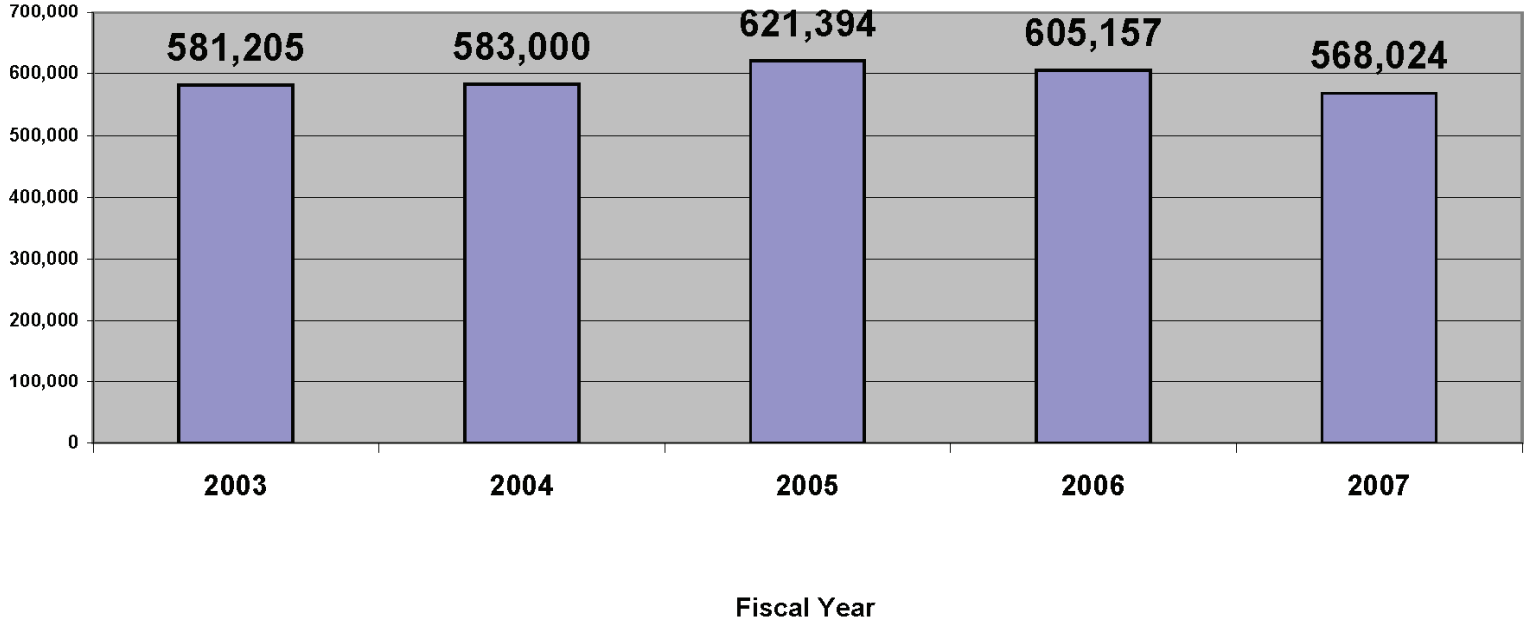


2007 Annual Report Summary



Medicaid Beneficiaries

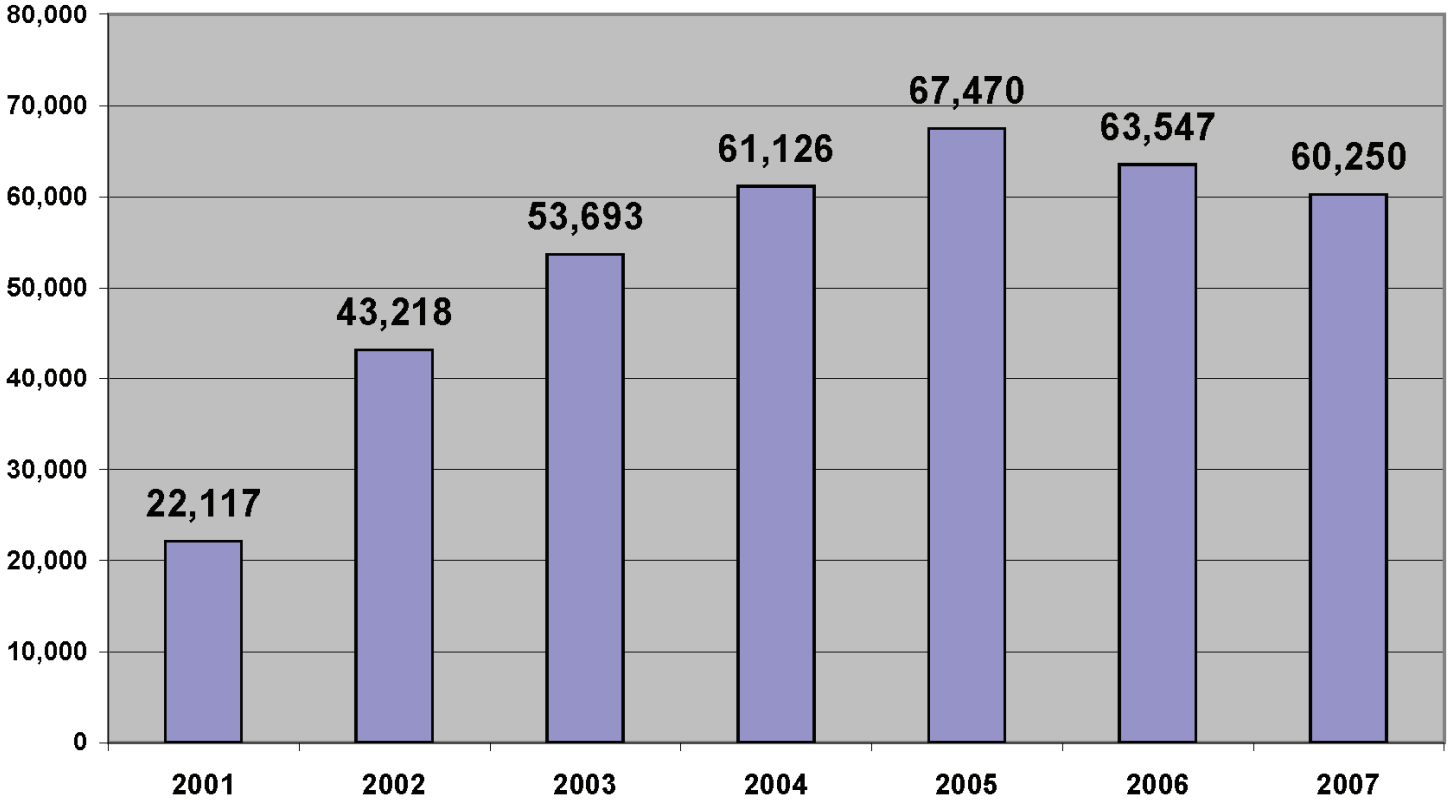


The decrease from 2005 through 2007 is primarily a result of Medicaid Program Changes related to the Division of Medicaid taking over eligibility re-determinations implemented in the 4th Quarter of FY2005.

Source: RB-410

■ Medicaid Beneficiaries (Monthly Averages)

