

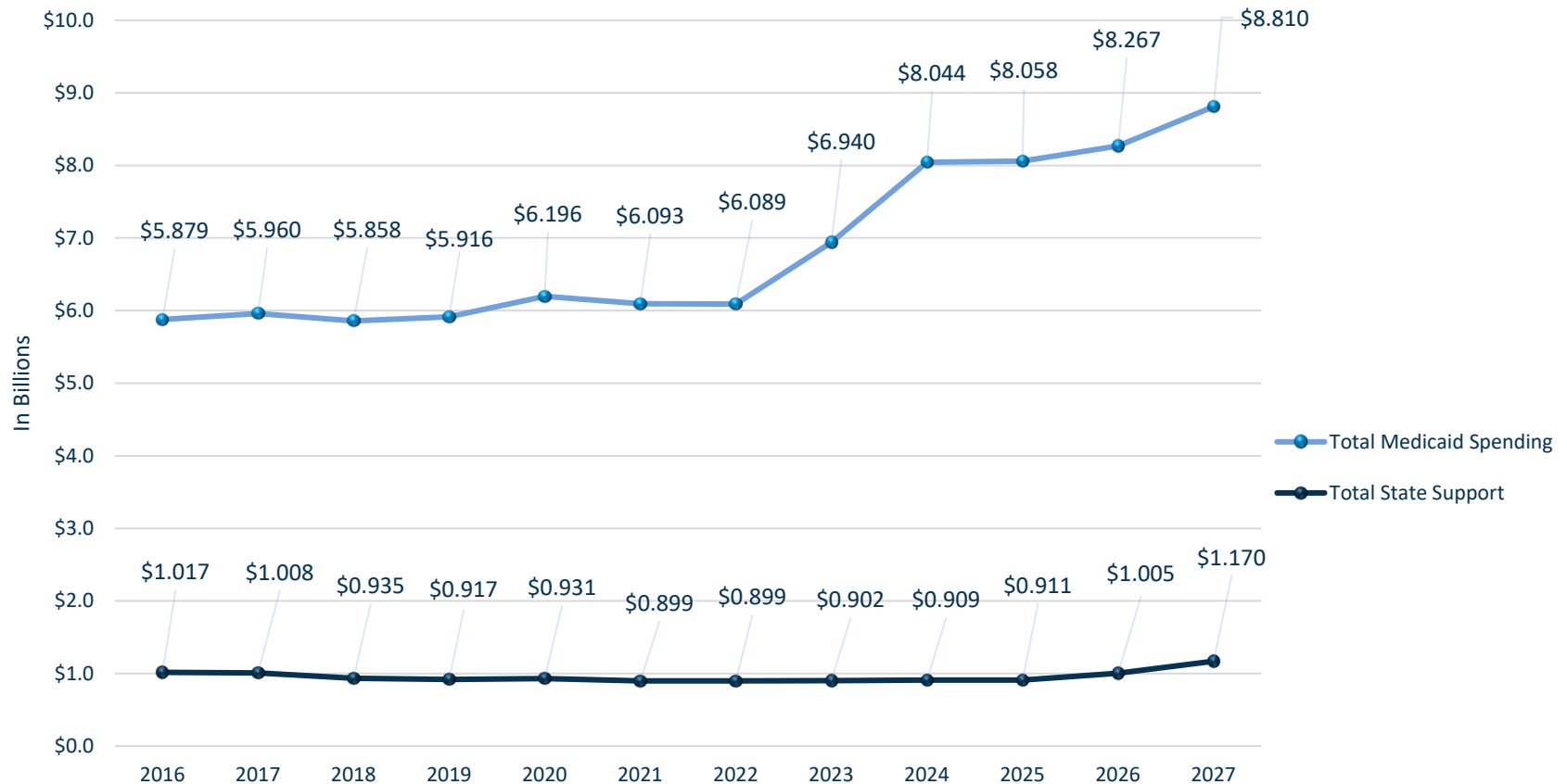
October 2, 2026

Medicaid Budget Briefing

Prepared for the Joint Legislative Budget Committee

State Support Appropriations

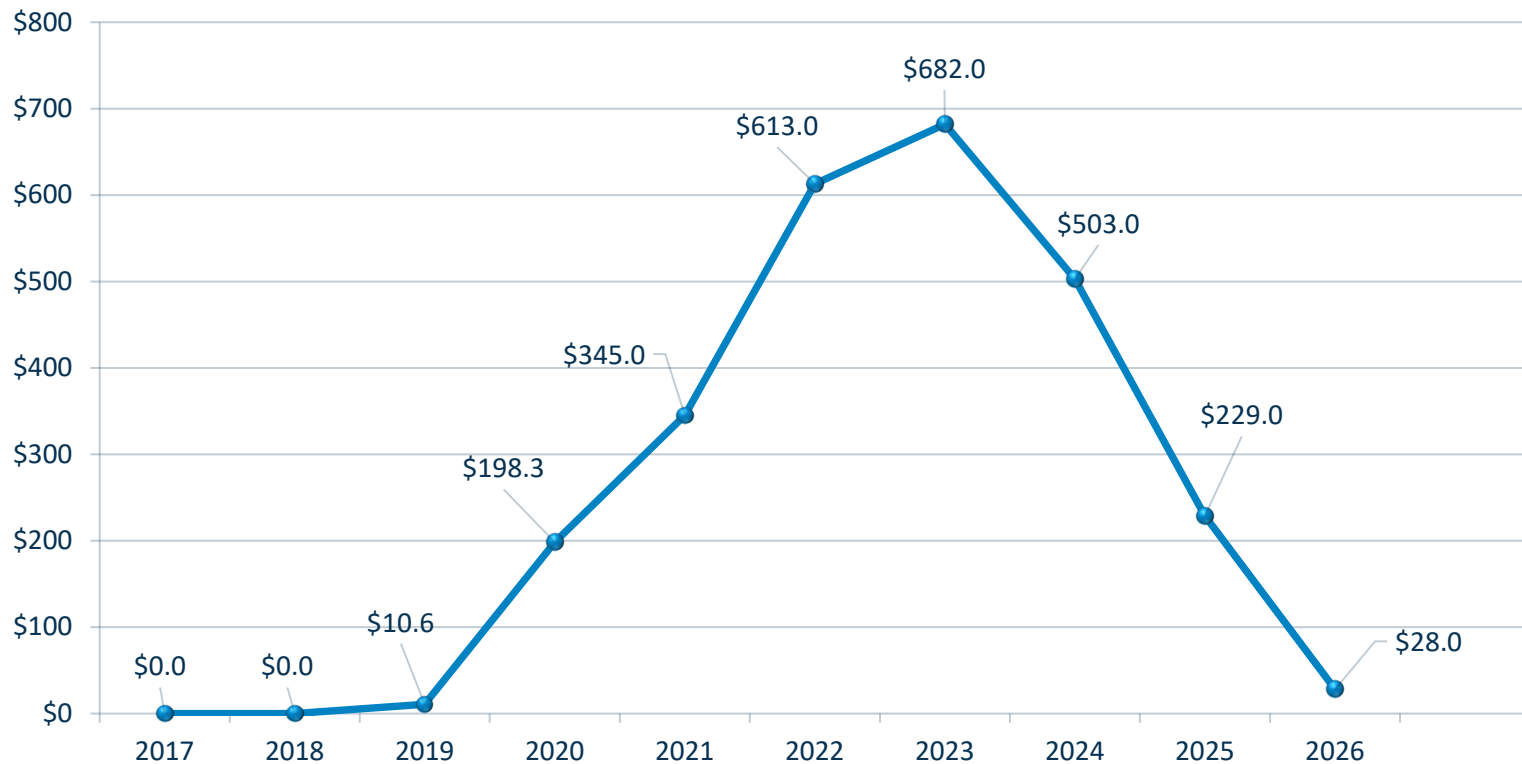
State support appropriations have been relatively flat for the last ten years.
FY28 state support request is \$1.349 billion.



Spenddown of Cash Balance

Use of cash balance in FY 2024-2026 delayed budget hikes.

DOM cash balance, June 30 of fiscal year end (in millions)



