

## 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. 897: Medicaid; make technical amendments to Medicaid laws.

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:

69           **SECTION 1.** Section 43-13-113, Mississippi Code of 1972, is  
70 amended as follows:

71           43-13-113. (1) The State Treasurer shall receive on behalf  
72 of the state, and execute all instruments incidental thereto,  
73 federal and other funds to be used for financing the medical  
74 assistance plan or program adopted pursuant to this article, and  
75 place all such funds in a special account to the credit of the  
76 Governor's Office-Division of Medicaid, which funds shall be  
77 expended by the division for the purposes and under the provisions  
78 of this article, and shall be paid out by the State Treasurer as  
79 funds appropriated to carry out the provisions of this article are  
80 paid out by him.

81           The division shall issue all checks or electronic transfers  
82 for administrative expenses, and for medical assistance under the  
83 provisions of this article. All such checks or electronic  
84 transfers shall be drawn upon funds made available to the division  
85 by the State Auditor, upon requisition of the director. It is the  
86 purpose of this section to provide that the State Auditor shall  
87 transfer, in lump sums, amounts to the division for disbursement  
88 under the regulations which shall be made by the director with the  
89 approval of the Governor; however, the division, or its fiscal  
90 agent in behalf of the division, shall be authorized in

91 maintaining separate accounts with a Mississippi bank to handle  
92 claim payments, refund recoveries and related Medicaid program  
93 financial transactions, to aggressively manage the float in these  
94 accounts while awaiting clearance of checks or electronic  
95 transfers and/or other disposition so as to accrue maximum  
96 interest advantage of the funds in the account, and to retain all  
97 earned interest on these funds to be applied to match federal  
98 funds for Medicaid program operations.

99       (2) The division is authorized to obtain a line of credit  
100 through the State Treasurer from the Working Cash-Stabilization  
101 Fund or any other special source funds maintained in the State  
102 Treasury in an amount not exceeding Ten Million Dollars  
103 (\$10,000,000.00) to fund shortfalls which, from time to time, may  
104 occur due to decreases in state matching fund cash flow. The  
105 length of indebtedness under this provision shall not carry past  
106 the end of the quarter following the loan origination. Loan  
107 proceeds shall be received by the State Treasurer and shall be  
108 placed in a Medicaid designated special fund account. Loan  
109 proceeds shall be expended only for health care services provided  
110 under the Medicaid program. The division may pledge as security  
111 for such interim financing future funds that will be received by  
112 the division. Any such loans shall be repaid from the first  
113 available funds received by the division in the manner of and  
114 subject to the same terms provided in this section.

115       (3) Disbursement of funds to providers shall be made as  
116 follows:

117           (a) All providers must submit all claims to the  
118 Division of Medicaid's fiscal agent no later than twelve (12)  
119 months from the date of service.

120           (b) The Division of Medicaid's fiscal agent must pay  
121 ninety percent (90%) of all clean claims within thirty (30) days  
122 of the date of receipt.

123           (c) The Division of Medicaid's fiscal agent must pay  
124 ninety-nine percent (99%) of all clean claims within ninety (90)  
125 days of the date of receipt.

126           (d) The Division of Medicaid's fiscal agent must pay

127 all other claims within twelve (12) months of the date of receipt.

128 (e) If a claim is neither paid nor denied for valid and  
129 proper reasons by the end of the time periods as specified above,  
130 the Division of Medicaid's fiscal agent must pay the provider  
131 interest on the claim at the rate of one and one-half percent  
132 (1-1/2%) per month on the amount of such claim until it is finally  
133 settled or adjudicated.

134 (4) The date of receipt is the date the fiscal agent  
135 receives the claim as indicated by its date stamp on the claim or,  
136 for those claims filed electronically, the date of receipt is the  
137 date of transmission.

138 (5) The date of payment is the date of the check or, for  
139 those claims paid by electronic funds transfer, the date of the  
140 transfer.

141 (6) The above specified time limitations do not apply in the  
142 following circumstances:

143 (a) Retroactive adjustments paid to providers  
144 reimbursed under a retrospective payment system;

145 (b) If a claim for payment under Medicare has been  
146 filed in a timely manner, the fiscal agent may pay a Medicaid  
147 claim relating to the same services within six (6) months after  
148 it, or the provider, receives notice of the disposition of the  
149 Medicare claim;

150 (c) Claims from providers under investigation for fraud  
151 or abuse; and

152 (d) The Division of Medicaid and/or its fiscal agent  
153 may make payments at any time in accordance with a court order, to  
154 carry out hearing decisions or corrective actions taken to resolve  
155 a dispute, or to extend the benefits of a hearing decision,  
156 corrective action, or court order to others in the same situation  
157 as those directly affected by it.

158 (7) Repealed.

159 (8) If sufficient funds are appropriated therefor by the  
160 Legislature, the Division of Medicaid may contract with the  
161 Mississippi Dental Association, or an approved designee, to  
162 develop and operate a Donated Dental Services (DDS) program

163 through which volunteer dentists will treat needy disabled, aged  
164 and medically-compromised individuals who are non-Medicaid  
165 eligible recipients.

166         **SECTION 2.** Section 43-13-115, Mississippi Code of 1972, is  
167 amended as follows:

168         43-13-115. Recipients of medical assistance shall be the  
169 following persons only:

170             (1) Who are qualified for public assistance grants  
171 under provisions of Title IV-A and E of the federal Social  
172 Security Act, as amended, as determined by the State Department of  
173 Human Services, including those statutorily deemed to be IV-A and  
174 low-income families and children under Section 1931 of the Social  
175 Security Act as determined by the State Department of Human  
176 Services and certified to the Division of Medicaid, but not  
177 optional groups except as specifically covered in this section.  
178 For the purposes of this paragraph (1) and paragraphs (8), (17)  
179 and (18) of this section, any reference to Title IV-A or to Part A  
180 of Title IV of the federal Social Security Act, as amended, or the  
181 state plan under Title IV-A or Part A of Title IV, shall be  
182 considered as a reference to Title IV-A of the federal Social  
183 Security Act, as amended, and the state plan under Title IV-A,  
184 including the income and resource standards and methodologies  
185 under Title IV-A and the state plan, as they existed on July 16,  
186 1996.

187             (2) Those qualified for Supplemental Security Income  
188 (SSI) benefits under Title XVI of the federal Social Security Act,  
189 as amended, and those who are deemed SSI eligible as contained in  
190 federal statute. The eligibility of individuals covered in this  
191 paragraph shall be determined by the Social Security  
192 Administration and certified to the Division of Medicaid.

193             (3) Qualified pregnant women who would be eligible for  
194 medical assistance as a low income family member under Section  
195 1931 of the Social Security Act if her child was born.

196             (4) [Deleted]

197             (5) A child born on or after October 1, 1984, to a  
198 woman eligible for and receiving medical assistance under the

199 state plan on the date of the child's birth shall be deemed to  
200 have applied for medical assistance and to have been found  
201 eligible for such assistance under such plan on the date of such  
202 birth and will remain eligible for such assistance for a period of  
203 one (1) year so long as the child is a member of the woman's  
204 household and the woman remains eligible for such assistance or  
205 would be eligible for assistance if pregnant. The eligibility of  
206 individuals covered in this paragraph shall be determined by the  
207 State Department of Human Services and certified to the Division  
208 of Medicaid.

209 (6) Children certified by the State Department of Human  
210 Services to the Division of Medicaid of whom the state and county  
211 departments of human services \* \* \* have custody and financial  
212 responsibility, and children who are in adoptions subsidized in  
213 full or part by the Department of Human Services, including  
214 special needs children in non-Title IV-E adoption assistance, who  
215 are approvable under Title XIX of the Medicaid program.

216 (7) (a) Persons certified by the Division of Medicaid  
217 who are patients in a medical facility (nursing home, hospital,  
218 tuberculosis sanatorium or institution for treatment of mental  
219 diseases), and who, except for the fact that they are patients in  
220 such medical facility, would qualify for grants under Title IV,  
221 supplementary security income benefits under Title XVI or state  
222 supplements, and those aged, blind and disabled persons who would  
223 not be eligible for supplemental security income benefits under  
224 Title XVI or state supplements if they were not institutionalized  
225 in a medical facility but whose income is below the maximum  
226 standard set by the Division of Medicaid, which standard shall not  
227 exceed that prescribed by federal regulation;

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

232 (8) Children under eighteen (18) years of age and  
233 pregnant women (including those in intact families) who meet  
234 the \* \* \* financial standards of the state plan approved under

235 Title IV-A of the federal Social Security Act, as amended. The  
236 eligibility of children covered under this paragraph shall be  
237 determined by the State Department of Human Services and certified  
238 to the Division of Medicaid.

239 (9) Individuals who are:

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

244 (b) Pregnant women, infants and children who have  
245 not attained the age of six (6), with family income that does not  
246 exceed one hundred thirty-three percent (133%) of the federal  
247 poverty level; and

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

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

255 (10) Certain disabled children age eighteen (18) or  
256 under who are living at home, who would be eligible, if in a  
257 medical institution, for SSI or a state supplemental payment under  
258 Title XVI of the federal Social Security Act, as amended, and  
259 therefore for Medicaid under the plan, and for whom the state has  
260 made a determination as required under Section 1902(e)(3)(b) of  
261 the federal Social Security Act, as amended. The eligibility of  
262 individuals under this paragraph shall be determined by the  
263 Division of Medicaid; provided, however, that the division may  
264 apply to the Center for Medicare and Medicaid Services (CMS) for a  
265 waiver that will allow flexibility in the benefit design for the  
266 Disabled Children Living at Home eligibility category authorized  
267 herein, and the division may establish an expenditure/enrollment  
268 cap for this category. Nothing contained in this paragraph (10)  
269 shall entitle an individual for benefits.

270 (11) Individuals who are sixty-five (65) years of age

271 or older or are disabled as determined under Section 1614(a)(3) of  
272 the federal Social Security Act, as amended, and whose income does  
273 not exceed one hundred thirty-five percent (135%) of the nonfarm  
274 official poverty line as defined by the Office of Management and  
275 Budget and revised annually, and whose resources do not exceed  
276 those established by the Division of Medicaid.

277 The eligibility of individuals covered under this paragraph  
278 shall be determined by the Division of Medicaid; provided,  
279 however, that the division may apply to the Center for Medicare  
280 and Medicaid Services (CMS) for a waiver that will allow  
281 flexibility in the benefit design and buy-in options for the  
282 Poverty Level Aged and Disabled (PLAD) eligibility category  
283 authorized herein, and the division may establish an  
284 expenditure/enrollment cap for this category. Nothing contained  
285 in this paragraph (11) shall entitle an individual for benefits.

286 (12) Individuals who are qualified Medicare  
287 beneficiaries (QMB) entitled to Part A Medicare as defined under  
288 Section 301, Public Law 100-360, known as the Medicare  
289 Catastrophic Coverage Act of 1988, and whose income does not  
290 exceed one hundred percent (100%) of the nonfarm official poverty  
291 line as defined by the Office of Management and Budget and revised  
292 annually.

