

## REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 881: Medicaid; revise eligibility and services provisions.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

44 SECTION 1. Section 43-13-115, Mississippi Code of 1972, as  
45 amended by House Bill No. 1238, 2001 Regular Session, is amended  
46 as follows:

47 43-13-115. Recipients of medical assistance shall be the  
48 following persons only:

49 (1) Who are qualified for public assistance grants  
50 under provisions of Title IV-A and E of the federal Social  
51 Security Act, as amended, as determined by the State Department of  
52 Human Services, including those statutorily deemed to be IV-A and  
53 low-income families and children under Section 1931 of the Social  
54 Security Act as determined by the State Department of Human  
55 Services and certified to the Division of Medicaid, but not  
56 optional groups except as specifically covered in this section.  
57 For the purposes of this paragraph (1) and paragraphs (8), (17)  
58 and (18) of this section, any reference to Title IV-A or to Part A  
59 of Title IV of the federal Social Security Act, as amended, or the

60 state plan under Title IV-A or Part A of Title IV, shall be  
61 considered as a reference to Title IV-A of the federal Social  
62 Security Act, as amended, and the state plan under Title IV-A,  
63 including the income and resource standards and methodologies  
64 under Title IV-A and the state plan, as they existed on July 16,  
65 1996.

66 (2) Those qualified for Supplemental Security Income  
67 (SSI) benefits under Title XVI of the federal Social Security Act,  
68 as amended. The eligibility of individuals covered in this  
69 paragraph shall be determined by the Social Security  
70 Administration and certified to the Division of Medicaid.

71 (3) [Deleted]

72 (4) [Deleted]

73 (5) A child born on or after October 1, 1984, to a  
74 woman eligible for and receiving medical assistance under the  
75 state plan on the date of the child's birth shall be deemed to  
76 have applied for medical assistance and to have been found  
77 eligible for such assistance under such plan on the date of such  
78 birth and will remain eligible for such assistance for a period of  
79 one (1) year so long as the child is a member of the woman's  
80 household and the woman remains eligible for such assistance or  
81 would be eligible for assistance if pregnant. The eligibility of  
82 individuals covered in this paragraph shall be determined by the  
83 State Department of Human Services and certified to the Division  
84 of Medicaid.

85 (6) Children certified by the State Department of Human  
86 Services to the Division of Medicaid of whom the state and county  
87 human services agency has custody and financial responsibility,  
88 and children who are in adoptions subsidized in full or part by  
89 the Department of Human Services, including special needs children  
90 in non-Title IV-E adoption assistance, who are approvable under

91 Title XIX of the Medicaid program.

92 (7) (a) Persons certified by the Division of Medicaid  
93 who are patients in a medical facility (nursing home, hospital,  
94 tuberculosis sanatorium or institution for treatment of mental  
95 diseases), and who, except for the fact that they are patients in  
96 such medical facility, would qualify for grants under Title IV,  
97 supplementary security income benefits under Title XVI or state  
98 supplements, and those aged, blind and disabled persons who would  
99 not be eligible for supplemental security income benefits under  
100 Title XVI or state supplements if they were not institutionalized  
101 in a medical facility but whose income is below the maximum  
102 standard set by the Division of Medicaid, which standard shall not  
103 exceed that prescribed by federal regulation;

104 (b) Individuals who have elected to receive  
105 hospice care benefits and who are eligible using the same criteria  
106 and special income limits as those in institutions as described in  
107 subparagraph (a) of this paragraph (7).

108 (8) Children under eighteen (18) years of age and  
109 pregnant women (including those in intact families) who meet the  
110 AFDC financial standards of the state plan approved under Title  
111 IV-A of the federal Social Security Act, as amended. The  
112 eligibility of children covered under this paragraph shall be  
113 determined by the State Department of Human Services and certified  
114 to the Division of Medicaid.

115 (9) Individuals who are:

116 (a) Children born after September 30, 1983, who  
117 have not attained the age of nineteen (19), with family income  
118 that does not exceed one hundred percent (100%) of the nonfarm  
119 official poverty line;

120 (b) Pregnant women, infants and children who have  
121 not attained the age of six (6), with family income that does not

122 exceed one hundred thirty-three percent (133%) of the federal  
123 poverty level; and

124 (c) Pregnant women and infants who have not  
125 attained the age of one (1), with family income that does not  
126 exceed one hundred eighty-five percent (185%) of the federal  
127 poverty level.

128 The eligibility of individuals covered in (a), (b) and (c) of  
129 this paragraph shall be determined by the Department of Human  
130 Services.

131 (10) Certain disabled children age eighteen (18) or  
132 under who are living at home, who would be eligible, if in a  
133 medical institution, for SSI or a state supplemental payment under  
134 Title XVI of the federal Social Security Act, as amended, and  
135 therefore for Medicaid under the plan, and for whom the state has  
136 made a determination as required under Section 1902(e)(3)(b) of  
137 the federal Social Security Act, as amended. The eligibility of  
138 individuals under this paragraph shall be determined by the  
139 Division of Medicaid.

140 (11) Individuals who are sixty-five (65) years of age  
141 or older or are disabled as determined under Section 1614(a)(3) of  
142 the federal Social Security Act, as amended, and \* \* \* whose  
143 income does not exceed one hundred thirty-five percent (135%) of  
144 the nonfarm official poverty line as defined by the Office of  
145 Management and Budget and revised annually, and whose resources do  
146 not exceed those established by the Division of Medicaid.

147 The eligibility of individuals covered under this paragraph  
148 shall be determined by the Division of Medicaid, and such  
149 individuals determined eligible shall receive the same Medicaid  
150 services as other categorical eligible individuals.

151 (12) Individuals who are qualified Medicare  
152 beneficiaries (QMB) entitled to Part A Medicare as defined under

153 Section 301, Public Law 100-360, known as the Medicare  
154 Catastrophic Coverage Act of 1988, and whose income does not  
155 exceed one hundred percent (100%) of the nonfarm official poverty  
156 line as defined by the Office of Management and Budget and revised  
157 annually.

158 The eligibility of individuals covered under this paragraph  
159 shall be determined by the Division of Medicaid, and such  
160 individuals determined eligible shall receive Medicare  
161 cost-sharing expenses only as more fully defined by the Medicare  
162 Catastrophic Coverage Act of 1988 and the Balanced Budget Act of  
163 1997.

164 (13) (a) Individuals who are entitled to Medicare Part  
165 A as defined in Section 4501 of the Omnibus Budget Reconciliation  
166 Act of 1990, and whose income does not exceed one hundred twenty  
167 percent (120%) of the nonfarm official poverty line as defined by  
168 the Office of Management and Budget and revised annually.\_  
169 Eligibility for Medicaid benefits is limited to full payment of  
170 Medicare Part B premiums.

171 (b) Individuals entitled to Part A of Medicare,  
172 with income above one hundred twenty percent (120%), but less than  
173 one hundred thirty-five percent (135%) of the federal poverty  
174 level, and not otherwise eligible for Medicaid. Eligibility for  
175 Medicaid benefits is limited to full payment of Medicare Part B  
176 premiums. The number of eligible individuals is limited by the  
177 availability of the federal capped allocation at one hundred  
178 percent (100%) of federal matching funds, as more fully defined in  
179 the Balanced Budget Act of 1997.

180 (c) Individuals entitled to Part A of Medicare,  
181 with income of at least one hundred thirty-five percent (135%),  
182 but not exceeding one hundred seventy-five percent (175%) of the  
183 federal poverty level, and not otherwise eligible for Medicaid.

184 Eligibility for Medicaid benefits is limited to partial payment of  
185 Medicare Part B premiums. The number of eligible individuals is  
186 limited by the availability of the federal capped allocation of  
187 one hundred percent (100%) federal matching funds, as more fully  
188 defined in the Balanced Budget Act of 1997.

189 The eligibility of individuals covered under this paragraph  
190 shall be determined by the Division of Medicaid.

191 (14) [Deleted]

192 (15) Disabled workers who are eligible to enroll in  
193 Part A Medicare as required by Public Law 101-239, known as the  
194 Omnibus Budget Reconciliation Act of 1989, and whose income does  
195 not exceed two hundred percent (200%) of the federal poverty level  
196 as determined in accordance with the Supplemental Security Income  
197 (SSI) program. The eligibility of individuals covered under this  
198 paragraph shall be determined by the Division of Medicaid and such  
199 individuals shall be entitled to buy-in coverage of Medicare Part  
200 A premiums only under the provisions of this paragraph (15).

