
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: FY 2001 STATE HEALTH PLAN
DATE 10/31/00
CC: FILE

The Department of Health has submitted its FY 2001 State Health Plan for your approval. The Plan has been approved by the Board of Health and has been filed with the Secretary of State, but it requires your approval before it becomes effective.

According to the Department of Health's Division of Health Planning and Resource Development, the FY 2001 State Health Plan includes the following changes:

- Update of all statistics to reflect most current data
- A reordering of purposes to place primary emphasis on cost containment and prevention of unnecessary duplication of health resources (e.g., available capacity of MRIs or cardiac catheters exceeds the need or demand for such MRIs or cardiac catheters, resulting in increased costs and lower utilization); and
- A change in criteria for Therapeutic Radiation Equipment/Services to allow new providers in areas of need. The Department identified a void in this service in the north central area of the state and amended the Plan to address this void, making it possible for a new provider in the Oxford area.

The plan addresses the state's demography and health care system, as well as the department's health policy. The plan also discusses the state's health care facilities and services. **Your signature is requested on the attached letter.**

I contacted Dr. Alan Gersh, Chairman of the State Board of Health, for his comments on the plan. He stated that the plan is fine and that the Board will be sending you a packet of their legislative recommendations. He asked me to share the following points with your for your information:

1. The Board is going to request the right to regulate managed care in order to set standards for such care. Gersh said that such regulation will be similar to the board's authority to regulate HMOs. Gersh said that the board wants to ensure that a managed care program reports that it services diabetes, that it do such in accordance with minimum standards promulgated by the Board of Health.

2. Gersh feels that there will be an ongoing push to “raid” the Tobacco Trust Fund that could be detrimental to the fund. He feels that the Trust Fund should stay intact. Gersh also stated that a lot of different commissions have been appointed related to the Trust Fund, but that the legislation provides for the Department of Health to be the unifying agency.
3. The State Board of Health supported increasing the number of schools nurses in this State Plan, but Gersh stated that you need to review the school nurse program to determine if the state is getting its money’s worth. Gersh said that most school nurses are simply dispensing medications and are not providing any real health intervention. He suggested that the school nurse program is soft money that could be cut during the budget shortfall.
4. Gersh said Mississippi needs to monitor the amount of funds it is allocating to out-of-state trauma hospitals that are serving Mississippians (e.g., Ochsner Hospital in New Orleans, Mobile hospitals). Gersh stated that we only have a limited pool of resources and we dilute these resources when we allocate funds to these out-of-state hospitals.
5. Gersh stated that the Board of Health will continue to place priority on CONs relative to prevention of unnecessary duplication of health resources. Gersh said that the Hospital Association has estimated that Mississippi could lose 20-40% of its hospitals in the next four years due to cuts in Medicare under the Balance Budget Amendment. Gersh said that Mississippi’s rural hospitals cannot survive under these cuts. The State Board of Health wants to validate the Hospital Association’s data before it projects any closings, but Gersh said that he thinks that approximately 30% of our hospitals could stand at risk. Gersh said that the Board of Health will most likely solicit your help in the following two initiatives to address this potential problem:
 - Lobbying our Congressional delegation as to federal corrective action;
or
 - Developing a 2002 legislative agenda (e.g., providing that insurance companies cannot pay hospitals less than the actual cost of an ER visit)

November 7, 2000

F. E. Thompson, Jr., M.D., M.P.H.
State Health Officer
Mississippi State Department of Health
P.O. Box 1700
Jackson, MS 39215-1700

Dear Dr. Thompson:

In accordance with the Mississippi Code of 1972, Section 41-70185 (g), I hereby approve the FY 2001 Mississippi State Health Plan to replace the current Plan, effective November 11, 2000. I appreciate the work and dedication of the Mississippi State Board of Health and department employees to improve health care for all Mississippians.

I look forward to our working together to improve the quality of life for all Mississippians.

Very truly yours,

RONNIE MUSGROVE

RM:klr