293 The eligibility of individuals covered under this paragraph  
294 shall be determined by the Division of Medicaid, and such  
295 individuals determined eligible shall receive Medicare  
296 cost-sharing expenses only as more fully defined by the Medicare  
297 Catastrophic Coverage Act of 1988 and the Balanced Budget Act of  
298 1997.

299 (13 (a) Individuals who are entitled to Medicare Part  
300 A as defined in Section 4501 of the Omnibus Budget Reconciliation  
301 Act of 1990, and whose income does not exceed one hundred twenty  
302 percent (120%) of the nonfarm official poverty line as defined by  
303 the Office of Management and Budget and revised annually.  
304 Eligibility for Medicaid benefits is limited to full payment of  
305 Medicare Part B premiums.

306 (b) Individuals entitled to Part A of Medicare, with

307 income above one hundred twenty percent (120%), but less than one  
308 hundred thirty-five percent (135%) of the federal poverty level,  
309 and not otherwise eligible for Medicaid Eligibility for Medicaid  
310 benefits is limited to full payment of Medicare Part B premiums.  
311 The number of eligible individuals is limited by the availability  
312 of the federal capped allocation at one hundred percent (100%) of  
313 federal matching funds, as more fully defined in the Balanced  
314 Budget Act of 1997.

315 \* \* \*

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

318 (14) [Deleted]

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

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

334 (17) In accordance with the terms of the federal  
335 Personal Responsibility and Work Opportunity Reconciliation Act of  
336 1996 (Public Law 104-193), persons who become ineligible for  
337 assistance under Title IV-A of the federal Social Security Act, as  
338 amended, because of increased income from or hours of employment  
339 of the caretaker relative or because of the expiration of the  
340 applicable earned income disregards, who were eligible for  
341 Medicaid for at least three (3) of the six (6) months preceding  
342 the month in which such ineligibility begins, shall be eligible



343 for Medicaid assistance for up to twelve (12) months \* \* \*.

344 (18) Persons who become ineligible for assistance under  
345 Title IV-A of the federal Social Security Act, as amended, as a  
346 result, in whole or in part, of the collection or increased  
347 collection of child or spousal support under Title IV-D of the  
348 federal Social Security Act, as amended, who were eligible for  
349 Medicaid for at least three (3) of the six (6) months immediately  
350 preceding the month in which such ineligibility begins, shall be  
351 eligible for Medicaid for an additional four (4) months beginning  
352 with the month in which such ineligibility begins.

353 (19) Disabled workers, whose incomes are above the  
354 Medicaid eligibility limits, but below two hundred fifty percent  
355 (250%) of the federal poverty level, shall be allowed to purchase  
356 Medicaid coverage on a sliding fee scale developed by the Division  
357 of Medicaid.

358 (20) Medicaid eligible children under age eighteen (18)  
359 shall remain eligible for Medicaid benefits until the end of a  
360 period of twelve (12) months following an eligibility  
361 determination, or until such time that the individual exceeds age  
362 eighteen (18).

363 (21) Women of childbearing age whose family income does  
364 not exceed one hundred eighty-five percent (185%) of the federal  
365 poverty level. The eligibility of individuals covered under this  
366 paragraph (21) shall be determined by the Division of Medicaid,  
367 and those individuals determined eligible shall only receive  
368 family planning services covered under Section 43-13-117(13) and  
369 not any other services covered under Medicaid. However, any  
370 individual eligible under this paragraph (21) who is also eligible  
371 under any other provision of this section shall receive the  
372 benefits to which he or she is entitled under that other  
373 provision, in addition to family planning services covered under  
374 Section 43-13-117(13).

375 The Division of Medicaid shall apply to the United States  
376 Secretary of Health and Human Services for a federal waiver of the  
377 applicable provisions of Title XIX of the federal Social Security  
378 Act, as amended, and any other applicable provisions of federal

379 law as necessary to allow for the implementation of this paragraph  
380 (21). The provisions of this paragraph (21) shall be implemented  
381 from and after the date that the Division of Medicaid receives the  
382 federal waiver.

383 (22) Persons who are workers with a potentially severe  
384 disability, as determined by the division, shall be allowed to  
385 purchase Medicaid coverage. The term "worker with a potentially  
386 severe disability" means a person who is at least sixteen (16)  
387 years of age but under sixty-five (65) years of age, who has a  
388 physical or mental impairment that is reasonably expected to cause  
389 the person to become blind or disabled as defined under Section  
390 1614(a) of the federal Social Security Act, as amended, if the  
391 person does not receive items and services provided under  
392 Medicaid.

393 The eligibility of persons under this paragraph (22) shall be  
394 conducted as a demonstration project that is consistent with  
395 Section 204 of the Ticket to Work and Work Incentives Improvement  
396 Act of 1999, Public Law 106-170, for a certain number of persons  
397 as specified by the division. The eligibility of individuals  
398 covered under this paragraph (22) shall be determined by the  
399 Division of Medicaid.

400 \* \* \*

401 (23) Children certified by the Mississippi Department  
402 of Human Services for whom the state and county departments of  
403 human services \* \* \* have custody and financial responsibility who  
404 are in foster care on their eighteenth birthday as reported by the  
405 Mississippi Department of Human Services shall be certified  
406 Medicaid eligible by the Division of Medicaid until their  
407 twenty-first birthday.

408 (24) Individuals who have not attained age sixty-five  
409 (65), are not otherwise covered by creditable coverage as defined  
410 in the Public Health Services Act, and have been screened for  
411 breast and cervical cancer under the Centers for Disease Control  
412 and Prevention Breast and Cervical Cancer Early Detection Program  
413 established under Title XV of the Public Health Service Act in  
414 accordance with the requirements of that act and who need

415 treatment for breast or cervical cancer. Eligibility of  
416 individuals under this paragraph (24) shall be determined by the  
417 Division of Medicaid.

418 \* \* \*

419 **SECTION 3.** Section 43-13-117, Mississippi Code of 1972, is  
420 amended as follows:

421 43-13-117. Medicaid as authorized by this article shall  
422 include payment of part or all of the costs, at the discretion of  
423 the division or its successor, with approval of the Governor, of  
424 the following types of care and services rendered to eligible  
425 applicants who have been determined to be eligible for that care  
426 and services, within the limits of state appropriations and  
427 federal matching funds:

428 (1) Inpatient hospital services.

429 (a) The division shall allow thirty (30) days of  
430 inpatient hospital care annually for all Medicaid recipients.  
431 Precertification of inpatient days must be obtained as required by  
432 the division. The division may allow unlimited days in  
433 disproportionate hospitals as defined by the division for eligible  
434 infants under the age of six (6) years if certified as medically  
435 necessary as required by the division.

436 (b) From and after July 1, 1994, the Executive  
437 Director of the Division of Medicaid shall amend the Mississippi  
438 Title XIX Inpatient Hospital Reimbursement Plan to remove the  
439 occupancy rate penalty from the calculation of the Medicaid  
440 Capital Cost Component utilized to determine total hospital costs  
441 allocated to the Medicaid program.

442 (c) Hospitals will receive an additional payment  
443 for the implantable programmable baclofen drug pump used to treat  
444 spasticity which is implanted on an inpatient basis. The payment  
445 pursuant to written invoice will be in addition to the facility's  
446 per diem reimbursement and will represent a reduction of costs on  
447 the facility's annual cost report, and shall not exceed Ten  
448 Thousand Dollars (\$10,000.00) per year per recipient. This  
449 subparagraph (c) shall stand repealed on July 1, 2005.

450 (2) Outpatient hospital services. Where the same

451 services are reimbursed as clinic services, the division may  
452 revise the rate or methodology of outpatient reimbursement to  
453 maintain consistency, efficiency, economy and quality of care.

454 (3) Laboratory and x-ray services.

455 (4) Nursing facility services.

456 (a) The division shall make full payment to  
457 nursing facilities for each day, not exceeding fifty-two (52) days  
458 per year, that a patient is absent from the facility on home  
459 leave. Payment may be made for the following home leave days in  
460 addition to the fifty-two-day limitation: Christmas, the day  
461 before Christmas, the day after Christmas, Thanksgiving, the day  
462 before Thanksgiving and the day after Thanksgiving.

463 (b) From and after July 1, 1997, the division  
464 shall implement the integrated case-mix payment and quality  
465 monitoring system, which includes the fair rental system for  
466 property costs and in which recapture of depreciation is  
467 eliminated. The division may reduce the payment for hospital  
468 leave and therapeutic home leave days to the lower of the case-mix  
469 category as computed for the resident on leave using the  
470 assessment being utilized for payment at that point in time, or a  
471 case-mix score of 1.000 for nursing facilities, and shall compute  
472 case-mix scores of residents so that only services provided at the  
473 nursing facility are considered in calculating a facility's per  
474 diem.

475 During the period between May 1, 2002, and December 1, 2002,  
476 the Chairmen of the Public Health and Welfare Committees of the  
477 Senate and the House of Representatives may appoint a joint study  
478 committee to consider the issue of setting uniform reimbursement  
479 rates for nursing facilities. The study committee will consist of  
480 the Chairmen of the Public Health and Welfare Committees, three  
481 (3) members of the Senate and three (3) members of the House. The  
482 study committee shall complete its work in not more than three (3)  
483 meetings.

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

487                   (d) When a facility of a category that does not  
488 require a certificate of need for construction and that could not  
489 be eligible for Medicaid reimbursement is constructed to nursing  
490 facility specifications for licensure and certification, and the  
491 facility is subsequently converted to a nursing facility under a  
492 certificate of need that authorizes conversion only and the  
493 applicant for the certificate of need was assessed an application  
494 review fee based on capital expenditures incurred in constructing  
495 the facility, the division shall allow reimbursement for capital  
496 expenditures necessary for construction of the facility that were  
497 incurred within the twenty-four (24) consecutive calendar months  
498 immediately preceding the date that the certificate of need  
499 authorizing the conversion was issued, to the same extent that  
500 reimbursement would be allowed for construction of a new nursing  
501 facility under a certificate of need that authorizes that  
502 construction. The reimbursement authorized in this subparagraph  
503 (d) may be made only to facilities the construction of which was  
504 completed after June 30, 1989. Before the division shall be  
505 authorized to make the reimbursement authorized in this  
506 subparagraph (d), the division first must have received approval  
507 from the Health Care Financing Administration of the United States  
508 Department of Health and Human Services of the change in the state  
509 Medicaid plan providing for the reimbursement.

510                   (e) The division shall develop and implement, not  
511 later than January 1, 2001, a case-mix payment add-on determined  
512 by time studies and other valid statistical data that will  
513 reimburse a nursing facility for the additional cost of caring for  
514 a resident who has a diagnosis of Alzheimer's or other related  
515 dementia and exhibits symptoms that require special care. Any  
516 such case-mix add-on payment shall be supported by a determination  
517 of additional cost. The division shall also develop and implement  
518 as part of the fair rental reimbursement system for nursing  
519 facility beds, an Alzheimer's resident bed depreciation enhanced  
520 reimbursement system that will provide an incentive to encourage  
521 nursing facilities to convert or construct beds for residents with  
522 Alzheimer's or other related dementia.

523 (f) The division shall develop and implement an  
524 assessment process for long-term care services.

