncompensated care and, outside Wyoming, municipal support for hospitals;

(F) Does uncompensated care, including bad debt, raise Wyoming's hospital costs as compared to other states;

(G) Is it possible that in Centers for Medicare and Medicaid Services 2014 data or other more recent data sets, Wyoming's nursing home costs may be being shifted to the hospital category, increasing reported hospital costs, decreasing nursing home costs and other anomalous features of the data collection in any data set used;

(H) Does the number of critical access hospitals in Wyoming (25 beds or less, frequently with a low patient census) contribute to Wyoming's high hospital costs relative to other states;

(J) Does prolonged care provided to mental health patients at Wyoming hospitals create additional hospital costs in Wyoming? To what extent are these additional costs caused by the inadequate availability of mental health treatment options outside the hospital;

(K) Are there institutional forces, including network provider requirements within the Wyoming state employees' and officials' group insurance plan and network requirements of private health insurance providers, that cause Wyoming residents to seek hospital care out-of-

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state and are there other factors that incentivize residents to seek care in other states;

(M) Do any Wyoming statutes, rules or regulations cause an unnecessary increase in hospital costs in Wyoming.

(ix) What share of Wyoming's total hospital costs are generated by critical access hospitals;

(x) Opportunities to broaden the payor base relating to Wyoming health care services, including alternative funding mechanisms and innovative strategies for reducing health care costs;

(xi) The impacts to rural health clinics, which are fifty (50) or more miles from a critical access hospital, of Medicare reimbursement rates that are less than the reimbursement rates provided to critical access hospitals.

(c) The following entities shall coordinate with the governor's office and any persons or contractors hired by the governor's office and shall provide reports and analyses for inclusion in the reports required by this section as follows:

(i) The department of health shall, based on its professional knowledge and other reliable research, analyze the following issues:

(A) The effect on Wyoming patients in terms of mortality, morbidity and general well-being of receiving medical care in their home community, as opposed to receiving care in a distant location;

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(B) Identification of the most common, serious medical conditions treated in Wyoming's larger communities and identification of those medical conditions which pose significant mortality or morbidity risks if treatment becomes unavailable in a Wyoming community and a patient is required to travel elsewhere to obtain the treatment. Consideration shall be given to the risks of both travel time under normal travel conditions and travel when weather or other factors delay or temporarily prevent safe travel.

(d) The governor, or at the governor's direction the persons or consultants hired by the governor pursuant to this section, shall compile all reports and analyses required by this section, together with any recommendations that he and the consultants or persons may have, into a single report that shall be provided to the joint labor, health and social services interim committee, the joint appropriations committee and to the legislative service office on or before October 1, 2019. The governor shall determine if the report will be a final report, or if the report shall be a preliminary report with a final report to be submitted on or before August 1, 2020. In submitting any report, the governor may include or exclude any portion of the analysis provided by the attorney general under paragraph (c)(ii) of this section in order to comply with the law or to not jeopardize any legal claim recommended by the attorney general.

(e) If requested by the governor or contractor any state agency shall provide assistance as necessary to complete the study required by this act.

Section 2.

(a) The governor:

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(i) May create a steering committee to advise on the issues identified in section 1 of this act and to help direct any of the duties or tasks imposed by section 1 of this act. The steering committee shall consist of at least one (1) member of the senate appointed by the president of the senate, one (1) member of the house of representatives appointed by the speaker of the house of representatives and additional membership as the governor deems appropriate;

(ii) May assign to the steering committee or any state agency he deems appropriate, or otherwise delegate to anyone he deems appropriate, any duty or task assigned to the governor under section 1 of this act.

Section 3. There is appropriated two hundred thousand dollars (\$200,000.00) from the general fund to the governor. This appropriation shall be for the period beginning with the effective date of this act and ending June 30, 2021. This appropriation shall only be expended to contract with qualified persons to provide the studies, analyses and reports required by this act and for assembling, reproducing and distributing the reports required by this act. Notwithstanding any other provision of law, this appropriation shall not be transferred or expended for any other purpose and any unexpended, unobligated funds remaining from this appropriation shall revert as provided by law on June 30, 2021.

ORIGINAL SENATE
FILE NO. SF0067

ENGROSSED

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Section 4. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)

Speaker of the House

President of the Senate

Governor

TIME APPROVED: _____

DATE APPROVED: _____

I hereby certify that this act originated in the Senate.

Chief Clerk