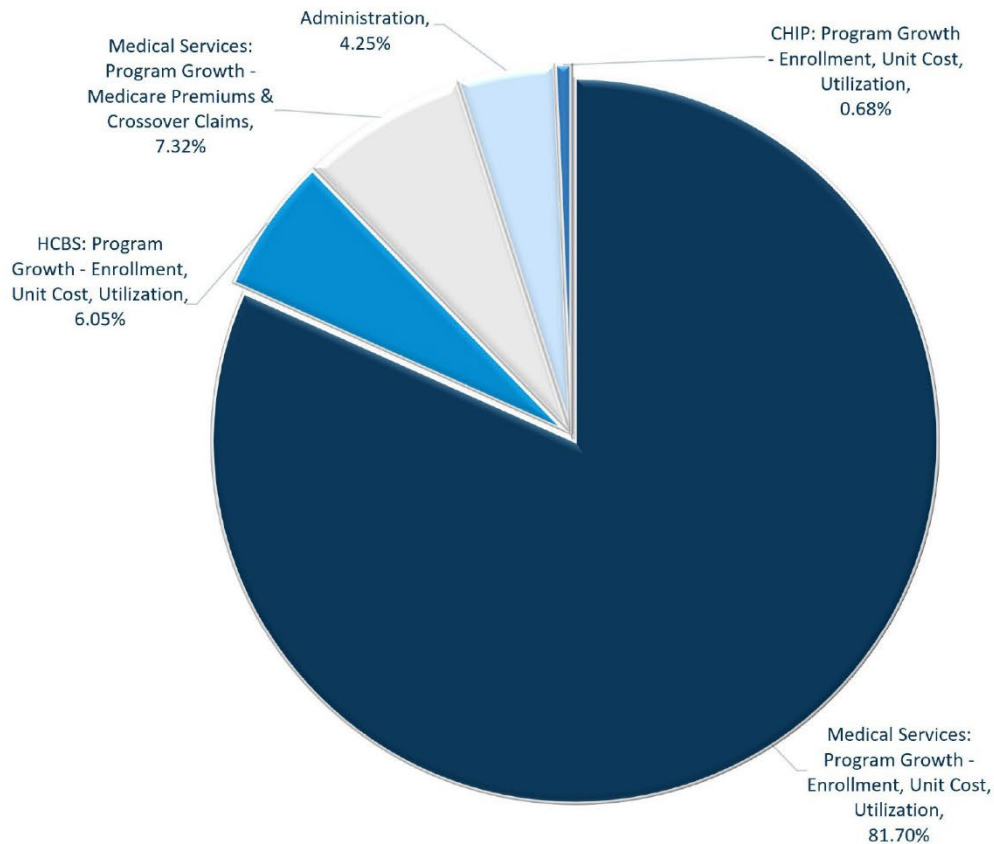
6.82% expected increase in Medicaid spending in FY 2028

SPENDING COMPARISON						
	Total Spend	Federal Total	State Total	Total +/-	Fed +/-	State +/-
FY2020	6,196,066,414	4,941,193,837	1,254,872,578			
FY2021	6,093,674,798	5,060,091,511	1,033,583,286	-1.7%	2.4%	-17.6%
FY2022	6,089,411,233	5,113,645,526	975,765,707	-0.1%	1.1%	-5.6%
FY2023	6,940,601,425	5,747,093,957	1,193,507,468	14.0%	12.4%	22.3%
FY2024	8,044,063,091	6,252,428,983	1,791,634,109	15.9%	8.8%	50.1%
FY2025	8,058,312,400	6,151,949,229	1,906,363,171	0.2%	-1.6%	6.4%
FY2026	8,266,971,249	6,303,320,799	1,963,650,450	2.6%	2.5%	3.0%
FY2027*	8,810,006,482	6,832,216,288	1,977,790,194	6.6%	8.4%	0.7%
FY2028*	9,411,137,055	7,269,762,049	2,141,375,004	6.8%	6.4%	8.3%
*Projection						

- **FY2023** - Increase of MHAP of \$70M, Ambulance of \$25M, Hospital Emergency Payment of \$137M, Nursing Facility of \$163M, Physician of \$50M, Drug Costs of \$40M increase.
- **FY2024** - MHAP increased by \$1B.

Cost Factors

Key Impacts on FY 2028 Request



FY 2027 Appropriation:

> General Funds	\$1,026,866,812
> Capital Expense Funds	\$100,000,000
> Health Care Expendable Funds	\$43,230,003

FY 2026 Direct State Appropriated Funds	\$1,170,096,815
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FY 2026 Impacts on State Funds Request:

> All Programs: FMAP	(\$4,145,185)
> Medical Services: Program Growth - Medicare Premiums & Crossover Claims	\$13,386,520
> Medical Services: Program Growth - Enrollment, Unit Cost, Utilization	\$149,375,852
> Admin: Infrastructure, Systems	\$4,039,791
> Admin: Salaries	\$3,723,885
> CHIP: Program Growth - Enrollment, Unit Cost, Utilization	\$1,249,528
> HCBS: Program Growth - Enrollment, Unit Cost, Utilization	\$11,058,523

