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**COVINGTON COUNTY HOSPITAL TO BENEFIT UNDER GOVERNOR  
BARBOUR'S PLAN TO REDUCE TOTAL ASSESSMENTS ON HOSPITALS**

(Jackson, Mississippi)— The Centers for Medicare and Medicaid Services (CMS), which administers the Medicaid program at the federal level, has disallowed Mississippi's current program to use certain funds as state Medicaid match money. As a result of this decision by CMS, the state must replace \$90 million that previously had been provided entirely by an assessment on public hospitals to match \$270 million of federal funds.

In response to the federal decision, Governor Barbour and the leadership of Medicaid have proposed reducing the assessment on hospitals from \$90 million to approximately \$45 million and spreading the burden beyond just public hospitals to include private hospitals. The other \$45 million would be made up with an appropriation by the Legislature. Hospitals will no longer be responsible for the entire \$90 million. Although private hospitals will pay approximately \$27.5 million a year for the redistribution of gross revenue assessments and public hospitals will pay approximately \$17.5 million a year both private and public hospitals will receive Disproportionate Share Hospital payments.

The majority of public hospital and many private hospitals will receive a net increase in Medicaid revenue as a result of this new financing system. Compared to the financing system that was in place since the early 1990's, Covington County Hospital will receive approximately \$1.0 million more in annual Medicaid revenue through the assessment redistribution and Disproportionate Share Hospital Program (DSH) payments under the Governor's proposed changes to funding the Mississippi Medicaid program.

Current state statute grants Governor Barbour and the leadership of Medicaid the authority under the Mississippi Code, Section 43-13-117, to change this assessment on all hospitals.

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