Wyoming Hospital Association

and the

Wyoming Long-Term Care Association

Health Insurance Affordability Task Force

June 17-18, 2026
Cheyenne, Wyoming

WHO WE REPRESENT

30+	36	579,761
Wyoming Hospitals	Wyoming Nursing Homes	State Population Served

Introduction

Wyoming's healthcare system operates unlike nearly any other in the nation. We deliver care across one of the most geographically isolated and sparsely populated states in the country, covering 97,813 square miles with a population density of fewer than six persons per square mile. Our hospitals are the frontline of healthcare access for communities where the nearest alternative may be over 100 miles away.

Our testimony addresses each topic identified by the Task Force. Where possible, we have supported our testimony with concrete data from the Wyoming Department of Health, the Wyoming Department of Workforce Services, the Health Resources and Services Administration (HRSA), the Centers for Medicare & Medicaid Services (CMS), a 2019 Milliman actuarial study commissioned by the Wyoming Legislature pursuant to Senate File 67, and other publicly available sources.

Section I: Medical Inflation

Medical inflation consistently and substantially outpaces general economic inflation and is driven by factors largely outside of our hospitals' control. Key medical inflation cost drivers include:

- **Labor (Travel Nurses & Locum Physicians):** Wyoming ranked 4th worst nationally for nurses per 100,000 residents (National Council of State Boards of Nursing). Hospitals unable to recruit permanent staff must rely on travel nurses and locum tenens physicians at 2-3x the cost of employed staff, with no additional revenue to offset these costs.
- **Pharmaceuticals:** High-cost biologics, oncology agents, and critical medications have increased at double-digit rates annually. Wyoming hospitals lack large-system purchasing power and face higher shipping and storage costs due to remote supply chains.
- **Equipment & Technology:** Diagnostic imaging, surgical equipment, and health IT systems require ongoing capital investment that cannot be deferred. Fixed costs cannot be amortized over a sufficient patient base in frontier settings.
- **Regulatory Compliance:** Federal and state mandates, including quality reporting, EHR maintenance, and cybersecurity infrastructure, add administrative costs estimated at 25-35% of all healthcare spending nationally (AHA, 2026 Blueprint). Administrative costs consumed 25% more of total healthcare spending in 2025 than a decade ago.

Section II: Wyoming Healthcare Capacity, Workforce Metrics & Midlevel Providers

A. Physician Workforce: Documented Shortages Across Specialties

The 2019 Milliman Wyoming Hospital Cost Study provides the most rigorous available analysis of Wyoming's physician workforce. Using CMS National Provider Identifier (NPI) file data as of December 2017 and U.S. Census Bureau population estimates, Milliman calculated physician-to-population ratios across 26 specialties for Wyoming and surrounding states and found that Wyoming had the lowest physician ratios of all surrounding states for 11 of the 26 specialty types analyzed. For 22 of 26 specialties, both Wyoming and its surrounding states fell below national average, demonstrating that the entire Mountain West faces structural physician shortages, with Wyoming among the most severely affected.

B. HRSA Shortage Designations (FY 2024)

The federal Health Resources and Services Administration certifies Health Professional Shortage Areas (HPSAs) where access to care is inadequate. As of FY 2024, Wyoming's shortage burden is among the heaviest relative to state population in the nation:

HPSA Category	Count	Implication
Primary Care HPSAs	40	Residents in these areas lack basic primary care access and qualify for NHSC programs
Dental HPSAs	25	Oral health access crisis across rural and frontier Wyoming. The Labor Committee addressed potential scope of practice expansions for dental hygienists at its June 2026 interim meeting.
Mental Health HPSAs	22	Severe behavioral health shortage driving ED utilization.
Maternity Care Target Areas (MCTAs)	Multiple	Areas within primary care HPSAs with additional shortage of maternity professionals (HRSA designation). Maternity deserts have been a focus area of the Labor Committee's interim work in recent years.

HRSA invested $898,998 in loan repayment and scholarship assistance to 21 Wyoming clinicians in FY 2024 through the National Health Service Corps (NHSC), a necessary but wholly insufficient response to the depth of Wyoming's provider shortage. Total HRSA investment in Wyoming in FY 2024 was $17.65 million, including $7.68 million for community health centers.

C. Nursing Workforce: Shortage

Wyoming ranked 4th worst in the nation for nursing shortage severity when adjusted for population and frontier geography (National Council of State Boards of Nursing). Pipeline programs lag far behind current and projected need.

D. Midlevel Providers (Advanced Practice Providers) in Wyoming

Advanced Practice Providers (APPs), including Nurse Practitioners (NPs) and Physician Assistants (PAs), play an increasingly central role in Wyoming's healthcare delivery, filling physician gaps across primary care, specialty care, and emergency settings. This reliance on APPs is both a strength and a weakness and directly demonstrates how care delivery has been impacted by the physician shortage.