CHIP Beneficiaries

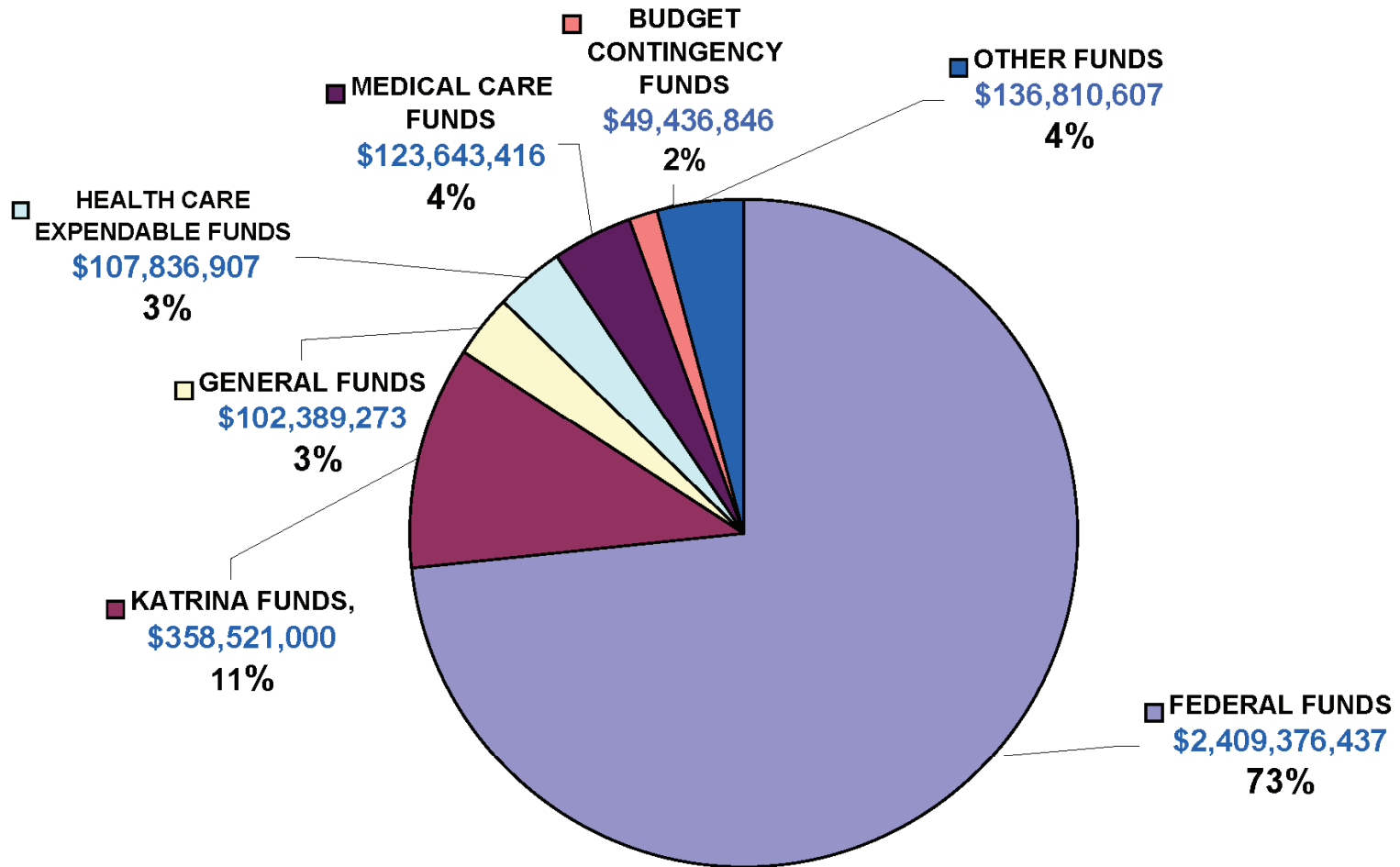


Source: Blue Cross Blue Shield of MS