525 \* \* \*

526 The division shall apply for necessary federal waivers to  
527 assure that additional services providing alternatives to nursing  
528 facility care are made available to applicants for nursing  
529 facility care.

530 (5) Periodic screening and diagnostic services for  
531 individuals under age twenty-one (21) years as are needed to  
532 identify physical and mental defects and to provide health care  
533 treatment and other measures designed to correct or ameliorate  
534 defects and physical and mental illness and conditions discovered  
535 by the screening services regardless of whether these services are  
536 included in the state plan. The division may include in its  
537 periodic screening and diagnostic program those discretionary  
538 services authorized under the federal regulations adopted to  
539 implement Title XIX of the federal Social Security Act, as  
540 amended. The division, in obtaining physical therapy services,  
541 occupational therapy services, and services for individuals with  
542 speech, hearing and language disorders, may enter into a  
543 cooperative agreement with the State Department of Education for  
544 the provision of those services to handicapped students by public  
545 school districts using state funds that are provided from the  
546 appropriation to the Department of Education to obtain federal  
547 matching funds through the division. The division, in obtaining  
548 medical and psychological evaluations for children in the custody  
549 of the State Department of Human Services may enter into a  
550 cooperative agreement with the State Department of Human Services  
551 for the provision of those services using state funds that are  
552 provided from the appropriation to the Department of Human  
553 Services to obtain federal matching funds through the division.

554 (6) Physician's services. The division shall allow  
555 twelve (12) physician visits annually. All fees for physicians'  
556 services that are covered only by Medicaid shall be reimbursed at  
557 ninety percent (90%) of the rate established on January 1, 1999,  
558 and as adjusted each January thereafter, under Medicare (Title

559 XVIII of the Social Security Act, as amended), and which shall in  
560 no event be less than seventy percent (70%) of the rate  
561 established on January 1, 1994. All fees for physicians' services  
562 that are covered by both Medicare and Medicaid shall be reimbursed  
563 at ten percent (10%) of the adjusted Medicare payment established  
564 on January 1, 1999, and as adjusted each January thereafter, under  
565 Medicare (Title XVIII of the Social Security Act, as amended), and  
566 which shall in no event be less than seventy percent (70%) of the  
567 adjusted Medicare payment established on January 1, 1994.

568 (7) (a) Home health services for eligible persons, not  
569 to exceed in cost the prevailing cost of nursing facility  
570 services, not to exceed sixty (60) visits per year. All home  
571 health visits must be precertified as required by the division.

572 (b) Repealed.

573 (8) Emergency medical transportation services. On  
574 January 1, 1994, emergency medical transportation services shall  
575 be reimbursed at seventy percent (70%) of the rate established  
576 under Medicare (Title XVIII of the Social Security Act, as  
577 amended). "Emergency medical transportation services" shall mean,  
578 but shall not be limited to, the following services by a properly  
579 permitted ambulance operated by a properly licensed provider in  
580 accordance with the Emergency Medical Services Act of 1974  
581 (Section 41-59-1 et seq.): (i) basic life support, (ii) advanced  
582 life support, (iii) mileage, (iv) oxygen, (v) intravenous fluids,  
583 (vi) disposable supplies, (vii) similar services.

584 (9) (a) Legend and other drugs as may be determined by  
585 the division. \* \* \* The division may implement a program of prior  
586 approval for drugs to the extent permitted by law. The division  
587 shall allow seven (7) prescriptions per month for each  
588 noninstitutionalized Medicaid recipient; however, after a  
589 noninstitutionalized or institutionalized recipient has received  
590 five (5) prescriptions in any month, each additional prescription  
591 during that month must have the prior approval of the division.  
592 The division shall not reimburse for any portion of a prescription  
593 that exceeds a thirty-four-day supply of the drug based on the  
594 daily dosage.

595 \* \* \*

596 Provided, however, that until July 1, 2005, any A-typical  
597 antipsychotic drug shall be included in any preferred drug list  
598 developed by the Division of Medicaid and shall not require prior  
599 authorization, and until July 1, 2005, any licensed physician may  
600 prescribe any A-typical antipsychotic drug deemed appropriate for  
601 Medicaid recipients which shall be fully eligible for Medicaid  
602 reimbursement.

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

607 All claims for drugs for dually eligible Medicare/Medicaid  
608 beneficiaries that are paid for by Medicare must be submitted to  
609 Medicare for payment before they may be processed by the  
610 division's on-line payment system.

611 The division shall develop a pharmacy policy in which drugs  
612 in tamper-resistant packaging that are prescribed for a resident  
613 of a nursing facility but are not dispensed to the resident shall  
614 be returned to the pharmacy and not billed to Medicaid, in  
615 accordance with guidelines of the State Board of Pharmacy.

616 (b) \* \* \* Payment by the division for covered  
617 multiple source drugs shall be limited to the lower of the upper  
618 limits established and published by the Centers for Medicare and  
619 Medicaid Services (CMS) plus a dispensing fee, or the estimated  
620 acquisition cost (EAC) plus a dispensing fee, or the providers'  
621 usual and customary charge to the general public. \* \* \*

622 Payment for other covered drugs, other than multiple source  
623 drugs with CMS upper limits, shall not exceed the lower of the  
624 estimated acquisition cost plus a dispensing fee or the providers'  
625 usual and customary charge to the general public.

626 Payment for nonlegend or over-the-counter drugs covered by  
627 the division \* \* \* shall be reimbursed at the lower of the  
628 division's estimated shelf price or the providers' usual and  
629 customary charge to the general public. \* \* \*

630 The dispensing fee for each new or refill prescription,



631 including nonlegend or over-the-counter drugs covered by the  
632 division, shall be Three Dollars and Ninety-one Cents (\$3.91).

633 The Medicaid provider shall not prescribe, the Medicaid  
634 pharmacy shall not bill, and the division shall not reimburse for  
635 name brand drugs if there are equally effective generic  
636 equivalents available and if the generic equivalents are the least  
637 expensive.

638 \* \* \*

639 As used in this paragraph (9), "estimated acquisition cost"  
640 means twelve percent (12%) less than the average wholesale price  
641 for a drug.

642 \* \* \*

643 (10) Dental care that is an adjunct to treatment of an  
644 acute medical or surgical condition; services of oral surgeons and  
645 dentists in connection with surgery related to the jaw or any  
646 structure contiguous to the jaw or the reduction of any fracture  
647 of the jaw or any facial bone; and emergency dental extractions  
648 and treatment related thereto. On July 1, 1999, all fees for  
649 dental care and surgery under authority of this paragraph (10)  
650 shall be increased to one hundred sixty percent (160%) of the  
651 amount of the reimbursement rate that was in effect on June 30,  
652 1999. It is the intent of the Legislature to encourage more  
653 dentists to participate in the Medicaid program.

654 (11) Eyeglasses for all Medicaid beneficiaries who have  
655 (a) had surgery on the eyeball or ocular muscle that results in a  
656 vision change for which eyeglasses or a change in eyeglasses is  
657 medically indicated within six (6) months of the surgery and is in  
658 accordance with policies established by the division, or (b) one  
659 (1) pair every five (5) years and in accordance with policies  
660 established by the division. In either instance, the eyeglasses  
661 must be prescribed by a physician skilled in diseases of the eye  
662 or an optometrist, whichever the beneficiary may select.

663 (12) Intermediate care facility services.

664 (a) The division shall make full payment to all  
665 intermediate care facilities for the mentally retarded for each  
666 day, not exceeding eighty-four (84) days per year, that a patient

667 is absent from the facility on home leave. Payment may be made  
668 for the following home leave days in addition to the  
669 eighty-four-day limitation: Christmas, the day before Christmas,  
670 the day after Christmas, Thanksgiving, the day before Thanksgiving  
671 and the day after Thanksgiving.

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

675 (13) Family planning services, including drugs,  
676 supplies and devices, when those services are under the  
677 supervision of a physician.

678 (14) Clinic services. Such diagnostic, preventive,  
679 therapeutic, rehabilitative or palliative services furnished to an  
680 outpatient by or under the supervision of a physician or dentist  
681 in a facility that is not a part of a hospital but that is  
682 organized and operated to provide medical care to outpatients.  
683 Clinic services shall include any services reimbursed as  
684 outpatient hospital services that may be rendered in such a  
685 facility, including those that become so after July 1, 1991. On  
686 July 1, 1999, all fees for physicians' services reimbursed under  
687 authority of this paragraph (14) shall be reimbursed at ninety  
688 percent (90%) of the rate established on January 1, 1999, and as  
689 adjusted each January thereafter, under Medicare (Title XVIII of  
690 the Social Security Act, as amended), and which shall in no event  
691 be less than seventy percent (70%) of the rate established on  
692 January 1, 1994. All fees for physicians' services that are  
693 covered by both Medicare and Medicaid shall be reimbursed at ten  
694 percent (10%) of the adjusted Medicare payment established on  
695 January 1, 1999, and as adjusted each January thereafter, under  
696 Medicare (Title XVIII of the Social Security Act, as amended), and  
697 which shall in no event be less than seventy percent (70%) of the  
698 adjusted Medicare payment established on January 1, 1994. On July  
699 1, 1999, all fees for dentists' services reimbursed under  
700 authority of this paragraph (14) shall be increased to one hundred  
701 sixty percent (160%) of the amount of the reimbursement rate that  
702 was in effect on June 30, 1999.

703           (15) Home- and community-based services for the elderly  
704 and disabled, as provided under Title XIX of the federal Social  
705 Security Act, as amended, under waivers, subject to the  
706 availability of funds specifically appropriated therefor by the  
707 Legislature. \* \* \*

708           (16) Mental health services. Approved therapeutic and  
709 case management services (a) provided by an approved regional  
710 mental health/retardation center established under Sections  
711 41-19-31 through 41-19-39, or by another community mental health  
712 service provider meeting the requirements of the Department of  
713 Mental Health to be an approved mental health/retardation center  
714 if determined necessary by the Department of Mental Health, using  
715 state funds that are provided from the appropriation to the State  
716 Department of Mental Health and/or funds transferred to the  
717 department by a political subdivision or instrumentality of the  
718 state and used to match federal funds under a cooperative  
719 agreement between the division and the department, or (b) provided  
720 by a facility that is certified by the State Department of Mental  
721 Health to provide therapeutic and case management services, to be  
722 reimbursed on a fee for service basis, or (c) provided in the  
723 community by a facility or program operated by the Department of  
724 Mental Health. Any such services provided by a facility described  
725 in subparagraph (b) must have the prior approval of the division  
726 to be reimbursable under this section. After June 30, 1997,  
727 mental health services provided by regional mental  
728 health/retardation centers established under Sections 41-19-31  
729 through 41-19-39, or by hospitals as defined in Section 41-9-3(a)  
730 and/or their subsidiaries and divisions, or by psychiatric  
731 residential treatment facilities as defined in Section 43-11-1, or  
732 by another community mental health service provider meeting the  
733 requirements of the Department of Mental Health to be an approved  
734 mental health/retardation center if determined necessary by the  
735 Department of Mental Health, shall not be included in or provided  
736 under any capitated managed care pilot program provided for under  
737 paragraph (24) of this section.

