

Governor's Column – 03/10/02

The wait is over.

This past week, the Legislature passed House Bill 1200 to help resolve the Medicaid shortfall. The version sent to my desk was the fourth conference report, and it came as a last minute solution. This is unfortunate.

More than 650,000 Mississippians have been waiting on the Legislature to agree on a means of funding the \$158 million shortfall in Medicaid for the current fiscal year. When I vetoed the Medicaid appropriations bill last year, I wrote that we could “not erase the shortfall from this year, anticipate a shortfall for next year, and expect to provide our people with education, health care, safety and other necessary functions of government.”

With that message proving true, I offered a proposal to cover the entire shortfall without using tobacco funds and, more importantly, without cutting services to recipients or payments to providers.

On March 4, I offered another proposal to the Legislature – one that again would cover the shortfall without tobacco funds or cuts in services or payments to providers. I said we needed a bill within 48 hours. The Legislature finally responded.

The end result of their efforts was House Bill 1200, a bill that partially saves Medicaid but still presents problems.

The most glaring problem is the bill's failure to completely cover the shortfall, being \$29.5 million short in state dollars. With the three to one match from the federal government, we are losing out on \$118 million in total health care dollars for those who need it most.

House Bill 1200 cuts reimbursement rates for providers, which can impact access to health care for Medicaid recipients. It increases the co-pay for prescription drugs, home health services, physician visits and dental care.

Also, this bill does nothing to address the Medicaid budget for the 2003 fiscal year. Using the numbers recommended by the Legislative Budget Office, Medicaid will have a shortfall of \$158 million; with the three to one federal match, we are looking at a total of over \$630 million in lost health care dollars for Mississippi.

This is not the bill I would have preferred for those 650,000 Mississippians who depend on Medicaid. However, I signed it out of a need to ensure providers and recipients were covered. But, because of the failure of the Legislature to fully cover the shortfall and the 2003 budget, we are going to be forced to review Medicaid and look for cuts in optional services. Because of this failure to fund, we will make the forced reductions by cutting medications, nursing home beds, dental services, mental health services and the Children's Health Insurance Program.

How do we finally fix this situation?

The budget needs to be shaped using real numbers and realistic revenue estimates. We can't go into the 2003 fiscal year with the same blind confidence exhibited in last year's budget and revenue projections. The simple fact that last month was the first time we've exceeded revenue estimates in two years supports that argument.

Rica Lewis-Payton, Executive Director of Medicaid, needs more flexibility to completely restructure the system so it will run more effectively and efficiently. For her to have to ask the Legislature for approval to begin new programs such as screenings for breast or cervical cancer shows the inefficiency of the system.

Ms. Lewis-Payton, along with the other agency directors, should have the authority to make decisions geared toward running a more effective and efficient agency. She can and will rewrite the entire program to be within the legitimate amount of money.

The health of our people affects the health of our economy and everything else we do. The right investment now will ensure future years of success.