Health Insurance Affordability in Wyoming and Health Care Cost Drivers

Wyoming Hospital Association

June 18, 2026

Who We Represent

30

Wyoming Hospitals

Critical access, general, specialty & district

35

Wyoming Nursing Homes

Every licensed nursing home in the state

579K

Residents Served

Across 97,813 square miles

The Background

- Wyoming is a frontier state: Fewer than 6 persons per square mile
- Wyoming hospitals and nursing homes are often the only healthcare options for their communities
- The nearest alternative facility may be 80–150+ miles away — across mountain terrain
- Any policy affecting hospital costs or access has direct, immediate consequences for patient safety

Topics Covered Today

I Wyoming Hospital Ownership Structures

II Hospital Operations & Service Line Optimization

III Historical & Current Cost Drivers

IV Workforce Capacity & Midlevel Providers

V Access to Services & Patient Transfers

Section I

Wyoming Hospital Ownership Structures

Understanding the cost landscape for Wyoming healthcare

Critical Access v. Prospective Payment Systems

Critical Access Hospital (CAH)

- 25 or fewer acute care inpatient beds
- Located more than 35 miles from another hospital
- Maintain an annual average length of stay of 96 hours or less for acute care patients
- Provide 24/7 emergency services
- Cost-based Medicare reimbursement, capital improvement costs included in allowable costs for determining Medicare reimbursement, access to Flex program resources
- Many Wyoming hospitals are CAHs, with two that have recently converted and one more in progress.

Prospective Payment System (PPS)

- Method of reimbursement in which Medicare sets a predetermined, fixed amount. Payment is based on the classification of a system of that service, such as diagnosis-related groups for inpatient hospital services.

Wyoming's Hospital Landscape

PPS ACUTE HOSPITALS				
Wyoming Medical Center	Casper	Non-Profit	Banner Health	
Cheyenne Regional Medical Center	Cheyenne	County memorial	UC Health	
Campbell County Health	Gillette	District	UC Health	3
St. John's Health	Jackson	District		3
SageWest Health Care - Lander	Lander	For-Profit	LifePoint Hospitals, Inc.	
Ivinson Memorial Hospital	Laramie	District	UC Health	3
SageWest Health Care - Riverton	Riverton	For-Profit	LifePoint Hospitals, Inc.	
Sheridan Memorial Hospital	Sheridan	County memorial		
CRITICAL ACCESS HOSPITALS				
Star Valley Medical Center	Afton	District		3
Three Rivers Health	Basin	District	Billings Clinic System	6
Johnson County Healthcare Center	Buffalo	District		3
Cody Regional Health	Cody	District	Ovation	3
Memorial Hospital of Converse County	Douglas	County memorial		
Evanston Regional Hospital	Evanston	For-Profit	CHS Quorum Health Corp	
South Lincoln Medical Center	Kemmerer	District		3
North Big Horn Hospital	Lovell	District	Billings Clinic System	6
Niobrara Community Hospital	Lusk	District		6
Weston County Health Services	Newcastle	District	Regional Health Rapid City	6
Powell Valley Healthcare	Powell	District	Billings Clinic System	3
Memorial Hospital of Carbon County	Rawlins	County memorial	Ovation	
Memorial Hospital of Sweetwater County	Rock Springs	County memorial		
North Platte Valley Medical Center	Saratoga			
Sublette County Hospital District	Sublette	District		3
Crook County Medical Services	Sundance	District		3
Hot Springs Health	Thermopolis	County memorial	HealthTech Mgmt Services	3
Community Hospital	Torrington	Non-profit Banner owned	Banner Health	
Platte County Memorial Hospital	Wheatland	District - leased	Banner Health	3
Washakie Medical Center	Worland	County memorial - leased	Banner Health	
Wyoming Behavioral Instutute	Casper	For-Profit Acute-Psychiatric	Universal Health Services	
Elkhorn Valley Rehabilitation Hospital	Casper	For-Profit	Earnest Health	

Wyoming Hospital Ownership Structures

Governmental Hospitals

- **County Memorial Hospital**
  - Operated by Board of Trustees appointed by the County Commissioners.
  - County levies an annual tax payable to the hospital for maintenance of the facility.
- **Hospital District**
  - Created by the electors of the district and operated by an elected Board of Trustees.
  - Independent taxing authority of up to 6 mills (not to exceed 3 mills in any given year).

Private Hospitals

- **Non-Profit**
  - Required to provide certain community benefits (these same requirements apply to government hospitals and may include education for health professionals, financial assistance for patients, subsidized health services, research, complimentary health screenings, etc.
  - Do not pay federal income tax or state and local property taxes
  - Revenue is re-invested into facilities
- **For-Profit**
  - Investor-owned, with profits paid to shareholders
- **Physician-Owned**
  - Provisions in federal law govern conflicts of interest, the ability to expand, patient safety, etc.

