

By: Representative Janus

To: Insurance;
Appropriations

HOUSE BILL NO. 189

1 AN ACT TO AMEND SECTIONS 25-15-15 AND 25-15-261, MISSISSIPPI
2 CODE OF 1972, TO PROVIDE THAT THE STATE SHALL PAY THE COST OF
3 HEALTH INSURANCE FOR RETIRED TEACHERS AND RETIRED STATE EMPLOYEES;
4 AND FOR RELATED PURPOSES.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

6 SECTION 1. Section 25-15-15, Mississippi Code of 1972, is
7 amended as follows:

8 **[Until January 1, 2000, this section shall read as follows:]**

9 25-15-15. The Department of Finance and Administration is
10 directed to study the feasibility of lowering the deductible
11 amounts for claims upon the above health insurance plan for each
12 active full-time employee and participating dependent, and shall
13 make a report to the Legislature and the Governor on or before
14 December 1, 1993. The state shall provide fifty percent (50%) of
15 the cost of the above life insurance plan and one hundred percent
16 (100%) of the cost of the above health insurance plan for all
17 active full-time employees, and the employees shall be given the
18 opportunity to purchase coverage for their eligible dependents
19 with the premiums for such dependent coverage as well as the
20 employee's fifty percent (50%) share for his life insurance
21 coverage to be deductible from the employee's salary by the
22 agency, department or institution head, which deductions, together
23 with the fifty percent (50%) share of such life insurance premiums
24 of such employing agency, department or institution head from
25 funds appropriated to or authorized to be expended by such
26 employing agency, department or institution head, shall be
27 deposited directly into a depository bank or special fund in the
28 State Treasury, as determined by the department. These funds and

29 interest earned on these funds may be used for the disbursement of
30 claims and shall be exempt from the appropriation process. The
31 Department of Finance and Administration may establish and enforce
32 late charges and interest penalties or other penalties for the
33 purpose of requiring the prompt payment of all premiums for life
34 and health insurance permitted under Chapter 15 of Title 25. All
35 funds in excess of the amount needed for disbursement of claims
36 shall be deposited in a special fund in the State Treasury to be
37 known as the State Employees Insurance Fund. The State Treasurer
38 shall invest all funds in the State Employees Insurance Fund and
39 all interest earned shall be credited to the State Employees
40 Insurance Fund. Such funds shall be placed with one or more
41 depositories of the state and invested on the first day such funds
42 are available for investment in certificates of deposit,
43 repurchase agreements or in United States Treasury bills or as
44 otherwise authorized by law for the investment of Public
45 Employees' Retirement System funds, as long as such investment is
46 made from competitive offering and at the highest and best market
47 rate obtainable consistent with any available investment
48 alternatives; however, such investments shall not be made in
49 shares of stock, common or preferred, or in any other investments
50 which would mature more than one (1) year from the date of
51 investment. The department shall have the authority to draw from
52 this fund periodically such funds as are necessary to operate the
53 self-insurance plan or to pay to the insurance carrier the cost of
54 operation of this plan, it being the purpose to limit the amount
55 of participation by the state to fifty percent (50%) of the cost
56 of the life insurance program and not to limit the contracting for
57 additional benefits where the cost will be paid in full by the
58 employee. The state shall not share in the cost of coverage for
59 retired employees.

60 The department shall also provide for the creation of an
61 Insurance Reserve Fund and funds therein shall be invested by the
62 State Treasurer with all interest earned credited to the State
63 Employees Insurance Fund.

64 Any retired employee electing to purchase retired life and
65 health insurance will have the full cost of such insurance
66 deducted monthly from his State of Mississippi retirement plan

67 check or direct billed for the cost of the premium.