Current APP Workforce in Wyoming

Based on Bureau of Labor Statistics occupational employment data analyzed in the 2019 Milliman study (BLS May 2018), Wyoming's APP workforce consisted of:

Provider Type	WY Count	WY vs National
Nurse Practitioners (NPs)	290	+5.4%

Provider Type	WY Count	WY vs National
Physician Assistants (PAs)	220	+7.8%

Wyoming has a full practice authority framework for nurse practitioners, meaning NPs may practice, prescribe, and refer patients without a required collaborative agreement with a physician, a policy that has expanded APP utilization in rural areas where physician supervision is geographically impractical.

APPs in Wyoming Emergency Departments

Among the most significant dimensions of Wyoming's APP workforce is their growing role in emergency department staffing. A 2022 national survey published in 2024 found that at least 7.4% of emergency departments across the United States did not have an attending physician on-site 24/, and more than 90% of these ERs were low-volume or critical access hospitals (Camargo et al., Harvard Medical School/Annals of Emergency Medicine, 2024).

Wyoming is directly implicated in this national pattern. Wyoming's critical access hospitals, which are the smallest, most rural, and most resource-constrained facilities, are precisely the hospitals where NP and PAled ER staffing is most prevalent. Experienced APPs are providing frontline emergency care across Wyoming's frontier.

APPs Across the Continuum of Care

Beyond emergency departments, APPs serve critical functions across Wyoming's healthcare system:

- **Primary Care:** Wyoming's above-national-average family practice physician ratio (60.3/100K vs. 45.6 nationally per Milliman) reflects both employed physicians and the contribution of NPs and PAs functioning as primary care providers, particularly in rural health clinics.
- **Behavioral Health:** With only 9.8 psychiatrists per 100,000 Wyoming residents (vs. 16.7 nationally — a 41% deficit), psychiatric mental health NPs (PMHNPs) represent the primary psychiatric prescribing workforce across much of Wyoming outside Cheyenne and Casper.

E. Obstetrics & Maternity Care Crisis

Wyoming is experiencing a maternity care crisis that has accelerated dramatically since 2022, constituting one of the most visible and acute dimensions of the state's healthcare access emergency.

Since 2022, at least four Wyoming hospitals have closed their labor and delivery units in Wheatland, Kemmerer, Evanston, and Rawlins, leaving 16 birthing hospitals to cover 97,813 square miles. However, Wheatland is recruiting for OB providers and hopes to re-open its labor and delivery unit. HRSA has designated Wyoming areas as Maternity Care Target Areas (MCTAs), which are areas within existing primary care HPSAs experiencing additional shortages of maternity health professionals

F. 24/7 Emergency Physician Coverage

Maintaining round-the-clock emergency physician coverage is economically untenable for small rural Wyoming hospitals operating at low volume. As the Milliman study confirmed, Wyoming hospitals' cost structures, with fixed overhead spread across small patient bases, are categorically different from urban hospitals. Low patient volume cannot support on-call physician compensation at rates required to attract emergency physicians to rural Wyoming. Additionally, there is an increasing reliance on locum tenens, contract physicians who cost significantly more than employed physicians at no additional revenue.

Additionally, limited housing, schools, and community amenities deter specialists from choosing rural Wyoming practice. A JAMA study (2016) found physicians with highly educated spouses were nearly 40% less likely to work in rural areas, and Wyoming's spouse employment market is severely constrained (Milliman, citing Staiger et al., JAMA 2016).

Section III: Access to Services & Patient Transfers

A. Geographic Realities of Access

Wyoming is 97,813 square miles, with 579,761 residents. The median distance to the nearest hospital in Wyoming far exceeds that of nearly any other state. Critical Access Hospital standards (35 miles on primary roads, 15 miles in mountainous terrain) describe the floor, not the ceiling, of Wyoming's access challenge. Many Wyoming communities are 80-100 or more miles from the nearest hospital; specialty care typically requires travel to Denver, Salt Lake City, or Billings. Mountain terrain, seasonal road closures, blizzards, and high winds transform already-long distances into life-threatening delays.

B. Affiliate Agreements and Transfer Networks

Wyoming hospitals have increasingly structured formal affiliate and transfer agreements to manage the state's high transfer volume. Wyoming patients regularly transfer to tertiary centers in Denver, Salt Lake City, and Billings, leaving families separated by hundreds of miles and incurring substantial transportation and lodging costs that fall entirely outside any insurance coverage framework.