Section II

Hospital Operations & Service Line Subsidization

Hospital Service Lines and Costs

Profitable v. Unprofitable Service Lines

- EMS, ER Dialysis, OB, Behavioral Health, Orthopedics, Long Term Care, etc.
- Profitable service lines, like elective orthopedic surgeries, subsidize critical service lines that keep communities healthy and thriving (OB and ER services).

Fixed and Variable Costs

- Variable Costs
  - All direct materials related to treating an individual patient (medications, testing agents, disposable supplies, etc.)
- Fixed Costs
  - Buildings/Property, Salaries, Equipment (MRI, CT, Radiology)
  - Administrative Costs
    - Average 18.3% of total hospital costs in WY in FY 2024 according to Medicare Cost Reports.
    - These costs include HR services associated with provider recruitment and retention, revenue cycle management personnel, patient advocates, payroll, employee training, and malpractice, property, and liability insurance.

Uncompensated Care: A $141M Crisis

PROV_NO_RPT	NAME	FFY	ITM_VAL_NUM	FFY	ITM_VAL_NUM	FFY	ITM_VAL_NUM
530002	Campbell County Health	2022	18,913,955.00	2023	17,961,403.00	2024	15,857,007.00
530006	Sheridan Memorial Hospital	2022	9,421,254.00	2023	7,155,260.00	2024	5,482,864.00
530008	SageWest Health Care - Riverton	2022	8,691,692.00	2023	6,325,359.00	2024	4,730,708.00
530011	Memorial Hospital of Sweetwater County	2022	3,698,339.00	2023	3,988,746.00	2024	3,698,339.00
530012	Wyoming Medical Center	2022	24,602,643.00	2023	14,281,499.00	2024	17,704,332.00
530014	Cheyenne Regional Medical Center	2022	21,291,874.00	2023	18,881,131.00	2024	22,057,293.00
530015	Saint John's Health	2022	6,396,771.00	2023	8,333,353.00	2024	9,790,403.00
530025	Ivinson Memorial Hospital	2022	5,756,609.00	2023	4,329,253.00	2024	6,146,902.00
530032	Evanston Regional Hospital	2022	2,084,608.00	2023	2,182,321.00	2024	1,921,145.00
530034	Summit Medical Center, LLC	2022	701,071.00	2023	469,247.00	2024	351,165.00
530037	NORTH PLATTE VALLEY MEDICAL CENTER					2024	301,514.00
531301	Three Rivers Health	2022	1,002,703.00	2023	908,422.00	2024	1,453,039.00
531302	Memorial Hospital Converse County	2022	7,368,167.00	2023	8,318,077.00	2024	6,352,612.00
531303	Weston County Health Services	2022	2,282,458.00	2023	1,872,153.00	2024	1,790,886.00
531304	Hot Springs Health	2022	2,934,045.00	2023	1,869,698.00	2024	1,933,567.00
531305	Platte County Memorial Hospital	2022	3,305,466.00	2023	3,550,817.00	2024	2,921,135.00
531306	Washakie Medical Center	2022	2,770,402.00	2023	1,881,782.00	2024	1,480,179.00
531307	Community Hospital	2022	2,805,959.00	2023	3,024,339.00	2024	2,505,559.00
531308	Johnson County Healthcare Center	2022	2,489,986.00	2023	1,676,933.00	2024	2,885,330.00
531309	North Big Horn Hospital	2022	858,723.00	2023	716,944.00	2024	1,553,578.00
531310	Powell Valley Healthcare	2022	3,331,008.00	2023	4,231,398.00	2024	6,148,116.00
531311	Crook County Medical Services District	2022	695,527.00	2023	761,394.00	2024	898,771.00
531312	Cody Regional Health	2022	3,454,361.00	2023	5,719,016.00	2024	10,087,776.00
531313	Star Valley Health	2022	2,714,326.00	2023	4,882,440.00	2024	6,225,469.00
531314	Niobrara Community Hospital	2022	2,081,750.00	2023	885,500.00	2024	776,062.00
531315	South Lincoln Medical Center	2022	1,816,476.00	2023	768,951.00	2024	807,967.00
531316	Memorial Hospital of Carbon County	2022	4,004,928.00	2023	3,419,363.00	2024	5,527,644.00
			145,475,101.00		128,394,799.00		141,389,362.00

Uncompensated Care: $141M+ Annually and Growing

$98M
2017 Baseline

$141M+
Current (2024–25)

