

**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. 1695: Appropriation; Governors Office - Division of Medicaid.

We, therefore, respectfully submit the following report and recommendation:

- 1. That the Senate recede from its Amendment No. 1.
- 2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

7           **SECTION 1.** The following sum, or so much thereof as may be  
8 necessary, is hereby appropriated out of any money in the State  
9 General Fund not otherwise appropriated, to the Governor's Office  
10 - Division of Medicaid for the purpose of providing medical  
11 assistance under the Mississippi Medicaid Law and defraying the  
12 expenses of the administration of such law, as provided in Section  
13 43-13-101 et seq., Mississippi Code of 1972, for the fiscal year  
14 beginning July 1, 2007, and ending June 30, 2008.....  
15 ..... \$     395,282,948.00.

16           **SECTION 2.** The following sum, or so much thereof as may be  
17 necessary, is hereby appropriated out of any money in the State  
18 Treasury to the credit of the Medical Care Fund created by Section  
19 43-13-143, Mississippi Code of 1972, for the purpose of providing  
20 medical assistance under the Mississippi Medicaid Law for the  
21 fiscal year beginning July 1, 2007, and ending June 30, 2008.....  
22 ..... \$     290,875,942.00.

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

28 purpose of providing medical assistance under the Mississippi  
29 Medicaid Law and defraying the expenses of the administration of  
30 such law, for the fiscal year beginning July 1, 2007, and ending  
31 June 30, 2008..... \$ 3,191,347,875.00.

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

34 **SECTION 4.** The following sum, or so much thereof as may be  
35 necessary, is hereby appropriated out of any money in the State  
36 Treasury to the credit of the Health Care Expendable Fund, for the  
37 purpose of defraying the expenses of the Governor's Office -  
38 Division of Medicaid for the fiscal year beginning July 1, 2007,  
39 and ending June 30, 2008..... \$ 118,293,220.00.

40 The above funds shall be allocated as follows:

|    |   |                |
|----|---|----------------|
| 41 | CHIP Program at 200% level of poverty....\$ | 3,541,227.00   |
| 42 | Eyeglasses for adults.....\$                | 860,012.00     |
| 43 | Home and Community Waiver Program.....\$    | 2,425,741.00   |
| 44 | Disabled worker buy-in to the Medicaid      |                |
| 45 | program.....\$                              | 928,307.00     |
| 46 | Dental fee increase.....\$                  | 1,112,957.00   |
| 47 | Miscellaneous.....\$                        | 151,767.00     |
| 48 | Medical Services Program Matching Funds..\$ | 109,273,209.00 |

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

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

56 MAJOR OBJECTS OF EXPENDITURE:

57 Personal Services:

|    |  |               |
|----|--|---------------|
| 58 | Salaries, Wages and Fringe Benefits.. \$ | 47,731,328.00 |
| 59 | Travel and Subsistence.....              | 1,282,556.00  |

|    |                                     |                         |
|----|-------------------------------------|-------------------------|
| 60 | Contractual Services.....           | 116,809,000.00          |
| 61 | Commodities.....                    | 2,567,500.00            |
| 62 | Capital Outlay:                     |                         |
| 63 | Other Than Equipment.....           | 0.00                    |
| 64 | Equipment.....                      | 2,594,000.00            |
| 65 | Vehicles.....                       | 40,000.00               |
| 66 | Wireless Communication Devices..... | 80,000.00               |
| 67 | Subsidies, Loans and Grants.....    | <u>3,824,695,601.00</u> |
| 68 | Total.....                          | \$ 3,995,799,985.00     |

69 FUNDING:

|    |                    |                         |
|----|--------------------|-------------------------|
| 70 | General Funds..... | \$ 395,282,948.00       |
| 71 | Special Funds..... | <u>3,600,517,037.00</u> |
| 72 | Total.....         | \$ 3,995,799,985.00     |

73 AUTHORIZED POSITIONS:

|    |                              |       |
|----|------------------------------|-------|
| 74 | Permanent: Full Time.....    | 1,066 |
| 75 | Part Time.....               | 0     |
| 76 | Time-Limited: Full Time..... | 3     |
| 77 | Part Time.....               | 0     |

78 Funds are provided herein to adjust the Variable Compensation  
79 Plan to ensure that all full-time employees receive a pay increase  
80 equal to the realignment component of the Variable Compensation  
81 Plan or One Thousand Five Hundred Dollars (\$1,500.00), whichever  
82 is greater, to be awarded on July 1, 2007.

83 With the funds herein appropriated, it is the intention of  
84 the Legislature that it shall be the agency's responsibility to  
85 make certain that funds required to be appropriated for "Personal  
86 Services" for Fiscal Year 2009 do not exceed Fiscal Year 2008  
87 funds appropriated for that purpose, unless programs or positions  
88 are added to the agency's Fiscal Year 2008 budget by the  
89 Mississippi Legislature. Based on data provided by the  
90 Legislative Budget Office, the State Personnel Board shall  
91 determine and publish the projected annual cost to fully fund all

92 appropriated positions in compliance with the provisions of this  
93 act. It shall be the responsibility of the agency head to insure  
94 that no single personnel action increases this projected annual  
95 cost and/or the Fiscal Year 2008 appropriations for "Personal  
96 Services" when annualized, with the exception of escalated funds  
97 and educational benchmarks. If, at the time the agency takes any  
98 action to change "Personal Services", the State Personnel Board  
99 determines that the agency has taken an action which would cause  
100 the agency to exceed this projected annual cost or the Fiscal Year  
101 2008 "Personal Services" appropriated level, when annualized, then  
102 only those actions which reduce the projected annual cost and/or  
103 the appropriation requirement will be processed by the State  
104 Personnel Board until such time as the requirements of this  
105 provision are met. On January 1, 2008, the State Personnel Board  
106 will make adjustments to the structure side of the compliance  
107 report based on data provided by the Legislative Budget Office in  
108 order for agencies to award educational benchmarks.