201 (16) In accordance with the terms and conditions of  
202 approved Title XIX waiver from the United States Department of  
203 Health and Human Services, persons provided home- and  
204 community-based services who are physically disabled and certified  
205 by the Division of Medicaid as eligible due to applying the income  
206 and deeming requirements as if they were institutionalized.

207 (17) In accordance with the terms of the federal  
208 Personal Responsibility and Work Opportunity Reconciliation Act of  
209 1996 (Public Law 104-193), persons who become ineligible for  
210 assistance under Title IV-A of the federal Social Security Act, as  
211 amended, because of increased income from or hours of employment  
212 of the caretaker relative or because of the expiration of the  
213 applicable earned income disregards, who were eligible for  
214 Medicaid for at least three (3) of the six (6) months preceding

215 the month in which such ineligibility begins, shall be eligible  
216 for Medicaid assistance for up to twenty-four (24) months;  
217 however, Medicaid assistance for more than twelve (12) months may  
218 be provided only if a federal waiver is obtained to provide such  
219 assistance for more than twelve (12) months and federal and state  
220 funds are available to provide such assistance.

221 (18) Persons who become ineligible for assistance under  
222 Title IV-A of the federal Social Security Act, as amended, as a  
223 result, in whole or in part, of the collection or increased  
224 collection of child or spousal support under Title IV-D of the  
225 federal Social Security Act, as amended, who were eligible for  
226 Medicaid for at least three (3) of the six (6) months immediately  
227 preceding the month in which such ineligibility begins, shall be  
228 eligible for Medicaid for an additional four (4) months beginning  
229 with the month in which such ineligibility begins.

230 (19) Disabled workers, whose incomes are above the  
231 Medicaid eligibility limits, but below two hundred fifty percent  
232 (250%) of the federal poverty level, shall be allowed to purchase  
233 Medicaid coverage on a sliding fee scale developed by the Division  
234 of Medicaid.

235 (20) Medicaid eligible children under age eighteen (18)  
236 shall remain eligible for Medicaid benefits until the end of a  
237 period of twelve (12) months following an eligibility  
238 determination, or until such time that the individual exceeds age  
239 eighteen (18).

240 (21) Women of childbearing age whose family income does  
241 not exceed one hundred eighty-five percent (185%) of the federal  
242 poverty level. The eligibility of individuals covered under this  
243 paragraph (21) shall be determined by the Division of Medicaid,  
244 and those individuals determined eligible shall only receive  
245 family planning services covered under Section 43-13-117(13) and

246 not any other services covered under Medicaid. However, any  
247 individual eligible under this paragraph (21) who is also eligible  
248 under any other provision of this section shall receive the  
249 benefits to which he or she is entitled under that other  
250 provision, in addition to family planning services covered under  
251 Section 43-13-117(13).

252 The Division of Medicaid shall apply to the United States  
253 Secretary of Health and Human Services for a federal waiver of the  
254 applicable provisions of Title XIX of the federal Social Security  
255 Act, as amended, and any other applicable provisions of federal  
256 law as necessary to allow for the implementation of this paragraph  
257 (21). The provisions of this paragraph (21) shall be implemented  
258 from and after the date that the Division of Medicaid receives the  
259 federal waiver.

260 (22) Persons who are workers with a potentially severe  
261 disability, as determined by the division, shall be allowed to  
262 purchase Medicaid coverage. The term "worker with a potentially  
263 severe disability" means a person who is at least sixteen (16)  
264 years of age but under sixty-five (65) years of age, who has a  
265 physical or mental impairment that is reasonably expected to cause  
266 the person to become blind or disabled as defined under Section  
267 1614(a) of the federal Social Security Act, as amended, if the  
268 person does not receive items and services provided under  
269 Medicaid.

270 The eligibility of persons under this paragraph (22) shall be  
271 conducted as a demonstration project that is consistent with  
272 Section 204 of the Ticket to Work and Work Incentives Improvement  
273 Act of 1999, Public Law 106-170, for a certain number of persons  
274 as specified by the division. The eligibility of individuals  
275 covered under this paragraph (22) shall be determined by the  
276 Division of Medicaid.

277           The Division of Medicaid shall apply to the United States  
278 Secretary of Health and Human Services for a federal waiver of the  
279 applicable provisions of Title XIX of the federal Social Security  
280 Act, as amended, and any other applicable provisions of federal  
281 law as necessary to allow for the implementation of this paragraph  
282 (22). The provisions of this paragraph (22) shall be implemented  
283 from and after the date that the Division of Medicaid receives the  
284 federal waiver.

285           (23) Children certified by the Mississippi Department  
286 of Human Services for whom the state and county human services  
287 agency has custody and financial responsibility who are in foster  
288 care on their eighteenth birthday as reported by the Mississippi  
289 Department of Human Services shall be certified Medicaid eligible  
290 by the Division of Medicaid until their twenty-first birthday.

291           (24) Individuals who have not attained age sixty-five  
292 (65), are not otherwise covered by creditable coverage as defined  
293 in the Public Health Services Act, and have been screened for  
294 breast and cervical cancer under the Centers for Disease Control  
295 and Prevention Breast and Cervical Cancer Early Detection Program  
296 established under Title XV of the Public Health Service Act in  
297 accordance with the requirements of that act and who need  
298 treatment for breast or cervical cancer. Eligibility of  
299 individuals under this paragraph (24) shall be determined by the  
300 Division of Medicaid.

301           (25) Individuals who would be eligible for services in  
302 a nursing home but who live in a noninstitutional setting, whose  
303 income does not exceed the amount prescribed by federal regulation  
304 for nursing home care, and who regularly expend more than fifty  
305 percent (50%) of their monthly income on prescription drugs and  
306 over-the-counter drugs.

307           The eligibility of individuals covered under this paragraph

308 (25) shall be determined by the Division of Medicaid. The  
309 individuals determined eligible shall be eligible only for  
310 prescription drugs and over-the-counter drugs covered under  
311 Section 43-13-117(9) and not for any other services covered under  
312 Section 43-13-117.

313 The Division of Medicaid shall apply to the United States  
314 Secretary of Health and Human Services for a federal waiver of the  
315 applicable provisions of Title XIX of the federal Social Security  
316 Act, as amended, and any other applicable provisions of federal  
317 law as necessary to allow for the implementation of this paragraph  
318 (25). The provisions of this paragraph (25) shall be implemented  
319 from and after the date that the Division of Medicaid receives the  
320 federal waiver.

321 SECTION 2. Section 43-13-117, Mississippi Code of 1972, as  
322 amended by House Bill No. 1000, Senate Bill No. 2424 and Senate  
323 Bill No. 2754, 2001 Regular Session, is amended as follows:

324 43-13-117. Medical assistance as authorized by this article  
325 shall include payment of part or all of the costs, at the  
326 discretion of the division or its successor, with approval of the  
327 Governor, of the following types of care and services rendered to  
328 eligible applicants who shall have been determined to be eligible  
329 for such care and services, within the limits of state  
330 appropriations and federal matching funds:

331 (1) Inpatient hospital services.

332 (a) The division shall allow thirty (30) days of  
333 inpatient hospital care annually for all Medicaid recipients.\_\_\_\_  
334 Precertification of inpatient days must be obtained as required by  
335 the division. The division shall be authorized to allow unlimited  
336 days in disproportionate hospitals as defined by the division for  
337 eligible infants under the age of six (6) years.

338 (b) From and after July 1, 1994, the Executive

339 Director of the Division of Medicaid shall amend the Mississippi  
340 Title XIX Inpatient Hospital Reimbursement Plan to remove the  
341 occupancy rate penalty from the calculation of the Medicaid  
342 Capital Cost Component utilized to determine total hospital costs  
343 allocated to the Medicaid program.

344 (c) Hospitals will receive an additional payment  
345 for the implantable programmable baclofen drug pump used to treat  
346 spasticity which is implanted on an inpatient basis. The payment  
347 pursuant to written invoice will be in addition to the facility's  
348 per diem reimbursement and will represent a reduction of costs on  
349 the facility's annual cost report, and shall not exceed Ten  
350 Thousand Dollars (\$10,000.00) per year per recipient. This  
351 paragraph (c) shall stand repealed on July 1, 2005.