44%
Growth Since 2017

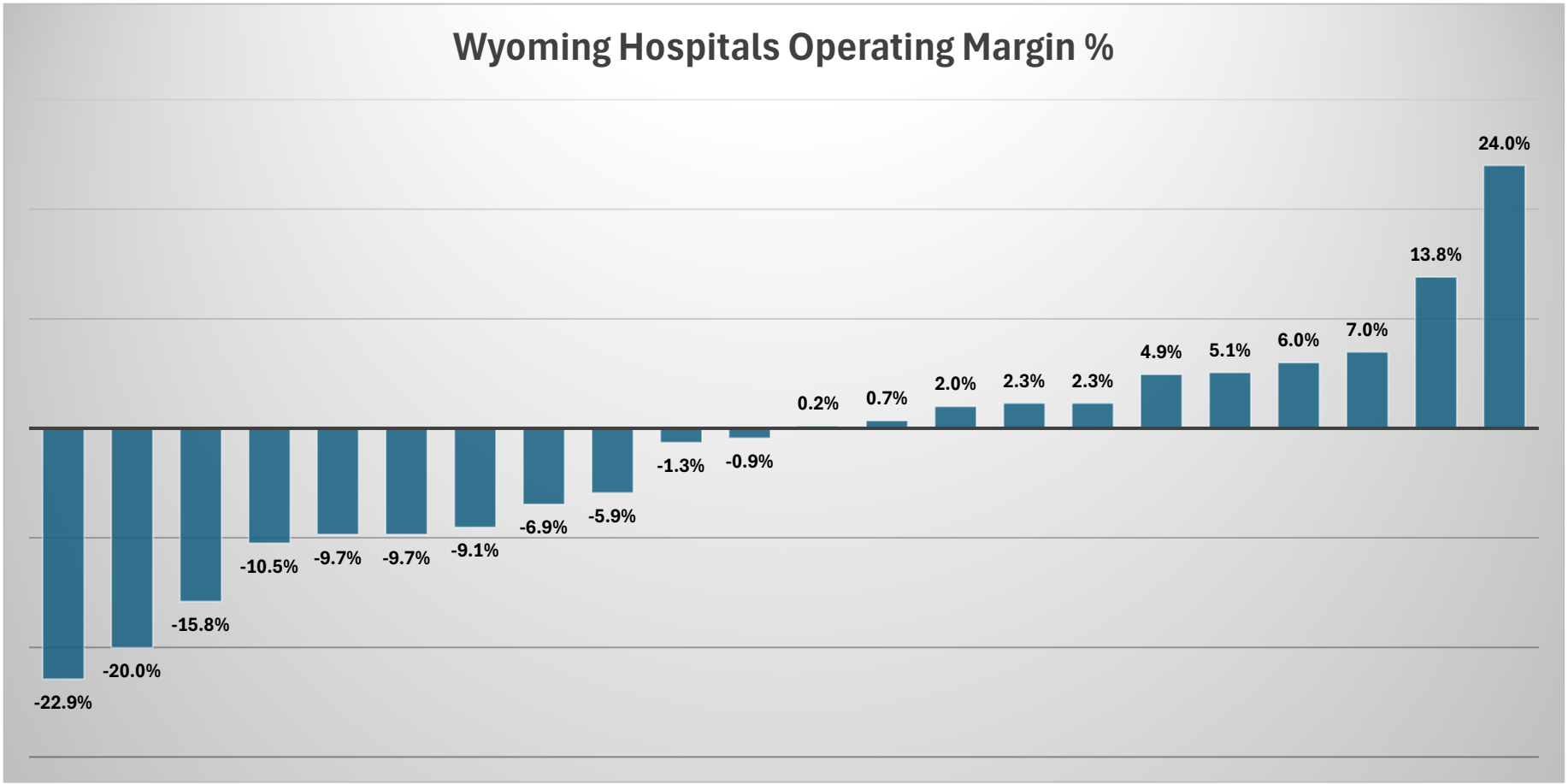
The Cost-Shifting Cycle

Medicare underpays (73¢/$) + Medicaid underpays + uncompensated care grows ($141M+/yr) →
Hospitals must charge more to commercial payers →
Employers & individuals face higher premiums → More patients cannot afford care → More uncompensated care

