

**Talking points for Rural Health Association luncheon meeting, November 1, 2001.**

**First Draft 10/26/01 - Rullan**

- 52.9% of our population lives in what is officially defined as rural settings. These are areas of less than 2,000 inhabitants. So according to the latest figures, we are still a predominantly rural state.
- The Mississippi Rural Health Association offers a forum to bring together all aspects of rural healthcare in our state. As the Executive Director of the Office of the Governor Division of Medicaid, I applaud your goal to educate and communicate on timely issues affecting rural health.
- We at the Division of Medicaid are privileged to serve close to 647,000 Mississippians who are enrolled in the Medicaid program.
- IN FY 2001 there were 400,917 Medicaid Eligibles under the age of 21. That's roughly 62% of our Medicaid enrollees. Some of who are still uninsured. But we are making great strides in this area.
- I am proud to report that we now have 47,390 currently enrolled in Mississippi Health Benefits. That number is steadily rising. A quick example of this is the increase of about 6,000 new enrollees over the past six months.
- Our Waiver programs are now offering additional enhanced services to our population. Programs such as Home and Community based services for the elderly and disabled, the neurologically or orthopedically impaired, the mentally retarded/developmentally disabled, for individuals in assisted living facilities, or with traumatic brain and spinal cord injuries are now up and running. There is even a waiver for primary care case management services. And there's more.
- Our state is committed to providing quality healthcare services to our most vulnerable citizens. This commitment has been ongoing, and I firmly believe this commitment will not change.
- We now have 25 Medicaid Regional Offices strategically located to be fully accessible to our rural population.

- Briefly, I would like to touch on a few of the front-page headlines our Medicaid Program has generated, including the 124 million dollar budget deficit.
- In a feature article printed in the Clarion-Ledger one month prior to the Legislative Budget Committee hearings, I explained that the primary reasons for the deficit were as follows:

There was an increase of over 87,000 enrollees over last year.

There was a drop in our federal match rate from 76.8% to 76%.

There was a depletion of a \$121 million dollar two year cash reserve.

There was, and continues to be a rise in the cost of prescription drugs. For the fiscal year ending June 30, we spent \$465 million dollars on prescription drugs compared to \$336 million dollars the year before.

As I pointed out in that article, typically nursing home care is the biggest expenditure in Medicaid programs nationally. However, for Mississippi Medicaid it is prescription drugs.

In short, our federal government is decreasing funds given to the state while requiring more services for the needy and disabled. This along with unfunded mandates from our lawmakers has created most of this deficit funding challenge.

- Many of the factors contributing to this deficit are simply not controllable by the Division of Medicaid. There are some expenses that we can control and we are doing just that. Our administrative cost to run the Medicaid program is 4% of our total budget. This is because our 614 dedicated employees are constantly striving to maximize our efficiency without sacrificing customer service.
- We are looking closely at Cost Savings Initiatives. They include Pharmacy Benefits Management, Disease Management Programs, Targeted Case Management for High Cost Recipients and a new Internal Auditing program to name just a few.

- We are looking at Maximizing Federal Revenue through Administrative Claiming, the Family Planning Waiver and the Upper Payment Limit Program.
- Today, the expectation for more healthcare services is not only a Mississippi trend, it is a national trend. We are at the point where critical decisions concerning the health of our most vulnerable citizens is at stake. In closing, I would like to share with you my personal philosophy on why we should not let these citizens down.

I see every dollar we spend on Medicaid as an investment. If we can ensure quality healthcare services to our most vulnerable citizens they will have the opportunity to be more productive.

I believe that if we can send healthy children to school, they will be more ready to learn and more ready to take advantage of educational opportunities. Studies show this will lead them to become more productive citizens.

In your literature you state that, “Promoting improved health services and improved access to preventative and basic health services for rural Mississippians will be achieved through communication, education and providing a forum for the exchange of ideas.” Speaking on behalf of the Office of the Governor, Division of Medicaid, I can tell you that we are looking forward to being a partner with you in meeting your goal. Thank you.