

By: Senator(s) Cuevas

To: Public Health and Welfare; Appropriations

SENATE BILL NO. 2612

1 AN ACT TO AMEND SECTIONS 43-13-407 and 43-13-405, MISSISSIPPI
2 CODE OF 1972, TO DIRECT THE STATE TREASURER TO TRANSFER \$3 MILLION
3 OF THE 2002 TOBACCO SETTLEMENT INSTALLMENT PAYMENT, AND ANNUALLY
4 THEREAFTER, INTO THE HEALTH CARE EXPENDABLE FUND TO BE
5 APPROPRIATED FOR THE MISSISSIPPI MEDICAID ASSISTANCE PROGRAM TO
6 PROVIDE CARE EXCLUSIVELY TO PATIENTS WITH ALZHEIMER'S DISEASE; AND
7 FOR RELATED PURPOSES.

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

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

11 43-13-407. (1) In accordance with the purposes of this
12 article, there is established in the State Treasury the Health
13 Care Expendable Fund, into which shall be transferred from the
14 Health Care Trust Fund the following sums:

15 (a) In fiscal year 2000, Fifty Million Dollars
16 (\$50,000,000.00);

17 (b) In fiscal year 2001, Fifty-five Million Dollars
18 (\$55,000,000.00);

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

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

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

27 (2) In any fiscal year in which interest and dividends from
28 the investment of the funds in the Health Care Trust Fund are not
29 sufficient to fund the full amount of the annual transfer into the



30 Health Care Expendable Fund as required in subsection (1) of this
31 section, the State Treasurer shall transfer from tobacco
32 settlement installment payments an amount that is sufficient to
33 fully fund the amount of the annual transfer.

34 (3) (a) On March 6, 2002, the State Treasurer shall
35 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)
36 from the Health Care Trust Fund into the Health Care Expendable
37 Fund. In addition, at the time the State of Mississippi receives
38 the 2002 calendar year tobacco settlement installment payment, the
39 State Treasurer shall deposit the full amount of that installment
40 payment into the Health Care Expendable Fund.

41 (b) If during any fiscal year after March 6, 2002, the
42 general fund revenues received by the state exceed the general
43 fund revenues received during the previous fiscal year by more
44 than five percent (5%), the Legislature shall repay to the Health
45 Care Trust Fund one-third (1/3) of the amount of the general fund
46 revenues that exceed the five percent (5%) growth in general fund
47 revenues. The repayment required by this paragraph shall continue
48 in each fiscal year in which there is more than five percent (5%)
49 growth in general fund revenues, until the full amount of the
50 funds that were transferred and deposited into the Health Care
51 Expendable Fund under the provisions of paragraph (a) of this
52 subsection have been repaid to the Health Care Trust Fund.

53 (4) The State Treasurer shall transfer Three Million Dollars
54 (\$3,000,000.00) of the 2003 tobacco settlement installment
55 payment, and from subsequent annual installment payments, into the
56 Health Care Expendable Fund, and said monies shall be appropriated
57 by the Legislature to the Medicaid assistance program to provide
58 care exclusively to patients with Alzheimer's disease. Said funds
59 shall be utilized to fund Alzheimer's patient care in at least one
60 (1) nursing home in each of the three (3) Mississippi Supreme
61 Court districts, to be designated by the State Department of



62 Health, at a rate of Thirty Thousand Dollars (\$30,000.00) annually
63 per bed.

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

69 (6) The funds in the Health Care Expendable Fund shall be
70 available for expenditure under specific appropriation by the
71 Legislature beginning in fiscal year 2000, and shall be expended
72 exclusively for health care purposes.

73 (7) Subsections (1), (2), (5) and (6) of this section shall
74 stand repealed on July 1, 2004.

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

77 43-13-405. (1) In accordance with the purposes of this
78 article, there is established in the State Treasury the Health
79 Care Trust Fund, into which shall be deposited Two Hundred Eighty
80 Million Dollars (\$280,000,000.00) of the funds received by the
81 State of Mississippi as a result of the tobacco settlement as of
82 the end of fiscal year 1999, and all tobacco settlement
83 installment payments made in subsequent years for which the use or
84 purpose for expenditure is not restricted by the terms of the
85 settlement, except as otherwise provided in Section 43-13-407(2),
86 (3) and (4). All income from the investment of the funds in the
87 Health Care Trust Fund shall be credited to the account of the
88 Health Care Trust Fund. The funds in the Health Care Trust Fund
89 at the end of a fiscal year shall not lapse into the State General
90 Fund.

91 (2) The Health Care Trust Fund shall remain inviolate and
92 shall never be expended, except as provided in this article. The
93 Legislature shall appropriate from the Health Care Trust Fund such



94 sums as are necessary to recoup any funds lost as a result of any
95 of the following actions:

96 (a) The federal Centers for Medicare and Medicaid
97 Services, or other agency of the federal government, is successful
98 in recouping tobacco settlement funds from the State of
99 Mississippi;

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

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

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

107 (3) This section shall stand repealed on July 1, 2004.

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