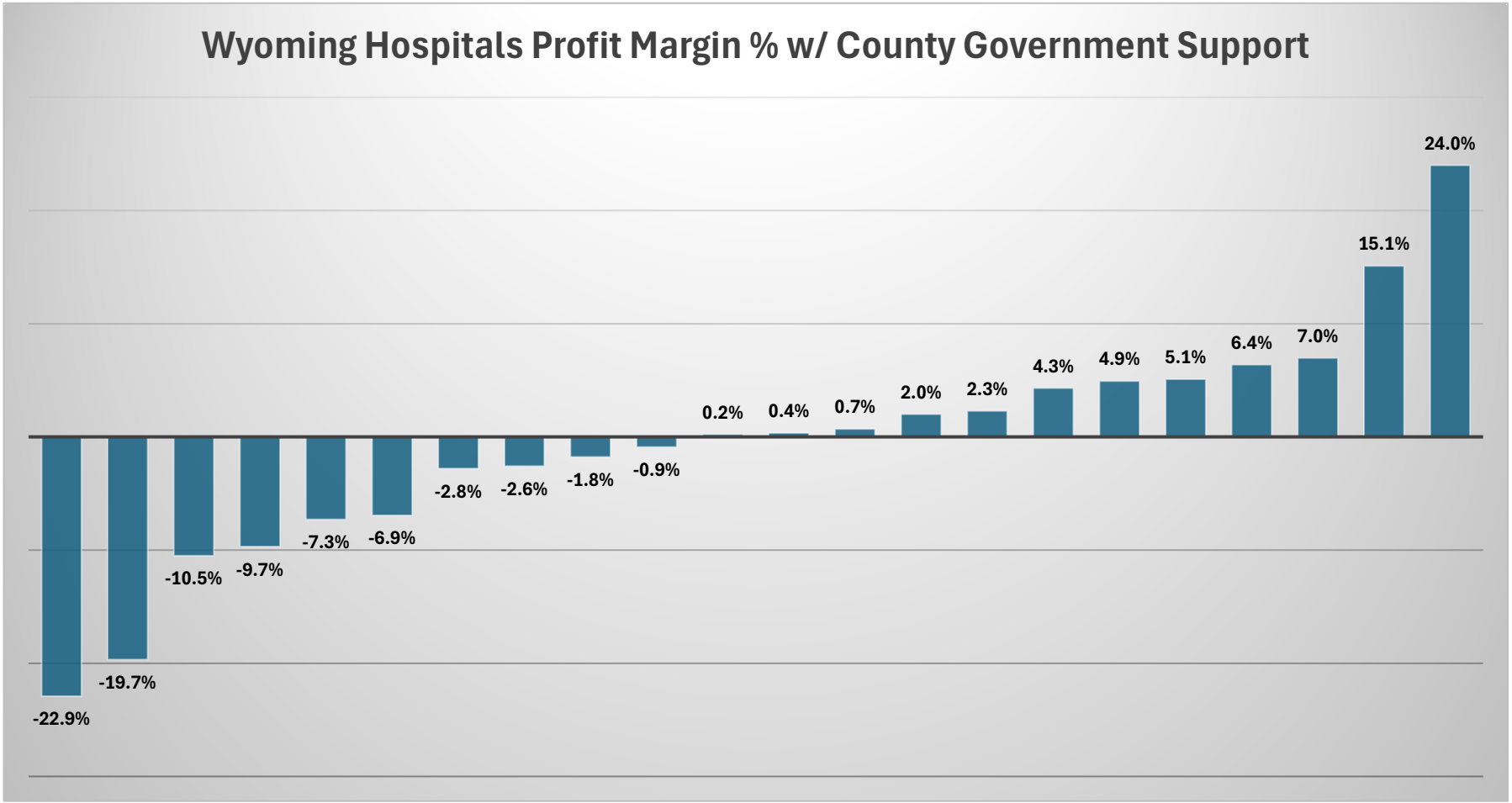
Long-Term Care Impact

- 70–80% of nursing home residents on Medicaid, which reimburses below cost
- LTC beds must be available to take those who shouldn't be housed in the hospital.