352 (2) Outpatient hospital services. Provided that where  
353 the same services are reimbursed as clinic services, the division  
354 may revise the rate or methodology of outpatient reimbursement to  
355 maintain consistency, efficiency, economy and quality of care.  
356 The division shall develop a Medicaid-specific cost-to-charge  
357 ratio calculation from data provided by hospitals to determine an  
358 allowable rate payment for outpatient hospital services, and shall  
359 submit a report thereon to the Medical Advisory Committee on or  
360 before December 1, 1999. The committee shall make a  
361 recommendation on the specific cost-to-charge reimbursement method  
362 for outpatient hospital services to the 2000 Regular Session of  
363 the Legislature.

364 (3) Laboratory and x-ray services.

365 (4) Nursing facility services.

366 (a) The division shall make full payment to  
367 nursing facilities for each day, not exceeding fifty-two (52) days  
368 per year, that a patient is absent from the facility on home  
369 leave. Payment may be made for the following home leave days in

370 addition to the fifty-two-day limitation: Christmas, the day  
371 before Christmas, the day after Christmas, Thanksgiving, the day  
372 before Thanksgiving and the day after Thanksgiving. \* \* \*

373 (b) From and after July 1, 1997, the division  
374 shall implement the integrated case-mix payment and quality  
375 monitoring system, which includes the fair rental system for  
376 property costs and in which recapture of depreciation is  
377 eliminated. The division may reduce the payment for hospital  
378 leave and therapeutic home leave days to the lower of the case-mix  
379 category as computed for the resident on leave using the  
380 assessment being utilized for payment at that point in time, or a  
381 case-mix score of 1.000 for nursing facilities, and shall compute  
382 case-mix scores of residents so that only services provided at the  
383 nursing facility are considered in calculating a facility's per  
384 diem. \* \* \*

385 \* \* \*

386 (c) From and after July 1, 1997, all state-owned  
387 nursing facilities shall be reimbursed on a full reasonable cost  
388 basis.

389 (d) When a facility of a category that does not  
390 require a certificate of need for construction and that could not  
391 be eligible for Medicaid reimbursement is constructed to nursing  
392 facility specifications for licensure and certification, and the  
393 facility is subsequently converted to a nursing facility pursuant  
394 to a certificate of need that authorizes conversion only and the  
395 applicant for the certificate of need was assessed an application  
396 review fee based on capital expenditures incurred in constructing  
397 the facility, the division shall allow reimbursement for capital  
398 expenditures necessary for construction of the facility that were  
399 incurred within the twenty-four (24) consecutive calendar months  
400 immediately preceding the date that the certificate of need

401 authorizing such conversion was issued, to the same extent that  
402 reimbursement would be allowed for construction of a new nursing  
403 facility pursuant to a certificate of need that authorizes such  
404 construction. The reimbursement authorized in this subparagraph  
405 (d) may be made only to facilities the construction of which was  
406 completed after June 30, 1989. Before the division shall be  
407 authorized to make the reimbursement authorized in this  
408 subparagraph (d), the division first must have received approval  
409 from the Health Care Financing Administration of the United States  
410 Department of Health and Human Services of the change in the state  
411 Medicaid plan providing for such reimbursement.

412 (e) The division shall develop and implement, not  
413 later than January 1, 2001, a case-mix payment add-on determined  
414 by time studies and other valid statistical data which will  
415 reimburse a nursing facility for the additional cost of caring for  
416 a resident who has a diagnosis of Alzheimer's or other related  
417 dementia and exhibits symptoms that require special care. Any  
418 such case-mix add-on payment shall be supported by a determination  
419 of additional cost. The division shall also develop and implement  
420 as part of the fair rental reimbursement system for nursing  
421 facility beds, an Alzheimer's resident bed depreciation enhanced  
422 reimbursement system which will provide an incentive to encourage  
423 nursing facilities to convert or construct beds for residents with  
424 Alzheimer's or other related dementia.

425 (f) The Division of Medicaid shall develop and  
426 implement a referral process for long-term care alternatives for  
427 Medicaid beneficiaries and applicants. No Medicaid beneficiary  
428 shall be admitted to a Medicaid-certified nursing facility unless  
429 a licensed physician certifies that nursing facility care is  
430 appropriate for that person on a standardized form to be prepared  
431 and provided to nursing facilities by the Division of Medicaid.

432 The physician shall forward a copy of that certification to the  
433 Division of Medicaid within twenty-four (24) hours after it is  
434 signed by the physician. Any physician who fails to forward the  
435 certification to the Division of Medicaid within the time period  
436 specified in this paragraph shall be ineligible for Medicaid  
437 reimbursement for any physician's services performed for the  
438 applicant. The Division of Medicaid shall determine, through an  
439 assessment of the applicant conducted within two (2) business days  
440 after receipt of the physician's certification, whether the  
441 applicant also could live appropriately and cost-effectively at  
442 home or in some other community-based setting if home- or  
443 community-based services were available to the applicant. The  
444 time limitation prescribed in this paragraph shall be waived in  
445 cases of emergency. If the Division of Medicaid determines that a  
446 home- or other community-based setting is appropriate and  
447 cost-effective, the division shall:

448 (i) Advise the applicant or the applicant's  
449 legal representative that a home- or other community-based setting  
450 is appropriate;

451 (ii) Provide a proposed care plan and inform  
452 the applicant or the applicant's legal representative regarding  
453 the degree to which the services in the care plan are available in  
454 a home- or in other community-based setting rather than nursing  
455 facility care; and

456 (iii) Explain that such plan and services are  
457 available only if the applicant or the applicant's legal  
458 representative chooses a home- or community-based alternative to  
459 nursing facility care, and that the applicant is free to choose  
460 nursing facility care.

461 The Division of Medicaid may provide the services described  
462 in this paragraph (f) directly or through contract with case

463 managers from the local Area Agencies on Aging, and shall  
464 coordinate long-term care alternatives to avoid duplication with  
465 hospital discharge planning procedures.

466 Placement in a nursing facility may not be denied by the  
467 division if home- or community-based services that would be more  
468 appropriate than nursing facility care are not actually available,  
469 or if the applicant chooses not to receive the appropriate home-  
470 or community-based services.

471 The division shall provide an opportunity for a fair hearing  
472 under federal regulations to any applicant who is not given the  
473 choice of home- or community-based services as an alternative to  
474 institutional care.

475 The division shall make full payment for long-term care  
476 alternative services.

477 The division shall apply for necessary federal waivers to  
478 assure that additional services providing alternatives to nursing  
479 facility care are made available to applicants for nursing  
480 facility care.

481 (5) Periodic screening and diagnostic services for  
482 individuals under age twenty-one (21) years as are needed to  
483 identify physical and mental defects and to provide health care  
484 treatment and other measures designed to correct or ameliorate  
485 defects and physical and mental illness and conditions discovered  
486 by the screening services regardless of whether these services are  
487 included in the state plan. The division may include in its  
488 periodic screening and diagnostic program those discretionary  
489 services authorized under the federal regulations adopted to  
490 implement Title XIX of the federal Social Security Act, as  
491 amended. The division, in obtaining physical therapy services,  
492 occupational therapy services, and services for individuals with  
493 speech, hearing and language disorders, may enter into a

494 cooperative agreement with the State Department of Education for  
495 the provision of such services to handicapped students by public  
496 school districts using state funds which are provided from the  
497 appropriation to the Department of Education to obtain federal  
498 matching funds through the division. The division, in obtaining  
499 medical and psychological evaluations for children in the custody  
500 of the State Department of Human Services may enter into a  
501 cooperative agreement with the State Department of Human Services  
502 for the provision of such services using state funds which are  
503 provided from the appropriation to the Department of Human  
504 Services to obtain federal matching funds through the division.

505 On July 1, 1993, all fees for periodic screening and  
506 diagnostic services under this paragraph (5) shall be increased by  
507 twenty-five percent (25%) of the reimbursement rate in effect on  
508 June 30, 1993.

