MISSISSIPPI LEGISLATURE

To: Appropriations

REGULAR SESSION 2002

By: Representatives Holland, Peranich, Barnett (92nd), Bowles, Frierson, Gibbs, McBride, Mitchell, Moody, Scott (17th), Shows, Stevens

HOUSE BILL NO. 1794
(As Sent to Governor)


BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the State General Fund not otherwise appropriated, to the Governor's Office - Division of Medicaid for the purpose of providing medical assistance under the Mississippi Medicaid Law and defraying the expenses of the administration of such law, as provided in Section 43-13-101 et seq., Mississippi Code of 1972, for the fiscal year beginning July 1, 2002, and ending June 30, 2003................. $ 246,826,757.00.

SECTION 2. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the State Treasury to the credit of the Medical Care Fund created by Section 43-13-143, Mississippi Code of 1972, for the purpose of providing medical assistance under the Mississippi Medicaid Law for the fiscal year beginning July 1, 2002, and ending June 30, 2003......

.............................................. $ 184,847,720.00.

SECTION 3. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in any special fund in the State Treasury to the credit of the Governor's Office - Division of Medicaid which is comprised of special source funds collected by or otherwise available to the commission, for the purpose of providing medical assistance under the Mississippi
Medicaid Law and defraying the expenses of the administration of such law, for the fiscal year beginning July 1, 2002, and ending June 30, 2003................................. $ 2,314,988,231.00.

Prior period recovery of funds may be maintained and expended by the division when the recovery is received or finalized.

SECTION 4. The following sum, or so much thereof as may be necessary, is hereby appropriated out of any money in the State Treasury to the credit of the Health Care Expendable Fund, for the purpose of defraying the expenses of the Governor's Office - Division of Medicaid for the fiscal year beginning July 1, 2002, and ending June 30, 2003................................. $ 131,930,000.00.

The above funds shall be allocated as follows:

CHIP Program at 200% level of poverty...........$ 7,000,000.00
Eyeglasses for adults.........................$ 1,700,000.00
Home and Community Waiver Program.........$ 4,795,000.00
Expand coverage for Poverty Level Aged and Disabled group.........................$ 9,500,000.00
Disabled worker buy-in to the Medicaid program....................................$ 1,835,000.00
Dental fee increase..........................$ 2,200,000.00
Miscellaneous..............................$ 300,000.00
Medical Services Program Matching Funds.$104,600,000.00

It is the intention of the Legislature that funds may be shifted among the above allocated line items where needed in the discretion of the Executive Director of the Division of Medicaid.

SECTION 5. Of the funds appropriated under the provisions of Sections 1, 2, 3 and 4, not more than the amounts set forth below shall be expended for the respective major objects or purposes of expenditure:

MAJOR OBJECTS OF EXPENDITURE:

Personal Services:

Salaries, Wages and Fringe Benefits.. $ 21,173,577.00
Travel and Subsistence................. 504,406.00
Contractual Services.......................... 64,201,878.00
Commodities.................................. 560,400.00

Capital Outlay:
Other Than Equipment....................... 0.00
Equipment................................... 720,000.00

Subsidies, Loans and Grants............... 2,791,432,447.00

Total........................................ $ 2,878,592,708.00

FUNDING:
General Funds.............................. $ 246,826,757.00
Special Funds.............................. 2,631,765,951.00

Total........................................ $ 2,878,592,708.00

AUTHORIZED POSITIONS:
Permanent: Full Time.............. 615
Part Time.................... 0
Time-Limited: Full Time........... 1
Part Time.................... 0

Provided, however, that the Department of Finance and Administration shall not transfer and the Governor's Office - Division of Medicaid shall not expend or make obligations for medical services in an amount exceeding twenty-five percent (25%) of the funds provided under the provisions of this act plus a contingency amount not to exceed fifteen percent (15%) of the quarterly allotment during Fiscal Year 2003. Provided further, that in no event shall the Governor's Office - Division of Medicaid make any obligations for medical services which exceed the total level of funds appropriated in this act, and the Executive Director of the Division of Medicaid shall ensure complete compliance with Section 43-13-117, Mississippi Code of 1972, by instituting cost containment measures or by discontinuing authorized Medicaid programs to the extent allowed under federal law.

Funds are provided herein to adjust the Variable Compensation Plan to ensure that all full-time employees receive a pay increase.
equal to fifty percent (50%) of the realignment component of the Variable Compensation Plan or Six Hundred Dollars ($600.00), whichever is greater, beginning on January 1, 2003.