Wyoming Hospitals Operating Margin %



Wyoming Hospitals Profit Margin % w/ County Government Support



Section III

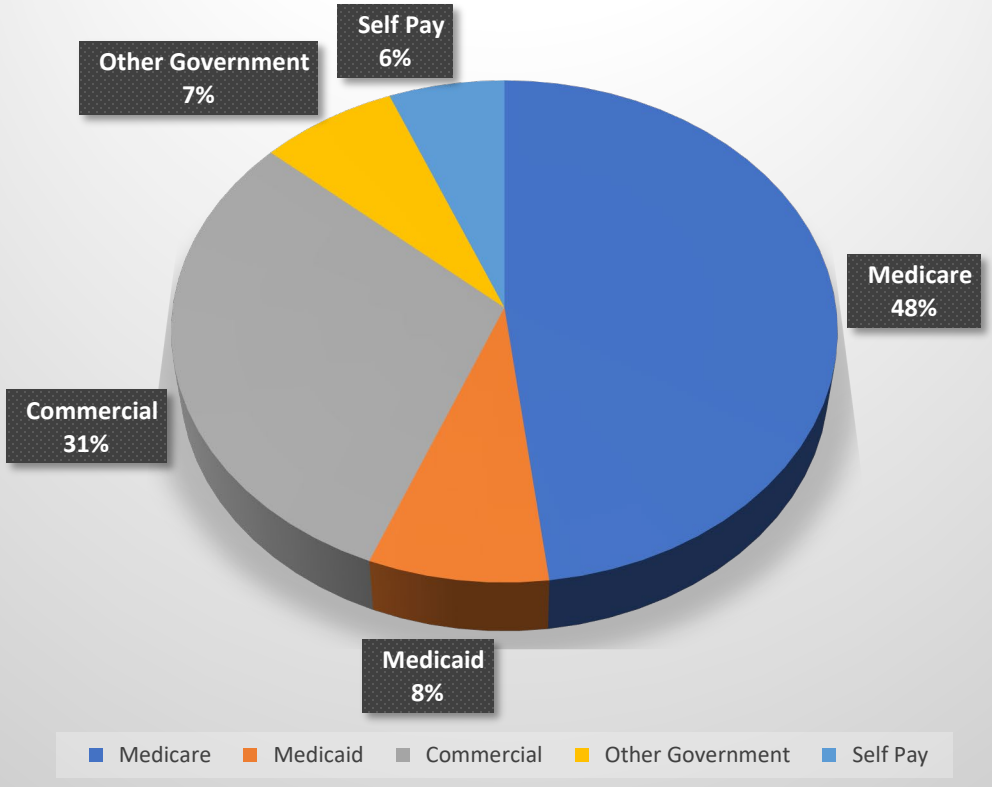
Historical & Current Cost Drivers

Government Payer Underpayment as A Key Cost Driver

Metric	Critical Access Hospitals	PPS Hospitals	All WY Hospitals
Total Revenue (2017)	$256M	$783M	$1.022B
Medicare Operating Margin	−7%	−20%	−16%
Medicaid Operating Margin	−56%	−22%	−30%
Commercial/Other Margin	+10%	+17%	+16%
Uncompensated Care % of Revenue	6%	6%	6% (vs. 4% national avg)
Total Uncompensated Care Cost	$22M	$75M	$98M

Source: 2019 Milliman Wyoming Hospital Cost Study. Medicare FFS currently pays approximately 73 cents per dollar of hospital costs nationally.

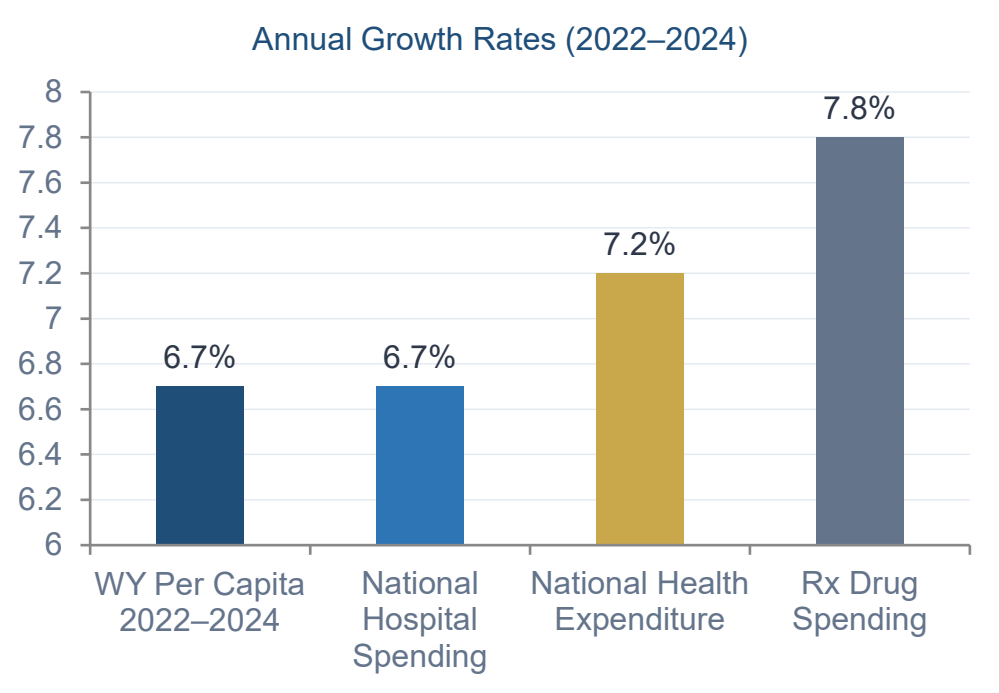
Wyoming Hospitals Payer Mix



EMTALA & EHR/Meaningful Use Requirements

- **EMTALA**
  - In 1986, Congress enacted the Emergency Medical Treatment & Labor Act (EMTALA) to ensure public access to emergency services regardless of ability to pay.
  - Any hospital that accepts Medicare dollars must screen all patients who arrive at the ED to determine whether a medical emergency exists, stabilize patients with emergent conditions, and restrict transfer of non-stabilized patients to cases in which a physician certifies that the benefits of transfer outweigh the risks or the patient requests transfer and consents to the risks involved.
  - Hospitals with violations face termination of Medicare provider agreements, steep fines, and civil suits. Providers also face exclusion from Medicare and Medicaid programs and fines.
- **EHR/Meaningful Use**
  - CMS requires eligible hospitals to utilize certified electronic health record technology and attest to specific health data exchange objectives to encourage interoperability. If they fail to demonstrate “meaningful use”, they face steep reductions in Medicare reimbursements.
  - Every time a new federal rule takes effect, hospitals with legacy HER systems face massive upgrade costs, API integration costs, and customization costs.

