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## **Governor Reeves Announces Sweeping Medicaid Reimbursement Reforms Generating an Estimated \$700 Million for Hospitals**

**JACKSON, Miss.** – Governor Tate Reeves today announced a series of sweeping Medicaid reimbursement reforms in Mississippi which are estimated to generate approximately \$700 million for hospitals across the state.

Today's action includes two hospital payment initiatives that are estimated to generate almost \$700 million annually in additional Medicaid funds for Mississippi hospitals.

“Over the course of my tenure, we have constantly looked for solutions to Mississippi’s pressing health concerns. We’ve met with hospitals and doctors, insurance experts and community leaders,” said Governor Tate Reeves. “Today’s action will have a major impact, but this is still just the beginning. Our eyes are set on the future, and we aim to continue ushering in reforms that strengthen Mississippi’s healthcare system no matter where you live in the state.”

The first initiative, known as the Mississippi Hospital Access Program (MHAP), will provide direct payments to hospitals serving patients in the Mississippi Medicaid managed care

delivery system. With these directed payments, hospitals would be reimbursed near the average commercial rate, which has been considered the federal ceiling for Medicaid reimbursements in managed care.

The second initiative will supplement Medicaid base payment rates for hospitals by reimbursing inpatient and outpatient hospital services in the fee-for-service system up to the Medicare upper payment limit. This payment mechanism, known as a UPL, is calculated similarly to the one-time emergency payment of \$137 million that hospitals received through the Mississippi Division of Medicaid earlier this calendar year.

To minimize the recurring impact of state general fund expenditures, the non-federal share of the directed and supplemental payments will be financed through assessments hospitals pay annually to the Medicaid program through a formula set out in state law.

Hospitals are projected to net an increase of \$689 million through these initiatives, after accounting for the funds the hospital made to help finance the initiatives.

The federal Centers for Medicare and Medicaid Services (CMS) must approve both proposals, which are being submitted. If approved, both would be effective as of July 1, 2023.

Governor Reeves also called for prior authorization reform and announced that a working group on health issues would continue to meet to discuss further reforms in the state moving forward. The working group is comprised of the Mississippi Healthcare Collaborative, the Mississippi State Department of Health, the Mississippi Division of Medicaid, and a representative from the Office of Governor Tate Reeves.

A range of medical leaders from across the state participated in constructing the proposals announced today.

“The plan that I’m announcing today is a result of the hard work of the folks standing behind me,” said Governor Reeves. “Over the last four to five months, we’ve worked to put together a proposal that we believe can have a real impact on Mississippi hospitals. I’m thankful for their public service.”

The list of medical professionals includes:

- Sam Dean, Merit Health River Oaks.
- Gregg Gibbes, South Central Regional Medical Center.
- Greg Havard, George Regional Health System.
- Kent Nicaud, Gulfport Memorial Hospital.
- Jim Perry and John Davis, Mississippi State Board of Health.

- Drew Snyder, Mississippi Division of Medicaid.
- Shane Spees, North Mississippi Health Services.
- Andy Woodard, Forrest General Hospital.
- LouAnn Woodward and Alan Jones, The University of Mississippi Medical Center.

During the press conference, Governor Reeves highlighted the impact on several hospitals around the state including:

- An over \$66 million or 50% increase for The University of Mississippi Medical Center.
- An over \$53 million or 337% increase for Forrest General Hospital.
- An almost \$34 million or 233% increase for Singing River Hospital.
- An over \$15 million or 259% increase for Delta Regional Medical Center.
- An over \$10 million or 138% increase for Greenwood Leflore Hospital.
- An almost \$17 million or 213% increase for Southwest Mississippi Regional Medical Center.
- An over \$9 million or 208% increase for Bolivar Medical Center.
- An over \$21 million or 262% increase for South Central Regional Medical Center.
- An over \$33 million or 115% increase for North Mississippi Medical Center.
- An almost \$17 million or 213% increase for Southwest Mississippi Regional Medical Center.

The projected financial impact of the proposed investment on state hospitals can be read in full [here](#).

Governor Reeves announced the proposals during a press conference which can be viewed [here](#).

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