AN ACT TO AMEND SECTIONS 43-13-407 AND 43-13-405, MISSISSIPPI CODE OF 1972, TO DIRECT THE STATE TREASURER TO TRANSFER $144 MILLION OF THE 2002 TOBACCO SETTLEMENT INSTALLMENT PAYMENT INTO THE HEALTH CARE EXPENDABLE FUND TO BE APPROPRIATED FOR THE MISSISSIPPI MEDICAID ASSISTANCE PROGRAM; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 43-13-407, Mississippi Code of 1972, is amended as follows:

43-13-407. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Expendable Fund, into which shall be transferred from the Health Care Trust Fund the following sums:

(a) In fiscal year 2000, Fifty Million Dollars ($50,000,000.00);

(b) In fiscal year 2001, Fifty-five Million Dollars ($55,000,000.00);

(c) In fiscal year 2002, Sixty Million Five Hundred Thousand Dollars ($60,500,000.00);

(d) In fiscal year 2003, Sixty-six Million Five Hundred Fifty Thousand Dollars ($66,550,000.00);

(e) In fiscal year 2004 and each subsequent fiscal year, a sum equal to the average annual amount of the income from the investment of the funds in the Health Care Trust Fund since July 1, 1999.

(2) In any fiscal year in which interest and dividends from the investment of the funds in the Health Care Trust Fund are not sufficient to fund the full amount of the annual transfer into the Health Care Expendable Fund as required in subsection (1) of this
section, the State Treasurer shall transfer from tobacco
settlement installment payments an amount that is sufficient to
fully fund the amount of the annual transfer.

(3) The State Treasurer shall transfer One Hundred
Forty-four Million Dollars ($144,000,000.00) of the 2002 tobacco
settlement installment payment into the Health Care Expendable
Fund, and said monies shall be appropriated by the Legislature to
fund the state's portion of the Medicaid assistance program.

(4) All income from the investment of the funds in the
Health Care Expendable Fund shall be credited to the account of
the Health Care Expendable Fund. Any funds in the Health Care
Expendable Fund at the end of a fiscal year shall not lapse into
the State General Fund.

(5) The funds in the Health Care Expendable Fund shall be
available for expenditure pursuant to specific appropriation by
the Legislature beginning in fiscal year 2000, and shall be
expended exclusively for health care purposes.

SECTION 2. Section 43-13-405, Mississippi Code of 1972, is
amended as follows:

43-13-405. (1) In accordance with the purposes of this
article, there is established in the State Treasury the Health
Care Trust Fund, into which shall be deposited Two Hundred Eighty
Million Dollars ($280,000,000.00) of the funds received by the
State of Mississippi as a result of the tobacco settlement as of
the end of fiscal year 1999, and all tobacco settlement
installment payments made in subsequent years for which the use or
purpose for expenditure is not restricted by the terms of the
settlement, except as otherwise provided in Sections 43-13-407(2)
and 43-13-407(3). All income from the investment of the funds in
the Health Care Trust Fund shall be credited to the account of the
Health Care Trust Fund. The funds in the Health Care Trust Fund
at the end of a fiscal year shall not lapse into the State General
Fund.
(2) The Health Care Trust Fund shall remain inviolate and shall never be expended, except as provided in this article. The Legislature shall appropriate from the Health Care Trust Fund such sums as are necessary to recoup any funds lost as a result of any of the following actions:

   (a) The federal Health Care Finance Administration, or other agency of the federal government, is successful in recouping tobacco settlement funds from the State of Mississippi;

   (b) The federal share of funds for the support of the Mississippi Medicaid Program is reduced directly or indirectly as a result of the tobacco settlement;

   (c) Federal funding for any other program is reduced as a result of the tobacco settlement; or

   (d) Tobacco cessation programs are mandated by the federal government or court order.

SECTION 3. This act shall take effect and be in force from and after its passage.