

Office of the Governor  
Ronnie Musgrove, Governor



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# Mississippians' Access to Healthcare

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A proposal for expanding healthcare coverage  
for all Mississippians

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# Healthcare Needs of Mississippi

## Introduction

Health care is an essential element to productivity in the classroom, workplace and at home. Recognizing the need to review gaps in health care access and delivery, Governor Ronnie Musgrove hosted three health care summits across the State of Mississippi. Health care professionals, care-givers, providers, and consumers met with the Governor to share their concerns about Mississippi's status as a healthy state.

Heading their concern and inviting their participation in identifying problems and developing solutions, Governor Musgrove unveiled an idea to use the tobacco settlement payment for additional health care services for the Mississippians that need it most—our children, parents, and grandparents. By matching these funds with federal health care dollars, Mississippi can see and 3 to 1 return on their investment of tobacco settlement payments.

Over the past several months, Governor Musgrove has been working with health care professionals to develop a menu of options that will help decision-makers select the best value for these funds. The options presented here are not all the options available, however, they do represent a cross-section of ideas that will benefit many Mississippians.

## Making the Case for Improving Health Care

Dr. Ed Thompson, State Health Officer, has often pointed to the need of improving health care for Mississippians. His "Worst Firsts" list, which lists the indicators of poor health that Mississippi leads the nation, demands our attention and our response. Mississippi leads the nation in:

- Prevalence for Diabetes
- Heart Disease Death Rate
- Lack of Breast Cancer Screenings in Women Over 50
- Population Underserved by Primary Care Physicians
- Age Adjusted Death Rate

In addition to the "Worst Firsts", Mississippi also ranks high in other poor health indicators:

- 2<sup>nd</sup> in Overweight Population (Alabama ranks 1<sup>st</sup>)
  - 2<sup>nd</sup> in Hospitalizations (West Virginia ranks 1<sup>st</sup>)
  - 2<sup>nd</sup> in Emergency Room Visits (West Virginia ranks 1<sup>st</sup>)
  - 5<sup>th</sup> in Uninsured Population (Texas ranks 1<sup>st</sup>)
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## Prioritizing the Need for Improving Health Care

Thanks to the diligent efforts of Attorney General Mike Moore, Mississippi has a tremendous resource of tobacco settlement payments available for health care needs in the State of Mississippi. The Legislature agreed to safeguard these tobacco payments in a Health Care Trust Fund. Governor Ronnie Musgrove supports the creation of this trust fund and supports maintaining the integrity of the trust.

Under the Governor's proposal set forward more than five months ago, the State of Mississippi would redirect future tobacco settlement payments to today's health care needs without compromising the principal of the health care trust fund. The trust fund would continue to grow with the interest earnings deposited directly into the trust fund. Portions of future payments would be used to finance the expansion of health care programs for the children, aged, disabled, and working poor.

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## Health Care Priorities

### Senior Prescription Drug Benefit: HOPE for Mississippi

Governor Ronnie Musgrove recognized that, unless and until people 65 and older (particularly the more than 81% of the elderly in Mississippi with incomes under 200% of the Federal Poverty Level which currently equals to \$17,180 for a single person and \$23,220 for a married couple) are given assistance with the skyrocketing cost of prescription drugs, far too many of them will be impoverished and far too many of them will needlessly end up in more costly health care services. Recognizing that the State of Mississippi has limited resources, Governor Musgrove asked the Heinz Family Philanthropies, with pharmaceutical industry support, to provide the State with a blueprint on how it might provide prescription drug coverage to all Mississippians aged 65 and older. This report is available on-line at <http://www.governor.state.ms.us/news&information/2001pressrelease/102201hope.htm>.

The first core advantage of HOPE for Mississippi is the overall pharmacy benefit design. HOPE for Mississippi is built upon affordable contributions and deductibles. Seniors who have higher incomes pay higher monthly contributions to the plan. For example, in the first year of the program, individuals with incomes below 100% Federal Poverty Level pay \$20 individual contributions monthly; individuals with incomes between 100% and 200% of the Federal Poverty Level pay \$30 individual contributions each month. After the individual deductible is met, the individual pays an out-of-pocket cost for each prescription based on an incentive-based drug formulary. The incentive-based drug formulary maximizes the generic substitution opportunities, and promotes the use of the most cost-effective brand medications.