509 (6) Physician's services. The division shall allow  
510 twelve (12) physician visits annually. All fees for physicians'  
511 services that are covered only by Medicaid shall be reimbursed at  
512 ninety percent (90%) of the rate established on January 1, 1999,  
513 and as adjusted each January thereafter, under Medicare (Title  
514 XVIII of the Social Security Act, as amended), and which shall in  
515 no event be less than seventy percent (70%) of the rate  
516 established on January 1, 1994. All fees for physicians' services  
517 that are covered by both Medicare and Medicaid shall be reimbursed  
518 at ten percent (10%) of the adjusted Medicare payment established  
519 on January 1, 1999, and as adjusted each January thereafter, under  
520 Medicare (Title XVIII of the Social Security Act, as amended), and  
521 which shall in no event be less than seventy percent (70%) of the  
522 adjusted Medicare payment established on January 1, 1994.

523 (7) (a) Home health services for eligible persons, not  
524 to exceed in cost the prevailing cost of nursing facility

525 services, not to exceed sixty (60) visits per year. All home  
526 health visits must be precertified as required by the division.

527 (b) Repealed.

528 (8) Emergency medical transportation services. On  
529 January 1, 1994, emergency medical transportation services shall  
530 be reimbursed at seventy percent (70%) of the rate established  
531 under Medicare (Title XVIII of the Social Security Act, as  
532 amended). "Emergency medical transportation services" shall mean,  
533 but shall not be limited to, the following services by a properly  
534 permitted ambulance operated by a properly licensed provider in  
535 accordance with the Emergency Medical Services Act of 1974  
536 (Section 41-59-1 et seq.): (i) basic life support, (ii) advanced  
537 life support, (iii) mileage, (iv) oxygen, (v) intravenous fluids,  
538 (vi) disposable supplies, (vii) similar services.

539 (9) Legend and other drugs as may be determined by the  
540 division. The division may implement a program of prior approval  
541 for drugs to the extent permitted by law. Payment by the division  
542 for covered multiple source drugs shall be limited to the lower of  
543 the upper limits established and published by the Health Care  
544 Financing Administration (HCFA) plus a dispensing fee of Four  
545 Dollars and Ninety-one Cents (\$4.91), or the estimated acquisition  
546 cost (EAC) as determined by the division plus a dispensing fee of  
547 Four Dollars and Ninety-one Cents (\$4.91), or the providers' usual  
548 and customary charge to the general public. The division shall  
549 allow ten (10) prescriptions per month for noninstitutionalized  
550 Medicaid recipients. \* \* \*

551 Payment for other covered drugs, other than multiple source  
552 drugs with HCFA upper limits, shall not exceed the lower of the  
553 estimated acquisition cost as determined by the division plus a  
554 dispensing fee of Four Dollars and Ninety-one Cents (\$4.91) or the  
555 providers' usual and customary charge to the general public.

556 Payment for nonlegend or over-the-counter drugs covered on  
557 the division's formulary shall be reimbursed at the lower of the  
558 division's estimated shelf price or the providers' usual and  
559 customary charge to the general public. No dispensing fee shall  
560 be paid.

561 The division shall develop and implement a program of payment  
562 for additional pharmacist services, with payment to be based on  
563 demonstrated savings, but in no case shall the total payment  
564 exceed twice the amount of the dispensing fee.

565 As used in this paragraph (9), "estimated acquisition cost"  
566 means the division's best estimate of what price providers  
567 generally are paying for a drug in the package size that providers  
568 buy most frequently. Product selection shall be made in  
569 compliance with existing state law; however, the division may  
570 reimburse as if the prescription had been filled under the generic  
571 name. The division may provide otherwise in the case of specified  
572 drugs when the consensus of competent medical advice is that  
573 trademarked drugs are substantially more effective.

574 (10) Dental care that is an adjunct to treatment of an  
575 acute medical or surgical condition; services of oral surgeons and  
576 dentists in connection with surgery related to the jaw or any  
577 structure contiguous to the jaw or the reduction of any fracture  
578 of the jaw or any facial bone; and emergency dental extractions  
579 and treatment related thereto. On July 1, 1999, all fees for  
580 dental care and surgery under authority of this paragraph (10)  
581 shall be increased to one hundred sixty percent (160%) of the  
582 amount of the reimbursement rate that was in effect on June 30,  
583 1999. It is the intent of the Legislature to encourage more  
584 dentists to participate in the Medicaid program.

585 (11) Eyeglasses necessitated by reason of eye surgery,  
586 and as prescribed by a physician skilled in diseases of the eye or

587 an optometrist, whichever the patient may select, or one (1) pair  
588 every three (3) years as prescribed by a physician or an  
589 optometrist, whichever the patient may select.

590 (12) Intermediate care facility services.

591 (a) The division shall make full payment to all  
592 intermediate care facilities for the mentally retarded for each  
593 day, not exceeding eighty-four (84) days per year, that a patient  
594 is absent from the facility on home leave. Payment may be made  
595 for the following home leave days in addition to the  
596 eighty-four-day limitation: Christmas, the day before Christmas,  
597 the day after Christmas, Thanksgiving, the day before Thanksgiving  
598 and the day after Thanksgiving. \* \* \*

599 (b) All state-owned intermediate care facilities  
600 for the mentally retarded shall be reimbursed on a full reasonable  
601 cost basis.

602 \* \* \*

603 (13) Family planning services, including drugs,  
604 supplies and devices, when such services are under the supervision  
605 of a physician.

606 (14) Clinic services. Such diagnostic, preventive,  
607 therapeutic, rehabilitative or palliative services furnished to an  
608 outpatient by or under the supervision of a physician or dentist  
609 in a facility which is not a part of a hospital but which is  
610 organized and operated to provide medical care to outpatients.  
611 Clinic services shall include any services reimbursed as  
612 outpatient hospital services which may be rendered in such a  
613 facility, including those that become so after July 1, 1991. On  
614 July 1, 1999, all fees for physicians' services reimbursed under  
615 authority of this paragraph (14) shall be reimbursed at ninety  
616 percent (90%) of the rate established on January 1, 1999, and as  
617 adjusted each January thereafter, under Medicare (Title XVIII of

618 the Social Security Act, as amended), and which shall in no event  
619 be less than seventy percent (70%) of the rate established on  
620 January 1, 1994. All fees for physicians' services that are  
621 covered by both Medicare and Medicaid shall be reimbursed at ten  
622 percent (10%) of the adjusted Medicare payment established on  
623 January 1, 1999, and as adjusted each January thereafter, under  
624 Medicare (Title XVIII of the Social Security Act, as amended), and  
625 which shall in no event be less than seventy percent (70%) of the  
626 adjusted Medicare payment established on January 1, 1994. On July  
627 1, 1999, all fees for dentists' services reimbursed under  
628 authority of this paragraph (14) shall be increased to one hundred  
629 sixty percent (160%) of the amount of the reimbursement rate that  
630 was in effect on June 30, 1999.

631 (15) Home- and community-based services, as provided  
632 under Title XIX of the federal Social Security Act, as amended,  
633 under waivers, subject to the availability of funds specifically  
634 appropriated therefor by the Legislature. Payment for such  
635 services shall be limited to individuals who would be eligible for  
636 and would otherwise require the level of care provided in a  
637 nursing facility. The home- and community-based services  
638 authorized under this paragraph shall be expanded over a five-year  
639 period beginning July 1, 1999. The division shall certify case  
640 management agencies to provide case management services and  
641 provide for home- and community-based services for eligible  
642 individuals under this paragraph. The home- and community-based  
643 services under this paragraph and the activities performed by  
644 certified case management agencies under this paragraph shall be  
645 funded using state funds that are provided from the appropriation  
646 to the Division of Medicaid and used to match federal funds.