Medical Inflation: Consistent Outpacing of General Economy



$11,320

WY Per Capita Healthcare Spending

Top 10 nationally (BEA/FRED 2024)

+13.7%

WY Per Capita Increase 2022–2024

$8,475 → $9,640 (BEA/FRED)

Source: Federal Reserve Economic Data (FRED/BEA); CMS National Health Expenditure Accounts

The Reality of Frontier Medicine

No Economies of Scale

A 25-bed CAH meets the same federal standards as a 500-bed urban hospital. Fixed costs cannot be spread across a sufficient patient base under standard payment rates.

Hospital Care is not a Free Market

When a Wyoming hospital closes a service line, there is no alternative down the road, so hospitals often subsidize nonprofitable lines to ensure local access to care. Without doing so, patients face 80–150+ mile drives. There is no market self-correction mechanism.

Aging Population Demand

Wyoming has one of the most rapidly aging demographics in the US, increasing demand for specialists and resulting in higher acuity care when delivered.

Broadband Gaps Limit Telehealth

Telemedicine requires reliable broadband. Large portions of rural Wyoming lack consistent connectivity, a necessary prerequisite for rural telehealth. USAC funding can assist, but hospitals must have funds to put up ahead of reimbursement.

Wyoming Operational Costs

Difficulties recruiting and retaining providers in remote areas, limited participation in GPOs, remote supply chains, limited workforce housing, and low volume add costs that national payment rates do not account for. Labor accounts for appx. 60% of total spend.

Expensive Drugs & Supplies

New treatments, breakthrough technologies, and the rising cost of specialized medical equipment and pharmaceuticals place a large strain on hospital budgets and are spread over a lower patient volume than large urban centers.

Section IV

Workforce Capacity & Midlevel Providers

HRSA Shortage Designations & Federal Programs (FY 2024)

40

Primary Care HPSAs

in Wyoming (HRSA FY 2024)

