



Greenwood Leflore Hospital

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DATE: December 18, 2025

TO: GLH Employees, Medical Staff and Hospital Board of Commissioners

FROM: Gary G. Marchand, Interim CEO

RE: GLH Update

A hearing was held in Hinds County Chancery Court (the Court) today regarding a dispute between the hospital and the Medicaid Program (Medicaid). The dispute involved Mississippi Hospital Access Program (MHAP) payments scheduled to be received by the hospital in its current fiscal year and whether these payments would be reduced by MHAP overpayments from prior fiscal years.

We are providing you with this update as the hearing was open to the public and we expect several media outlets to cover the hearing in news releases.

Background:

During June, the Medicaid Program (Medicaid) notified the hospital that it was overpaid \$5.5 million in MHAP payments during 2024 and the overpayments were to be recouped in the upcoming year. The hospital was scheduled to receive \$12.1 million in current year MHAP payments that are needed to sustain the services we offer to Medicaid beneficiaries. Based on our request, Medicaid agreed to pause any repayment efforts until the hospital evaluated its finances and was able to propose an alternative repayment schedule. Medicaid agreed to pause any repayment efforts for 60 days.

The hospital submitted two repayment plans that met the hospital's financial needs as follows:

1. A recent Medicare designation (Rural Community Hospital Demonstration) would increase the hospital's Medicare inpatient payments by an estimated \$1.3 million annually, effective May 1st.
2. This designation also allowed the hospital to begin a new swing bed service line with estimated payments of \$4.5 million to \$6.5 million annually. However, due to Medicare regulations a significant portion of these new payments ranging from \$3.3 million to \$4.6 million would not be received until late 2026.
3. The two repayment plans proposed by the hospital provided sufficient time for the hospital to benefit from its new swing bed service line and full repayment to Medicaid in 2027 and 2028. The hospital also asked that the overpayment be reduced for the financial impact of a lower tax obligation that would have lowered the overpayment amount by up to \$3.0 million.

During September, Medicaid rejected the hospital's proposals and set a repayment schedule at \$900,000 per quarter until the overpayment was fully repaid. The hospital requested an Administrative Hearing with Medicaid as allowed by state regulations and the request was denied. Medicaid and the hospital continued discussions largely centered around the hospital's financial condition and, on December 1st, Medicaid notified the hospital that no repayment would be due in December. We also understood further payments would be evaluated. On December 12th, Medicaid informed the hospital that the December repayment would be re-implemented and increased to \$2.5 million.

The Hearing:

The hospital filed for relief from the repayment amount with the Court and its arguments were heard today. The hospital and Medicaid agreed to a court order that provides security to Medicaid for the repayment of the prior year overpayment amount, and that repayments by the hospital will be limited until the Court makes a final ruling in the matter or the hospital and Medicaid agree on an acceptable repayment plan.

We appreciate the Court's and Medicaid's willingness to resolve the repayment dispute. The limit on repayments in the hospital's current fiscal year is significant to the hospital's ability to continue to provide services to Medicaid beneficiaries and attain long-term viability.

The hospital's service area includes Leflore, Carroll, Montgomery, Holmes and Sunflower counties with services for emergency care, orthopedic, general and vascular surgery, inpatient, stroke, gastroenterology, cancer care and outpatient diagnostic.