738           (17) Durable medical equipment services and medical

739 supplies. Precertification of durable medical equipment and  
740 medical supplies must be obtained as required by the division.  
741 The Division of Medicaid may require durable medical equipment  
742 providers to obtain a surety bond in the amount and to the  
743 specifications as established by the Balanced Budget Act of 1997.

744 (18) (a) Notwithstanding any other provision of this  
745 section to the contrary, the division shall make additional  
746 reimbursement to hospitals that serve a disproportionate share of  
747 low-income patients and that meet the federal requirements for  
748 those payments as provided in Section 1923 of the federal Social  
749 Security Act and any applicable regulations. However, from and  
750 after January 1, 1999, no public hospital shall participate in the  
751 Medicaid disproportionate share program unless the public hospital  
752 participates in an intergovernmental transfer program as provided  
753 in Section 1903 of the federal Social Security Act and any  
754 applicable regulations. Administration and support for  
755 participating hospitals shall be provided by the Mississippi  
756 Hospital Association.

757 (b) The division shall establish a Medicare Upper  
758 Payment Limits Program, as defined in Section 1902(a)(30) of the  
759 federal Social Security Act and any applicable federal  
760 regulations, for hospitals, and may establish a Medicare Upper  
761 Payments Limits Program for nursing facilities. The division  
762 shall assess each hospital and, if the program is established for  
763 nursing facilities, shall assess each nursing facility, for the  
764 sole purpose of financing the state portion of the Medicare Upper  
765 Payment Limits Program. This assessment shall be based on  
766 Medicaid utilization, or other appropriate method consistent with  
767 federal regulations, and will remain in effect as long as the  
768 state participates in the Medicare Upper Payment Limits Program.  
769 The division shall make additional reimbursement to hospitals and,  
770 if the program is established for nursing facilities, shall make  
771 additional reimbursement to nursing facilities, for the Medicare  
772 Upper Payment Limits, as defined in Section 1902(a)(30) of the  
773 federal Social Security Act and any applicable federal  
774 regulations. This subparagraph (b) shall stand repealed from and

775 after July 1, 2005.

776 (c) The division shall contract with the  
777 Mississippi Hospital Association to provide administrative support  
778 for the operation of the disproportionate share hospital program  
779 and the Medicare Upper Payment Limits Program. This subparagraph  
780 (c) shall stand repealed from and after July 1, 2005.

781 (19) (a) Perinatal risk management services. The  
782 division shall promulgate regulations to be effective from and  
783 after October 1, 1988, to establish a comprehensive perinatal  
784 system for risk assessment of all pregnant and infant Medicaid  
785 recipients and for management, education and follow-up for those  
786 who are determined to be at risk. Services to be performed  
787 include case management, nutrition assessment/counseling,  
788 psychosocial assessment/counseling and health education. The  
789 division shall set reimbursement rates for providers in  
790 conjunction with the State Department of Health.

791 (b) Early intervention system services. The  
792 division shall cooperate with the State Department of Health,  
793 acting as lead agency, in the development and implementation of a  
794 statewide system of delivery of early intervention services, under  
795 Part C of the Individuals with Disabilities Education Act (IDEA).  
796 The State Department of Health shall certify annually in writing  
797 to the executive director of the division the dollar amount of  
798 state early intervention funds available that will be utilized as  
799 a certified match for Medicaid matching funds. Those funds then  
800 shall be used to provide expanded targeted case management  
801 services for Medicaid eligible children with special needs who are  
802 eligible for the state's early intervention system.  
803 Qualifications for persons providing service coordination shall be  
804 determined by the State Department of Health and the Division of  
805 Medicaid.

806 (20) Home- and community-based services for physically  
807 disabled approved services as allowed by a waiver from the United  
808 States Department of Health and Human Services for home- and  
809 community-based services for physically disabled people using  
810 state funds that are provided from the appropriation to the State

811 Department of Rehabilitation Services and used to match federal  
812 funds under a cooperative agreement between the division and the  
813 department, provided that funds for these services are  
814 specifically appropriated to the Department of Rehabilitation  
815 Services.

816           (21) Nurse practitioner services. Services furnished  
817 by a registered nurse who is licensed and certified by the  
818 Mississippi Board of Nursing as a nurse practitioner, including,  
819 but not limited to, nurse anesthetists, nurse midwives, family  
820 nurse practitioners, family planning nurse practitioners,  
821 pediatric nurse practitioners, obstetrics-gynecology nurse  
822 practitioners and neonatal nurse practitioners, under regulations  
823 adopted by the division. Reimbursement for those services shall  
824 not exceed ninety percent (90%) of the reimbursement rate for  
825 comparable services rendered by a physician.

826           (22) Ambulatory services delivered in federally  
827 qualified health centers, rural health centers and clinics of the  
828 local health departments of the State Department of Health for  
829 individuals eligible for Medicaid under this article based on  
830 reasonable costs as determined by the division.

831           (23) Inpatient psychiatric services. Inpatient  
832 psychiatric services to be determined by the division for  
833 recipients under age twenty-one (21) that are provided under the  
834 direction of a physician in an inpatient program in a licensed  
835 acute care psychiatric facility or in a licensed psychiatric  
836 residential treatment facility, before the recipient reaches age  
837 twenty-one (21) or, if the recipient was receiving the services  
838 immediately before he reached age twenty-one (21), before the  
839 earlier of the date he no longer requires the services or the date  
840 he reaches age twenty-two (22), as provided by federal  
841 regulations. Precertification of inpatient days and residential  
842 treatment days must be obtained as required by the division.

843           (24) [Deleted]

844           (25) [Deleted]

845           (26) Hospice care. As used in this paragraph, the term  
846 "hospice care" means a coordinated program of active professional

847 medical attention within the home and outpatient and inpatient  
848 care that treats the terminally ill patient and family as a unit,  
849 employing a medically directed interdisciplinary team. The  
850 program provides relief of severe pain or other physical symptoms  
851 and supportive care to meet the special needs arising out of  
852 physical, psychological, spiritual, social and economic stresses  
853 that are experienced during the final stages of illness and during  
854 dying and bereavement and meets the Medicare requirements for  
855 participation as a hospice as provided in federal regulations.

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

859 (28) Other health insurance premiums that are cost  
860 effective as defined by the Secretary of Health and Human  
861 Services. Medicare eligible must have Medicare Part B before  
862 other insurance premiums can be paid.

863 (29) The Division of Medicaid may apply for a waiver  
864 from the Department of Health and Human Services for home- and  
865 community-based services for developmentally disabled people using  
866 state funds that are provided from the appropriation to the State  
867 Department of Mental Health and/or funds transferred to the  
868 department by a political subdivision or instrumentality of the  
869 state and used to match federal funds under a cooperative  
870 agreement between the division and the department, provided that  
871 funds for these services are specifically appropriated to the  
872 Department of Mental Health and/or transferred to the department  
873 by a political subdivision or instrumentality of the state.

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

876 (31) Targeted case management services for children  
877 with special needs, under waivers from the United States  
878 Department of Health and Human Services, using state funds that  
879 are provided from the appropriation to the Mississippi Department  
880 of Human Services and used to match federal funds under a  
881 cooperative agreement between the division and the department.

882 (32) Care and services provided in Christian Science

883 Sanatoria listed and certified by the Commission for Accreditation  
884 of Christian Science Nursing Organizations/Facilities, Inc.,  
885 rendered in connection with treatment by prayer or spiritual means  
886 to the extent that those services are subject to reimbursement  
887 under Section 1903 of the Social Security Act.

888 (33) Podiatrist services.

889 (34) Assisted living services as provided through home-  
890 and community-based services under Title XIX of the Social  
891 Security Act, as amended, subject to the availability of funds  
892 specifically appropriated therefor by the Legislature.

893 (35) Services and activities authorized in Sections  
894 43-27-101 and 43-27-103, using state funds that are provided from  
895 the appropriation to the State Department of Human Services and  
896 used to match federal funds under a cooperative agreement between  
897 the division and the department.

898 (36) Nonemergency transportation services for  
899 Medicaid-eligible persons, to be provided by the Division of  
900 Medicaid. The division may contract with additional entities to  
901 administer nonemergency transportation services as it deems  
902 necessary. All providers shall have a valid driver's license,  
903 vehicle inspection sticker, valid vehicle license tags and a  
904 standard liability insurance policy covering the vehicle. The  
905 division may pay providers a flat fee based on mileage tiers, or  
906 in the alternative, may reimburse on actual miles traveled. The  
907 division may apply to the Center for Medicare and Medicaid  
908 Services (CMS) for a waiver to draw federal matching funds for  
909 nonemergency transportation services as a covered service instead  
910 of an administrative cost.

911 (37) [Deleted]

912 (38) Chiropractic services. A chiropractor's manual  
913 manipulation of the spine to correct a subluxation, if x-ray  
914 demonstrates that a subluxation exists and if the subluxation has  
915 resulted in a neuromusculoskeletal condition for which  
916 manipulation is appropriate treatment, and related spinal x-rays  
917 performed to document these conditions. Reimbursement for  
918 chiropractic services shall not exceed Seven Hundred Dollars



919 (\$700.00) per year per beneficiary.

920 (39) Dually eligible Medicare/Medicaid beneficiaries.

921 The division shall pay the Medicare deductible and \* \* \*  
922 coinsurance amounts for services available under Medicare, as  
923 determined by the division.

924 (40) [Deleted]

925 (41) Services provided by the State Department of  
926 Rehabilitation Services for the care and rehabilitation of persons  
927 with spinal cord injuries or traumatic brain injuries, as allowed  
928 under waivers from the United States Department of Health and  
929 Human Services, using up to seventy-five percent (75%) of the  
930 funds that are appropriated to the Department of Rehabilitation  
931 Services from the Spinal Cord and Head Injury Trust Fund  
932 established under Section 37-33-261 and used to match federal  
933 funds under a cooperative agreement between the division and the  
934 department.

935 (42) Notwithstanding any other provision in this  
936 article to the contrary, the division may develop a population  
937 health management program for women and children health services  
938 through the age of one (1) year. This program is primarily for  
939 obstetrical care associated with low birth weight and pre-term  
940 babies. The division may apply to the federal Centers for  
941 Medicare and Medicaid Services (CMS) for a Section 1115 waiver or  
942 any other waivers that may enhance the program. In order to  
943 effect cost savings, the division may develop a revised payment  
944 methodology that may include at-risk capitated payments, and may  
945 require member participation in accordance with the terms and  
946 conditions of an approved federal waiver.

947 (43) The division shall provide reimbursement,  
948 according to a payment schedule developed by the division, for  
949 smoking cessation medications for pregnant women during their  
950 pregnancy and other Medicaid-eligible women who are of  
951 child-bearing age.

952 (44) Nursing facility services for the severely  
953 disabled.

954 (a) Severe disabilities include, but are not

955 limited to, spinal cord injuries, closed head injuries and  
956 ventilator dependent patients.

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

961 (45) Physician assistant services. Services furnished  
962 by a physician assistant who is licensed by the State Board of  
963 Medical Licensure and is practicing with physician supervision  
964 under regulations adopted by the board, under regulations adopted  
965 by the division. Reimbursement for those services shall not  
966 exceed ninety percent (90%) of the reimbursement rate for  
967 comparable services rendered by a physician.