68 **[After January 1, 2000, this section shall read as follows:]**

69 25-15-15. * * * The state shall provide fifty percent (50%)
70 of the cost of the above life insurance plan and one hundred
71 percent (100%) of the cost of the above health insurance plan for
72 all active full-time employees, and the employees shall be given
73 the opportunity to purchase coverage for their eligible dependents
74 with the premiums for such dependent coverage as well as the
75 employee's fifty percent (50%) share for his life insurance
76 coverage to be deductible from the employee's salary by the
77 agency, department or institution head, which deductions, together
78 with the fifty percent (50%) share of such life insurance premiums
79 of such employing agency, department or institution head from
80 funds appropriated to or authorized to be expended by such
81 employing agency, department or institution head, shall be
82 deposited directly into a depository bank or special fund in the
83 State Treasury, as determined by the department. These funds and
84 interest earned on these funds may be used for the disbursement of
85 claims and shall be exempt from the appropriation process. The
86 Department of Finance and Administration may establish and enforce
87 late charges and interest penalties or other penalties for the
88 purpose of requiring the prompt payment of all premiums for life
89 and health insurance permitted under Chapter 15 of Title 25. All
90 funds in excess of the amount needed for disbursement of claims
91 shall be deposited in a special fund in the State Treasury to be
92 known as the State Employees Insurance Fund. The State Treasurer
93 shall invest all funds in the State Employees Insurance Fund and
94 all interest earned shall be credited to the State Employees
95 Insurance Fund. Such funds shall be placed with one or more
96 depositories of the state and invested on the first day such funds
97 are available for investment in certificates of deposit,
98 repurchase agreements or in United States Treasury bills or as
99 otherwise authorized by law for the investment of Public
100 Employees' Retirement System funds, as long as such investment is

101 made from competitive offering and at the highest and best market
102 rate obtainable consistent with any available investment
103 alternatives; however, such investments shall not be made in
104 shares of stock, common or preferred, or in any other investments
105 which would mature more than one (1) year from the date of
106 investment. The department shall have the authority to draw from
107 this fund periodically such funds as are necessary to operate the
108 self-insurance plan or to pay to the insurance carrier the cost of
109 operation of this plan, it being the purpose to limit the amount
110 of participation by the state to fifty percent (50%) of the cost
111 of the life insurance program and not to limit the contracting for
112 additional benefits where the cost will be paid in full by the
113 employee. * * *

114 The department shall also provide for the creation of an
115 Insurance Reserve Fund and funds therein shall be invested by the
116 State Treasurer with all interest earned credited to the State
117 Employees Insurance Fund.

118 The state shall provide one hundred percent (100%) of the
119 cost of the health insurance for all retired employees. Any
120 retired employee electing to purchase retired life * * * insurance
121 or dependent coverage will have the full cost of such insurance
122 deducted monthly from his State of Mississippi retirement plan
123 check or direct billed for the cost of the premium.

124 SECTION 2. Section 25-15-261, Mississippi Code of 1972, is
125 amended as follows:

126 **[Until January 1, 2000, this section shall read as follows:]**

127 25-15-261. (1) Each eligible employee may participate in
128 the program by signing up for the plan at the time of employment.
129 Each eligible employee who declines coverage under the plan must
130 sign a waiver of coverage. After acceptance in the plan, the
131 employee may cease his or her participation by filing a specific
132 disclaimer with the department. Forms for this purpose shall be
133 prescribed and issued by the department. All eligible employees
134 will be eligible to participate in this self-insured plan on the

135 effective date of the plan or on the date on which they are
136 employed by the school district, if later, provided they make any
137 necessary contributions as set out hereunder. Prior to the
138 initial enrollment cutoff date for the plan, all participating
139 employees who are currently covered under the Public School
140 Employees Health Insurance Plan or under a group health plan
141 sponsored by any participating school district or community/junior
142 college district shall be eligible for full benefits under this
143 plan on the first day of his or her participation regardless of
144 any preexisting health condition or injury. All other
145 participating employees shall have coverage of preexisting illness
146 within one (1) year after enrollment in the plan. Spouses of
147 employees, unmarried dependent children from birth to age nineteen
148 (19) years, unmarried dependent children who are full-time
149 students up to age twenty-three (23) years, and physically or
150 mentally handicapped children, regardless of age, are eligible
151 under this plan as of the date the employee becomes eligible.