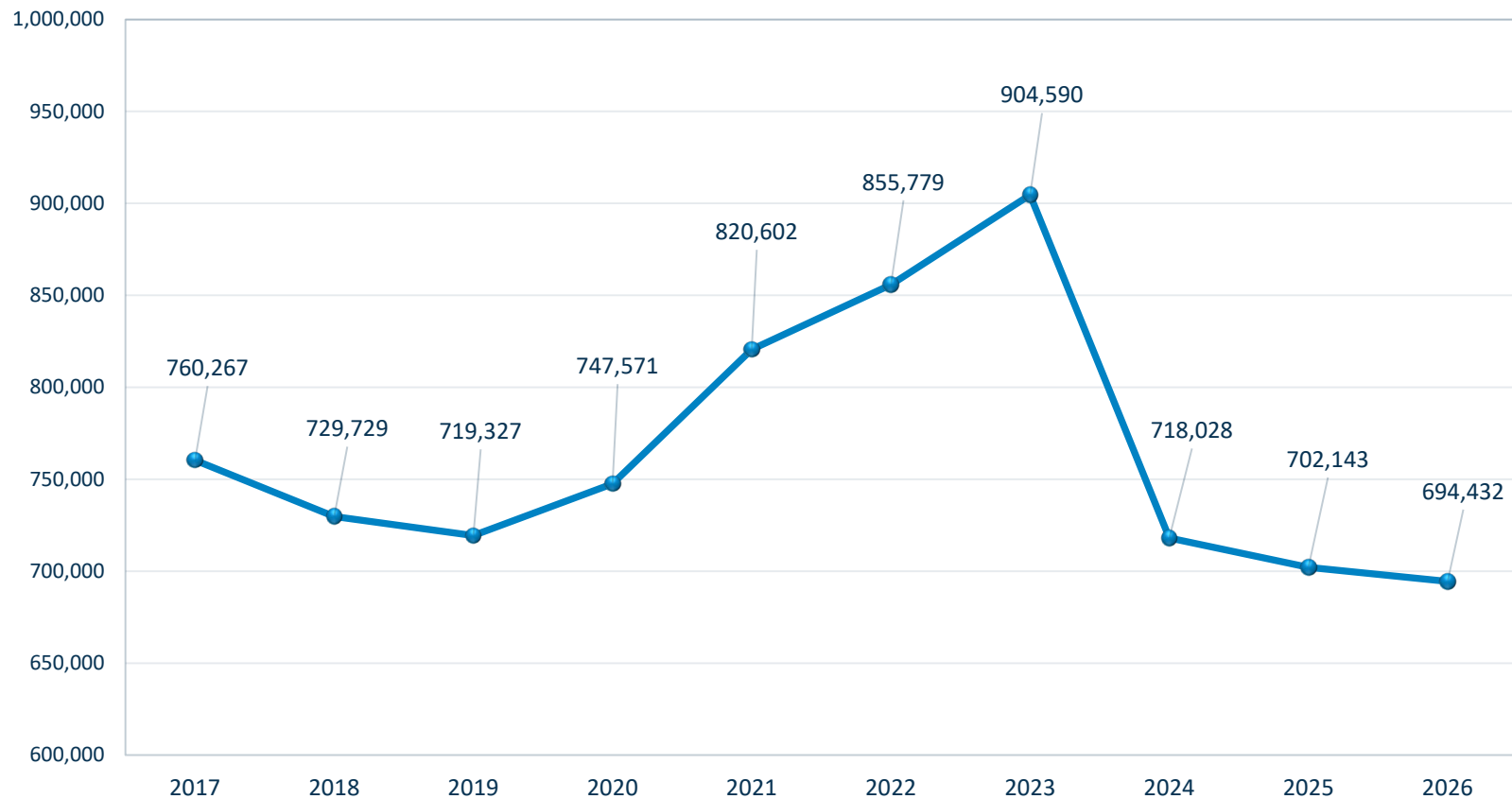
Additional Direct State Funds Requested	\$178,687,644
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FY 2028 Direct State Funds Request	\$1,348,784,459
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Medicaid and CHIP enrollment

Enrollment peaked at 904K in June 2023. Post-pandemic annual redeterminations began in April of 2023.

