



Office of the Governor
Division of Medicaid

Dr. Robert L. Robinson
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Proposed Medicaid Rate Reductions Withdrawn

Budget for remainder of SFY2010 sound

JACKSON, MS.- (April 15, 2010) – Today, the Division of Medicaid informed its providers that it is withdrawing the proposed reductions in Medicaid reimbursement since the agency is no longer projecting a deficit for the remainder of State Fiscal Year 2010.

Medicaid Executive Director, Dr. Robert L. Robinson said, “We are pleased to notify our providers that we are withdrawing these rate cuts which we were required by law to make when we were projecting a deficit. Having the benefit of eleven months of information, we now believe that we will make it through this difficult fiscal year without running a deficit. I appreciate our providers who have taken care of our Medicaid patients during these difficult times.”

On March 31, 2010, in response to a projected deficit of \$14.3 million for the remainder of State Fiscal Year 2010 and pursuant to the Legislative requirements of Section 43-13-117 of the Mississippi Code, the Division of Medicaid filed State Plan amendments with the Centers for Medicare and Medicaid Services (CMS) to reduce the rates of reimbursement to various providers of medical services. The Legislature’s Joint Committee on Performance Evaluation and Expenditure Review (PEER) agreed with the \$14.3 million deficit projection.

This week, the Division of Medicaid reviewed its cash flow situation after eleven months of data and is no longer projecting a deficit for the remainder of State Fiscal Year 2010. The difference in the current budget projection as opposed to the one issued in March is due to several factors, including but not limited to: additional reductions in administrative expenditures, a decrease in medical service expenditures, recovery of inpatient and outpatient hospital overpayments, collection of additional unpaid nursing facility assessments and various refunds deposited to the credit of the agency such as third party recoveries, legal settlements and drug rebates.

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