152 If both spouses are eligible employees who participate in the
153 plan, the benefits shall apply individually to each spouse by
154 virtue of his or her participation in the plan. If those spouses
155 also have one or more eligible dependents participating in the
156 plan, the cost of their dependents shall be calculated at
157 a special family plan rate. The cost for participation by the
158 dependents shall be paid by the spouse who elects to carry such
159 dependents under his or her coverage. The special family plan
160 rate shall apply also if the public school, community/junior
161 college district or public library employee's spouse is a covered
162 eligible employee under the State Employees Health Insurance Plan.

163 (2) The state shall annually provide one hundred percent
164 (100%) of the cost of the above insurance plan for all district
165 employees who work no less than twenty (20) hours during each week
166 and regular nonstudent school bus drivers. Where federal funding
167 is allowable to defray, in full or in part, the cost of
168 participation in the program by district employees who work no

169 less than twenty (20) hours during each week and regular
170 nonstudent school bus drivers, whose salaries are paid, in full or
171 in part, by federal funds, the allowance under this section shall
172 be reduced to the extent of such federal funding. Where the use
173 of federal funds is allowable but not available, it is the intent
174 of the Legislature that school districts contribute the cost of
175 participation for such employees from local funds, except that
176 parent fees for child nutrition programs shall not be increased to
177 cover such cost.

178 Any local contribution to the cost of insurance paid by the
179 school district during the fiscal year immediately preceding July
180 1, 1994, shall be converted into salary supplements or fringe
181 benefits in that school district for certificated employees and
182 teacher assistants. Any local contribution to the cost of
183 insurance paid by the school district for noncertificated
184 employees during the fiscal year immediately preceding July 1,
185 1994, shall be converted into salary supplements or fringe
186 benefits in that school district.

187 (3) The state shall provide annually, by line item in the
188 community/junior college appropriation bill, such funds to pay one
189 hundred percent (100%) of the cost of the plan for all
190 community/junior college district employees who work no less than
191 twenty (20) hours during each week.

192 Where the use of federal funding is allowable to defray, in
193 full or in part, the cost of participation in the insurance plan
194 by community/junior college district employees who work no less
195 than twenty (20) hours during each week, whose salaries are paid,
196 in full or in part, by federal funds, the allowance under this
197 section shall be reduced to the extent of the federal funding.
198 Where the use of federal funds is allowable but not available, it
199 is the intent of the Legislature that community/junior college
200 districts contribute the cost of participation for such employees
201 from local funds.

202 Any community/junior college district may contribute to the

203 cost of coverage for any district employee from local
204 community/junior college district funds, and any public school
205 district may contribute to the cost of coverage for any district
206 employee from nonminimum program funds. Any part of the cost of
207 such coverage for participating employees of public school
208 districts and public community/junior college districts that is
209 not paid by the state or by the districts shall be paid by the
210 participating employees, which shall be deducted from the salaries
211 of the employees in a manner determined by the department.

212 Any funds appropriated for the cost of insurance by line item
213 in the community/junior colleges appropriation bill which are not
214 expended during the fiscal year for which such funds were
215 appropriated shall be carried forward for the same purposes during
216 the next succeeding fiscal year.

217 Any local contribution to the cost of insurance paid by a
218 community/junior college district for eligible employees during
219 the fiscal year immediately preceding July 1, 1994, shall be
220 converted into salary supplements or fringe benefits distributed
221 among all full-time employees of the district.

222 (4) The state shall not share in the cost of coverage for
223 retired employees. Any retired employee electing to purchase
224 retired health insurance will have the full cost of such insurance
225 deducted monthly from his State of Mississippi retirement plan
226 check or directly billed to him. If the department determines
227 actuarially that the premium paid by the participating retirees
228 adversely affects the overall cost of the plan to the state, then
229 the department may impose a premium surcharge, not to exceed
230 fifteen percent (15%), upon such participating retired employees
231 who are under the age for Medicare eligibility.

