DIVISION OF MEDICAID

Summary of Funding - EBR

FY 2010

Requested Funds Breakdown:

FY2009 Appropriation:

General Funds	$389,516,582	
HCEF (Tobacco Funds)	$64,543,220	
Budget Contingency Funds	$97,857,541	
TOTAL	$551,917,343	

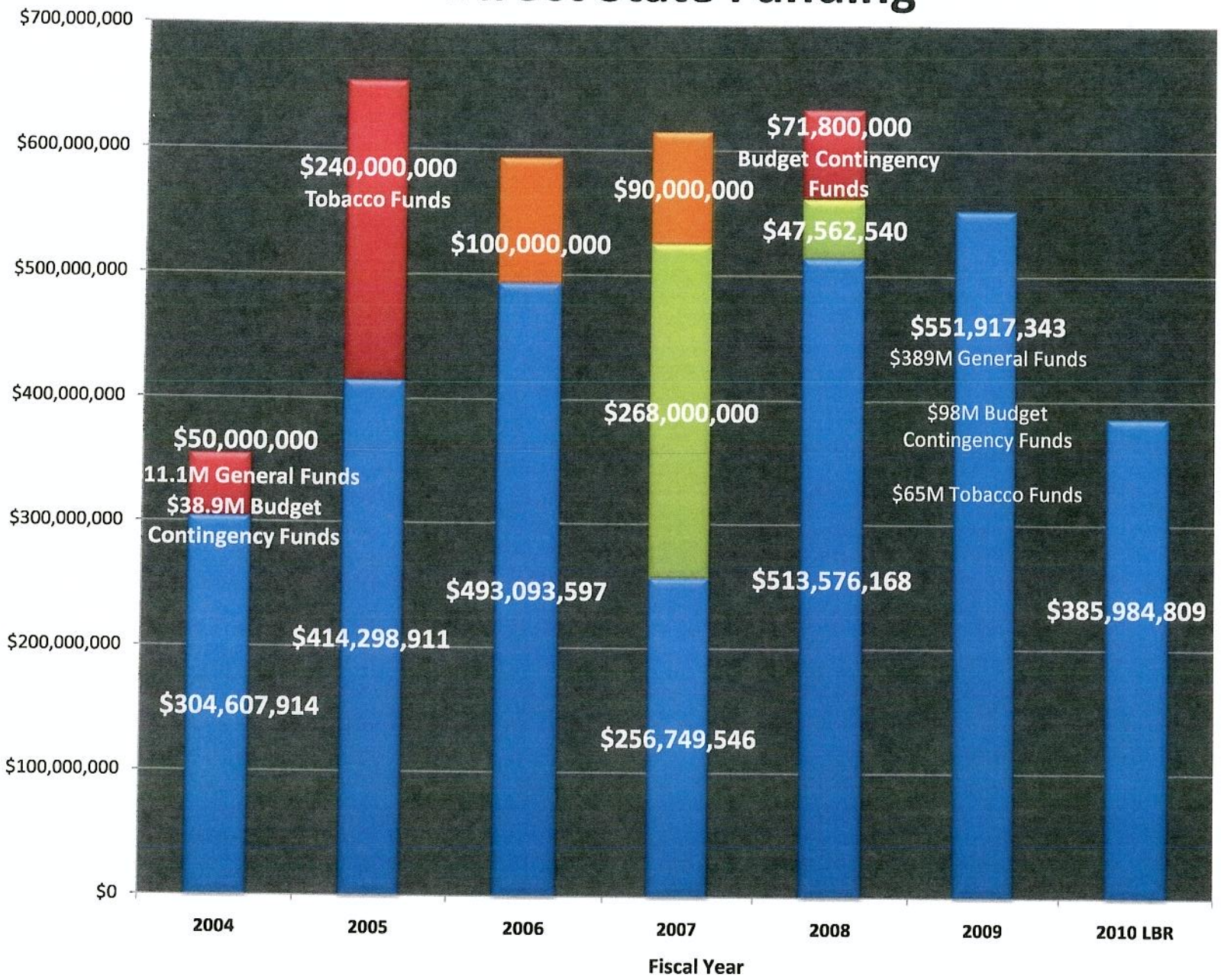
FY 2009 Beginning Balance of Direct State Appropriated Funds (1) **$551,917,343**

add:	Projected Increase Due to Growth in Medical Service Expenditures	$41,317,056	
	Additional Direct State Funds Requested		**$41,317,056**

TOTAL FY 2010 DIRECT STATE FUNDS REQUESTED **$593,234,399** (See Note 1)

(1) -The Division of Medicaid will need an additional projected $90M of non-federal funding to be collected through a hospital provider assessment. If these funds are not provided through the assessment, an additional $90M must be added to the $593M request.