Medicaid and CHIP enrollment, June 2016-June 2026



Mitigating Cost Increases and Program Integrity Concerns

- DOM has expanded Long Term Care facility audits from 10% of facilities to 50% through two audit contracts.
- A fraud, waste and abuse analytics system has been procured and will be fully implemented by the end of FY2027.
- A 5-year contract for an annual comprehensive audit of DOM's Pharmacy Benefit Administrator has been executed.
- A 5-year contract for an annual audit of claims paid by DOM's fiscal agent will be procured in the next several months.
- DOM performs annual audits on MCO reported administrative costs to ensure proper capitation rate setting.
- DOM reduced the margin percentage in MCO capitation payments from 1.8% to 1.5% for FY2027.
- DOM has undertaken a comprehensive review of prior authorizations, claims edits, and claims audits to ensure that state plan and administrative code requirements are included in claims adjudication.
- DOM executed a joint contract with MDE and a contractor to review School Based Services federal funding.
- DOM will participate in CMS GENEROUS model for pharmacy savings.

Information Technology Updates

- CMS Patient Access Rule (9115) — Live. Successfully implemented CMS interoperability requirements giving beneficiaries electronic access to their health data.
- CMS Electronic Prior Authorization Rule (0057) — On track for late 2026. Implementation underway to streamline and automate the prior authorization process.
- Strengthened Cybersecurity. Deployed new system to deliver more robust threat detection and security monitoring.
- AI Innovation. Launched multiple artificial intelligence proof-of-concept initiatives to evaluate future efficiencies.
- Completed Migration to Cloud. Successfully moved all DOM on-premises servers to the cloud, improving scalability and resilience.
- Modernized the Eligibility System. Migrated the eligibility system to all-new hardware.
- Upgraded Clinical Data Exchange. Transitioned clinical data exchange to a new vendor.
- New DOM Website Underway. Began development of a completely new external website in August 2026.

Success Stories

- Established an electronic case transfer model with MDRS reducing the DDS turnaround time by an average of 10 days.
- Implemented first phase of redetermination automation which reduced caseloads by 10%.
- Continued to reduce the average processing time of MAGI application to 9 days.
- Improved ex parte (administrative review) rate to 52%.
- Centralized all mail and faxes to CO to standardize operation and prepare for OCR technology.
- Created an electronic open enrollment experience which significantly reduced errors and calls.
- Reduced calls into the Call Center by 83%.
- Increased collaboration with MSDH, MDE and MDMH to address our states needs and agency top priorities.

Working Families Tax Cut legislation

➤ **Impact to State Directed Payments**

DOM has three state directed payment programs that were recently raised to near the average commercial rate (ACR), which are higher than traditional Medicaid or Medicare reimbursements. The WFTC changes that, limiting non-expansion states to 110% of Medicare over no more than a ten-year period. For Mississippi this will not begin until FY 2029. Current state directed payments are capped at the FY2025 amount of approximately \$1.5 billion until the reduction begins.

➤ **Eligibility**

Because MS is not an expansion state, there is no community engagement/work requirement.

Approximately 200 beneficiaries will lose coverage due to immigration status. Future enhancements to eligibility systems will be required to prevent fraud.

New at Medicaid

➤ **Nursing Home Staffing Campaign**

Developing a Nursing Home Staffing campaign in conjunction with CMS by leveraging federal Civil Money Penalty grant funding.

➤ **Cell and Gene Therapy Model (CGT) for Sickle Cell Disease**

Participating in the CGT Access model and awarded grant to support utilization of and outcomes for the treatments. The CGT Model is a CMS-led approach to negotiating and administering outcomes-based agreements (OBAs) for cell and gene therapies.

➤ **Request for Coverage (RFC)**

Providers and manufacturers can now ask the Mississippi Division of Medicaid to consider coverage of a new service, technology, or other benefit by completing the new online Request for Coverage form to propose a new or existing benefit for review and consideration. Established a Medical and Dental Review Committee of Providers to consider requests.

Transforming Maternal Health (TMaH)

Timeline: January 2025 - December 2034

- The first and current phase (2025–2027) is the “pre-implementation period,” where CMS supports the Division of Medicaid in meeting structured preliminary milestones through technical assistance.
- In the implementation phase (2027–2034), DOM leads model execution with stakeholders and partners.
- Mississippi is eligible for up to \$17 million in funding over the life of the model.
- New contract with UMMC to provide remote patient monitoring for high-risk pregnancies involving diabetes and/or hypertension.