Air ambulance transfers, often required in emergencies when road transport would take too long, cost $20,000-$50,000 or more per transport and are frequently subject to insurance denials and out-of-network payment disputes. Air ambulance is not a premium service in Wyoming but instead is frequently the only medically viable option.

Section IV: Historic & Current Cost Drivers for Wyoming Hospitals

A. Structural Financial Reality: The 2019 Milliman Benchmark Data

The 2019 Milliman Wyoming Hospital Cost Study provides key insight into how underpayment affects hospital financial viability. All figures are from fiscal year 2017 cost report data unless noted:

Financial Metric	Critical Access Hospitals	PPS Hospitals	Total 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 as % of Total Revenue	6%	6%	6%
Total Uncompensated Care Cost (2017)	$22M	$75M	$98M

Source: 2019 Milliman Wyoming Hospital Cost Study, Figures 2-4. Note: Uncompensated care represents estimated actual costs to the hospital, not potential lost revenue. By comparison, the national average uncompensated care percentage was 4% of costs in 2017 (Milliman). Wyoming's 6% was 50% above the national average.

Additional Medicare revenues received by Wyoming hospitals through cost-sharing payments were estimated at $68.9 million in 2017 ($24.4M inpatient, $44.5M outpatient). Medicaid Upper Payment Limit (UPL) supplemental payments to Wyoming hospitals were $11.2 million (FY2017) and $12.5 million (FY2018). These supplements partially offset deep Medicaid shortfalls but leave hospitals far short of cost recovery.

Uncompensated care costs have grown since the Milliman study. Current estimates place Wyoming hospital uncompensated care at over $120 million annually statewide.

B. Current Cost Drivers: A Multi-Factor Analysis

Cost Driver	Wyoming-Specific Impact	Supporting Data
Labor & Staffing (Travel Nurses, Locums)	Travel nurses and locum physicians are 2-3x employed	WY ranked 4th worst for nursing supply; Vivian.com 2025 rates; NCSBN rankings

Cost Driver	Wyoming-Specific Impact	Supporting Data
	cost; mandatory 24-hr ER in low-volume settings	
Medicare Underpayment	Medicare paid less than 83 cents per dollar of hospital costs in 2024, a $100B+ national shortfall hospitals must absorb	AHA 2024 Costs of Caring; Milliman: -16% WY Medicare margin (2017)
Medicaid Underpayment	70-80% of nursing home residents on Medicaid; behavioral health Medicare margins were -38.9% in 2023	Milliman: -30% WY Medicaid margin (2017); AHA underpayment data
Commercial Insurance Admin Burden	Hospitals spent $18B overturning denials and $43B collecting from insurers nationally in 2025	AHA 2025 administrative cost analysis; AHA skyrocketing costs report
Supply Chain (Remote Location)	Higher shipping, storage, and specialty drug costs; no large-system purchasing power	Wyoming frontier geography; Milliman cost structure analysis
Regulatory & Compliance	Prior auth staffing, quality reporting, EHR maintenance, cybersecurity (25-35% of all healthcare spending)	AHA 2026 Blueprint; no direct patient care return
Medical Inflation	Per capita healthcare spending up 13.7% from 2022-2024 in WY; national hospital spending up 6.7%/yr	FRED/BEA data; CMS National Health Expenditure Accounts

Section V: Uncompensated Care & Cost Shifting

A. The Uncompensated Care Burden

Uncompensated care, charity care and bad debt combined, is one of the largest and fastest-growing financial burdens on Wyoming's hospitals and nursing homes:

- Wyoming hospitals currently provide over **$120 million annually in uncompensated care** statewide.
- The 2019 Milliman study documented $98 million in 2017, meaning the burden has grown more than 22% in less than a decade, consistent with the 6.7% annual medical inflation rate for hospital care.
- Wyoming's uncompensated care as a percentage of hospital costs (6%) was 50% above the national average (4%) in 2017, and the gap is widening, not narrowing.
- Nationally, hospitals provided over $42 billion in uncompensated care in 2023 (AHA). Wyoming's per-capita share is disproportionately high given its frontier demographics.
- Rising deductibles and copays mean that even insured patients increasingly cannot pay their share. Wyoming has one of the highest rates of residents with medical debt nationally, with nearly 20% carrying a significant debt burden.

Section VI: How Commercial Insurer Practices Hinder Access & Increase Costs

The Task Force's focus on health insurance affordability should include a careful examination of commercial insurer practices that directly increase costs for hospitals, providers, nursing homes, and, ultimately, patients. Prior authorization, claim denials, downcoding, and payment delays represent a hidden but massive cost embedded in Wyoming's healthcare system.