Direct State Funding

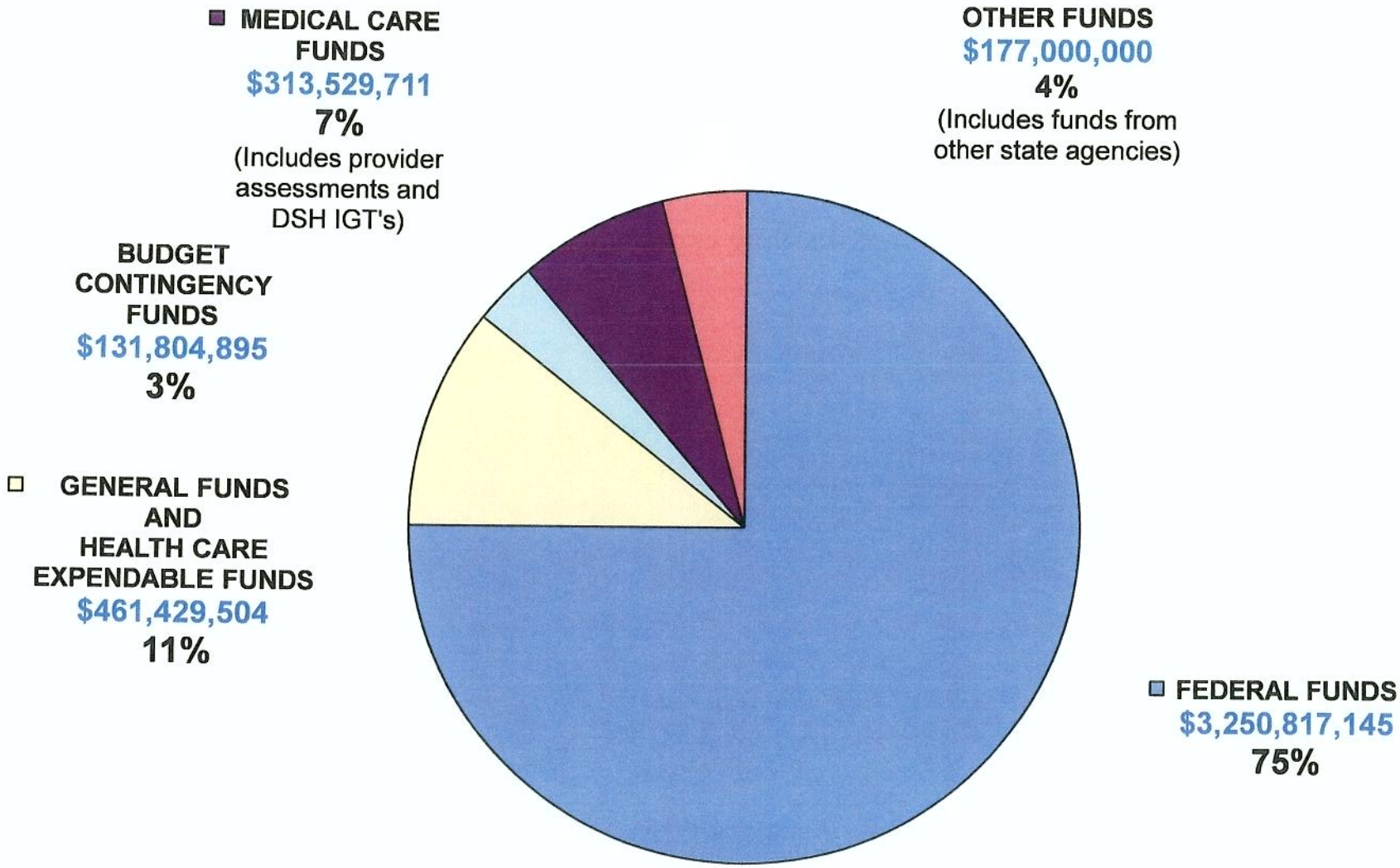


Total Direct State Funding

2004	$355M
2005	$654M
2006	$593M
2007	$615M
2008	$633M
2009	$552M
2010LBR	$386M

- Additional Katrina Funding
- Deficit Appropriation
- Budgeted Katrina Funds
- General, Tobacco & Budget Contingency Funds

"Medicaid FY2010 EBR Funding Sources"



DIVISION OF MEDICAID
EBR SUMMARY
FY 2010

STATE FUNDING

GENERAL AND OTHER DIRECT STATE FUNDING

General Funds	$443,061,159		
Budget Contingency Funds	$131,804,895		
Health Care Expendable Funds	$18,368,345		
		$593,234,399	

OTHER STATE FUNDING

Provider Assessments (1)	$266,287,511		
Funds from Other Agencies (2)	$177,000,000		
Other (3)	$47,242,200		
		$490,529,711	
TOTAL STATE FUNDING			$1,083,764,110
FEDERAL FUNDING			$3,250,817,145
TOTAL BUDGET REQUEST			$4,334,581,255