25

Dental HPSAs

Oral health access shortfall

22

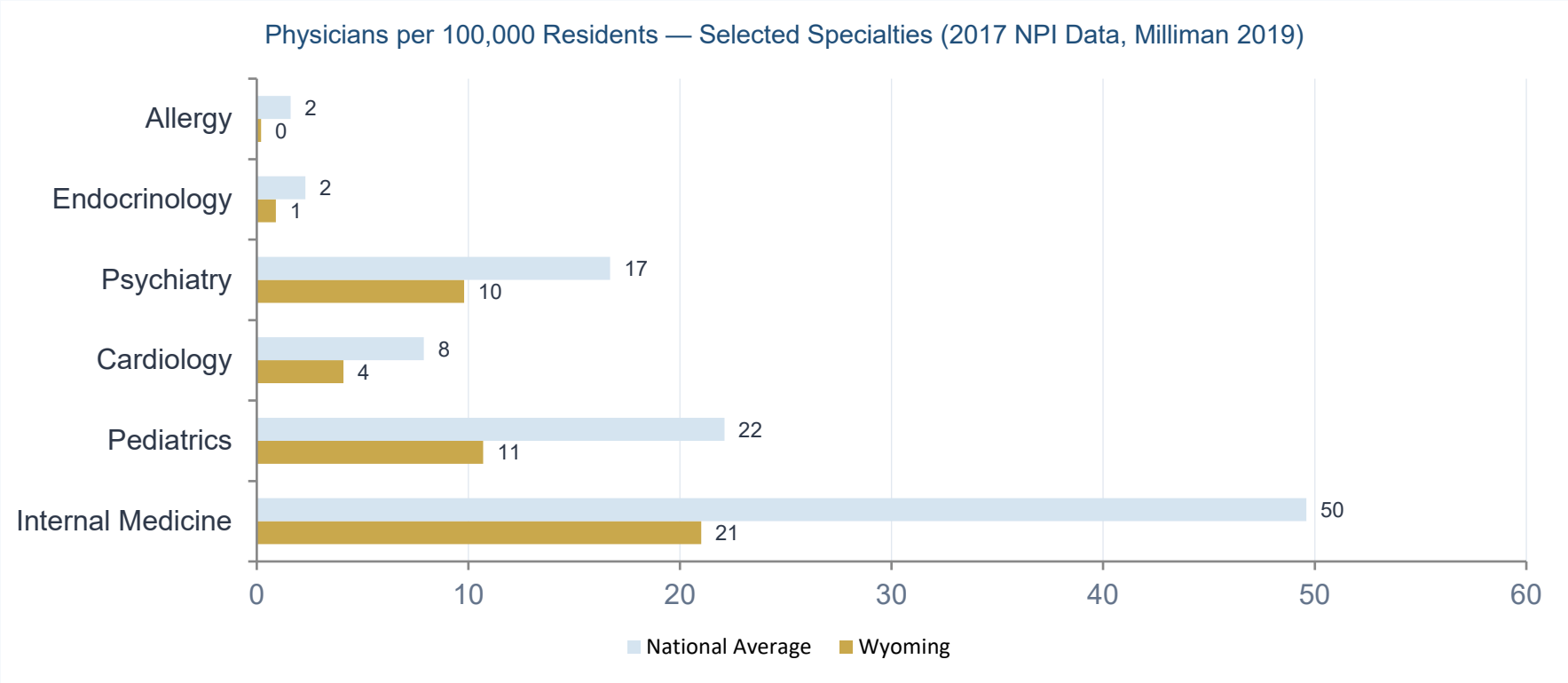
Mental Health HPSAs

Behavioral health shortage

Federal Response to Wyoming Shortages

- HRSA FY 2024 Total Investment in Wyoming: $17.65 million (including $7.68M for community health centers)
- National Health Service Corps (NHSC): $898,998 in loan repayment/scholarships to 21 Wyoming clinicians
- Wyoming also designated Maternity Care Target Areas (MCTAs), which are maternity professional shortages within HPSAs
- Broadband gaps limit telemedicine effectiveness, a prerequisite for meaningful telehealth access

Physician Workforce: Specialty Shortages vs. National Average



Physician Shortage: The Full Picture

Wyoming had the lowest physician ratios of all surrounding states for 11 of 26 specialty types analyzed (Milliman 2019)

Specialty	WY per 100K	National Avg	WY Gap
Internal Medicine	21.0	49.6	−58%
Endocrinology	0.9	2.3	−61%
Allergy	0.2	1.6	−88%
Pediatrics	10.7	22.1	−52%
Cardiology	4.1	7.9	−48%
Psychiatry	9.8	16.7	−41%

Source: 2019 Milliman Wyoming Hospital Cost Study, Exhibit 23; CMS NPI File December 2017

Advanced Practice Providers: Filling Critical Gaps

APP Workforce in Wyoming

Provider	WY Count
Nurse Practitioners (NPs)	~300 (2024)
Physician Assistants (PAs)	220 (2018)

- WY NP count grew 113.6% over the past decade
- Wyoming has full practice authority for NPs with no required physician collaboration
- APPs serve primary care, behavioral health, OB, long-term care, and emergency settings
- Hourly rages have increased from between $55/hr to $105/hr between 2019 and 2026.

Where APPs Are Critical in Wyoming

- **Emergency Departments:** Low-volume CAH settings where 24/7 physician staffing is economically untenable
- **Primary Care:** Above-average family practice physician ratio partly reflects NP/PA contribution in WY
- **Behavioral Health:** Psychiatric MH NPs are the primary psychiatric prescribers across much of WY

Section V

Access to Services & Patient Transfers

What the 2019 Milliman study tells us about transfer rates and out-of-state care

Transfer Networks & Affiliate Agreements

Wyoming Medical Center/ Cheyenne Regional Medical Center as Wyoming's Only Regional Trauma Centers

Cheyenne Regional- Level III American College of Surgeons ACS) Trauma Center

Wyoming Medical Center- Level II American College of Surgeons ACS) Trauma Center
This is the highest level of trauma care available in Wyoming

Regulatory Transfer Requirements

Wyoming requires certain receiving centers to maintain written transfer agreements with higher-level facilities and licensed ambulance services. Wyoming hospitals do everything possible to keep patients close to home, but transfers are a reality of frontier medicine.

Out-of-State Receiving Centers

WY patients regularly transfer to Denver, Salt Lake City, and Billings for higher acuity care, separating families by hundreds of miles and creating lodging and transport costs entirely outside insurance coverage.

Air Ambulance

Costs per transport are extremely expensive, but these services are often the only medically viable option for time-sensitive transfers.

Wyoming Has the Highest Hospital Transfer Rates of All Comparison States

Wyoming had the highest rate of inpatient discharges ending in transfer to another hospital of all 10 comparison states analyzed for both commercial and Medicare FFS populations.

Wyoming residents admitted to an in-state hospital were approximately

2× MORE LIKELY TO BE TRANSFERRED

than Wyoming residents admitted directly to an out-of-state hospital (Milliman 2019, Figures 20-22)