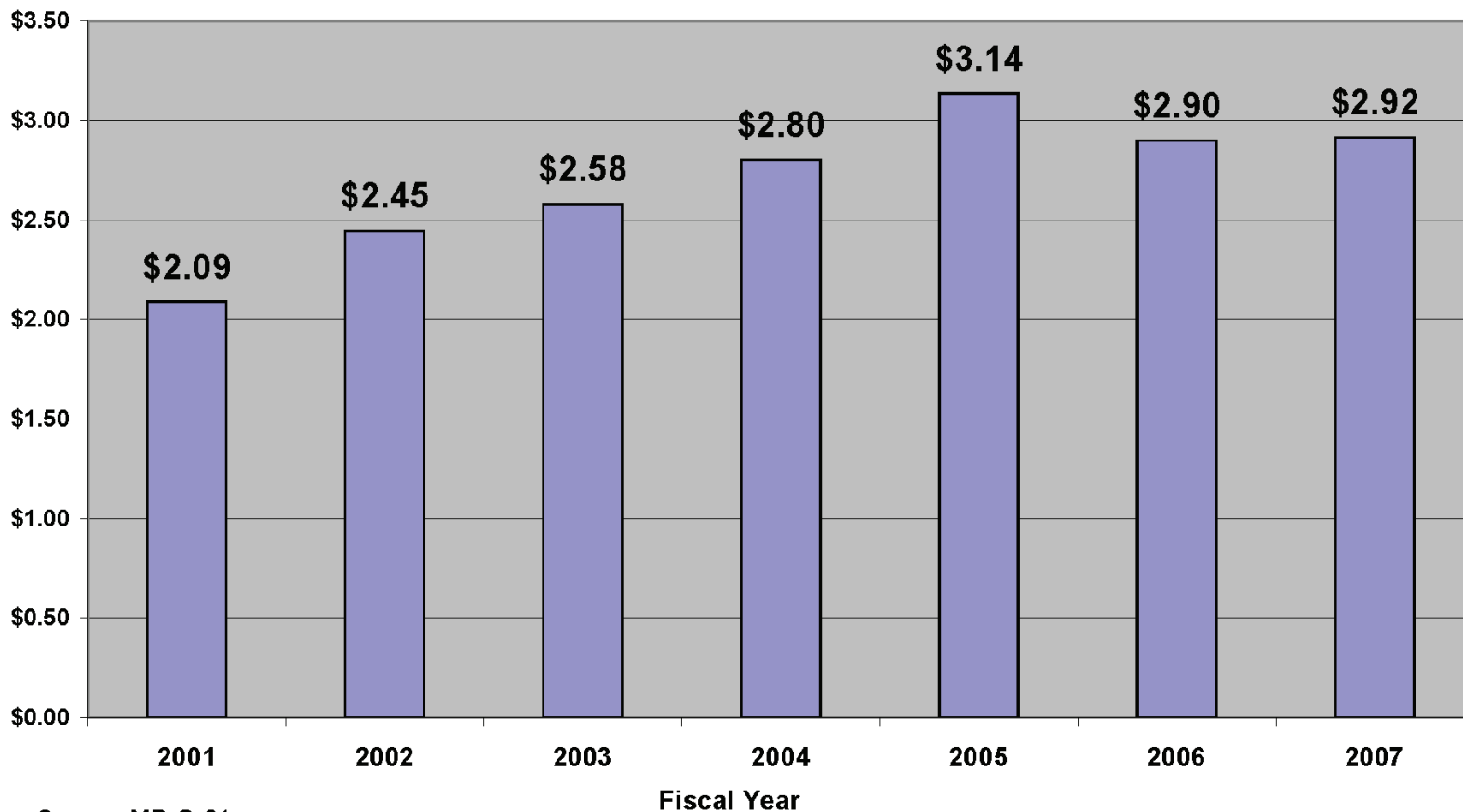
■ CHIP Beneficiaries - Monthly Averages per FY