Notes:
(1) Includes hospital assessments of $90m for medical service match, $72.5m of gross revenue assessments for UPL match, and $14.3m in bed assessments and long-term care bed assessments of $89.5m
(2) Includes medical service match from all state agencies, UMC and Community Mental Health Centers
(3) Includes only additional spending authority for DSH IGTs

DIVISION OF MEDICAID
PROJECTED EBR SUMMARY - NO PROVIDER ASSESSMENTS
FY 2010

STATE FUNDING			
GENERAL AND OTHER DIRECT STATE FUNDING			
General Funds	**$443,061,159**		
Budget Contingency Funds	**$131,804,895**		
Health Care Expendable Funds	**$18,368,345**		
		$593,234,399	
OTHER STATE FUNDING			
Provider Assessments	**$0**		
Funds from Other Agencies (1)	**$177,000,000**		
Other (2)	**$47,242,200**		
		$224,242,200	
TOTAL STATE FUNDING			**$817,476,599**
FEDERAL FUNDING			**$2,414,921,249**
TOTAL BUDGET REQUEST			**$3,232,397,848**
DECREASE IN TOTAL BUDGET REQUEST			**($1,102,183,407)**
ADDITIONAL GENERAL FUNDS REQUIRED TO FULLY FUND PROGRAM			**$266,287,511**

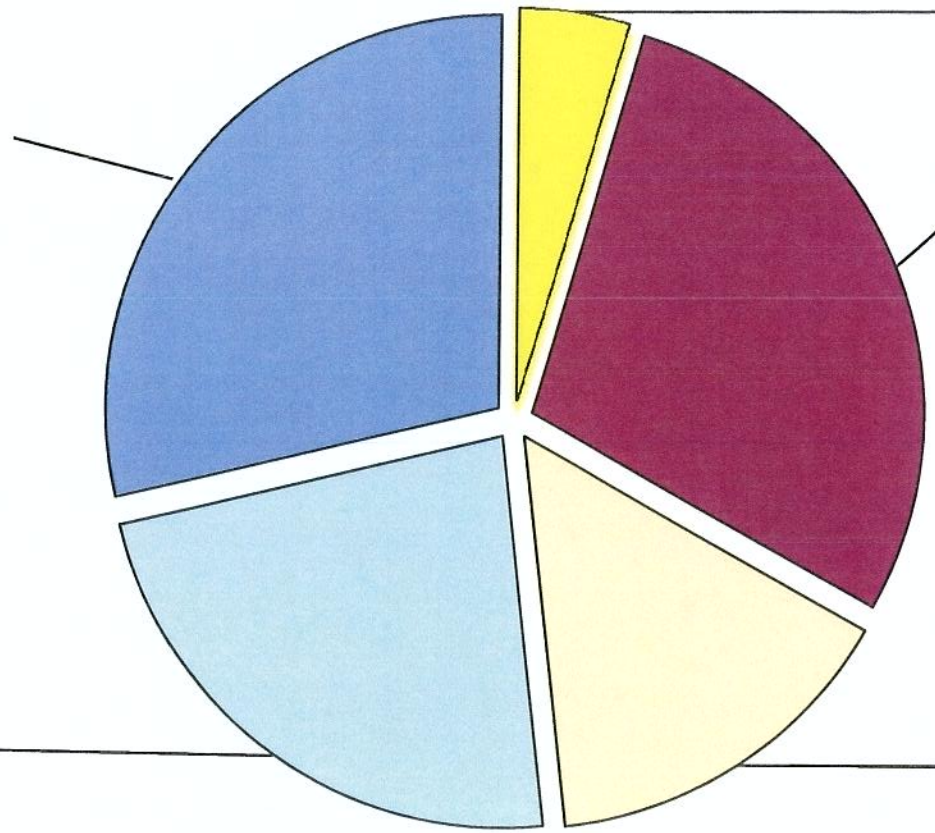
Notes:
(1) Includes medical service match from all state agencies, UMC and Community Mental Health Centers
(2) Includes only additional spending authority for DSH IGTs

FY 2010 Projected Provider Contributions

Provider Assessments as % of Total Medicaid Payments
Hospital Providers = 16%
(Represents a 6 to 1 payback)
Long-term Care Providers = 8%
(Represents a 12 to 1 payback)

Hospital Assessments
(Replace Excess DSH IGT Funding)
$90,000,000
29%
$90,000,000/
$869,334,075
Payments = 10%

Hospital Bed Assessments
$14,260,000*
4%
$14,260,000/
$869,334,075
Payments = 2%



Long-term Care Bed Assessments
$89,547,511
29%
$89,547,511/
$1,095,429,270
Payments = 8%

Hospital GRAs for UPL $72,000,000
23%
$72,000,000/
$300,000,000
Payments = 24%

Hospital DSH IGTs
$47,280,000
15%
$47,280,000/
$197,000,000
Payments = 24%

*: Hospital bed assessments are not collected from state entities. However, their non-federal match is paid through state appropriated funds.