968 (46) The division shall make application to the federal  
969 Centers for Medicare and Medicaid Services (CMS) for a waiver to  
970 develop and provide services for children with serious emotional  
971 disturbances as defined in Section 43-14-1(1), which may include  
972 home- and community-based services, case management services or  
973 managed care services through mental health providers certified by  
974 the Department of Mental Health. The division may implement and  
975 provide services under this waived program only if funds for  
976 these services are specifically appropriated for this purpose by  
977 the Legislature, or if funds are voluntarily provided by affected  
978 agencies.

979 (47) (a) Notwithstanding any other provision in this  
980 article to the contrary, the division, in conjunction with the  
981 State Department of Health, shall develop and implement disease  
982 management programs \* \* \* for individuals with asthma, diabetes or  
983 hypertension, including the use of grants, waivers, demonstrations  
984 or other projects as necessary.

985 (b) Participation in any disease management program  
986 implemented under this paragraph (47) is optional with the  
987 individual. An individual must affirmatively elect to participate  
988 in the disease management program in order to participate.

989 (c) An individual who participates in the disease  
990 management program has the option of participating in the

991 prescription drug home delivery component of the program at any  
992 time while participating in the program. An individual must  
993 affirmatively elect to participate in the prescription drug home  
994 delivery component in order to participate.

995 (d) An individual who participates in the disease  
996 management program may elect to discontinue participation in the  
997 program at any time. An individual who participates in the  
998 prescription drug home delivery component may elect to discontinue  
999 participation in the prescription drug home delivery component at  
1000 any time.

1001 (e) The division shall send written notice to all  
1002 individuals who participate in the disease management program  
1003 informing them that they may continue using their local pharmacy  
1004 or any other pharmacy of their choice to obtain their prescription  
1005 drugs while participating in the program.

1006 (f) Prescription drugs that are provided to individuals  
1007 under the prescription drug home delivery component shall be  
1008 limited only to those drugs that are used for the treatment,  
1009 management or care of asthma, diabetes or hypertension.

1010 (48) Pediatric long-term acute care hospital services.

1011 (a) Pediatric long-term acute care hospital  
1012 services means services provided to eligible persons under  
1013 twenty-one (21) years of age by a freestanding Medicare-certified  
1014 hospital that has an average length of inpatient stay greater than  
1015 twenty-five (25) days and that is primarily engaged in providing  
1016 chronic or long-term medical care to persons under twenty-one (21)  
1017 years of age.

1018 (b) The services under this paragraph (48) shall  
1019 be reimbursed as a separate category of hospital services.

1020 (49) The division shall establish copayments for all  
1021 Medicaid services for which copayments are allowable under federal  
1022 law or regulation, except for nonemergency transportation  
1023 services, and shall set the amount of the copayment for each of  
1024 those services at the maximum amount allowable under federal law  
1025 or regulation.

1026 (50) Services provided by the State Department of

1027 Rehabilitation Services for the care and rehabilitation of persons  
1028 who are deaf and blind, as allowed under waivers from the United  
1029 States Department of Health and Human Services to provide home-  
1030 and community-based services using state funds which are provided  
1031 from the appropriation to the State Department of Rehabilitation  
1032 Services or if funds are voluntarily provided by another agency.

1033         Notwithstanding any other provision of this article to the  
1034 contrary, the division shall reduce the rate of reimbursement to  
1035 providers for any service provided under this section by five  
1036 percent (5%) of the allowed amount for that service. However, the  
1037 reduction in the reimbursement rates required by this paragraph  
1038 shall not apply to inpatient hospital services, nursing facility  
1039 services, intermediate care facility services, psychiatric  
1040 residential treatment facility services, pharmacy services  
1041 provided under paragraph (9) of this section, or any service  
1042 provided by the University of Mississippi Medical Center or a  
1043 state agency, a state facility or a public agency that either  
1044 provides its own state match through intergovernmental transfer or  
1045 certification of funds to the division, or a service for which the  
1046 federal government sets the reimbursement methodology and rate.  
1047 In addition, the reduction in the reimbursement rates required by  
1048 this paragraph shall not apply to case management services \* \* \*  
1049 provided under the home- and community-based services program for  
1050 the elderly and disabled by a planning and development district  
1051 (PDD). Planning and development districts participating in the  
1052 home- and community-based services program for the elderly and  
1053 disabled as case management providers shall be reimbursed for case  
1054 management services at the maximum rate approved by the Centers  
1055 for Medicare and Medicaid Services (CMS). PDDs shall transfer to  
1056 the division state match from public funds (not federal) in an  
1057 amount equal to the difference between the maximum case management  
1058 reimbursement rate approved by CMS and a five percent (5%)  
1059 reduction in that rate. The division shall invoice each PDD  
1060 fifteen (15) days after the end of each quarter for the  
1061 intergovernmental transfer based on payments made for Medicaid  
1062 home- and community-based case management services during the

1063 quarter.

1064 The division may pay to those providers who participate in  
1065 and accept patient referrals from the division's emergency room  
1066 redirection program a percentage, as determined by the division,  
1067 of savings achieved according to the performance measures and  
1068 reduction of costs required of that program.

1069 Notwithstanding any provision of this article, except as  
1070 authorized in the following paragraph and in Section 43-13-139,  
1071 neither (a) the limitations on quantity or frequency of use of or  
1072 the fees or charges for any of the care or services available to  
1073 recipients under this section, nor (b) the payments or rates of  
1074 reimbursement to providers rendering care or services authorized  
1075 under this section to recipients, may be increased, decreased or  
1076 otherwise changed from the levels in effect on July 1, 1999,  
1077 unless they are authorized by an amendment to this section by the  
1078 Legislature. However, the restriction in this paragraph shall not  
1079 prevent the division from changing the payments or rates of  
1080 reimbursement to providers without an amendment to this section  
1081 whenever those changes are required by federal law or regulation,  
1082 or whenever those changes are necessary to correct administrative  
1083 errors or omissions in calculating those payments or rates of  
1084 reimbursement.

1085 Notwithstanding any provision of this article, no new groups  
1086 or categories of recipients and new types of care and services may  
1087 be added without enabling legislation from the Mississippi  
1088 Legislature, except that the division may authorize those changes  
1089 without enabling legislation when the addition of recipients or  
1090 services is ordered by a court of proper authority. The executive  
1091 director shall keep the Governor advised on a timely basis of the  
1092 funds available for expenditure and the projected expenditures.  
1093 If current or projected expenditures of the division can be  
1094 reasonably anticipated to exceed the amounts appropriated for any  
1095 fiscal year, the Governor, after consultation with the executive  
1096 director, shall discontinue any or all of the payment of the types  
1097 of care and services as provided in this section that are deemed  
1098 to be optional services under Title XIX of the federal Social

1099 Security Act, as amended, for any period necessary to not exceed  
1100 appropriated funds, and when necessary shall institute any other  
1101 cost containment measures on any program or programs authorized  
1102 under the article to the extent allowed under the federal law  
1103 governing that program or programs, it being the intent of the  
1104 Legislature that expenditures during any fiscal year shall not  
1105 exceed the amounts appropriated for that fiscal year.

1106 Notwithstanding any other provision of this article, it shall  
1107 be the duty of each nursing facility, intermediate care facility  
1108 for the mentally retarded, psychiatric residential treatment  
1109 facility, and nursing facility for the severely disabled that is  
1110 participating in the Medicaid program to keep and maintain books,  
1111 documents and other records as prescribed by the Division of  
1112 Medicaid in substantiation of its cost reports for a period of  
1113 three (3) years after the date of submission to the Division of  
1114 Medicaid of an original cost report, or three (3) years after the  
1115 date of submission to the Division of Medicaid of an amended cost  
1116 report.

1117 This section shall stand repealed on July 1, 2004.

1118 **SECTION 4.** Section 43-13-107, Mississippi Code of 1972, is  
1119 amended as follows:

1120 43-13-107. (1) The Division of Medicaid is created in the  
1121 Office of the Governor and established to administer this article  
1122 and perform such other duties as are prescribed by law.

1123 (2) (a) The Governor shall appoint a full-time executive  
1124 director, with the advice and consent of the Senate, who shall be  
1125 either (i) a physician with administrative experience in a medical  
1126 care or health program, or (ii) a person holding a graduate degree  
1127 in medical care administration, public health, hospital  
1128 administration, or the equivalent, or (iii) a person holding a  
1129 bachelor's degree in business administration or hospital  
1130 administration, with at least ten (10) years' experience in  
1131 management-level administration of Medicaid programs, and who  
1132 shall serve at the will and pleasure of the Governor. The  
1133 executive director shall be the official secretary and legal  
1134 custodian of the records of the division; shall be the agent of

1135 the division for the purpose of receiving all service of process,  
1136 summons and notices directed to the division; and shall perform  
1137 such other duties as the Governor may prescribe from time to time.

1138

1139 (b) The executive director, with the approval of the  
1140 Governor and subject to the rules and regulations of the State  
1141 Personnel Board, shall employ such professional, administrative,  
1142 stenographic, secretarial, clerical and technical assistance as  
1143 may be necessary to perform the duties required in administering  
1144 this article and fix the compensation therefor, all in accordance  
1145 with a state merit system meeting federal requirements when the  
1146 salary of the executive director is not set by law, that salary  
1147 shall be set by the State Personnel Board. No employees of the  
1148 Division of Medicaid shall be considered to be staff members of  
1149 the immediate Office of the Governor; however, the provisions of  
1150 Section 25-9-107(c) (xv) shall apply to the executive director and  
1151 other administrative heads of the division.

1152 (3) (a) There is established a Medical Care Advisory  
1153 Committee, which shall be the committee that is required by  
1154 federal regulation to advise the Division of Medicaid about health  
1155 and medical care services.

1156 (b) The advisory committee shall consist of not less  
1157 than eleven (11) members, as follows:

1158 (i) The Governor shall appoint five (5) members,  
1159 one (1) from each congressional district and one (1) from the  
1160 state at large;

1161 (ii) The Lieutenant Governor shall appoint three  
1162 (3) members, one (1) from each Supreme Court district;

1163 (iii) The Speaker of the House of Representatives  
1164 shall appoint three (3) members, one (1) from each Supreme Court  
1165 district.

1166 All members appointed under this paragraph shall either be  
1167 health care providers or consumers of health care services. One  
1168 (1) member appointed by each of the appointing authorities shall  
1169 be a board certified physician.

1170 (c) The respective chairmen of the House Public Health

1171 and Welfare Committee, the House Appropriations Committee, the  
1172 Senate Public Health and Welfare Committee and the Senate  
1173 Appropriations Committee, or their designees, one (1) member of  
1174 the State Senate appointed by the Lieutenant Governor and one (1)  
1175 member of the House of Representatives appointed by the Speaker of  
1176 the House, shall serve as ex officio nonvoting members of the  
1177 advisory committee.

1178 (d) In addition to the committee members required by  
1179 paragraph (b), the advisory committee shall consist of such other  
1180 members as are necessary to meet the requirements of the federal  
1181 regulation applicable to the advisory committee, who shall be  
1182 appointed as provided in the federal regulation.