The decrease from 2005 through 2007 is primarily a result of Medicaid Program Changes related to the Division of Medicaid taking over eligibility re-determinations implemented in the 4th Quarter of FY2005.

"Medicaid FY2007 Funding Sources"



Medical Service Claims Payments - "Total Program" (Billions)



Source: MR-O-01

■ Medical Claims Payments

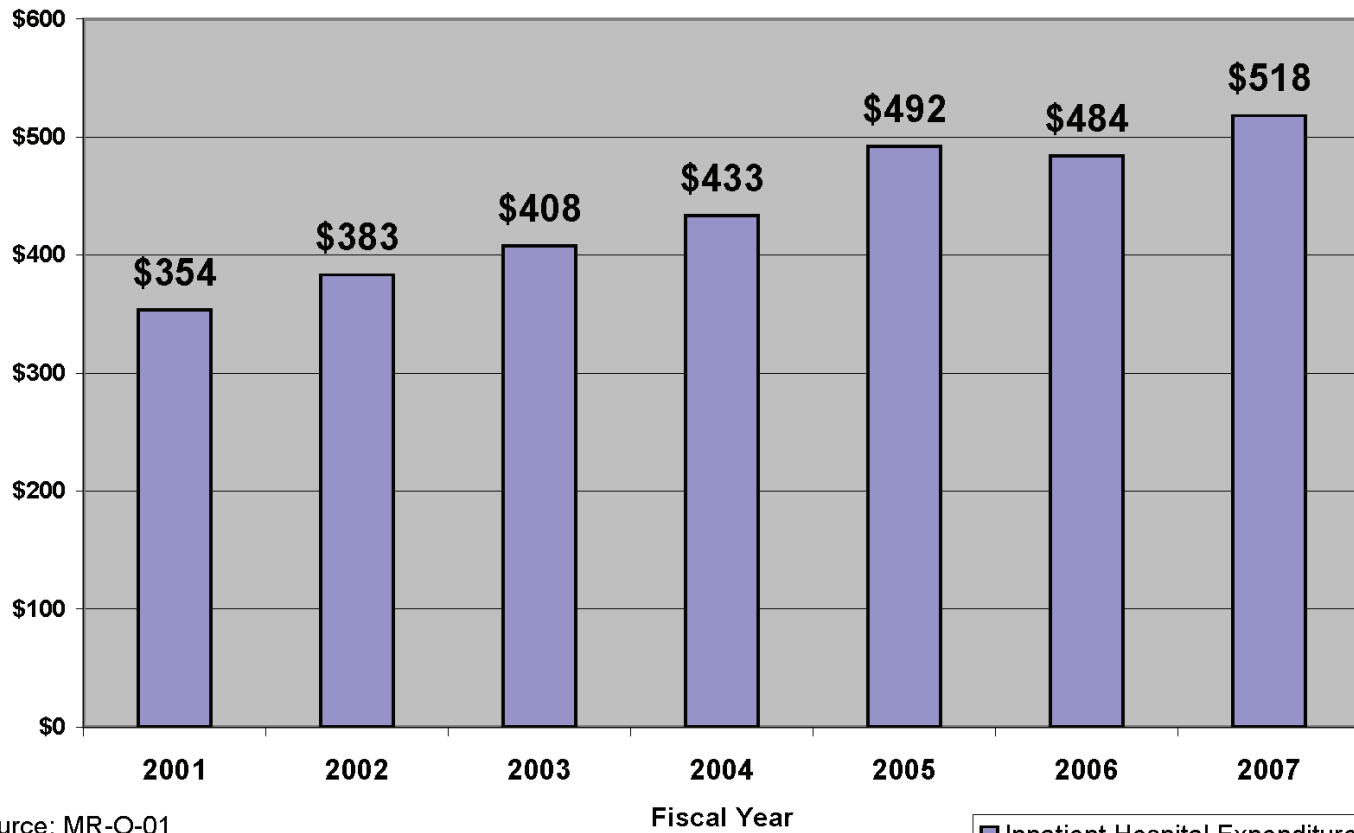
Division of Medicaid
Drug Services Savings Attributed to Medicare Modernization Act (Part D)
FY-06 & FY-07

