



NEWS BRIEFS

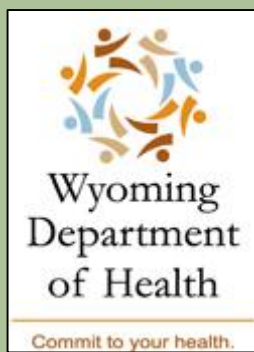
Informational Newsletter for Wyoming Hospitals

WHA Calendar:

- Department of Health Associations Meeting Cheyenne 11/10
- WHA Board Meeting Casper 11/19
- Wyoming Business Alliance Meeting Casper 11/19

Other Events:

- Hospital Advisory Group Meeting Cheyenne 11/17



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Health Department Reports on Medicaid to JAC

A Department of Health official told the Legislature's Joint Appropriations Committee last week that federal stimulus funding should prop up the state Medicaid budget in the near term, but planning is still underway for dealing with the longer-term health of the program.

Testifying before the JAC in Cheyenne, Bob Peck, chief financial officer at the Department of Health, said he anticipates a total Medicaid budget shortfall of slightly more than \$111 million. Of that figure, almost \$66 million is the state's share from the general fund.

The stimulus bill provided for a 6.2% enhanced federal match earlier this year. And Peck said that because of Wyoming's increasing unemployment rate, he expects the state will receive an increased unemployment match of 6.1%, the highest rate available.

As a result, Peck said he anticipates total stimulus funding of about \$77.5 million, which will offset the state's general fund shortfall with about \$12 million to carry forward.

Looking forward, Peck told the committee that provider cuts that were announced earlier this year should help reduce the budget shortfall. He said the

department saw a 10% Medicaid cost reduction in September, compared to the first two months of the current fiscal year.

He said the department has a plan to hold reimbursement rates at their current levels through the next biennium. With the assistance of the federal funds, he said, the department does not currently expect to reduce reimbursement rates any further.

Peck provided the committee with a list of the key drivers of Medicaid cost increases. Among those drivers is a \$59 million increase attributable to increased Medicaid enrollment and recipients. Peck said that since fiscal year 2007, Medicaid enrollment has increased 2.3%, and the number of people receiving services through Medicaid has increased 9.8%.

Annual increases in nursing home rates are driving a \$6.3 million cost increase. Annual increases in hospital rates are expected to drive a \$9 million increase in Medicaid costs, while increases in physician fees and billed services are driving an \$11 million cost increase.

Outlier claims ó claims for which the actual cost exceeds the normal cost of care ó are also responsible for a

\$14 million increase in Medicaid costs. Neonatal care tends to show up in the outlier claims category.

Peck said that although Medicaid births were down in fiscal year 2009 compared to fiscal year 2008, the cost per birth went up 44%.

Peck said the department has outlined a number of strategies to control Medicaid costs, including a requirement that all fee increases will need the approval of the State Medicaid Agent.

Additionally, the department is working on various measures to control rising prescription drug costs. According to Peck's presentation, prescription drugs are driving a \$4.7 million increase in Medicaid costs.

The department is developing a database that will help identify cost trends monthly, rather than annually, as the available data currently allows. Peck said a state epidemiologist has been assigned to Medicaid to help with the analysis of claims data, and a Medicaid Controller position has been created to focus on claims analysis.

Finally, Peck said, the department is providing training to program managers to help them focus on controlling costs.



Don't forget to send us a story about your hospital so we can feature you in our Member Spotlight section!

Washakie Hospital Foundation Holds "Amazing Race"

The Washakie Hospital Foundation held its first annual "Worlando Beach Amazing Race" on September 26.

A news release said that the teams of two will race around the Worland area deciphering clues and completing tasks at each stop—similar to a scavenger hunt.

For those not familiar with the premise, each team is given a clue that they use to figure out where the clue is telling them to go and

then go to that location.

Once at that location, they have to complete a task. After the task is completed, the team is given a clue to the next location and they continue on.

There were a total of 12 stops on the race such as stores, schools, golf course, etc. Tasks could include playing in mud, obstacle course, singing or searching for an object.

Each team needed to raise \$50 with no maxi-

mum and prizes were given with each team member receiving an "Amazing Race" shirt.

Money raised will benefit the Washakie Hospital Foundation. The purpose of the newly formed Foundation is to support and sustain the quality of healthcare delivered by Washakie Medical Center.



Concerns Remain Over House Version of Reform Bill

Although the healthcare reform bill released by Democrat leaders in the U.S. House of Representatives included an important provision to expand coverage to 96 percent of legal U.S. residents, advocates remain concerned about a number of the bill's other provisions.

The bill makes an effort to use negotiated rates for reimbursement under the proposed public option, but those rates are still tied in part to historically low

Medicare rates. The bill also expands Medicaid eligibility from 133 percent of the federal poverty level to 150 percent at a time when states, including Wyoming, are struggling with Medicaid budget shortfalls.

Additionally, the bill removes a provision that would provide discounted drug prices for inpatient services; continues to include penalties for a broad set of readmissions, rather than those that are truly avoidable; and includes a

\$20 billion tax on medical device manufacturers that could be passed directly on to hospitals.

The reform landscape continues to change rapidly, but House members were expected to begin debate on the bill late last week, just as Senate leaders began to suggest that debate on reform may extend into next year. The vote in the House was expected to occur on Saturday.



FDA Issues Emergency Authorization for Flu Drug

The FDA has issued an Emergency Use Authorization (EUA) for peramivir IV. Peramivir IV is an investigational intravenous antiviral drug used to treat people who have been hospitalized due to severe flu illness. The drug is being held in the Strategic National Stockpile and distributed by CDC.

This drug is being made available directly to physicians. They will request this product from CDC and it will be deployed from SNS for delivery directly to the hospital facility. Peramivir IV is not treated the same as other SNS influenza assets. States are not included in the request process or receipt of this drug.

Physicians who require additional information on peramivir IV or who would need to request this product please direct them to <http://www.cdc.gov/h1n1flu/eua/>.

The Wyoming Department of Health requests that physicians who do order peramivir contact the department at 1-888-996-9104 to monitor the requests.

Wyoming Hospital Association

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