With the funds herein appropriated, it is the intention of the Legislature that it shall be the agency's responsibility to make certain that funds required to be appropriated for "Personal Services" for Fiscal Year 2004 do not exceed Fiscal Year 2003 funds appropriated for that purpose, unless programs, positions or pay increases are added to the agency's budget by the Mississippi Legislature. Based on data provided by the Legislative Budget Office, the State Personnel Board shall, on July 1, 2002, publish separate annual projection reports, based on July 1, 2002, data, for the period of July 1, 2002, through December 31, 2002, and January 1, 2003, through June 30, 2003, that project the annual cost to fully fund all appropriated positions in compliance with the provisions of this act. It shall be the responsibility of the agency head to ensure that no single personnel action increases this projected cost and/or the Fiscal Year 2003 appropriation for "Personal Services," as annualized on a semiannual basis in accordance with the provisions of this act. If, at the end of any calendar month, the State Personnel Board determines that the agency has taken action(s) which would cause the agency to exceed this projected annual cost or the Fiscal Year 2003 "Personal Services" appropriated level, when annualized in compliance with the provisions of this act, then only those actions which reduce the projected annual cost and/or the appropriation requirement will be processed by the State Personnel Board until such time as the requirements of this provision are met.

Any transfers or escalations shall be made in accordance with the terms, conditions and procedures established by law.

No general funds authorized to be expended herein shall be used to replace federal funds and/or other special funds which are
being used for salaries authorized under the provisions of this
act and which are withdrawn and no longer available.

SECTION 6. In compliance with the "Mississippi Performance
Budget and Strategic Planning Act of 1994," it is the intent of
the Legislature that the funds provided herein shall be utilized
in the most efficient and effective manner possible to achieve the
intended mission of this agency. Based on the funding authorized,
this agency shall make every effort to attain the targeted
performance measures provided below:

<table>
<thead>
<tr>
<th>FY2003</th>
<th>Performance Measures</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Services</td>
<td>Administration as a Percent of Total Budget</td>
<td>3.11</td>
</tr>
<tr>
<td>Medical Services</td>
<td>Recipients (Persons)</td>
<td>650,000</td>
</tr>
<tr>
<td></td>
<td>Primary Care Physicians (Persons)</td>
<td>5,500</td>
</tr>
</tbody>
</table>

A reporting of the degree to which the performance targets
set above have been or are being achieved shall be provided in the
agency's budget request submitted to the Joint Legislative Budget

SECTION 7. None of the funds appropriated by this act shall
be paid to the fiscal agent of the Division of Medicaid for the
administration of the Medicaid program except for payments that
are made to the fiscal agent in accordance with the contract
executed between the division and the fiscal agent on or about
March 27, 2001; however, the Division may pay the fiscal agent up
to Three Million Dollars ($3,000,000.00) General Fund dollars to
revise and modernize the present system to meet Health Insurance
Portability and Accountability Act (HIPAA) compliance.

SECTION 8. It is the intention of the Legislature that the
Executive Director of the Division of Medicaid may authorize
increases in any major objects of expenditures in total amounts
not to exceed twenty-five percent (25%) of the appropriated amount
of each major object of expenditure, provided that other major
objects of expenditure are decreased by a corresponding dollar
amount.

SECTION 9. In addition to all other sums heretofore
appropriated, the following sum, or so much thereof as may be
necessary, is hereby appropriated out of the Budget Contingency
Fund created in Section 27-103-301, Mississippi Code of 1972, from
any money in the State Treasury to the credit of the Governor's
Office, Division of Medicaid, for the purpose of defraying the
expenses of the agency for the fiscal year ending June 30, 2002.

............................................. $ 29,500,000.00.

In the event that any portion of any Fiscal Year 2002 budget
reduction made by the Governor is restored to any budget under the
control of the Governor's Office - Division of Medicaid after
March 25, 2002, funds in an amount equal to the additional
appropriation made by this act shall be transferred by the
Governor's Office - Division of Medicaid to the Budget Contingency
Fund within the State Treasury and said transfer shall be made on
or before June 30, 2002.

SECTION 10. In addition to all other sums heretofore
appropriated, the following sum, or so much thereof as may be
necessary, is hereby appropriated out of any money in the State
Treasury to the credit of the Governor's Office, Division of
Medicaid, which is comprised of special source funds available to
the Division, for the purpose of defraying the expenses of the
division for the fiscal year ending June 30, 2002.

............................................. $ 479,805,025.00.

SECTION 11. Of the funds appropriated under the provisions
of Section 3, Three Million Seventeen Thousand Seven Hundred
Ninety-five Dollars ($3,017,795.00) shall be derived from the
Budget Contingency Fund created in Section 27-103-301, Mississippi
SECTION 12. The money herein appropriated shall be paid by the State Treasurer out of any money in the State Treasury to the credit of the proper fund or funds as set forth in this act, upon warrants issued by the State Fiscal Officer; and the State Fiscal Officer shall issue his warrants upon requisitions signed by the proper person, officer or officers, in the manner provided by law.

SECTION 13. This act shall take effect and be in force from and after July 1, 2002, with the exception of Sections 9 and 10 which shall take effect and be in force from and after passage.