647 (16) Mental health services. Approved therapeutic and  
648 case management services provided by (a) an approved regional

649 mental health/retardation center established under Sections  
650 41-19-31 through 41-19-39, or by another community mental health  
651 service provider meeting the requirements of the Department of  
652 Mental Health to be an approved mental health/retardation center  
653 if determined necessary by the Department of Mental Health, using  
654 state funds which are provided from the appropriation to the State  
655 Department of Mental Health and used to match federal funds under  
656 a cooperative agreement between the division and the department,  
657 or (b) a facility which is certified by the State Department of  
658 Mental Health to provide therapeutic and case management services,  
659 to be reimbursed on a fee for service basis. Any such services  
660 provided by a facility described in paragraph (b) must have the  
661 prior approval of the division to be reimbursable under this  
662 section. After June 30, 1997, mental health services provided by  
663 regional mental health/retardation centers established under  
664 Sections 41-19-31 through 41-19-39, or by hospitals as defined in  
665 Section 41-9-3(a) and/or their subsidiaries and divisions, or by  
666 psychiatric residential treatment facilities as defined in Section  
667 43-11-1, or by another community mental health service provider  
668 meeting the requirements of the Department of Mental Health to be  
669 an approved mental health/retardation center if determined  
670 necessary by the Department of Mental Health, shall not be  
671 included in or provided under any capitated managed care pilot  
672 program provided for under paragraph (24) of this section. \* \* \*

673 (17) Durable medical equipment services and medical  
674 supplies. Precertification of durable medical equipment and  
675 medical supplies must be obtained as required by the division.

676 The Division of Medicaid may require durable medical equipment  
677 providers to obtain a surety bond in the amount and to the  
678 specifications as established by the Balanced Budget Act of 1997.

679 (18) (a) Notwithstanding any other provision of this

680 section to the contrary, the division shall make additional  
681 reimbursement to hospitals which serve a disproportionate share of  
682 low-income patients and which meet the federal requirements for  
683 such payments as provided in Section 1923 of the federal Social  
684 Security Act and any applicable regulations. However, from and  
685 after January 1, 2000, no public hospital shall participate in the  
686 Medicaid disproportionate share program unless the public hospital  
687 participates in an intergovernmental transfer program as provided  
688 in Section 1903 of the federal Social Security Act and any  
689 applicable regulations. Administration and support for  
690 participating hospitals shall be provided by the Mississippi  
691 Hospital Association.

692 (b) The division shall establish a Medicare Upper  
693 Payment Limits Program as defined in Section 1902 (a) (30) of the  
694 federal Social Security Act and any applicable federal  
695 regulations. The division shall assess each hospital for the sole  
696 purpose of financing the state portion of the Medicare Upper  
697 Payment Limits Program. This assessment shall be based on  
698 Medicaid utilization, or other appropriate method consistent with  
699 federal regulations, and will remain in effect as long as the  
700 state participates in the Medicare Upper Payment Limits Program.  
701 The division shall make additional reimbursement to hospitals for  
702 the Medicare Upper Payment Limits as defined in Section 1902 (a)  
703 (30) of the federal Social Security Act and any applicable federal  
704 regulations. This paragraph (b) shall stand repealed from and  
705 after July 1, 2005.

706 (c) The division shall contract with the  
707 Mississippi Hospital Association to provide administrative support  
708 for the operation of the disproportionate share hospital program  
709 and the Medicare Upper Payment Limits Program. This paragraph (c)  
710 shall stand repealed from and after July 1, 2005.

711           (19) (a) Perinatal risk management services. The  
712 division shall promulgate regulations to be effective from and  
713 after October 1, 1988, to establish a comprehensive perinatal  
714 system for risk assessment of all pregnant and infant Medicaid  
715 recipients and for management, education and follow-up for those  
716 who are determined to be at risk. Services to be performed  
717 include case management, nutrition assessment/counseling,  
718 psychosocial assessment/counseling and health education. The  
719 division shall set reimbursement rates for providers in  
720 conjunction with the State Department of Health.

721           (b) Early intervention system services. The  
722 division shall cooperate with the State Department of Health,  
723 acting as lead agency, in the development and implementation of a  
724 statewide system of delivery of early intervention services,  
725 pursuant to Part H of the Individuals with Disabilities Education  
726 Act (IDEA). The State Department of Health shall certify annually  
727 in writing to the director of the division the dollar amount of  
728 state early intervention funds available which shall be utilized  
729 as a certified match for Medicaid matching funds. Those funds  
730 then shall be used to provide expanded targeted case management  
731 services for Medicaid eligible children with special needs who are  
732 eligible for the state's early intervention system.  
733 Qualifications for persons providing service coordination shall be  
734 determined by the State Department of Health and the Division of  
735 Medicaid.

736           (20) Home- and community-based services for physically  
737 disabled approved services as allowed by a waiver from the United  
738 States Department of Health and Human Services for home- and  
739 community-based services for physically disabled people using  
740 state funds which are provided from the appropriation to the State  
741 Department of Rehabilitation Services and used to match federal

742 funds under a cooperative agreement between the division and the  
743 department, provided that funds for these services are  
744 specifically appropriated to the Department of Rehabilitation  
745 Services.

746           (21) Nurse practitioner services. Services furnished  
747 by a registered nurse who is licensed and certified by the  
748 Mississippi Board of Nursing as a nurse practitioner including,  
749 but not limited to, nurse anesthetists, nurse midwives, family  
750 nurse practitioners, family planning nurse practitioners,  
751 pediatric nurse practitioners, obstetrics-gynecology nurse  
752 practitioners and neonatal nurse practitioners, under regulations  
753 adopted by the division. Reimbursement for such services shall  
754 not exceed ninety percent (90%) of the reimbursement rate for  
755 comparable services rendered by a physician.

756           (22) Ambulatory services delivered in federally  
757 qualified health centers and in clinics of the local health  
758 departments of the State Department of Health for individuals  
759 eligible for medical assistance under this article based on  
760 reasonable costs as determined by the division.

761           (23) Inpatient psychiatric services. Inpatient  
762 psychiatric services to be determined by the division for  
763 recipients under age twenty-one (21) which are provided under the  
764 direction of a physician in an inpatient program in a licensed  
765 acute care psychiatric facility or in a licensed psychiatric  
766 residential treatment facility, before the recipient reaches age  
767 twenty-one (21) or, if the recipient was receiving the services  
768 immediately before he reached age twenty-one (21), before the  
769 earlier of the date he no longer requires the services or the date  
770 he reaches age twenty-two (22), as provided by federal  
771 regulations. Precertification of inpatient days and residential  
772 treatment days must be obtained as required by the division.

773 \* \* \*

774 (24) Managed care services in a program to be developed  
775 by the division by a public or private provider. If managed care  
776 services are provided by the division to Medicaid recipients, and  
777 those managed care services are operated, managed and controlled  
778 by and under the authority of the division, the division shall be  
779 responsible for educating the Medicaid recipients who are  
780 participants in the managed care program regarding the manner in  
781 which the participants should seek health care under the program.

782 Notwithstanding any other provision in this article to the  
783 contrary, the division shall establish rates of reimbursement to  
784 providers rendering care and services authorized under this  
785 paragraph (24), and may revise such rates of reimbursement without  
786 amendment to this section by the Legislature for the purpose of  
787 achieving effective and accessible health services, and for  
788 responsible containment of costs.

789 (25) Birthing center services.

790 (26) Hospice care. As used in this paragraph, the term  
791 "hospice care" means a coordinated program of active professional  
792 medical attention within the home and outpatient and inpatient  
793 care which treats the terminally ill patient and family as a unit,  
794 employing a medically directed interdisciplinary team. The  
795 program provides relief of severe pain or other physical symptoms  
796 and supportive care to meet the special needs arising out of  
797 physical, psychological, spiritual, social and economic stresses  
798 which are experienced during the final stages of illness and  
799 during dying and bereavement and meets the Medicare requirements  
800 for participation as a hospice as provided in federal regulations.

801 (27) Group health plan premiums and cost sharing if it  
802 is cost effective as defined by the Secretary of Health and Human  
803 Services.

804           (28) Other health insurance premiums which are cost  
805 effective as defined by the Secretary of Health and Human  
806 Services. Medicare eligible must have Medicare Part B before  
807 other insurance premiums can be paid.

808           (29) The Division of Medicaid may apply for a waiver  
809 from the Department of Health and Human Services for home- and  
810 community-based services for developmentally disabled people using  
811 state funds which are provided from the appropriation to the State  
812 Department of Mental Health and used to match federal funds under  
813 a cooperative agreement between the division and the department,  
814 provided that funds for these services are specifically  
815 appropriated to the Department of Mental Health.

816           (30) Pediatric skilled nursing services for eligible  
817 persons under twenty-one (21) years of age.