The second core advantage of HOPE is the flexibility to maximize the services of a pharmacy benefit manager (PBM), as in the private sector. A PBM is an organization that specializes in providing administrative and management services to reduce the cost of pharmacy benefits. A PBM maximizes the state's capacity to negotiate the best prices for discounted networks and drugs. The PBM, selected through a competitive bidding process, is required to partner with Mississippi to reduce the cost of the pharmacy plan through a variety of mechanisms which manage prescription benefit cost and encourage cost-effective utilization of prescription drugs. Our goal and strategy is to ensure that we

are creating a program that can be sustained now and in the future, and one that could easily become part of Medicare. We believe our responsibility is to Mississippi, its citizens, and to future generations of taxpayers. We want to address the evolving requirements of the beneficiary population, while balancing that objective with political and financial realities.

The third core advantage of HOPE for Mississippi is managed enrollment. HOPE for Mississippi is incremental in its design, meaning that in each successive year after its inception, an increasing number of eligible persons age 65 and older are admitted. This is purposely done to build a set of fiscal benchmarks for the plan, because one of the greatest risks for HOPE is adverse selection. Adverse selection is defined as a situation in which potential enrollees are able to predict their own claim experience and decide whether to enroll in a benefit program. Although potential enrollees do not know exactly what their future prescription drugs will cost, many will make reliable assessments of whether or not their claims will be greater than their contributions and other out-of-pocket cost from co-payments or coinsurance, deductibles, and maximums. This knowledge, along with other factors, will determine whether or not they participate in the new program. If the eventual pool of enrollees contains too many people with high prescription drug expenses, the program's financial risk becomes too great. As a result, HOPE for Mississippi includes requirements for timely enrollment and substantial penalties for delayed enrollment.

The fourth core advantage of HOPE is program oversight. HOPE for Mississippi recommends the creation of a Prescription Drug Review Commission to be involved in, and focused on, the difficult decisions required to provide prescription drug coverage for all seniors. The overall purpose of the Commission is to provide proactive operational and financial oversight as a means of determining how well the program is operating and whether changes may be necessary.

The recommended HOPE for Mississippi Plan has the following provisions built into the pharmacy benefit design for each individual:

- low annual deductible and contributions;
- responsible access to all prescription drugs through a balanced cost sharing and an incentive formulary; and
- an annual benefit limit to reduce program cost.

## Improving Health Benefits for Our State Employees and Teachers

Mississippians rely on state employees every day for safety and security. Whether its personnel from the Emergency Management Agency helping families rebuild after a natural disaster or Highway Patrolmen protecting our highways and byways, we need to reassure our public servants that access to quality health care is affordable. Currently, our state employees are seeing the growing health care costs shifted to them in the forms of increased deductibles and premiums. Under the Governor's proposal, the State and School Employees Health Insurance program would

- Reduce dependant cares costs, and,
- Institute a co-payment plan for doctor visits (\$15 for a general practitioner or family doctor and \$25 for a health care specialist).

## Helping Diabetic Mississippians

Diabetes is the seventh leading cause of death (sixth-leading cause of death by disease) in the United States. Based on death certificate data, diabetes contributed to 198,140 deaths in 1996. Diabetes is a chronic disease that has no cure. Diabetes may result in blindness, kidney disease, nerve disease and amputation, and heart disease and stroke. Diabetes is one of the most costly health problems in America. Health care and other costs directly related to diabetes treatment, as well as the costs of lost productivity, run \$98 billion annually.

More than 266,000 Mississippians suffer from Diabetes daily, many of whom do not have access to health care coverage. Through case management, Mississippi can save money through prevention and maintenance. Currently, the State of Mississippi spends \$3,527 annually per patient as compared to \$44,000 annually for dialysis. We must begin to address this health problem for Mississippians.

## Helping Mississippians with Heart Disease

Mississippi leads the nation in the prevalence for cardiovascular diseases. Under this proposal, Mississippi could build a case management program to assist with the care and maintenance of those suffering from high blood pressure and at high risk for cardiovascular diseases.

Diseases of the heart and cardiovascular system include arrhythmia, congenital and acquired heart disease, congestive heart failure, valvular heart disease, cardiomyopathy, coronary artery disease and high blood pressure.