1183 (e) The chairmanship of the advisory committee shall  
1184 alternate for twelve-month periods between the chairmen of the  
1185 House and Senate Public Health and Welfare Committees, with the  
1186 Chairman of the House Public Health and Welfare Committee serving  
1187 as the first chairman.

1188 (f) The members of the advisory committee specified in  
1189 paragraph (b) shall serve for terms that are concurrent with the  
1190 terms of members of the Legislature, and any member appointed  
1191 under paragraph (b) may be reappointed to the advisory committee.

1192 The members of the advisory committee specified in paragraph (b)  
1193 shall serve without compensation, but shall receive reimbursement  
1194 to defray actual expenses incurred in the performance of committee  
1195 business as authorized by law. Legislators shall receive per diem  
1196 and expenses which may be paid from the contingent expense funds  
1197 of their respective houses in the same amounts as provided for  
1198 committee meetings when the Legislature is not in session.

1199 (g) The advisory committee shall meet not less than  
1200 quarterly, and advisory committee members shall be furnished  
1201 written notice of the meetings at least ten (10) days before the  
1202 date of the meeting.

1203 (h) The executive director shall submit to the advisory  
1204 committee all amendments, modifications and changes to the state  
1205 plan for the operation of the Medicaid program, for review by the  
1206 advisory committee before the amendments, modifications or changes



1207 may be implemented by the division.

1208 (i) The advisory committee, among its duties and  
1209 responsibilities, shall:

1210 (i) Advise the division with respect to  
1211 amendments, modifications and changes to the state plan for the  
1212 operation of the Medicaid program;

1213 (ii) Advise the division with respect to issues  
1214 concerning receipt and disbursement of funds and eligibility for  
1215 Medicaid;

1216 (iii) Advise the division with respect to  
1217 determining the quantity, quality and extent of medical care  
1218 provided under this article;

1219 (iv) Communicate the views of the medical care  
1220 professions to the division and communicate the views of the  
1221 division to the medical care professions;

1222 (v) Gather information on reasons that medical  
1223 care providers do not participate in the Medicaid program and  
1224 changes that could be made in the program to encourage more  
1225 providers to participate in the Medicaid program, and advise the  
1226 division with respect to encouraging physicians and other medical  
1227 care providers to participate in the Medicaid program;

1228 (vi) Provide a written report on or before  
1229 November 30 of each year to the Governor, Lieutenant Governor and  
1230 Speaker of the House of Representatives.

1231 (4) (a) There is established a Drug Use Review Board, which  
1232 shall be the board that is required by federal law to:

1233 (i) Review and initiate retrospective drug use,  
1234 review including ongoing periodic examination of claims data and  
1235 other records in order to identify patterns of fraud, abuse, gross  
1236 overuse, or inappropriate or medically unnecessary care, among  
1237 physicians, pharmacists and individuals receiving Medicaid  
1238 benefits or associated with specific drugs or groups of drugs.

1239 (ii) Review and initiate ongoing interventions for  
1240 physicians and pharmacists, targeted toward therapy problems or  
1241 individuals identified in the course of retrospective drug use  
1242 reviews.

1243 (iii) On an ongoing basis, assess data on drug use  
1244 against explicit predetermined standards using the compendia and  
1245 literature set forth in federal law and regulations.

1246 (b) The board shall consist of not less than twelve  
1247 (12) members appointed by the Governor, or his designee.

1248 (c) The board shall meet at least quarterly, and board  
1249 members shall be furnished written notice of the meetings at least  
1250 ten (10) days before the date of the meeting.

1251 (d) The board meetings shall be open to the public,  
1252 members of the press, legislators and consumers. Additionally,  
1253 all documents provided to board members shall be available to  
1254 members of the Legislature in the same manner, and shall be made  
1255 available to others for a reasonable fee for copying. However,  
1256 patient confidentiality and provider confidentiality shall be  
1257 protected by blinding patient names and provider names with  
1258 numerical or other anonymous identifiers. The board meetings  
1259 shall be subject to the Open Meetings Act (Section 25-41-1 et  
1260 seq.). Board meetings conducted in violation of this section  
1261 shall be deemed unlawful.

1262 (5) (a) There is established a Pharmacy and Therapeutics  
1263 Committee, which shall be appointed by the Governor, or his  
1264 designee.

1265 (b) The committee shall meet at least quarterly, and  
1266 committee members shall be furnished written notice of the  
1267 meetings at least ten (10) days before the date of the meeting.

1268 (c) The committee meetings shall be open to the public,  
1269 members of the press, legislators and consumers. Additionally,  
1270 all documents provided to committee members shall be available to  
1271 members of the Legislature in the same manner, and shall be made  
1272 available to others for a reasonable fee for copying. However,  
1273 patient confidentiality and provider confidentiality shall be  
1274 protected by blinding patient names and provider names with  
1275 numerical or other anonymous identifiers. The committee meetings  
1276 shall be subject to the Open Meetings Act (Section 25-41-1 et  
1277 seq.). Committee meetings conducted in violation of this section  
1278 shall be deemed unlawful.

1279           (d) After a thirty-day public notice, the executive  
1280 director or his or her designee shall present the division's  
1281 recommendation regarding prior approval for a therapeutic class of  
1282 drugs to the committee. However, in circumstances where the  
1283 division deems it necessary for the health and safety of Medicaid  
1284 beneficiaries, the division may present to the committee its  
1285 recommendations regarding a particular drug without a thirty-day  
1286 public notice. In making such presentation, the division shall  
1287 state to the committee the circumstances which precipitate the  
1288 need for the committee to review the status of a particular drug  
1289 without a thirty-day public notice. The committee may determine  
1290 whether or not to review the particular drug under the  
1291 circumstances stated by the division without a thirty-day public  
1292 notice. If the committee determines to review the status of the  
1293 particular drug, it shall make its recommendations to the  
1294 division, after which the division shall file such recommendations  
1295 for a thirty-day public comment under the provisions of Section  
1296 25-43-7(1), Mississippi Code of 1972.

1297           (e) Upon reviewing the information and recommendations,  
1298 the committee shall forward a written recommendation approved by a  
1299 majority of the committee to the executive director or his or her  
1300 designee. The decisions of the committee regarding any  
1301 limitations to be imposed on any drug or its use for a specified  
1302 indication shall be based on sound clinical evidence found in  
1303 labeling, drug compendia, and peer reviewed clinical literature  
1304 pertaining to use of the drug in the relevant population.

1305           (f) Upon reviewing and considering all recommendations  
1306 including recommendation of the committee, comments, and data, the  
1307 executive director shall make a final determination whether to  
1308 require prior approval of a therapeutic class of drugs, or modify  
1309 existing prior approval requirements for a therapeutic class of  
1310 drugs.

1311           (g) At least thirty (30) days before the executive  
1312 director implements new or amended prior authorization decisions,  
1313 written notice of the executive director's decision shall be  
1314 provided to all prescribing Medicaid providers, all Medicaid

1315 enrolled pharmacies, and any other party who has requested the  
1316 notification. However, notice given under Section 25-43-7(1) will  
1317 substitute for and meet the requirement for notice under this  
1318 subsection.

1319 (6) This section shall stand repealed on July 1, 2004.

1320 **SECTION 5.** Section 43-13-122, Mississippi Code of 1972, is  
1321 amended as follows:

1322 43-13-122. (1) The division is authorize to apply to the  
1323 Center for Medicare and Medicaid Services of the United States  
1324 Department of Health and Human Services for waivers and research  
1325 and demonstration grants \* \* \*.

1326 (2) The division is further authorized to accept and expend  
1327 any grants, donations or contributions from any public or private  
1328 organization together with any additional federal matching funds  
1329 that may accrue and including, but not limited to, one hundred  
1330 percent (100%) federal grant funds or funds from any governmental  
1331 entity or instrumentality thereof in furthering the purposes and  
1332 objectives of the Mississippi Medicaid program, provided that such  
1333 receipts and expenditures are reported and otherwise handled in  
1334 accordance with the General Fund Stabilization Act. The  
1335 Department of Finance and Administration is authorized to transfer  
1336 monies to the division from special funds in the State Treasury in  
1337 amounts not exceeding the amounts authorized in the appropriation  
1338 to the division.

1339 **SECTION 6.** Section 43-13-145, Mississippi Code of 1972, is  
1340 amended as follows:

1341 43-13-145. (1) (a) Upon each nursing facility and each  
1342 intermediate care facility for the mentally retarded licensed by  
1343 the State of Mississippi, there is levied an assessment in the  
1344 amount of Four Dollars (\$4.00) per day for each licensed and/or  
1345 certified bed of the facility. The division may apply for a  
1346 waiver from the United States Secretary of Health and Human  
1347 Services to exempt nonprofit, public, charitable or religious  
1348 facilities from the assessment levied under this subsection, and  
1349 if a waiver is granted, those facilities shall be exempt from any  
1350 assessment levied under this subsection after the date that the

1351 division receives notice that the waiver has been granted.

1352 (b) A nursing facility or intermediate care facility  
1353 for the mentally retarded is exempt from the assessment levied  
1354 under this subsection if the facility is operated under the  
1355 direction and control of:

1356 (i) The United States Veterans Administration or  
1357 other agency or department of the United States government;

1358 (ii) The State Veterans Affairs Board;

1359 (iii) The University of Mississippi Medical  
1360 Center; or

1361 (iv) A state agency or a state facility that  
1362 either provides its own state match through intergovernmental  
1363 transfer or certification of funds to the division.

1364 (2) (a) Upon each psychiatric residential treatment  
1365 facility licensed by the State of Mississippi, there is levied an  
1366 assessment in the amount of Three Dollars (\$3.00) per day for each  
1367 licensed and/or certified bed of the facility.

1368 (b) A psychiatric residential treatment facility is  
1369 exempt from the assessment levied under this subsection if the  
1370 facility is operated under the direction and control of:

1371 (i) The United States Veterans Administration or  
1372 other agency or department of the United States government;

1373 (ii) The University of Mississippi Medical Center;

1374 (iii) A state agency or a state facility that  
1375 either provides its own state match through intergovernmental  
1376 transfer or certification of funds to the division.

1377 (3) (a) Upon each hospital licensed by the State of  
1378 Mississippi, there is levied an assessment in the amount of One  
1379 Dollar and Fifty Cents (\$1.50) per day for each licensed inpatient  
1380 acute care bed of the hospital.

1381 (b) A hospital is exempt from the assessment levied  
1382 under this subsection if the hospital is operated under the  
1383 direction and control of:

1384 (i) The United States Veterans Administration or  
1385 other agency or department of the United States government;

1386 (ii) The University of Mississippi Medical Center;

1387 or

1388 (iii) A state agency or a state facility that  
1389 either provides its own state match through intergovernmental  
1390 transfer or certification of funds to the division.

1391 (4) Each health care facility that is subject to the  
1392 provisions of this section shall keep and preserve such suitable  
1393 books and records as may be necessary to determine the amount of  
1394 assessment for which it is liable under this section. The books  
1395 and records shall be kept and preserved for a period of not less  
1396 than five (5) years, and those books and records shall be open for  
1397 examination during business hours by the division, the State Tax  
1398 Commission, the Office of the Attorney General and the State  
1399 Department of Health.