Note: Provider contributions do not include $38 million in 5% payment reductions for non-institutional medical service payments.

Total Projected Hospital Payments = $1.37 billion

Total Projected Long-term Care Payments = $1.1 billion

Total budgeted program expenditures are $4.3 billion

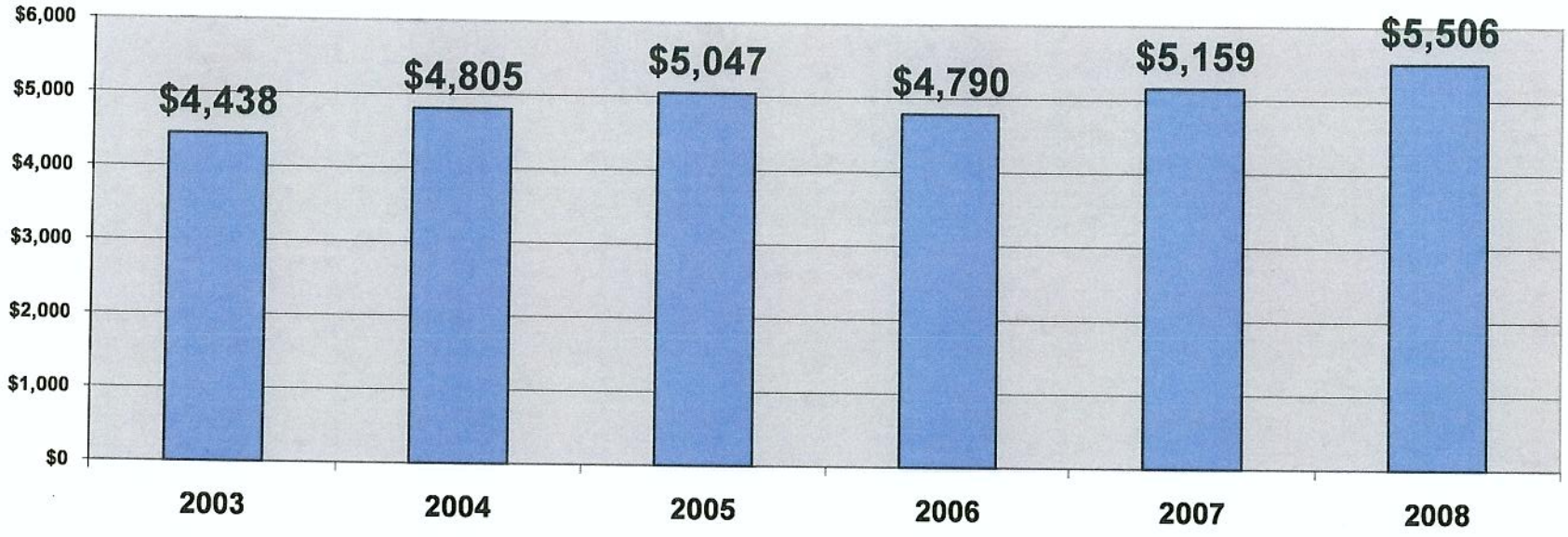
Mississippi Division of Medicaid
Hospital Provider Contribution Analysis
FY 07, FY 08, FY 09 (projected) & FY 10 (projected)

	FY 07	FY 08	FY 09 (projected.)	FY 10 (projected)
Medicaid Hospital Payments				
Inpatient/Outpatient	$ 765,434,000	$ 810,462,020	$ 827,937,214	$ 869,334,075
UPL	182,000,000	262,785,960	288,000,000	300,000,000
DSH	189,000,000	188,285,227	197,000,000	197,000,000
Total	**$ 1,136,434,000**	**$ 1,261,533,207**	**$ 1,312,937,214**	**$ 1,366,334,075**
Hospital Contributions				
Bed Assessment	$ 14,165,660	$ 14,253,742	$ 14,260,000	$ 14,260,000
Gross Revenue Assessment	43,871,713	62,306,551	69,580,800	72,000,000
DSH IGT's	43,576,812	44,642,427	47,595,200	47,280,000
Hospital Assess. (replaces Excess DSH IGT) *	-	-	-	90,000,000
Total	**$ 101,614,185**	**$ 121,202,720**	**$ 131,436,000**	**$ 223,540,000**
Return to Hospitals for Each Dollar Invested	**$ 11.18**	**$ 10.41**	**$ 9.99**	**$ 6.11**

*: Hospital assessments to fund $90 million of program funding were supplemented with one-time funding sources from FY-06 to FY-09.

