

Office of the Governor
Ronnie Musgrove, Governor



Mississippians' Access to Healthcare

A proposal for expanding healthcare coverage
for all Mississippians

"We cannot and should not limit the promise and potential of our state. We have to take bold and creative steps to make a difference."

--Governor Ronnie Musgrove

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.

Heeding 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 a 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:

- 2nd in Overweight Population (Alabama ranks 1st)
 - 2nd in Hospitalizations (West Virginia ranks 1st)
 - 2nd in Emergency Room Visits (West Virginia ranks 1st)
 - 5th in Uninsured Population (Texas ranks 1st)
-

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 a portion of the 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.

Financial Benefits and Impacts

By using \$100 million dollars for new healthcare programs and services, the State of Mississippi can match federal dollars on a 3 to 1 ratio; thereby, producing approximately \$400 million in additional medical services for our children, seniors, and disabled individuals.

In addition, Dr. Bob Neel, an economist with the University Research Center, predicts that more than \$220 million will be generated in the secondary markets of healthcare supplies and services annually. Furthermore, approximately 10,400 new jobs will be demanded and created in the healthcare industry as well as the secondary market. This investment and the new jobs created will create \$312 million in new personal income and provide more than \$18.4 million in new general fund tax revenues annually.

Table 1: Comparison of Investments in Health Care, FY 2003 (in millions)

	<u>Using \$100 Million Invested in Health Care</u>	<u>Current Law</u>
Health Care Funding	\$400.0	\$66.5
Secondary Output	\$220.0	\$36.6
Total Personal Income	\$312.0	\$51.9
General Fund Taxes	\$18.4	\$3.1

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 core advantages for seniors in HOPE for Mississippi are as follows:

1. Overall pharmacy benefit design--HOPE for Mississippi is built upon affordable contributions and deductibles.
2. Flexibility to maximize the services of a pharmacy benefit manager (PBM), as in the private sector.
3. 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.
4. Program oversight and accountability--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 recommended HOPE for Mississippi Plan has the following provisions built into the pharmacy benefit design for each individual: a) low annual deductible and contributions, b) responsible access to all prescription drugs through a balanced cost sharing and an incentive formulary; and c) an annual benefit limit to reduce program cost.

School Nurses Helping Children Learn

We all know that healthier children are more productive and learn more, faster. By combining all current funding sources from grants through the State Departments of Health, Education, and Mental Health and additional funds from the state's tobacco payments, we can employ 662 nurses for our public schools across Mississippi.

School nurses don't just dole out band-aids. School nurses administer medication and monitor medication effects, respiratory status, and blood glucose levels. School nurses also monitor students for parasites, skin infections, infectious diseases, emotional disturbances, and sexual and physical abuse. Nationally, more than 97 percent of school nurses care for students with diabetes; more than 95 percent care for students with seizures; and more than 93 percent care for students with chronic and severe asthma.

The single most significant economic decision that we can make in the health care debate is providing children and youth with access to quality coordinated school health programs with a strong emphasis on prevention. We must invest now in children's physical and emotional health to create tomorrow's healthy productive citizens or sit back and pay tenfold down the road. Morally, economically and medically, keeping children well and preventing illness makes sense. The school nurse is uniquely qualified in health and education to strengthen and facilitate the educational process by improving the health status of children. Providing access to skilled health care professionals will help our children learn more and prepare for living healthy lives.

Improving Health Benefits for Our State Employees and Teachers

Mississippians rely on state employees every day for safety and security. Whether it's 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:

- Eliminate the deductible for health care expenditures;
- 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 damage, amputation, 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, total \$98 billion annually.

More than 700,000 adult Mississippians are at risk of developing diabetes in the future, because they are overweight or physically inactive. More than 236,000 Mississippians suffer from diabetes daily, many of whom do not have access to health care coverage. Through targeted case management, Mississippi can save money through prevention and maintenance. Currently, the Division of Medicaid 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. Approximately 990,000 Mississippians have hypertension, which leads to heart disease and stroke. Under this proposal, Mississippi could provide case management services to assist with the care and maintenance of those suffering from high blood pressure and at high risk for cardiovascular diseases.

Helping Mississippians Through Improved Access to Health Care

Through the efforts of the State Departments of Human Services, Rehabilitation Services, Mental Health, Education, Health, the Division of Medicaid, and many dedicated health professionals and advocates, the State of Mississippi has developed a plan to provide home and community services for disabled Mississippians.

In the early summer of 2000, the Mississippi Access to Care committee began examining the available services for individuals with disabilities and their families, to determine what additional services are needed to assist independent living. It is clear that persons with

disabilities needed to have a strong voice in these discussions since they know the barriers that they face first hand.

The elements of the Mississippians Access to Care plan address the concerns set forth in the U.S. Supreme Court's *Olmstead* decision, whereby states must provide independent living assistance for individuals with disabilities.

Conclusion

By developing innovative and creative means of addressing health needs, we will make a difference. We have an opportunity to increase the funding for Medicaid by maximizing federal funds, and we cannot let this opportunity pass us by.

By investing \$100 million state funds in healthcare, Mississippians will be able to obtain more than \$400 million in medical services. Additionally, this investment will yield more than 10,400 new jobs, \$220 million in secondary markets annually, \$312 million in new personal incomes annually, and more than \$18.4 million general fund revenues annually.

We cannot and should not limit the promise and potential of our state. We have to take bold and creative steps to make a difference. By making the most of the resources already in place, we can do what needs to be done and do it now.

The bottom line is this: The people of Mississippi are facing serious issues regarding health care and insurance costs. Diabetes, heart disease, cancer--these illnesses affect so many people across the state and we must work to bring them under control. We can do it. It's just a matter of dedication and commitment.

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.	\$17.40	\$4.35	\$13.05
Diabetes Prevention & Maintenance	Diabetes Case Management and Medicaid Benefits to Uninsured Working Population	\$145.91	\$36.48	\$109.43
Heart Disease Prevention & Maintenance	Cardiovascular Disease Case Management and Medicaid benefit to Uninsured Working Population	\$355.20	\$88.80	\$266.40
School Nursing Expansion	Provide 662 nurses for Mississippi Public Schools	\$23.17	\$5.79	\$17.38
Mississippians Access to Care	Home and Community-Based Services for Disabled individuals <i>(an estimated \$29.34 million will not be eligible for federal match)</i>	\$52.71	\$35.18	\$17.53
Breast & Cervical Cancer Screenings	Provide for physician visit and pap test, lab interpretation, and clinical breast exam for women between age 40-50, or any high risk woman who have no health insurance and are not covered under other programs.	\$4.40	\$1.10	\$4.40
State and Public School Employees Health Insurance Plan	Eliminate deductible for medical visits, reduce dependant costs, institute a co-payment plan for medical visits.	\$31.00	\$31.00	-
TOTALS:		\$629.79	\$202.70	\$428.19

This “hit list” serves as recommendations of programs and services that could be implemented to improve the health of Mississippians. This list is not comprehensive as other advocates, agencies, and health care professionals are submitting additional proposals.