1400 (5) The assessment levied under this section shall be  
1401 collected by the division each month beginning on April 12, 2002.

1402 (6) All assessments collected under this section shall be  
1403 deposited in the Medical Care Fund created by Section 43-13-143.

1404 (7) The assessment levied under this section shall be in  
1405 addition to any other assessments, taxes or fees levied by law,  
1406 and the assessment shall constitute a debt due the State of  
1407 Mississippi from the time the assessment is due until it is paid.

1408 (8) (a) If a health care facility that is liable for  
1409 payment of the assessment levied under this section does not pay  
1410 the assessment when it is due, the division shall give written  
1411 notice to the health care facility by certified or registered mail  
1412 demanding payment of the assessment within ten (10) days from the  
1413 date of delivery of the notice. If the health care facility  
1414 fails or refuses to pay the assessment after receiving the notice  
1415 and demand from the division, the division shall withhold from any  
1416 Medicaid reimbursement payments that are due to the health care  
1417 facility the amount of the unpaid assessment and a penalty of ten  
1418 percent (10%) of the amount of the assessment, plus the legal rate  
1419 of interest until the assessment is paid in full. If the health  
1420 care facility does not participate in the Medicaid program, the  
1421 division shall turn over to the Office of the Attorney General the  
1422 collection of the unpaid assessment by civil action. In any such

1423 civil action, the Office of the Attorney General shall collect the  
1424 amount of the unpaid assessment and a penalty of ten percent (10%)  
1425 of the amount of the assessment, plus the legal rate of interest  
1426 until the assessment is paid in full.

1427 (b) As an additional or alternative method for  
1428 collecting unpaid assessments under this section, if a health care  
1429 facility fails or refuses to pay the assessment after receiving  
1430 notice and demand from the division, the division may file a  
1431 notice of a tax lien with the circuit clerk of the county in which  
1432 the health care facility is located, for the amount of the unpaid  
1433 assessment and a penalty of ten percent (10%) of the amount of the  
1434 assessment, plus the legal rate of interest until the assessment  
1435 is paid in full. Immediately upon receipt of notice of the tax  
1436 lien for the assessment, the circuit clerk shall enter the notice  
1437 of the tax lien as a judgment upon the judgment roll and show in  
1438 the appropriate columns the name of the health care facility as  
1439 judgment debtor, the name of the division as judgment creditor,  
1440 the amount of the unpaid assessment, and the date and time or  
1441 enrollment. The judgment shall be valid as against mortgagees,  
1442 pledgees, entrusters, purchasers, judgment creditors and other  
1443 persons from the time of filing with the clerk. The amount of the  
1444 judgment shall be a debt due the State of Mississippi and remain a  
1445 lien upon the tangible property of the health care facility until  
1446 the judgment is satisfied. The judgment shall be the equivalent  
1447 of any enrolled judgment of a court of record and shall serve as  
1448 authority for the issuance of writs of execution, writs of  
1449 attachment or other remedial writs.

1450 **SECTION 7.** Section 43-13-115.1, Mississippi Code of 1972,  
1451 which provides presumptive eligibility for certain participants in  
1452 the Medicaid program, is hereby repealed.

1453 **SECTION 8.** Section 41-86-15, Mississippi Code of 1972, is  
1454 amended as follows:

1455 41-86-15. (1) Persons eligible to receive covered benefits  
1456 under Sections 41-86-5 through 41-86-17 shall be low-income  
1457 children who meet the eligibility standards set forth in the plan.  
1458 Any person who is eligible for benefits under the Mississippi

1459 Medicaid Law, Section 43-13-101 et seq., shall not be eligible to  
1460 receive benefits under Sections 41-86-5 through 41-86-17. A  
1461 person who is without insurance coverage at the time of  
1462 application for the program and who meets the other eligibility  
1463 criteria in the plan shall be eligible to receive covered benefits  
1464 under the program, if federal approval is obtained to allow  
1465 eligibility with no waiting period of being without insurance  
1466 coverage. If federal approval is not obtained for the preceding  
1467 provision, the Division of Medicaid shall seek federal approval to  
1468 allow eligibility after the shortest waiting period of being  
1469 without insurance coverage for which approval can be obtained.  
1470 After federal approval is obtained to allow eligibility after a  
1471 certain waiting period of being without insurance coverage, a  
1472 person who has been without insurance coverage for the approved  
1473 waiting period and who meets the other eligibility criteria in the  
1474 plan shall be eligible to receive covered benefits under the  
1475 program. If the plan includes any waiting period of being without  
1476 insurance coverage before eligibility, the State and School  
1477 Employees Health Insurance Management Board shall adopt  
1478 regulations to provide exceptions to the waiting period for  
1479 families who have lost insurance coverage for good cause or  
1480 through no fault of their own.

1481 (2) The eligibility of children for covered benefits under  
1482 the program shall be determined annually by the same agency or  
1483 entity that determines eligibility under Section 43-13-115(9) and  
1484 shall cover twelve (12) continuous months under the program.

1485 \* \* \*

1486 **SECTION 9.** As used in Sections 9 through 13 of this act, the  
1487 following terms have the following meanings, unless the context  
1488 requires otherwise:

- 1489 (a) "Board" means the State Board of Pharmacy.
- 1490 (b) "Health care facility" means any of the following:
- 1491 (i) A hospital as defined under Section 41-9-3;
- 1492 (ii) An institution for the aged or infirm as  
1493 defined in Section 43-11-1;
- 1494 (iii) A hospice as defined in Section 41-85-3;



1495 (c) "Hospital" has the meaning as defined in Section  
1496 41-9-3.

1497 (d) "Nonprofit clinic" means a charitable nonprofit  
1498 corporation organized and operated under Section 79-11-101 et  
1499 seq., or any charitable organization not organized and not  
1500 operated for profit, that provides health care services to  
1501 indigent and uninsured persons. "Nonprofit clinic" does not  
1502 include a health care facility as defined in this section or a  
1503 facility that is operated for profit.

1504 (e) "Pharmacy" has the meaning as defined under Section  
1505 73-21-73.

1506 (f) "Prescription drug" means any drug to which the  
1507 following applies:

1508 (i) Under the federal Food, Drug, and Cosmetic  
1509 Act, as amended (21 USCS Section 301), the drug is required to  
1510 bear a label containing the legend, "Caution: Federal law  
1511 prohibits dispensing without prescription" or "Caution: Federal  
1512 law restricts this drug to be used by or on the order of a  
1513 licensed veterinarian" or any similar restrictive statement, or  
1514 the drug may be dispensed only upon a prescription.

1515 (ii) Under the Uniform Controlled Substances Law,  
1516 (Section 41-29-101 et seq.), the drug may be dispensed only upon a  
1517 prescription.

1518 **SECTION 10.** (1) Not later than January 1, 2005, the State  
1519 Board of Pharmacy and the State Department of Health jointly shall  
1520 establish a plan for a drug repository program to accept and  
1521 dispense prescription drugs donated for the purpose of being  
1522 dispensed to individuals who meet the eligibility standards  
1523 established in the rules adopted by the board under Section 13 of  
1524 this act. The plan shall be submitted to the Chairmen of the  
1525 Public Health and Welfare Committees of the Mississippi House of  
1526 Representatives and Senate for their review. Under the drug  
1527 repository program:

1528 (a) Only drugs in their original sealed and  
1529 tamper-evident packaging may be accepted and dispensed.

1530 (b) The packaging must be unopened, except that drugs

1531 packaged in single unit doses may be accepted and dispensed when  
1532 the outside packaging is opened if the single unit dose packaging  
1533 is undisturbed.

1534 (c) The drugs must have been properly stored such that  
1535 the integrity of the medicine remains intact.

1536 (d) A drug shall not be accepted or dispensed if there  
1537 is reason to believe that it is adulterated as described in  
1538 Section 75-29-3.

1539 (e) Subject to the limitation specified in this  
1540 subsection, unused drugs dispensed for the purposes of the  
1541 Medicaid program may be accepted and dispensed.

1542 (2) Nothing in subsection (1) of this section shall be  
1543 construed as prohibiting a pharmacy from accepting drugs that are  
1544 not eligible to be dispensed under the drug repository program,  
1545 for the proper disposal of those drugs.

1546 (3) The drug repository program shall be fully implemented  
1547 not later than July 1, 2005.

1548 **SECTION 11.** (1) Any person, including a drug manufacturer,  
1549 health care facility or government entity may donate prescription  
1550 drugs to the drug repository program. The drugs must be donated  
1551 at a pharmacy, hospital, or nonprofit clinic that participates in  
1552 the drug repository program under the criteria for participation  
1553 established in the rules adopted by the board under Section 13 of  
1554 this act.

1555 (2) A pharmacy, hospital, or nonprofit clinic that  
1556 participates in the drug repository program shall dispense drugs  
1557 donated under this section to individuals who meet the eligibility  
1558 standards established in the rules adopted by the board under  
1559 Section 13 of this act, or to other government entities and  
1560 nonprofit private entities to be dispensed to individuals who meet  
1561 the eligibility standards. A drug may be dispensed only pursuant  
1562 to a prescription issued by a licensed practitioner as defined in  
1563 Section 73-21-73. A pharmacy, hospital, or nonprofit clinic that  
1564 accepts donated drugs shall comply with all applicable federal  
1565 laws and laws of this state dealing with storage and distribution  
1566 of dangerous drugs, and shall inspect all drugs before dispensing

1567 them to determine that they are not adulterated. The pharmacy,  
1568 hospital, or nonprofit clinic may charge individuals receiving  
1569 donated drugs a handling fee established in accordance with the  
1570 rules adopted by the board under Section 13 of this act. Drugs  
1571 donated to the repository may not be resold.

1572 **SECTION 12.** (1) As used in this section, the term "health  
1573 care professional" means any of the following:

1574 (a) Physicians and osteopaths licensed under Section  
1575 73-25-1 et seq.;

1576 (b) Podiatrists licensed under Section 73-27-1 et seq.;

1577 (c) Dentists and dental hygienists licensed under  
1578 Section 73-9-1 et seq.;

1579 (d) Optometrists licensed under Section 73-19-1 et  
1580 seq.;

1581 (e) Pharmacists licensed under Section 73-21-71 et  
1582 seq.;

1583 (f) Registered nurses and licensed practical nurses  
1584 licensed under Section 73-15-1 et seq.; and

1585 (g) Physician assistants licensed under Section 73-26-1  
1586 et seq.

1587 (2) The State Board of Pharmacy; the State Department of  
1588 Health; the Division of Medicaid; any person, including a drug  
1589 manufacturer, or health care facility or government entity that  
1590 donates drugs to the repository program; any pharmacy, hospital,  
1591 nonprofit clinic or health care professional that accepts or  
1592 dispenses drugs under the program; and any pharmacy, hospital, or  
1593 nonprofit clinic that employs a health care professional who  
1594 accepts or dispenses drugs under the program, shall not be subject  
1595 to any of the following for matters related to donating,  
1596 accepting, or dispensing drugs under the program: criminal  
1597 prosecution; liability in tort or other civil action or  
1598 professional disciplinary action.