Note: The return to hospitals for each dollar contributed in FY-05 was $6.13. This represents the last year hospitals funded the $90 million Medicaid shortfall.

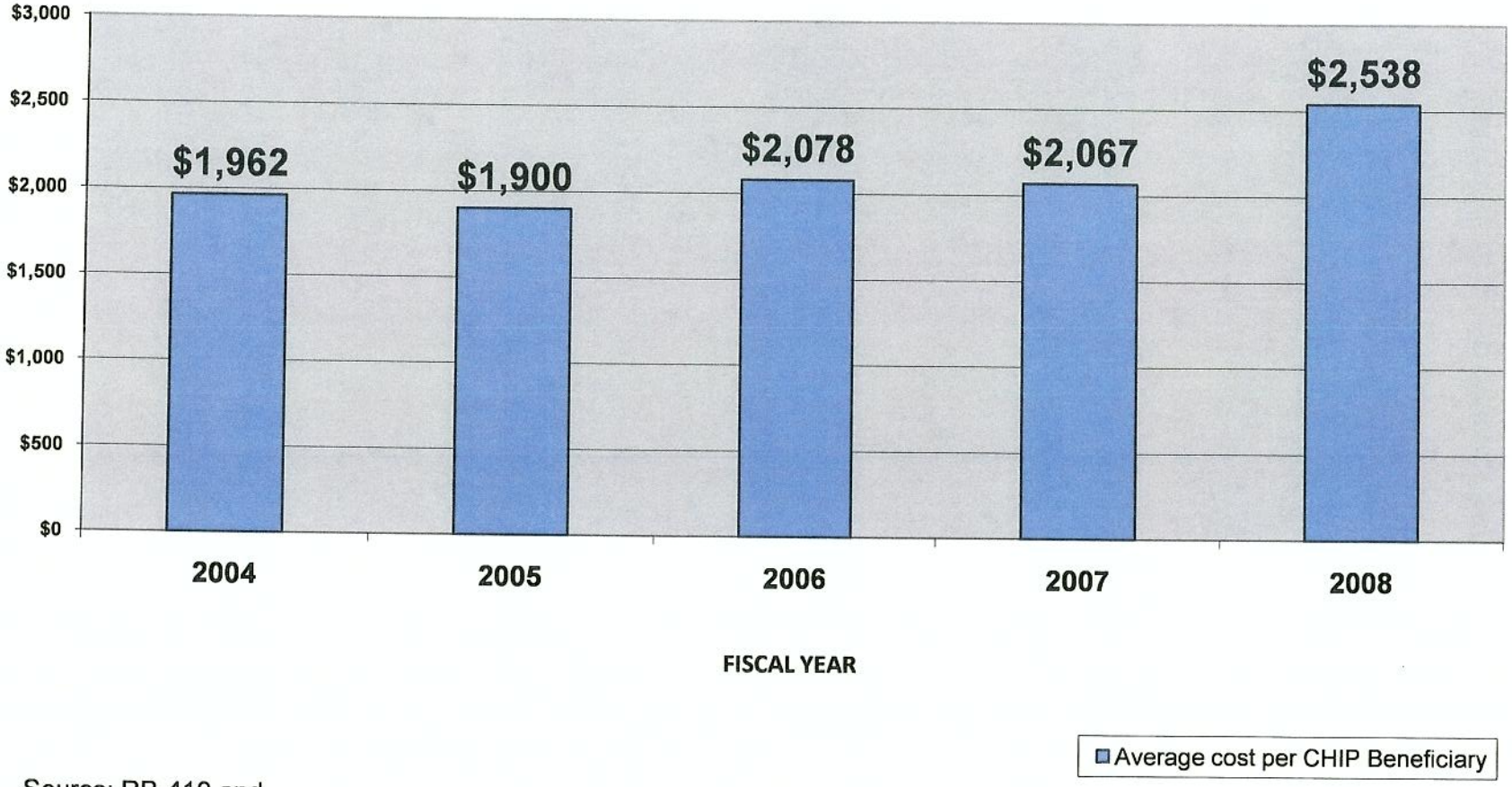
Average Cost of Medicaid Beneficiaries



Source: RB-410 and MR-O-01