Total FY-06 Drug Savings	\$275,005,792	
Less: Savings from 2005 Program Changes (1)	(\$120,931,779)	
FY-06 Drug Savings Net of Program Changes	\$154,074,013	
State Share of FY-06 Drug Savings Net of Program Changes		\$36,977,763
Less: Clawback Payments (2)		(\$17,772,819)
Total FY-06 State Drug Savings Attributed to MMA (Part D)		\$19,204,944
Estimated FY-07 Annual State Drug Savings Attributed to MMA (Part D)		\$38,409,888

(1): Medicaid Pharmacy Program Changes limited monthly prescriptions to 2 brand and 3 generics.

(2): Represents Clawback payments for 6 months only (1/1/06 - 6/30/06).

Inpatient Hospital Expenditures (Millions)

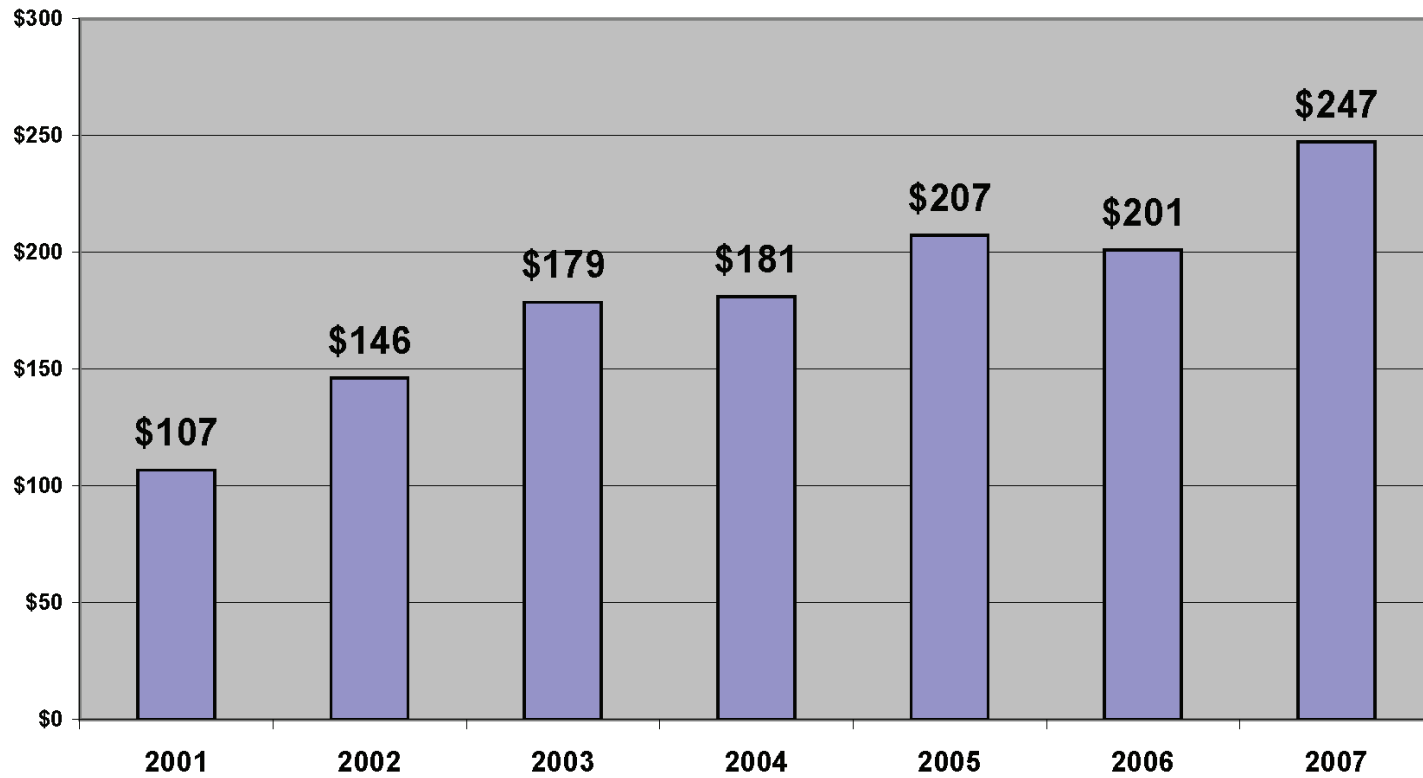


Source: MR-O-01

Fiscal Year

■ Inpatient Hospital Expenditures

Outpatient Hospital Expenditures (Millions)