1599 A drug manufacturer shall not, be subject to criminal  
1600 prosecution or liability in tort or other civil action for matters  
1601 related to the donation, acceptance, or dispensing of a drug  
1602 manufactured by the drug manufacturer that is donated by any

1603 person, health care facility or government entity under the  
1604 program, including, but not limited to, liability for failure to  
1605 transfer or communicate product or consumer information, or for  
1606 improper storage or for the expiration date of the donated drug.

1607 **SECTION 13.** (1) Not later than January 1, 2005, the State  
1608 Board of Pharmacy, in consultation with the State Department of  
1609 Health, shall adopt rules, in accordance with the Administrative  
1610 Procedures Law (Section 25-43-1 et seq.), governing the drug  
1611 repository program that establish all of the following:

1612 (a) Eligibility criteria for pharmacies, hospitals and  
1613 nonprofit clinics to receive and dispense donated drugs under the  
1614 program;

1615 (b) Standards and procedures for accepting, safely  
1616 storing and dispensing donated drugs;

1617 (c) Standards and procedures for inspecting donated  
1618 drugs to determine that the original unit dose packaging is sealed  
1619 and tamper-evident and that the drugs are unadulterated, safe and  
1620 suitable for dispensing;

1621 (d) Eligibility standards based on economic need for  
1622 individuals to receive drugs;

1623 (e) A means, such as an identification card, by which  
1624 an individual who is eligible to receive donated drugs may  
1625 demonstrate eligibility to the pharmacy, hospital, or nonprofit  
1626 clinic dispensing the drugs;

1627 (f) A form that an individual receiving a drug from the  
1628 repository must sign before receiving the drug to confirm that the  
1629 individual understands the immunity provisions of the program, and  
1630 waiving all right to sue any individual or entity involved in the  
1631 program;

1632 (g) A formula to determine the amount of a handling fee  
1633 that pharmacies, hospitals and nonprofit clinics may charge to  
1634 drug recipients to cover restocking and dispensing costs;

1635 (h) In addition, for drugs donated to the repository by  
1636 individuals:

1637 (i) A list of drugs, arranged either by category  
1638 or by individual drug, that the repository will accept from

1639 individuals;

1640                   (ii) A list of drugs, arranged either by category  
1641 or by individual drug, that the repository will not accept from  
1642 individuals. The list must include a statement as to why the drug  
1643 is ineligible for donation; and

1644                   (iii) A form each donor must sign stating that the  
1645 donor is the owner of the drugs and intends to voluntarily donate  
1646 them to the repository;

1647                   (i) In addition, for drugs donated to the repository by  
1648 health care facilities or government entities:

1649                   (i) A list of drugs, arranged either by category  
1650 or by individual drug, that the repository will accept from health  
1651 care facilities or government entities; and

1652                   (ii) A list of drugs, arranged either by category  
1653 or by individual drug, that the repository will not accept from  
1654 health care facilities or government entities. The list must  
1655 include a statement as to why the drug is ineligible for donation;  
1656 and

1657                   (j) Any other standards and procedures the board  
1658 considers appropriate.

1659                   (2) The provisions of paragraphs (h)(ii) and (i)(ii) of  
1660 subsection (1) of this section shall not be construed as  
1661 prohibiting a pharmacy from accepting drugs that are not eligible  
1662 to be dispensed under the drug repository program, for the proper  
1663 disposal of those drugs.

1664                   **SECTION 14.** This act shall take effect and be in force from  
1665 and after its passage.

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

1                   AN ACT TO AMEND SECTION 43-13-113, MISSISSIPPI CODE OF 1972,  
2 TO AUTHORIZE THE DIVISION OF MEDICAID TO OBTAIN A LINE OF CREDIT  
3 FROM THE WORKING CASH-STABILIZATION FUND OR OTHER SPECIAL SOURCE  
4 FUNDS FOR BUDGET SHORTFALLS; TO AMEND SECTION 43-13-115,  
5 MISSISSIPPI CODE OF 1972, TO CLARIFY ELIGIBILITY FOR MEDICAID  
6 ASSISTANCE, TO AUTHORIZE THE DIVISION OF MEDICAID TO APPLY FOR  
7 APPLICABLE WAIVERS FOR BENEFITS AND BUY-IN OPTIONS FOR THE  
8 DISABLED CHILDREN LIVING AT HOME AND POVERTY LEVEL AGED AND  
9 DISABLED (PLADS) ELIGIBILITY CATEGORIES AND TO ESTABLISH AN  
10 EXPENDITURE/ENROLLMENT CAP FOR THESE CATEGORIES; TO AMEND SECTION  
11 43-13-117, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE DIVISION TO  
12 DEVELOP AN ASSESSMENT PROCESS FOR LONG-TERM CARE SERVICES AND  
13 DELETE THE REFERRAL PHYSICIAN CERTIFICATION PROCESS, TO DELETE THE

14 NECESSITY TO COMPARE HOME HEALTH COSTS TO NURSING FACILITY  
15 SERVICES FOR REIMBURSEMENT, TO DELETE AUTHORITY FOR THE DIVISION  
16 TO OPT OUT OF THE FEDERAL DRUG REBATE PROGRAM AND CREATE A CLOSED  
17 DRUG FORMULARY, TO PROVIDE THAT CERTAIN ANTIPSYCHOTIC DRUGS SHALL  
18 BE INCLUDED IN ANY PREFERRED DRUG LIST DEVELOPED BY THE DIVISION  
19 OF MEDICAID AND SHALL NOT REQUIRE PRIOR AUTHORIZATION FOR MEDICAID  
20 REIMBURSEMENT, TO ALLOW A DISPENSING FEE FOR OVER-THE-COUNTER  
21 DRUGS, TO DELETE CERTAIN RESTRICTIONS ON THE HOME- AND  
22 COMMUNITY-BASED SERVICES WAIVER PROGRAM, TO DIRECT THE DIVISION TO  
23 PAY A FLAT FEE FOR NONEMERGENCY TRANSPORTATION SERVICES OR IN THE  
24 ALTERNATIVE REIMBURSE ACTUAL MILES TRAVELED AND TO APPLY FOR  
25 WAIVERS TO DRAW FEDERAL FUNDS FOR NONEMERGENCY TRANSPORTATION AS A  
26 COVERED SERVICE, TO DELETE THE AUTHORITY FOR REIMBURSEMENT FOR  
27 BIRTHING CENTER SERVICES, TO CLARIFY THE ASSISTED LIVING SERVICES  
28 WAIVER PROVISION, TO GIVE THE DIVISION DISCRETION IN PAYING  
29 MEDICARE COINSURANCE AMOUNTS, TO AUTHORIZE CHILDREN UP TO TWO  
30 YEARS OF AGE FOR THE OBSTETRICAL CARE WAIVER PROGRAM, TO PROVIDE  
31 CERTAIN RESTRICTIONS IN THE DISEASE MANAGEMENT PROGRAM AUTHORITY,  
32 TO PROVIDE THAT AN INDIVIDUAL MUST AFFIRMATIVELY ELECT TO  
33 PARTICIPATE IN THE DISEASE MANAGEMENT PROGRAM; TO PROVIDE THAT AN  
34 INDIVIDUAL WHO PARTICIPATES IN THE PROGRAM MUST AFFIRMATIVELY  
35 ELECT TO PARTICIPATE IN THE PRESCRIPTION DRUG HOME DELIVERY  
36 COMPONENT; TO PROVIDE THAT AN INDIVIDUAL WHO PARTICIPATES IN THE  
37 PROGRAM MAY ELECT TO DISCONTINUE PARTICIPATION AT ANY TIME, AND AN  
38 INDIVIDUAL WHO PARTICIPATES IN THE PRESCRIPTION DRUG HOME DELIVERY  
39 COMPONENT MAY ELECT TO DISCONTINUE PARTICIPATION AT ANY TIME; TO  
40 REMOVE THE 5% REIMBURSEMENT REDUCTION FOR CASE MANAGEMENT SERVICES  
41 UNDER THE HOME- AND COMMUNITY-BASED PROGRAM PROVIDED BY A PLANNING  
42 AND DEVELOPMENT DISTRICT (PDD) AND TO PRESCRIBE A RATE OF  
43 REIMBURSEMENT FOR SUCH SERVICES AND A FUNDS TRANSFER REQUIREMENT,  
44 AND TO AUTHORIZE THE DIVISION TO MAKE CERTAIN PAYMENTS TO  
45 PROVIDERS WHO PARTICIPATE IN THE EMERGENCY ROOM REDIRECTION  
46 PROGRAM; TO AMEND SECTION 43-13-122, MISSISSIPPI CODE OF 1972, TO  
47 DELETE CERTAIN OBSOLETE LANGUAGE; TO AMEND SECTION 43-13-107,  
48 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE DIVISION TO SUBMIT  
49 EMERGENCY DRUG ISSUES TO THE PHARMACY AND THERAPEUTICS COMMITTEE  
50 WITHOUT PUBLIC COMMENT; TO AMEND SECTION 43-13-145, MISSISSIPPI  
51 CODE OF 1972, TO INCREASE THE PER BED ASSESSMENT LEVIED UPON  
52 NURSING FACILITIES FOR SUPPORT OF THE MEDICAID PROGRAM; TO REPEAL  
53 SECTION 43-13-115.1, MISSISSIPPI CODE OF 1972, WHICH PROVIDES  
54 PRESUMPTIVE ELIGIBILITY FOR CERTAIN PARTICIPANTS IN THE MEDICAID  
55 PROGRAM; TO AMEND SECTION 41-86-15, MISSISSIPPI CODE OF 1972, TO  
56 DELETE THE AUTHORITY FOR PRESUMPTIVE ELIGIBILITY FOR PARTICIPANTS  
57 IN THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP); TO ESTABLISH  
58 UNDER THE DIRECTION OF THE STATE BOARD OF PHARMACY A DRUG  
59 REPOSITORY PROGRAM TO ACCEPT AND DISPENSE PRESCRIPTION DRUGS  
60 DONATED FOR THE PURPOSE OF BEING DISPENSED TO INDIVIDUALS WHO MEET  
61 CERTAIN ELIGIBILITY STANDARDS; TO PROVIDE THAT THE PROGRAM SHALL  
62 BE DEVELOPED JOINTLY BY THE STATE BOARD OF PHARMACY AND THE STATE  
63 DEPARTMENT OF HEALTH; TO PROVIDE THE CRITERIA FOR DRUGS TO BE  
64 ACCEPTED AND DISPENSED UNDER THE PROGRAM; TO PROVIDE CERTAIN  
65 IMMUNITY TO PARTICIPANTS IN THE PROGRAM; TO PROVIDE THAT THE  
66 PROGRAM WILL BE FULLY IMPLEMENTED NOT LATER THAN JULY 1, 2005; AND  
67 FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

\_\_\_\_\_  
Bobby Moody

\_\_\_\_\_  
Frances Fredericks

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D. Stephen Holland

CONFEREES FOR THE SENATE

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Robert G. Huggins

\_\_\_\_\_  
Terry C. Burton

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Travis L. Little