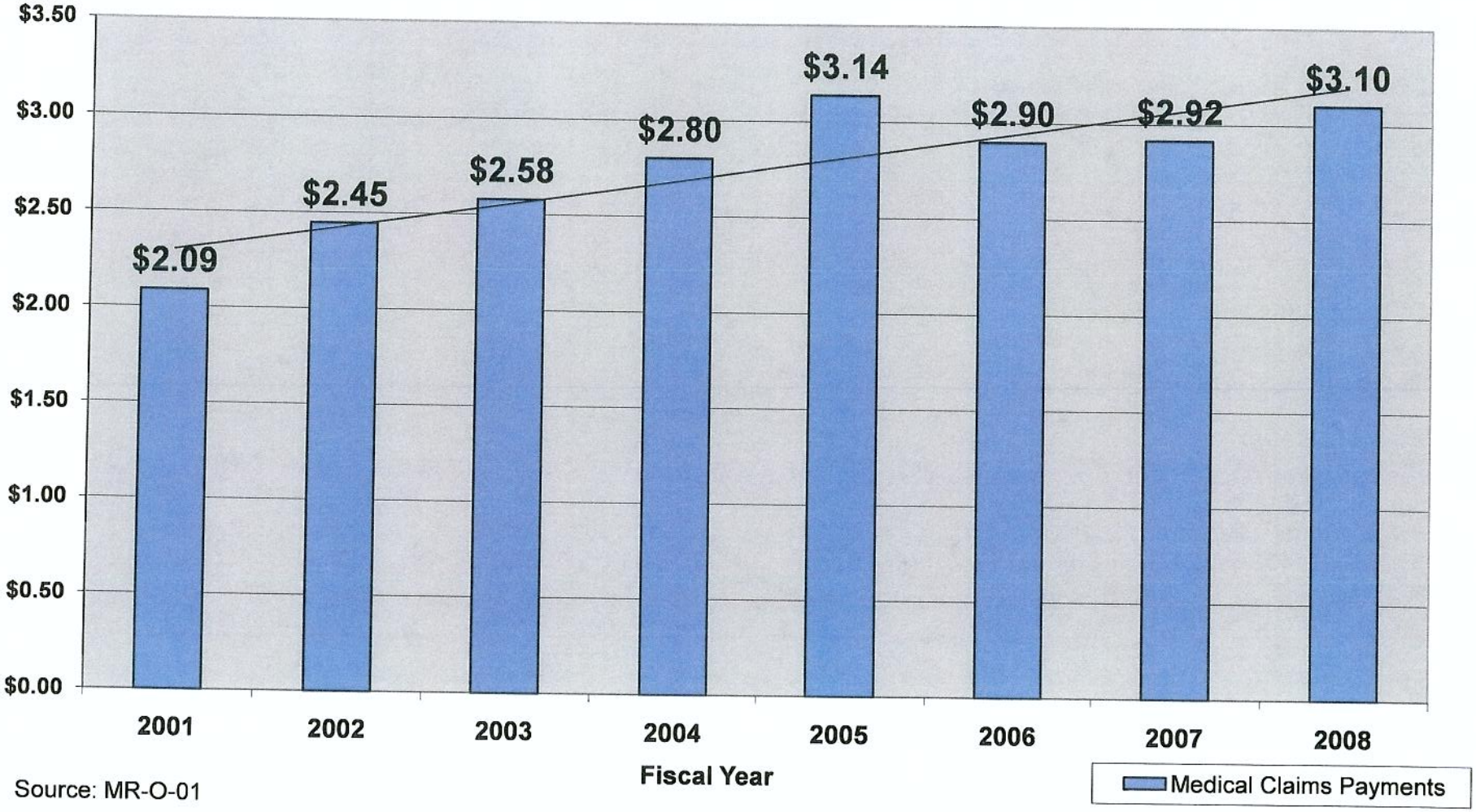
Note: Over the past 2 fiscal years medical services cost per beneficiary has increased at a rate of **7.5%** per year for DOM. The Congressional Budget Office (CBO) projects a **7.8%** national annual growth rate in Medicaid over the next decade.