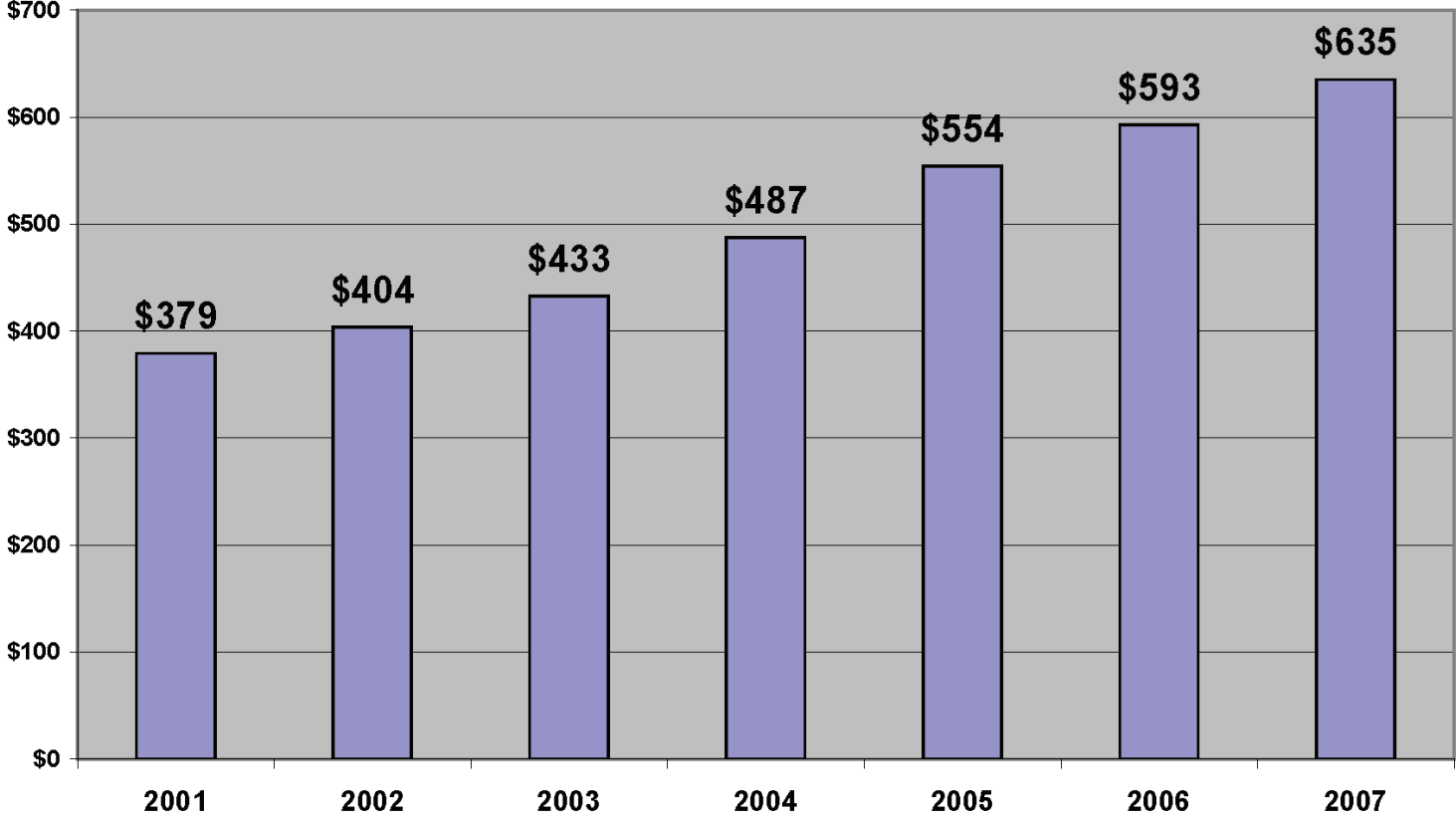


Source: MR-O-01

Fiscal Year

■ Outpatient Hospital Expenditures

Nursing Facility Expenditures (Millions)