A. Prior Authorization: By the Numbers

Metric	Statistic	Source
Prior auth requests per physician per week	39	AMA 2025 Prior Authorization Physician Survey (Dec. 2024, n=1,000)
Hours per week spent on prior auth	13 hours	AMA 2025 Survey; 40% of practices employ staff working exclusively on prior auth
Physicians reporting PA delays necessary care	94%	AMA 2025 Survey
Physicians reporting PA contributes to burnout	89%	AMA 2025 Survey
Patients rating PA as their biggest healthcare burden	4 in 10	KFF Health Tracking Poll

In Wyoming, the consequences of prior authorization are amplified by geography. A PA denial in rural Wyoming may mean a patient travels 100+ miles for care that could have been provided locally or foregoes it entirely. A 25-bed critical access hospital cannot staff a prior authorization department the way a 500-bed urban system can. Instead, administrative burdens fall on clinical staff, taking nurses and physicians away from patients. 1 in 3 patients who experience a PA denial or delay reports a major negative impact on their mental health, emotional well-being, and finances (KFF). An important note, Wyoming has already made meaningful progress in prior authorization through collaboration with the Wyoming Legislature and some commercial insurers.

B. Claim Denials: A $20 Billion+ National Problem

- Between 2022 and 2023, care denials increased 20.2% for commercial insurance and 55.7% for Medicare Advantage claims (AHA data).
- In Q1 2023, 15% of all inpatient and outpatient claims were initially denied, requiring hospitals to staff appeals operations just to get paid for legitimate care already provided to patients. (Premier, 2024).
- Nationally, hospitals spent $19.7 billion fighting insurer denials in 2024. In 2025, hospitals spent $18 billion just overturning denials, and $43 billion total trying to collect from insurance companies.
- One in three inpatient claims submitted to commercial insurers in Q1 2023 went unpaid for more than three months, devastating cash flow for small rural hospitals with thin margins.

C. Downcoding: Changing the Clinical Record for Financial Gain

Downcoding occurs when a commercial insurer unilaterally changes a billing code to a lower-acuity, lower-reimbursement code, often without meaningful clinical review:

- Commercial insurers systematically downcode inpatient admissions to observation status, reducing payment and shifting costs to patients who then face higher out-of-pocket expenses (AHA, 2024).
- Wyoming hospitals devote significant clinical and administrative staff time to appealing downcoded claims.

Section VII: Providing Healthcare in a Frontier State

Wyoming's frontier designation reflects fundamental economic and logistical realities that differentiate healthcare delivery here from every other context policymakers typically encounter:

- **No Economies of Scale:** A Wyoming hospital serving 3,000 residents must meet the same federal staffing, equipment, and compliance standards as a hospital serving 300,000. The 2019 Milliman study confirmed that fixed costs cannot be spread across a sufficient patient base to achieve financial sustainability under standard payment models.
- **No Market Redundancy:** When a Wyoming hospital closes or cuts services, there is no alternative down the road. Patients face 80–150 mile drives to the next provider.
- **Aging Population Demand:** Wyoming has one of the most rapidly aging populations in the nation, increasing demand for chronic care management, specialist services, and long-term care. Medicare spending per Wyoming resident averaged $1,037 PMPM in 2017 (Milliman) — higher than Colorado ($848) and Utah ($790).

- **Broadband Gaps Limit Telehealth:** Telemedicine offers real promise but requires reliable broadband. which remains unavailable or unreliable across much of rural Wyoming.
- **Wyoming's Unique Operational Costs:** Weather-related operational challenges, remote supply chains, and limited workforce housing exceed what standard national payer rates account for.

The affordability crisis in Wyoming cannot be solved by constraining what hospitals charge. The root drivers are: inadequate public payer rates that force cost-shifting, a large uninsured rate leading to significant uncompensated care, a workforce shortage that forces expensive stopgap solutions; and geographic isolation that makes every aspect of healthcare more expensive.

Conclusion

Wyoming's hospitals and nursing homes are committed to delivering high-quality, accessible care to every Wyomingite, regardless of ability to pay, distance, or insurance status. We operate under extraordinary financial pressure, from below-cost government payer rates documented in the 2019 Milliman study, to an uncovered population of over 59,000 uninsured residents and the inescapable economics of frontier healthcare delivery.

The Health Insurance Affordability Task Force has an opportunity to act meaningfully on each of these fronts. The WHA and WLTCA stand ready to provide additional data and serve as a resource to the committee. We are grateful for the Legislature's attention to these critical issues and look forward to working together on solutions that protect access to care for all Wyomingites.

Submitted by: Eric Boley, President, Wyoming Hospital Association

On behalf of the Wyoming Hospital Association and the Wyoming Long-Term Care Association

June 18, 2026

Sources & Data Citations

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