109 Any transfers or escalations shall be made in accordance with  
110 the terms, conditions and procedures established by law or  
111 allowable under the terms set forth within this act. The State  
112 Personnel Board shall not escalate positions without written  
113 approval from the Department of Finance and Administration. The  
114 Department of Finance and Administration shall not provide written  
115 approval to escalate any funds for salaries and/or positions  
116 without proof of availability of new or additional funds above the  
117 appropriated level.

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

122 **SECTION 6.** It is the intention of the Legislature that the  
123 Governor's Office - Division of Medicaid shall maintain complete

124 accounting and personnel records related to the expenditure of all  
125 funds appropriated under this act and that such records shall be  
126 in the same format and level of detail as maintained for Fiscal  
127 Year 2007. It is further the intention of the Legislature that  
128 the agency's budget request for Fiscal Year 2009 shall be  
129 submitted to the Joint Legislative Budget Committee in a format  
130 and level of detail comparable to the format and level of detail  
131 provided during the Fiscal Year 2008 budget request process.

132 **SECTION 7.** In compliance with the "Mississippi Performance  
133 Budget and Strategic Planning Act of 1994," it is the intent of  
134 the Legislature that the funds provided herein shall be utilized  
135 in the most efficient and effective manner possible to achieve the  
136 intended mission of this agency. Based on the funding authorized,  
137 this agency shall make every effort to attain the targeted  
138 performance measures provided below:

|  | FY2008        |
|--|---------------|
| <u>Performance Measures</u>            | <u>Target</u> |
| Administrative Services                |               |
| Admin as a Percent of Total Budget (%) | 4.26          |
| Medical Services                       |               |
| Recipients (Persons)                   | 674,000       |

145 A reporting of the degree to which the performance targets  
146 set above have been or are being achieved shall be provided in the  
147 agency's budget request submitted to the Joint Legislative Budget  
148 Committee for Fiscal Year 2009.

149 **SECTION 8.** It is the intention of the Legislature that  
150 whenever two (2) or more bids are received by this agency for the  
151 purchase of commodities or equipment, and whenever all things  
152 stated in such received bids are equal with respect to price,  
153 quality and service, the Mississippi Industries for the Blind  
154 shall be given preference. A similar preference shall be given to

155 the Mississippi Industries for the Blind whenever purchases are  
156 made without competitive bids.

157         **SECTION 9.** Of the funds appropriated in Sections 1, 2, 3 and  
158 4, an additional amount not less than Two Hundred Fifty Thousand  
159 Dollars (\$250,000.00) shall be expended in the Home and Community  
160 Based Waiver Program over and above the amount expended in Fiscal  
161 Year 2007.

162         **SECTION 10.** It is the intention of the Legislature that the  
163 Executive Director of the Division of Medicaid may authorize  
164 increases in any major objects of expenditure in total amounts not  
165 to exceed twenty-five percent (25%) of the appropriated amount of  
166 each major object of expenditure, provided that other major  
167 objects of expenditure are decreased by a corresponding dollar  
168 amount. It is further the intention of the Legislature that any  
169 transfers made under the provisions of this paragraph shall be of  
170 an emergency nature and that in no case shall the transfers be  
171 made which substantially alter the legislative intent for the  
172 various programs as set forth in the original appropriations made  
173 under this act. However, no transfers shall be authorized which  
174 increase the major object of expenditure "Salaries, Wages and  
175 Fringe Benefits." The Division shall notify the Director of the  
176 Legislative Budget Office within fifteen (15) days of any transfer  
177 made.

178         **SECTION 11.** Of the funds appropriated herein, an amount not  
179 to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) is  
180 provided to implement an Adult Foster Care program for Medicaid  
181 recipients as authorized by Senate Bill No. 2416, 2007 Regular  
182 Session of the Legislature.

183         **SECTION 12.** Of the funds appropriated herein, an amount not  
184 to exceed One Hundred Twenty-five Thousand Dollars (\$125,000.00)  
185 shall be used to implement a pilot program to promote smoking  
186 cessation by use of the most up-to-date prescription class of

187 smoking cessation medication, that being nicotine receptor partial  
188 agonist.

189       **SECTION 13.** Any reclassifications and/or reallocations  
190 affected under the rules of the State Personnel Board shall be  
191 reported to the Director of the Legislative Budget Office no later  
192 than fifteen (15) days of Personnel Board approval.

193       **SECTION 14.** The money herein appropriated shall be paid by  
194 the State Treasurer out of any money in the State Treasury to the  
195 credit of the proper fund or funds as set forth in this act, upon  
196 warrants issued by the State Fiscal Officer; and the State Fiscal  
197 Officer shall issue his warrants upon requisitions signed by the  
198 proper person, officer or officers, in the manner provided by law.

199       **SECTION 15.** This act shall take effect and be in force from  
200 and after July 1, 2007.

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

1       AN ACT MAKING AN APPROPRIATION TO THE GOVERNOR'S  
2 OFFICE-DIVISION OF MEDICAID FOR THE PURPOSE OF PROVIDING MEDICAL  
3 ASSISTANCE UNDER THE MISSISSIPPI MEDICAID LAW AND DEFRAYING THE  
4 EXPENSES OF THE ADMINISTRATION OF SUCH LAW FOR THE FISCAL YEAR  
5 2008.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

X (SIGNED)  
Stringer

X (SIGNED)  
Gordon

X (SIGNED)  
Holland

X (SIGNED)  
Burton

X (SIGNED)  
Flaggs

X (SIGNED)  
Little