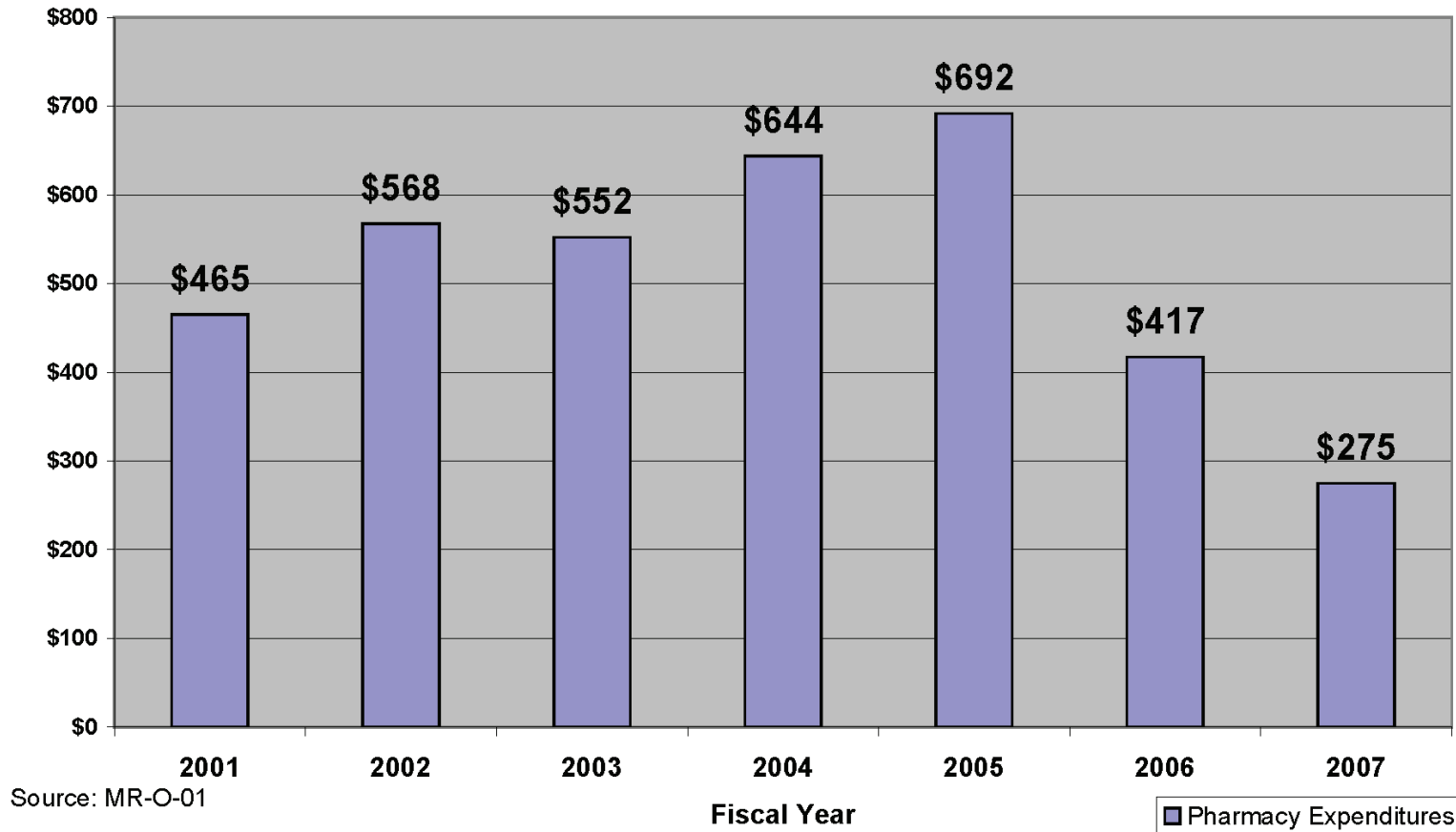


Source: MR-O-01

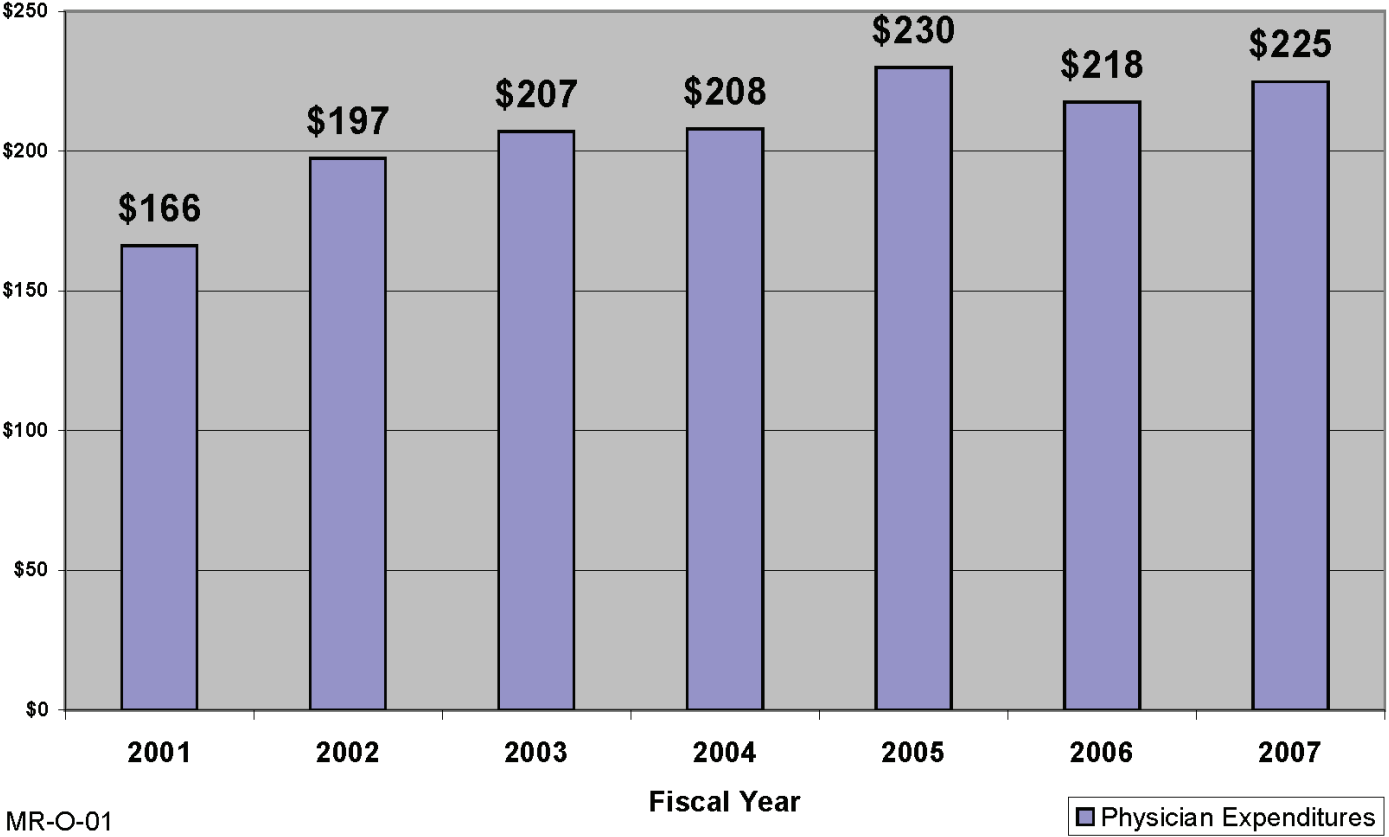
Fiscal Year

■ Nursing Facility Expenditures

Pharmacy Expenditures (Millions)



Physician Expenditures (Millions)



Source: MR-O-01

DIVISION OF MEDICAID
Medical Services Cost Comparison
FY 2005 Through FY 2007

Service	FY 2005	FY 2006	FY 2007	Incr (Decr) FY 05 to FY 06	Incr (Decr) FY 06 to FY 07
Prescription Drugs	\$691,601,035	\$417,293,904	\$274,757,341	-39.66%	-34.16%
Nursing Facility	\$554,012,315	\$592,989,390	\$635,193,695	7.04%	7.12%
Inpatient Hospital	\$491,990,804	\$484,099,778	\$518,135,797	-1.60%	7.03%
Physician	\$229,843,787	\$217,558,603	\$224,873,766	-5.35%	3.36%
Outpatient Hospital	\$207,323,315	\$201,015,510	\$247,298,203	-3.04%	23.02%
ICF MR Facility	\$203,064,916	\$234,157,902	\$259,465,512	15.31%	10.81%
Mental Health Clinics	\$113,643,931	\$124,216,720	\$129,161,706	9.30%	3.98%
Home and Comm. Based Services	\$100,699,457	\$101,568,297	\$118,468,377	0.86%	16.64%
Hospice	\$23,378,437	\$34,041,518	\$34,076,328	45.61%	0.10%
Inpatient Residential Psych.	\$24,565,595	\$31,346,839	\$34,183,343	27.60%	9.05%
ALL OTHER	\$495,943,519	\$460,687,880	\$439,608,310	-7.11%	-4.58%
TOTAL	\$3,136,067,111	\$2,898,976,341	\$2,915,222,378	-7.56%	0.56%

Source: MR-O-01