Average Cost of CHIP Beneficiaries



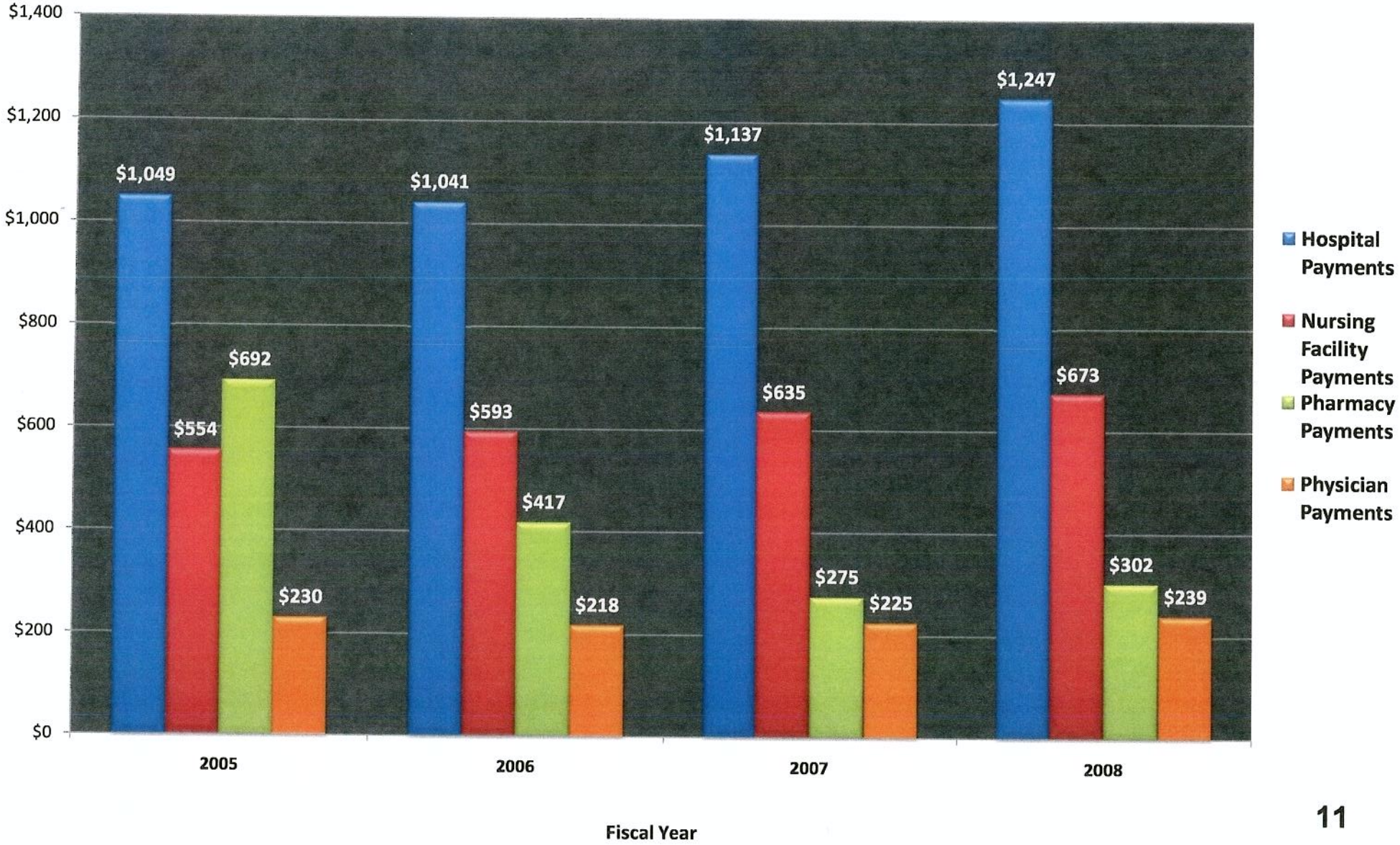
Source: RB-410 and
Blue Cross Blue Shield

Medical Service Claims Payments - "Total Program" (Billions)



Source: MR-O-01

Major Medicaid Provider Payments (Millions)