818           (31) Targeted case management services for children  
819 with special needs, under waivers from the United States  
820 Department of Health and Human Services, using state funds that  
821 are provided from the appropriation to the Mississippi Department  
822 of Human Services and used to match federal funds under a  
823 cooperative agreement between the division and the department.

824           (32) Care and services provided in Christian Science  
825 Sanatoria operated by or listed and certified by The First Church  
826 of Christ Scientist, Boston, Massachusetts, rendered in connection  
827 with treatment by prayer or spiritual means to the extent that  
828 such services are subject to reimbursement under Section 1903 of  
829 the Social Security Act.

830           (33) Podiatrist services.

831           (34) The division shall make application to the United  
832 States Health Care Financing Administration for a waiver to  
833 develop a program of services to personal care and assisted living  
834 homes in Mississippi. This waiver shall be completed by December

835 1, 1999.

836 (35) Services and activities authorized in Sections  
837 43-27-101 and 43-27-103, using state funds that are provided from  
838 the appropriation to the State Department of Human Services and  
839 used to match federal funds under a cooperative agreement between  
840 the division and the department.

841 (36) Nonemergency transportation services for  
842 Medicaid-eligible persons, to be provided by the Division of  
843 Medicaid. The division may contract with additional entities to  
844 administer nonemergency transportation services as it deems  
845 necessary. All providers shall have a valid driver's license,  
846 vehicle inspection sticker, valid vehicle license tags and a  
847 standard liability insurance policy covering the vehicle.

848 (37) \* \* \*

849 (38) Chiropractic services: a chiropractor's manual  
850 manipulation of the spine to correct a subluxation, if x-ray  
851 demonstrates that a subluxation exists and if the subluxation has  
852 resulted in a neuromusculoskeletal condition for which  
853 manipulation is appropriate treatment. Reimbursement for  
854 chiropractic services shall not exceed Seven Hundred Dollars  
855 (\$700.00) per year per recipient.

856 (39) Dually eligible Medicare/Medicaid beneficiaries.  
857 The division shall pay the Medicare deductible and ten percent  
858 (10%) coinsurance amounts for services available under Medicare  
859 for the duration and scope of services otherwise available under  
860 the Medicaid program.

861 (40) \* \* \*

862 (41) Services provided by the State Department of  
863 Rehabilitation Services for the care and rehabilitation of persons  
864 with spinal cord injuries or traumatic brain injuries, as allowed  
865 under waivers from the United States Department of Health and

866 Human Services, using up to seventy-five percent (75%) of the  
867 funds that are appropriated to the Department of Rehabilitation  
868 Services from the Spinal Cord and Head Injury Trust Fund  
869 established under Section 37-33-261 and used to match federal  
870 funds under a cooperative agreement between the division and the  
871 department.

872 (42) Notwithstanding any other provision in this  
873 article to the contrary, the division is hereby authorized to  
874 develop a population health management program for women and  
875 children health services through the age of two (2). This program  
876 is primarily for obstetrical care associated with low birth weight  
877 and pre-term babies. In order to effect cost savings, the  
878 division may develop a revised payment methodology which may  
879 include at-risk capitated payments.

880 (43) The division shall provide reimbursement,  
881 according to a payment schedule developed by the division, for  
882 smoking cessation medications for pregnant women during their  
883 pregnancy and other Medicaid-eligible women who are of  
884 child-bearing age.

885 (44) Nursing facility services for the severely  
886 disabled.

887 (a) Severe disabilities include, but are not  
888 limited to, spinal cord injuries, closed head injuries and  
889 ventilator dependent patients.

890 (b) Those services must be provided in a long-term  
891 care nursing facility dedicated to the care and treatment of  
892 persons with severe disabilities, and shall be reimbursed as a  
893 separate category of nursing facilities.

894 (45) Physician assistant services. Services furnished  
895 by a physician assistant who is licensed by the State Board of  
896 Medical Licensure and is practicing with physician supervision

897 under regulations adopted by the board, under regulations adopted  
898 by the division. Reimbursement for those services shall not  
899 exceed ninety percent (90%) of the reimbursement rate for  
900 comparable services rendered by a physician.

901 (46) The division shall make application to the federal  
902 Health Care Financing Administration for a waiver to develop and  
903 provide services for children with serious emotional disturbances  
904 as defined in Section 43-14-1(1), which may include home- and  
905 community-based services, case management services or managed care  
906 services through mental health providers certified by the  
907 Department of Mental Health. The division may implement and  
908 provide services under this waived program only if funds for  
909 these services are specifically appropriated for this purpose by  
910 the Legislature, or if funds are voluntarily provided by affected  
911 agencies.

912 Notwithstanding any provision of this article, except as  
913 authorized in the following paragraph and in Section 43-13-139,  
914 neither (a) the limitations on quantity or frequency of use of or  
915 the fees or charges for any of the care or services available to  
916 recipients under this section, nor (b) the payments or rates of  
917 reimbursement to providers rendering care or services authorized  
918 under this section to recipients, may be increased, decreased or  
919 otherwise changed from the levels in effect on July 1, 1999,  
920 unless such is authorized by an amendment to this section by the  
921 Legislature. However, the restriction in this paragraph shall not  
922 prevent the division from changing the payments or rates of  
923 reimbursement to providers without an amendment to this section  
924 whenever such changes are required by federal law or regulation,  
925 or whenever such changes are necessary to correct administrative  
926 errors or omissions in calculating such payments or rates of  
927 reimbursement.

928           Notwithstanding any provision of this article, no new groups  
929 or categories of recipients and new types of care and services may  
930 be added without enabling legislation from the Mississippi  
931 Legislature, except that the division may authorize such changes  
932 without enabling legislation when such addition of recipients or  
933 services is ordered by a court of proper authority. The director  
934 shall keep the Governor advised on a timely basis of the funds  
935 available for expenditure and the projected expenditures. In the  
936 event current or projected expenditures can be reasonably  
937 anticipated to exceed the amounts appropriated for any fiscal  
938 year, the Governor, after consultation with the director, shall  
939 discontinue any or all of the payment of the types of care and  
940 services as provided herein which are deemed to be optional  
941 services under Title XIX of the federal Social Security Act, as  
942 amended, for any period necessary to not exceed appropriated  
943 funds, and when necessary shall institute any other cost  
944 containment measures on any program or programs authorized under  
945 the article to the extent allowed under the federal law governing  
946 such program or programs, it being the intent of the Legislature  
947 that expenditures during any fiscal year shall not exceed the  
948 amounts appropriated for such fiscal year.

949           Notwithstanding any other provision of this article, it shall  
950 be the duty of each nursing facility, intermediate care facility  
951 for the mentally retarded, psychiatric residential treatment  
952 facility, and nursing facility for the severely disabled that is  
953 participating in the medical assistance program to keep and  
954 maintain books, documents, and other records as prescribed by the  
955 Division of Medicaid in substantiation of its cost reports for a  
956 period of three (3) years after the date of submission to the  
957 Division of Medicaid of an original cost report, or three (3)  
958 years after the date of submission to the Division of Medicaid of

959 an amended cost report.

960 SECTION 3. Section 43-13-121, Mississippi Code of 1972, is  
961 amended as follows:

962 43-13-121. (1) The division is authorized and empowered to  
963 administer a program of medical assistance under the provisions of  
964 this article, and to do the following:

965 (a) Adopt and promulgate reasonable rules, regulations  
966 and standards, with approval of the Governor, and in accordance  
967 with the Administrative Procedures Law, Section 25-43-1 et seq.:

968 (i) Establishing methods and procedures as may be  
969 necessary for the proper and efficient administration of this  
970 article;

971 (ii) Providing medical assistance to all qualified  
972 recipients under the provisions of this article as the division  
973 may determine and within the limits of appropriated funds;

974 (iii) Establishing reasonable fees, charges and  
975 rates for medical services and drugs; and in doing so shall fix  
976 all such fees, charges and rates at the minimum levels absolutely  
977 necessary to provide the medical assistance authorized by this  
978 article, and shall not change any such fees, charges or rates  
979 except as may be authorized in Section 43-13-117;

980 (iv) Providing for fair and impartial hearings;

981 (v) Providing safeguards for preserving the  
982 confidentiality of records; and

983 (vi) For detecting and processing fraudulent  
984 practices and abuses of the program;

