

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. 1794: Appropriation; Governors Office - Division of Medicaid.

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:

7 **SECTION 1.** The following sum, or so much thereof as may be
8 necessary, is hereby appropriated out of any money in the State
9 General Fund not otherwise appropriated, to the Governor's Office
10 - Division of Medicaid for the purpose of providing medical
11 assistance under the Mississippi Medicaid Law and defraying the
12 expenses of the administration of such law, as provided in Section
13 43-13-101 et seq., Mississippi Code of 1972, for the fiscal year
14 beginning July 1, 2002, and ending June 30, 2003.....
15 \$ 246,826,757.00.

16 **SECTION 2.** The following sum, or so much thereof as may be
17 necessary, is hereby appropriated out of any money in the State
18 Treasury to the credit of the Medical Care Fund created by Section
19 43-13-143, Mississippi Code of 1972, for the purpose of providing
20 medical assistance under the Mississippi Medicaid Law for the
21 fiscal year beginning July 1, 2002, and ending June 30, 2003.....
22 \$ 184,847,720.00.

23 **SECTION 3.** The following sum, or so much thereof as may be
24 necessary, is hereby appropriated out of any money in any special
25 fund in the State Treasury to the credit of the Governor's Office
26 - Division of Medicaid which is comprised of special source funds
27 collected by or otherwise available to the commission, for the
28 purpose of providing medical assistance under the Mississippi

29 Medicaid Law and defraying the expenses of the administration of
30 such law, for the fiscal year beginning July 1, 2002, and ending
31 June 30, 2003..... \$ 2,314,988,231.00.

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

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

40 The above funds shall be allocated as follows:

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

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

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

58 MAJOR OBJECTS OF EXPENDITURE:

59 Personal Services:

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

64 Capital Outlay:

65 Other Than Equipment..... 0.00
66 Equipment..... 720,000.00
67 Subsidies, Loans and Grants..... 2,791,432,447.00
68 Total..... \$ 2,878,592,708.00

69 FUNDING:

70 General Funds..... \$ 246,826,757.00
71 Special Funds..... 2,631,765,951.00
72 Total..... \$ 2,878,592,708.00

73 AUTHORIZED POSITIONS:

74 Permanent: Full Time 615
75 Part Time 0
76 Time-Limited: Full Time 1
77 Part Time 0

78 Provided, however, that the Department of Finance and
79 Administration shall not transfer and the Governor's Office -
80 Division of Medicaid shall not expend or make obligations for
81 medical services in an amount exceeding twenty-five percent (25%)
82 of the funds provided under the provisions of this act plus a
83 contingency amount not to exceed fifteen percent (15%) of the
84 quarterly allotment during Fiscal Year 2003. Provided further,
85 that in no event shall the Governor's Office - Division of
86 Medicaid make any obligations for medical services which exceed
87 the total level of funds appropriated in this act, and the
88 Executive Director of the Division of Medicaid shall ensure
89 complete compliance with Section 43-13-117, Mississippi Code of
90 1972, by instituting cost containment measures or by discontinuing
91 authorized Medicaid programs to the extent allowed under federal
92 law.

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

98 With the funds herein appropriated, it is the intention of
99 the Legislature that it shall be the agency's responsibility to
100 make certain that funds required to be appropriated for "Personal

101 Services" for Fiscal Year 2004 do not exceed Fiscal Year 2003
102 funds appropriated for that purpose, unless programs, positions or
103 pay increases are added to the agency's budget by the Mississippi
104 Legislature. Based on data provided by the Legislative Budget
105 Office, the State Personnel Board shall, on July 1, 2002, publish
106 separate annual projection reports, based on July 1, 2002 data,
107 for the period of July 1, 2002 through December 31, 2002, and
108 January 1, 2003 through June 30, 2003, that project the annual
109 cost to fully fund all appropriated positions in compliance with
110 the provisions of this act. It shall be the responsibility of the
111 agency head to ensure that no single personnel action increases
112 this projected cost and/or the Fiscal Year 2003 appropriation for
113 "Personal Services," as annualized on a semi-annual basis in
114 accordance with the provisions of this act. If, at the end of any
115 calendar month, the State Personnel Board determines that the
116 agency has taken action(s) which would cause the agency to exceed
117 this projected annual cost or the Fiscal Year 2003 "Personal
118 Services" appropriated level, when annualized in compliance with
119 the provisions of this act, then only those actions which reduce
120 the projected annual cost and/or the appropriation requirement
121 will be processed by the State Personnel Board until such time as
122 the requirements of this provision are met.

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

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

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

<u>Performance Measures</u>	<u>Target</u>
Administrative Services	
Administration as a Percent of Total Budget	3.11
Medical Services	
Recipients (Persons)	650,000
Primary Care Physicians (Persons)	5,500

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 Committee for Fiscal Year 2004.

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, 2002; 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

173 control of the Governor's Office - Division of Medicaid after
174 March 25, 2002, funds in an amount equal to the additional
175 appropriation made by this act shall be transferred by the
176 Governor's Office - Division of Medicaid to the Budget Contingency
177 Fund within the State Treasury and said transfer shall be made on
178 or before June 30, 2002.

179 **SECTION 10.** In addition to all other sums heretofore
180 appropriated, the following sum, or so much thereof as may be
181 necessary, is hereby appropriated out of any money in the State
182 Treasury to the credit of the Governor's Office, Division of
183 Medicaid, which is comprised of special source funds available to
184 the Division, for the purpose of defraying the expenses of the
185 division for the fiscal year ending June 30, 2002.....
186 \$ 479,805,025.00.

187 **SECTION 11.** Of the funds appropriated under the provisions
188 of Section 3, Three Million Seventeen Thousand Seven Hundred
189 Ninety-five Dollars (\$3,017,795.00) shall be derived from the
190 Budget Contingency Fund created in Section 27-103-301, Mississippi
191 Code of 1972.

192 **SECTION 12.** The money herein appropriated shall be paid by
193 the State Treasurer out of any money in the State Treasury to the
194 credit of the proper fund or funds as set forth in this act, upon
195 warrants issued by the State Fiscal Officer; and the State Fiscal
196 Officer shall issue his warrants upon requisitions signed by the
197 proper person, officer or officers, in the manner provided by law.

198 **SECTION 13.** This act shall take effect and be in force from
199 and after July 1, 2002, with the exception of Sections 10 and 11
200 which shall take effect and be in force from and after passage.

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

1 AN ACT MAKING AN APPROPRIATION TO THE GOVERNOR'S OFFICE -
2 DIVISION OF MEDICAID FOR THE PURPOSE OF PROVIDING MEDICAL
3 ASSISTANCE UNDER THE MISSISSIPPI MEDICAID LAW AND DEFRAYING THE
4 EXPENSES OF THE ADMINISTRATION OF SUCH LAW FOR THE FISCAL YEARS
5 2002 AND 2003.

CONFEREES FOR THE HOUSE

X _____
Charlie Capps, Jr.

X _____
D. Stephen Holland

X _____
Bobby Moody

CONFEREES FOR THE SENATE

X _____
Jack Gordon

X _____
Billy Thames

X _____
Robert G. Huggins