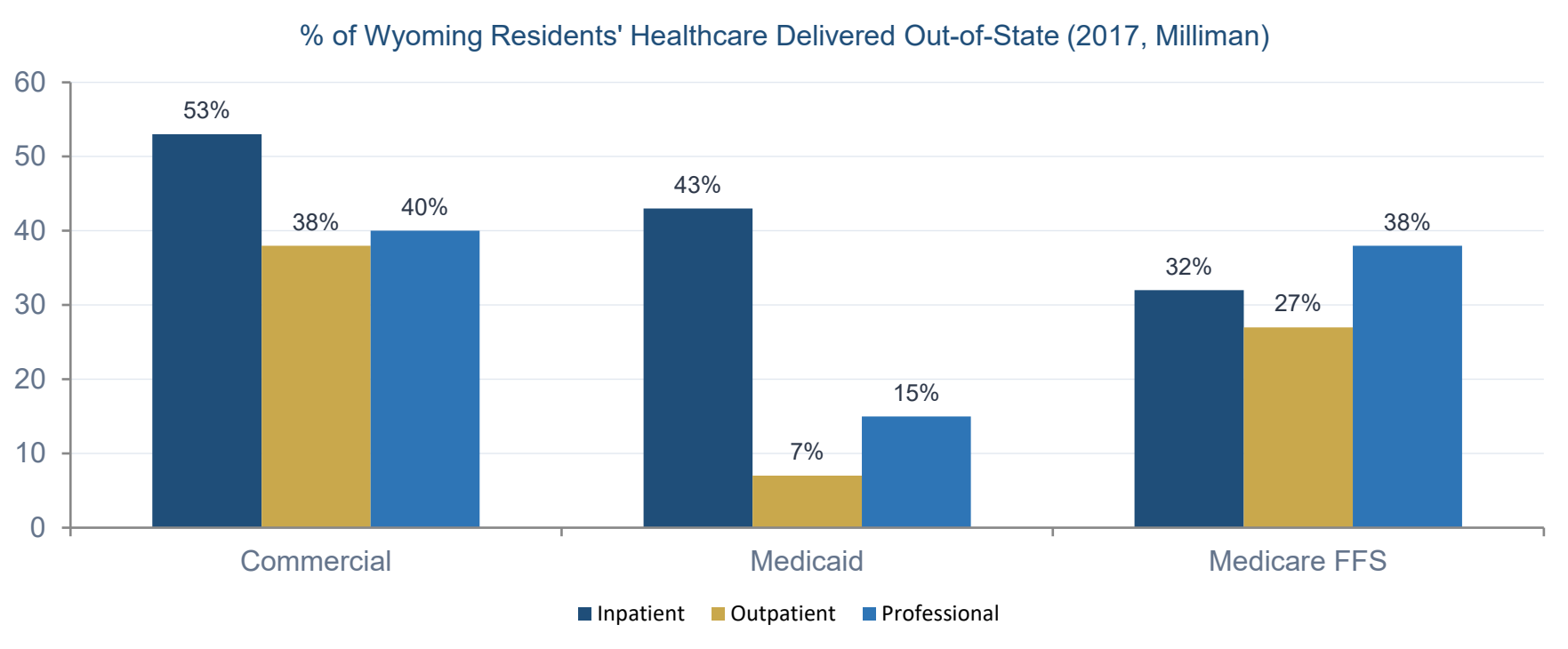
Comparison States (All Lower Transfer Rates)

California, Colorado, Idaho, Montana, Nebraska, New York, North Dakota, South Dakota, Utah

Implication for Policy

Transfer rates reflect Wyoming's workforce shortage in various specialties and the economic realities of frontier medicine.

Out-of-State Care: Unprecedented Utilization Rates



More than half of commercial inpatient care for Wyoming residents occurred out of state, higher than all comparison states. Source: 2019 Milliman Wyoming Hospital Cost Study

Section VI

Commercial Insurance Administrative Practices

Data on prior authorization, claim denials, and their impact on Wyoming providers

Prior Authorization: Documented Administrative Burden

Source: AMA 2025 Prior Authorization Physician Survey (December 2024, n=1,000 physicians)

39

Prior auth requests per physician per week

Industry-wide finding

13 hrs

Hours per week spent on prior auth

40% of practices: staff work exclusively on PA

94%

Physicians reporting PA delays necessary care

Near-universal finding

89%

Physicians reporting PA contributes to burnout

Direct driver of WY physician retention challenges

Wyoming-Specific Impact

4 in 10 patients say prior authorization is their single biggest healthcare burden — exceeding cost as the top complaint (KFF Health Tracking Poll). In Wyoming, a PA denial may mean a patient drives 100+ miles for care that could have been provided locally, or foregoes care entirely. Small critical access hospitals cannot staff dedicated PA teams the way large urban systems can.

Claim Denials and Payment Delays: Industry Data

Metric	Statistic
Care denials increase — Commercial (2022–2023)	+20.2%
Care denials increase — Medicare Advantage (2022–2023)	+55.7%
Initial denial rate (Q1 2023)	15% of all claims
Hospital spending to address denials (2024)	$19.7B nationally
Hospital spending on insurer collections (2025)	$43B nationally
Inpatient claims unpaid 90+ days (Q1 2023)	1 in 3
Revenue never received or clawed back	8¢ per $1 billed to commercial

Impact on Wyoming: For small rural hospitals operating on thin margins, unresolved denials and payment delays affect cash flow and operational stability. Administrative costs for appeals fall on clinical staff, diverting resources from patient care.