985 (b) Receive and expend state, federal and other funds  
986 in accordance with court judgments or settlements and agreements  
987 between the State of Mississippi and the federal government, the  
988 rules and regulations promulgated by the division, with the  
989 approval of the Governor, and within the limitations and

990 restrictions of this article and within the limits of funds  
991 available for such purpose;

992           (c) Subject to the limits imposed by this article, to  
993 submit a plan for medical assistance to the federal Department of  
994 Health and Human Services for approval pursuant to the provisions  
995 of the Social Security Act, to act for the state in making  
996 negotiations relative to the submission and approval of such plan,  
997 to make such arrangements, not inconsistent with the law, as may  
998 be required by or pursuant to federal law to obtain and retain  
999 such approval and to secure for the state the benefits of the  
1000 provisions of such law;

1001           No agreements, specifically including the general plan for  
1002 the operation of the Medicaid program in this state, shall be made  
1003 by and between the division and the Department of Health and Human  
1004 Services unless the Attorney General of the State of Mississippi  
1005 has reviewed the agreements, specifically including the  
1006 operational plan, and has certified in writing to the Governor and  
1007 to the director of the division that the agreements, including the  
1008 plan of operation, have been drawn strictly in accordance with the  
1009 terms and requirements of this article;

1010           (d) Pursuant to the purposes and intent of this article  
1011 and in compliance with its provisions, provide for aged persons  
1012 otherwise eligible for the benefits provided under Title XVIII of  
1013 the federal Social Security Act by expenditure of funds available  
1014 for such purposes;

1015           (e) To make reports to the federal Department of Health  
1016 and Human Services as from time to time may be required by such  
1017 federal department and to the Mississippi Legislature as  
1018 hereinafter provided;

1019           (f) Define and determine the scope, duration and amount  
1020 of medical assistance which may be provided in accordance with

1021 this article and establish priorities therefor in conformity with  
1022 this article;

1023 (g) Cooperate and contract with other state agencies  
1024 for the purpose of coordinating medical assistance rendered under  
1025 this article and eliminating duplication and inefficiency in the  
1026 program;

1027 (h) Adopt and use an official seal of the division;

1028 (i) Sue in its own name on behalf of the State of  
1029 Mississippi and employ legal counsel on a contingency basis with  
1030 the approval of the Attorney General;

1031 (j) To recover any and all payments incorrectly made by  
1032 the division or by the Medicaid Commission to a recipient or  
1033 provider from the recipient or provider receiving the payments;

1034 (k) To recover any and all payments by the division or  
1035 by the Medicaid Commission fraudulently obtained by a recipient or  
1036 provider. Additionally, if recovery of any payments fraudulently  
1037 obtained by a recipient or provider is made in any court, then,  
1038 upon motion of the Governor, the judge of the court may award  
1039 twice the payments recovered as damages;

1040 (l) Have full, complete and plenary power and authority  
1041 to conduct such investigations as it may deem necessary and  
1042 requisite of alleged or suspected violations or abuses of the  
1043 provisions of this article or of the regulations adopted hereunder  
1044 including, but not limited to, fraudulent or unlawful act or deed  
1045 by applicants for medical assistance or other benefits, or  
1046 payments made to any person, firm or corporation under the terms,  
1047 conditions and authority of this article, to suspend or disqualify  
1048 any provider of services, applicant or recipient for gross abuse,  
1049 fraudulent or unlawful acts for such periods, including  
1050 permanently, and under such conditions as the division may deem  
1051 proper and just, including the imposition of a legal rate of

1052 interest on the amount improperly or incorrectly paid. Recipients  
1053 who are found to have misused or abused medical assistance  
1054 benefits may be locked into one (1) physician and/or one (1)  
1055 pharmacy of the recipient's choice for a reasonable amount of time  
1056 in order to educate and promote appropriate use of medical  
1057 services, in accordance with federal regulations. Should an  
1058 administrative hearing become necessary, the division shall be  
1059 authorized, should the provider not succeed in his defense, in  
1060 taxing the costs of the administrative hearing, including the  
1061 costs of the court reporter or stenographer and transcript, to the  
1062 provider. The convictions of a recipient or a provider in a state  
1063 or federal court for abuse, fraudulent or unlawful acts under this  
1064 chapter shall constitute an automatic disqualification of the  
1065 recipient or automatic disqualification of the provider from  
1066 participation under the Medicaid program.

1067 A conviction, for the purposes of this chapter, shall include  
1068 a judgment entered on a plea of nolo contendere or a  
1069 nonadjudicated guilty plea and shall have the same force as a  
1070 judgment entered pursuant to a guilty plea or a conviction  
1071 following trial. A certified copy of the judgment of the court of  
1072 competent jurisdiction of such conviction shall constitute prima  
1073 facie evidence of such conviction for disqualification purposes;

1074 (m) Establish and provide such methods of  
1075 administration as may be necessary for the proper and efficient  
1076 operation of the program, fully utilizing computer equipment as  
1077 may be necessary to oversee and control all current expenditures  
1078 for purposes of this article, and to closely monitor and supervise  
1079 all recipient payments and vendors rendering such services  
1080 hereunder; \* \* \*

1081 (n) To cooperate and contract with the federal  
1082 government for the purpose of providing medical assistance to

1083 Vietnamese and Cambodian refugees, pursuant to the provisions of  
1084 Public Law 94-23 and Public Law 94-24, including any amendments  
1085 thereto, only to the extent that such assistance and the  
1086 administrative cost related thereto are one hundred percent (100%)  
1087 reimbursable by the federal government. For the purposes of  
1088 Section 43-13-117, persons receiving medical assistance pursuant  
1089 to Public Law 94-23 and Public Law 94-24, including any amendments  
1090 thereto, shall not be considered a new group or category of  
1091 recipient; and

1092 (o) The division shall impose penalties upon Medicaid  
1093 only, Title XIX participating long-term care facilities found to  
1094 be in noncompliance with division and certification standards in  
1095 accordance with federal and state regulations, including interest  
1096 at the same rate calculated by the Department of Health and Human  
1097 Services and/or the Health Care Financing Administration under  
1098 federal regulations.

1099 (2) The division also shall exercise such additional powers  
1100 and perform such other duties as may be conferred upon the  
1101 division by act of the Legislature hereafter.

1102 (3) The division, and the State Department of Health as the  
1103 agency for licensure of health care facilities and certification  
1104 and inspection for the Medicaid and/or Medicare programs, shall  
1105 contract for or otherwise provide for the consolidation of on-site  
1106 inspections of health care facilities which are necessitated by  
1107 the respective programs and functions of the division and the  
1108 department.

1109 (4) The division and its hearing officers shall have power  
1110 to preserve and enforce order during hearings; to issue subpoenas  
1111 for, to administer oaths to and to compel the attendance and  
1112 testimony of witnesses, or the production of books, papers,  
1113 documents and other evidence, or the taking of depositions before

1114 any designated individual competent to administer oaths; to  
1115 examine witnesses; and to do all things conformable to law which  
1116 may be necessary to enable them effectively to discharge the  
1117 duties of their office. In compelling the attendance and  
1118 testimony of witnesses, or the production of books, papers,  
1119 documents and other evidence, or the taking of depositions, as  
1120 authorized by this section, the division or its hearing officers  
1121 may designate an individual employed by the division or some other  
1122 suitable person to execute and return such process, whose action  
1123 in executing and returning such process shall be as lawful as if  
1124 done by the sheriff or some other proper officer authorized to  
1125 execute and return process in the county where the witness may  
1126 reside. In carrying out the investigatory powers under the  
1127 provisions of this article, the director or other designated  
1128 person or persons shall be authorized to examine, obtain, copy or  
1129 reproduce the books, papers, documents, medical charts,  
1130 prescriptions and other records relating to medical care and  
1131 services furnished by the provider to a recipient or designated  
1132 recipients of Medicaid services under investigation. In the  
1133 absence of the voluntary submission of the books, papers,  
1134 documents, medical charts, prescriptions and other records, the  
1135 Governor, the director, or other designated person shall be  
1136 authorized to issue and serve subpoenas instantly upon such  
1137 provider, his agent, servant or employee for the production of the  
1138 books, papers, documents, medical charts, prescriptions or other  
1139 records during an audit or investigation of the provider. If any  
1140 provider or his agent, servant or employee should refuse to  
1141 produce the records after being duly subpoenaed, the director  
1142 shall be authorized to certify such facts and institute contempt  
1143 proceedings in the manner, time, and place as authorized by law  
1144 for administrative proceedings. As an additional remedy, the

1145 division shall be authorized to recover all amounts paid to the  
1146 provider covering the period of the audit or investigation,  
1147 inclusive of a legal rate of interest and a reasonable attorney's  
1148 fee and costs of court if suit becomes necessary. Division staff  
1149 shall have immediate access to the provider's physical location,  
1150 facilities, records, documents, books, and any other records  
1151 relating to medical care and services rendered to recipients  
1152 during regular business hours.

