



LEGISLATURE *of the* STATE *of* WYOMING

JOINT LABOR, HEALTH AND SOCIAL SERVICES COMMITTEE

December 7, 2018

Sen. Bruce Burns & Rep. Bob Nicholas, Chairmen
Joint Appropriations Committee
Wyoming Legislature
213 State Capitol
Cheyenne, WY 82002

(by e-mail)

Re: Adolescent Mental Health Reimbursement Rates—Medicaid

Dear Chairman Burns and Chairman Nicholas,

We are writing to alert the Joint Appropriations Committee of a potentially serious problem brewing in the adolescent mental health area. The Joint Labor Committee invited Joe Gallagher, Chief Executive Officer of the Wyoming Behavioral Institute (WBI), to speak at our November 20, 2018 meeting. Since the State Hospital in Evanston does not have the capability to serve adolescents, WBI serves as Wyoming's only psychiatric hospital for these patients. During our meeting, Mr. Gallagher made two statements we believe are of significant interest:

1. WBI recently reduced the capacity of a 34-bed adolescent unit down to 20 beds—because the unit was operating at a loss—and is currently considering reducing this unit further. A new Medicaid payment methodology has been introduced by the Wyoming Department of Health which will significantly impact adolescent mental health care. Under the new formula, adolescent mental health patients are the only clients that will receive less reimbursement than currently received. WBI expects to lose approximately \$700,000 in 2019 if the same number of patients treated in 2018 are served. Mr. Gallagher stated that the flat rate methodology used for the last eight years should be maintained as a daily rate moving forward and that the new payment methodology should exclude adolescent mental health services.

2. In addition, WBI reports there is increasing difficulty obtaining necessary placements for adolescents who have completed acute psychiatric treatment and are ready to move to a less restrictive setting. Many times, these adolescents are moved out-of-state. However, WBI reported that Wyoming Medicaid currently pays significantly less than other states, so out-of-state providers take Wyoming adolescents last. We are not clear what the situation is with Wyoming providers, but Mr. Gallagher did mention reports of trouble with one placement specifically.

Our evaluation is that these issues are different than normal complaints made by Medicaid providers regarding reimbursement rates and that they are evidence of a potential impending crisis. These statements also evidence the fact that key providers are taking specific actions to avoid treating Wyoming adolescents covered by Medicaid.

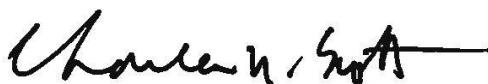
Adolescence is often the age when mental illness first manifests itself. These illnesses can result in suicide or even homicide. Medicaid needs to pay an adequate reimbursement rate or these adolescents could lose access to necessary services. A continued loss of services may also result in adolescents being treated in hospitals which are more restrictive than necessary, and as a result more expensive to Medicaid, or which lack necessary treatment. We could face a possible crisis if this trend continues.

The Wyoming Department of Health was not asked to provide feedback on these concerns. Therefore, we do not know if the reimbursement problem is centered on adolescent mental health or if the problem is more widespread. We do know Medicaid pays health care providers at a lower rate than other payers and Wyoming's recent budget woes have made this issue worse.

The Joint Labor Committee has completed its committee meetings for the 2018 interim. We hope to consider mental health issues as one of our 2019 interim topics, but in the meantime, we understand that the Joint Appropriations Committee must deal with the Wyoming Department of Health's funding as a result of single-year appropriations in the biennial budget.

We urge you to make a special inquiry into adolescent mental health reimbursement rates under Medicaid during this review.

With best wishes,



Sen. Charles Scott
Co-Chairman,
Joint Labor Committee



Rep. Eric Barlow
Co-Chairman,
Joint Labor Committee

cc: Sen. Eli Bebout, Chairman-Elect, Joint Appropriations Committee
Tom Forslund, Director, Department of Health
Members, Joint Labor Committee