According to the 2000 Mississippi Stroke Report, the percentage of adults in the state with diabetes is 7.9%. (Based on 1999 data) Approximately 236,000 adults in the state are now estimated to have diabetes; about one third of these (78,000) have not been diagnosed. More than 700,000 adult Mississippians are at risk of developing diabetes in the future, because they are overweight and/or physically inactive.

In 1999 the percentage of adults with hypertension was 35.5%. Approximately 990,000 adults in the state are now estimated to have hypertension; one third (330,000) of these have not been diagnosed. Of the 660,000 with diagnosed hypertension, nearly half are not receiving treatment.

## Discovering Breast Cancer before It's Too Late

Breast cancer is the most common cancer among women, other than skin cancer. It is the second leading cause of cancer death in women, after lung cancer. The American Cancer Society finds that about 203,500 women in the United States will be diagnosed with invasive breast cancer in 2002. And about 40,000 women will die from the disease. In a study by Medscape, breast cancer deaths are slashed by nearly 66%--double the amount previously thought—through screening mammography.

The earlier breast cancer is found, the better the chances for successful treatment. We recommend the following guidelines for finding breast cancer early in women without symptoms:

### **American Cancer Society Guidelines for the Early Detection of Breast Cancer**

- **Mammogram:** Yearly for women 40 and over.
- **Clinical breast exam (CBE):** Between the ages of 20 and 39, women should have a clinical breast exam every 3 years. After age 40, women should have a breast exam by a health professional every year. The CBE should be done close to, or preferably before, the mammogram.
- **Breast self-examination (BSE):** All women age 20 and over should do BSE every month.

Together, these methods offer the best chance of finding breast cancer early.

## Conclusion

Protecting Mississippians through better health care produces better citizens, employees, students, and parents. We must also commit ourselves to the basic health care needs of the citizens of Mississippi.

We're attacking the problems of senior citizens, providing a prescription drug benefit for Mississippians who have worked hard all their lives and now struggle to balance the costs of food with the costs of prescription drugs.

We're attacking the problem of cardiovascular disease by working with patients to manage their high blood pressure, to prevent unnecessary strokes, and even death.

We're attacking the problem of diabetes by working with patients to manage their disease in order to avoid dialysis, amputation and blindness.

We're attacking the problems faced by rural citizens in keeping access to health care open and available.

We must ensure our dedicated state employees have the quality health insurance they deserve.

And, we must protect one of Mississippi's best investments - the Health Care Trust Fund. Mississippi is one of only five states to remain committed to using the tobacco settlement for the health care needs of our people. Many states have used their tobacco settlement to fund deficits in their general budget. Our commitment is, always has been, and always will be, to a healthier Mississippi.

In recent weeks, we've met with thousands of people across the state, including rural doctors, nurses and social workers who are on the front lines of providing vital health care services in places like Bay St. Louis, Clarksdale, Petal and Ripley. Their input has helped shape my proposal so that we may take the next step in meeting the health care needs of the people of Mississippi.

I challenge you to take that next step with me.

## Mississippians Access to Healthcare: "Hit List" (in Millions)

Program Name	Description	Total Costs	State Funds	Federal Funds
Hope for Mississippi	Senior Prescription Drug Assistance Program for Mississippians 65 and older. Qualifying income of 200% of the Federal Poverty Level.	\$17.4	\$4.35	\$13.05
Diabetes Prevention & Maintenance	Diabetes Case Management and Medicaid Benefits to Uninsured Working Population	\$25.15	\$6.29	\$18.86
Heart Disease Prevention & Maintenance	Cardiovascular Disease Case Management and Medicaid benefit to Uninsured Working Population	\$18.12	\$4.53	\$13.59
Breast and Cervical Cancer Prevention	Provide for physician visit, pap test, lab interpretation, screening breast exam for women between age 40-50 or any age woman who is at high risk of physician discovers a mass upon exam, who have no health insurance and are not covered under other programs	\$4.40	\$1.10	\$3.30
State and Public School Employees Health Insurance Plan	Eliminate deductible for medical visits, reduce dependant costs, and institute a co-payment plan for medical visits.	\$17.36	\$16.24	\$1.12
<b>TOTALS:</b>		<b>\$82.43</b>	<b>\$32.51</b>	<b>\$49.92</b>