1153 (5) If any person in proceedings before the division  
1154 disobeys or resists any lawful order or process, or misbehaves  
1155 during a hearing or so near the place thereof as to obstruct the  
1156 same, or neglects to produce, after having been ordered to do so,  
1157 any pertinent book, paper or document, or refuses to appear after  
1158 having been subpoenaed, or upon appearing refuses to take the oath  
1159 as a witness, or after having taken the oath refuses to be  
1160 examined according to law, the director shall certify the facts to  
1161 any court having jurisdiction in the place in which it is sitting,  
1162 and the court shall thereupon, in a summary manner, hear the  
1163 evidence as to the acts complained of, and if the evidence so  
1164 warrants, punish such person in the same manner and to the same  
1165 extent as for a contempt committed before the court, or commit  
1166 such person upon the same condition as if the doing of the  
1167 forbidden act had occurred with reference to the process of, or in  
1168 the presence of, the court.

1169 (6) In suspending or terminating any provider from  
1170 participation in the Medicaid program, the division shall preclude  
1171 such provider from submitting claims for payment, either  
1172 personally or through any clinic, group, corporation or other  
1173 association to the division or its fiscal agents for any services  
1174 or supplies provided under the Medicaid program except for those  
1175 services or supplies provided prior to the suspension or

1176 termination. No clinic, group, corporation or other association  
1177 which is a provider of services shall submit claims for payment to  
1178 the division or its fiscal agents for any services or supplies  
1179 provided by a person within such organization who has been  
1180 suspended or terminated from participation in the Medicaid program  
1181 except for those services or supplies provided prior to the  
1182 suspension or termination. When this provision is violated by a  
1183 provider of services which is a clinic, group, corporation or  
1184 other association, the division may suspend or terminate such  
1185 organization from participation. Suspension may be applied by the  
1186 division to all known affiliates of a provider, provided that each  
1187 decision to include an affiliate is made on a case-by-case basis  
1188 after giving due regard to all relevant facts and circumstances.  
1189 The violation, failure, or inadequacy of performance may be  
1190 imputed to a person with whom the provider is affiliated where  
1191 such conduct was accomplished with the course of his official duty  
1192 or was effectuated by him with the knowledge or approval of such  
1193 person.

1194 (7) If the division ascertains that a provider has been  
1195 convicted of a felony under federal or state law for an offense  
1196 which the division determines is detrimental to the best interests  
1197 of the program or of Medicaid recipients, the division may refuse  
1198 to enter into an agreement with such provider, or may terminate or  
1199 refuse to renew an existing agreement.

1200 SECTION 4. This act shall take effect and be in force from  
1201 and after July 1, 2001.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT RELATING TO THE MISSISSIPPI MEDICAID LAW; TO AMEND  
2 SECTION 43-13-115, MISSISSIPPI CODE OF 1972, AS AMENDED BY HOUSE  
3 BILL NO. 1238, 2001 REGULAR SESSION, TO CLARIFY AND INCLUDE

4 CERTAIN CATEGORIES OF INDIVIDUALS ELIGIBLE FOR MEDICAID  
5 ASSISTANCE; TO AMEND SECTION 43-13-117, MISSISSIPPI CODE OF 1972,  
6 AS AMENDED BY HOUSE BILL NO. 1000, SENATE BILL NO. 2424 AND SENATE  
7 BILL NO. 2754, 2001 REGULAR SESSION, TO REQUIRE PRECERTIFICATION  
8 OF INPATIENT DAYS FOR MEDICAID REIMBURSEMENT; TO CLARIFY THE  
9 AUTHORITY FOR MEDICAID REIMBURSEMENT TO HOSPITALS FOR AN  
10 IMPLANTABLE PROGRAMMABLE PUMP; TO DELETE THE REQUIREMENT OF A  
11 WRITTEN AUTHORIZATION FROM A PHYSICIAN FOR HOME LEAVE DAYS; TO  
12 DELETE CERTAIN LIMITATIONS ON REIMBURSEMENT FOR MANAGEMENT FEES  
13 AND HOME OFFICE COSTS FOR NURSING FACILITIES, INTERMEDIATE CARE  
14 FACILITIES AND PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES; TO  
15 PROVIDE FOR THE NUMBER OF PHYSICIAN VISITS ALLOWED ANNUALLY FOR  
16 MEDICAID REIMBURSEMENT; TO REQUIRE PRECERTIFICATION OF HOME HEALTH  
17 VISITS FOR MEDICAID REIMBURSEMENT; TO INCREASE THE AUTHORIZED DRUG  
18 PRESCRIPTIONS PER MONTH FOR NONINSTITUTIONALIZED MEDICAID  
19 RECIPIENTS AND TO DELETE THE REQUIREMENT FOR PREAPPROVAL; TO  
20 DELETE THE AUTHORITY FOR THE DIVISION OF MEDICAID TO CONTRACT WITH  
21 A CERTAIN FACILITY TO PROVIDE RESIDENTIAL MENTAL HEALTH SERVICES  
22 FOR CERTAIN CHILDREN; TO REQUIRE PRECERTIFICATION OF DURABLE  
23 MEDICAL EQUIPMENT AND MEDICAL SUPPLIES FOR REIMBURSEMENT; TO  
24 DELETE THE PER DIEM LIMITATION ON REIMBURSEMENT FOR INPATIENT  
25 PSYCHIATRIC SERVICES; TO REQUIRE PRECERTIFICATION OF INPATIENT  
26 PSYCHIATRIC DAYS AND PSYCHIATRIC RESIDENTIAL TREATMENT DAYS FOR  
27 REIMBURSEMENT; TO DELETE THE AUTHORITY FOR A PILOT PROGRAM FOR  
28 TARGETED CASE MANAGEMENT SERVICES FOR CERTAIN INDIVIDUALS; TO  
29 DELETE THE AUTHORITY FOR A WAIVER FOR PRESCRIPTION DRUG BENEFITS;  
30 TO PROVIDE THAT PHYSICIAN ASSISTANT SERVICES WILL BE REIMBURSABLE  
31 UNDER MEDICAID; AND TO DIRECT THE DIVISION OF MEDICAID TO APPLY  
32 FOR FEDERAL WAIVERS TO PROVIDE SERVICES FOR CHILDREN WITH SERIOUS  
33 EMOTIONAL DISTURBANCES; TO REQUIRE CERTAIN LONG-TERM CARE  
34 FACILITIES TO MAINTAIN RECORDS AS PRESCRIBED BY THE DIVISION OF  
35 MEDICAID IN SUBSTANTIATION OF THEIR COST REPORTS FOR THREE YEARS  
36 AFTER SUBMISSION; TO AMEND SECTION 43-13-121, MISSISSIPPI CODE OF  
37 1972, TO PROVIDE THAT RECIPIENTS FOUND TO HAVE MISUSED BENEFITS  
38 MAY BE RESTRICTED TO ONE PHYSICIAN AND/OR PHARMACY FOR  
39 REIMBURSEMENT PURPOSES; TO AUTHORIZE THE DIVISION OF MEDICAID TO  
40 IMPOSE PENALTIES UPON PARTICIPATING LONG-TERM CARE FACILITIES FOUND  
41 TO BE IN NONCOMPLIANCE WITH DIVISION AND CERTIFICATION STANDARDS;  
42 AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

**X** \_\_\_\_\_  
Bobby Moody

**X** \_\_\_\_\_  
Robert G. Huggins

\_\_\_\_\_  
Bobby B. Howell

**X** \_\_\_\_\_  
Billy Thames

**X** \_\_\_\_\_  
D. Stephen Holland

**X** \_\_\_\_\_  
Jack Gordon