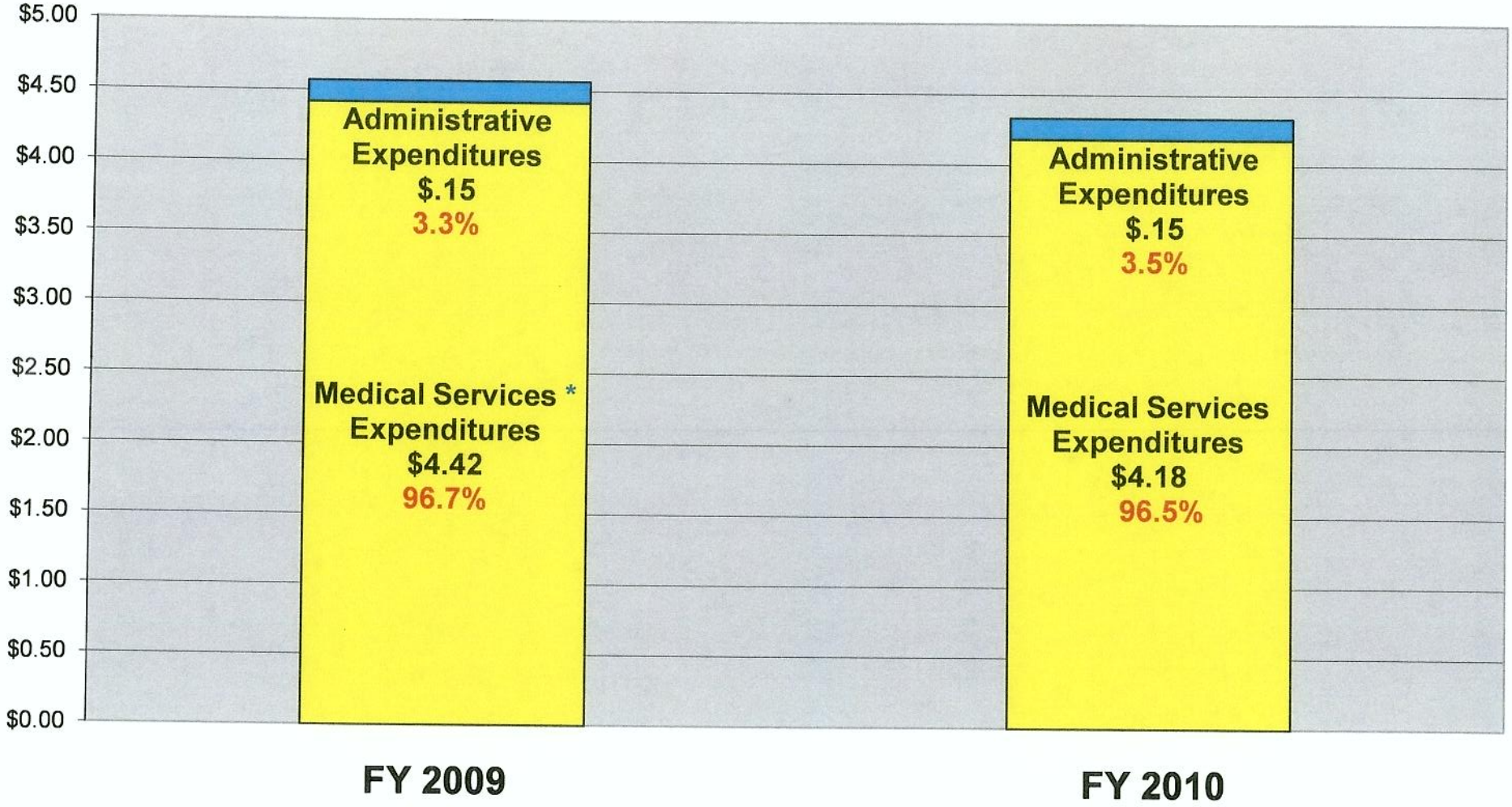
DIVISION OF MEDICAID
Medical Services Cost Comparison
FY 2006 Through FY 2008

Service	FY 2006	FY 2007	FY 2008	% Incr (Decr) FY 06 to FY 07	% Incr (Decr) FY 07 to FY 08
Nursing Facility	$592,989,390	$635,193,695	672,547,159	**7.12%**	**5.88%**
Inpatient Hospital	$484,099,778	$518,135,797	543,940,524	**7.03%**	**4.98%**
Prescription Drugs	$417,293,904	$274,757,341	302,060,175	**-34.16%**	**9.94%**
ICF MR Facility	$234,157,902	$259,465,512	277,748,962	**10.81%**	**7.05%**
Outpatient Hospital	$201,015,510	$247,298,203	252,442,133	**23.02%**	**2.08%**
Physician	$217,558,603	$224,873,766	239,456,212	**3.36%**	**6.48%**
Home and Comm. Based Services	$101,568,297	$118,468,377	140,976,333	**16.64%**	**19.00%**
Mental Health Clinics	$124,216,720	$129,161,706	134,033,495	**3.98%**	**3.77%**
Inpatient Residential Psych.	$31,346,839	$34,183,343	35,911,786	**9.05%**	**5.06%**
Hospice	$34,041,518	$34,076,328	30,683,115	**0.10%**	**-9.96%**
ALL OTHER	$460,687,880	$439,608,310	470,220,087	**-4.58%**	**6.96%**
TOTAL	**$2,898,976,341**	**$2,915,222,378**	**$3,100,019,981**	**0.56%**	**6.34%**

Source: MR-O-01

Additional medical service type expenditures in FY-08 included FY-07 hospital UPL and DSH supplemental payments of $267.9 million.

Estimated FY 2009 & FY 2010 Budgeted Expenditures Comparison (Billions)



*: Total medical service expenditures in FY-09 include FY-08 DSH and UPL payments of $451 million paid to MS hospitals in addition to $485 million of estimated FY-09 DSH and UPL payments.

Division of Medicaid
Estimated FY 2009 & FY 2010 Budget Comparison

Budgeted Expenditures	FY2009	FY2010	Increase (+) or Decrease(-) FY2009 to FY2010 Amount	Percent
Total Administrative Expenditures	$150,644,569	$151,285,288	$640,719	0.43%
Total Hospital DSH & UPL Payments *	$936,000,000	$497,000,000	-$439,000,000	-46.90%
Total Medical Services	$3,480,801,881	$3,686,295,967	$205,494,086	5.90%
Total Budgeted Expenditures	$4,567,446,450	$4,334,581,255	-$232,865,195	-5.10%

*: Total medical service expenditures in FY-09 include FY-08 DSH and UPL payments of $451 million to MS hospitals in addition to $451 million of estimated FY-09 DSH and UPL payments.