

CORRECTED COPY**FISCAL NOTE**

This bill would provide air ambulance transport coverage under Medicaid for Wyoming residents. The bill would create the Air Ambulance Coverage Account. The funds in this newly created account would come from a premium assessment on insurers and reimbursement from affected state agencies for air ambulance transport services, as specified. This bill provides a continuous appropriation from any funds in the Air Ambulance Coverage Account.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue increase			
Air Ambulance Coverage Account	\$6,850,000	\$7,350,000	\$8,060,000

Source of revenue increase: As stated in the bill, the revenue increase would come from the following sources:

- State agencies reimbursement to the Department of Health (DOH) for covered members' air ambulance costs
- A 0.75% assessment on net premiums of private insurers
- Any revenue received through agreements with self-insured employer groups
- Other sources, including federal funds, may be deposited into the account (not included in the estimate above)

Assumptions: DOH stated that the revenue increase would need to be sufficient to cover claims and administrative costs, as well as allow for a reserve. The estimate presented in the table above is based on the following assumptions:

- Department of Insurance (DOI) anticipated an annual amount of \$4,520,000
 - No estimates are available for the employee welfare benefit plans that may enter into agreements with the Insurance Commissioner, since they are not regulated by DOI.
- The Department of Workforce Services (DWS) anticipated an annual amount of \$1,040,000
- The Department of Administration and Information (A&I), Employees Group Insurance (EGI) anticipated an amount of \$1,290,000 in FY2020, \$1,790,000 in FY2021, and \$2,500,000 in FY2022 assuming 24-26 air ambulance trips/year.
 - A&I anticipates that this assessment may impact agency budgets, specifically benefits in the 100 series, should EGI rates have to be adjusted to accommodate this expenditure.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure increase			
Air Ambulance Coverage Account	\$20,000,000	\$26,000,000	\$26,000,000

Source of expenditure increase: Provide health insurance coverage to Wyoming residents for emergent and medically-appropriate air ambulance transportation.

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Assumptions: The key assumption for the fiscal impact is a 175% Medicare reimbursement rate with a maximum out-of-pocket (MOOP) amount of 5% of income. Alternate rates and maximums may be required.

The estimate presented in the table above is based on the following assumptions:

- Using Wyoming Office of Emergency Medical Services (OEMS) data, the DOH built a model to determine that the approximately 430,000 Wyoming residents not insured by Medicaid or Medicare will experience approximately 1,800 to 2,100 air ambulance trips each year.
- This bill requires cost-based rates. Based on one of the only available studies, the DOH estimates that a cost-based rate would be approximately 170% of Medicare rates.
- The bill permits a cap of a MOOP amount of 20% of income and permits the DOH to graduate cost sharing by member-income. The DOH assumed a graduated MOOP amount of income that would cap the member’s risk at a specified amount.
- Table one illustrates the various plan costs depending on what percent of Medicare is selected and the MOOP amount of income.

Table 1: Estimate of costs to the air ambulance account, for various assumptions

		Rate (as percent of Medicare)					
		75%	100%	150%	200%	250%	300%
MOOP as percentage of member	0%	\$13.5	\$18.0	\$27.1	\$36.0	\$44.7	\$53.8
	5%	\$10.9	\$14.8	\$22.3	\$30.0	\$38.5	\$46.7
	10%	\$10.9	\$14.5	\$21.9	\$29.2	\$37.0	\$44.5
	15%	\$10.9	\$14.5	\$21.7	\$29.1	\$36.7	\$43.9

- DOH assumes that the Centers for Medicare and Medicaid Services (CMS) would approve the 1115 waiver by October 2019 and the program begins on schedule.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Revenue (decrease)			
INDUSTRIAL ACCIDENT FUND	(\$3,900,000)	(\$3,900,000)	(\$3,900,000)

Source of revenue(decrease): Decreased employer premium rates, to the extent necessary, to cover the decreased expenditures for air ambulance charges.

Assumptions: Pursuant to W.S. 27-14-201(a), the revenue decrease will be equal to the expenditure decrease, described below.

	FY 2020	FY 2021	FY 2022
NON-ADMINISTRATIVE IMPACT			
Anticipated Expenditure (decrease)			
INDUSTRIAL ACCIDENT FUND	(\$3,900,000)	(\$3,900,000)	(\$3,900,000)

Source of expenditure (decrease): Decreased expenditures for air ambulance charges, which includes a base fee plus a per mileage charge.

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Assumptions: The key assumption for this fiscal impact is the difference between the amount if this bill passed with the proposed rate as compared to what the average actual expenditures were from 2014 through 2017.

Per federal court order, DWS is currently required to pay billed air ambulance charges at 100%.

This bill would provide for a rate based on the Medicaid rate for air ambulance charges. When calculating the proposed fee schedule, DWS assumed the highest possible Medicare rates because Wyoming is designated as, predominantly, rural.

- Fixed Wing Base Fee \$9,149.08
- Rotary Wing Base Fee \$10,637.16
- Fixed Wing Mileage \$25.96/Mi.
- Rotary Wing Mileage \$69.28/Mi.

The estimate presented in the table above is based on the following assumptions:

- DWS reviewed rates and charges for air ambulances and identified the following 5-year averages
 - 25 Fixed Wing flights/year
 - 39 Rotary Wing (RW) flights/year
 - Average Fixed Wing flight is approximately 225 miles
 - Average Rotary Wing flight is approximately 95 miles
- DWS calculated that from 2014 to 2017, over four years the total charges were approximately \$19,618,242.
- DWS calculated that from 2014 to 2017, over four years the total charges based on the proposed fee schedule would have been approximately \$4,185,135.
- \$19,618,242 total actual charges - \$4,185,134 proposed fee schedule = \$15,433,108 total decrease from 2014 to 2017
- \$15,433,108 / 4 years = \$3,858,277 average decrease per year from 2014 to 2017

NOTICE-AGENCY ESTIMATE OF ADMINISTRATIVE IMPACT REQUESTED

This bill has administrative impact that appears to increase duties or responsibilities of one or more state agencies and may impact agency spending or staffing requirements. As introduced, the bill does not modify any state agency budget or current personnel authorizations.

The following state agencies will be asked to provide their estimate of the administrative fiscal impact prior to the first committee meeting held to consider the bill:

Department of Health

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