232 **[After January 1, 2000, this section shall read as follows:]**

233 25-15-261. (1) Each eligible employee may participate in
234 the program by signing up for the plan at the time of employment.

235 Each eligible employee who declines coverage under the plan must
236 sign a waiver of coverage. After acceptance in the plan, the

237 employee may cease his or her participation by filing a specific
238 disclaimer with the department. Forms for this purpose shall be
239 prescribed and issued by the department. All eligible employees
240 will be eligible to participate in this self-insured plan on the
241 effective date of the plan or on the date on which they are
242 employed by the school district, if later, provided they make any
243 necessary contributions as set out hereunder. Prior to the
244 initial enrollment cutoff date for the plan, all participating
245 employees who are currently covered under the Public School
246 Employees Health Insurance Plan or under a group health plan
247 sponsored by any participating school district or community/junior
248 college district shall be eligible for full benefits under this
249 plan on the first day of his or her participation regardless of
250 any preexisting health condition or injury. All other
251 participating employees shall have coverage of preexisting illness
252 within one (1) year after enrollment in the plan. Spouses of
253 employees, unmarried dependent children from birth to age nineteen
254 (19) years, unmarried dependent children who are full-time
255 students up to age twenty-three (23) years, and physically or
256 mentally handicapped children, regardless of age, are eligible
257 under this plan as of the date the employee becomes eligible.

258 If both spouses are eligible employees who participate in the
259 plan, the benefits shall apply individually to each spouse by
260 virtue of his or her participation in the plan. If those spouses
261 also have one or more eligible dependents participating in the
262 plan, the cost of their dependents shall be calculated at
263 a special family plan rate. The cost for participation by the
264 dependents shall be paid by the spouse who elects to carry such
265 dependents under his or her coverage. The special family plan
266 rate shall apply also if the public school, community/junior
267 college district or public library employee's spouse is a covered
268 eligible employee under the State Employees Health Insurance Plan.

269 (2) The state shall annually provide one hundred percent
270 (100%) of the cost of the above insurance plan for all district

271 employees who work no less than twenty (20) hours during each week
272 and regular nonstudent school bus drivers. Where federal funding
273 is allowable to defray, in full or in part, the cost of
274 participation in the program by district employees who work no
275 less than twenty (20) hours during each week and regular
276 nonstudent school bus drivers, whose salaries are paid, in full or
277 in part, by federal funds, the allowance under this section shall
278 be reduced to the extent of such federal funding. Where the use
279 of federal funds is allowable but not available, it is the intent
280 of the Legislature that school districts contribute the cost of
281 participation for such employees from local funds, except that
282 parent fees for child nutrition programs shall not be increased to
283 cover such cost.

284 Any local contribution to the cost of insurance paid by the
285 school district during the fiscal year immediately preceding July
286 1, 1994, shall be converted into salary supplements or fringe
287 benefits in that school district for certificated employees and
288 teacher assistants. Any local contribution to the cost of
289 insurance paid by the school district for noncertificated
290 employees during the fiscal year immediately preceding July 1,
291 1994, shall be converted into salary supplements or fringe
292 benefits in that school district.

293 (3) The state shall provide annually, by line item in the
294 community/junior college appropriation bill, such funds to pay one
295 hundred percent (100%) of the cost of the plan for all
296 community/junior college district employees who work no less than
297 twenty (20) hours during each week.

298 Where the use of federal funding is allowable to defray, in
299 full or in part, the cost of participation in the insurance plan
300 by community/junior college district employees who work no less
301 than twenty (20) hours during each week, whose salaries are paid,
302 in full or in part, by federal funds, the allowance under this
303 section shall be reduced to the extent of the federal funding.
304 Where the use of federal funds is allowable but not available, it

305 is the intent of the Legislature that community/junior college
306 districts contribute the cost of participation for such employees
307 from local funds.

308 Any community/junior college district may contribute to the
309 cost of coverage for any district employee from local
310 community/junior college district funds, and any public school
311 district may contribute to the cost of coverage for any district
312 employee from nonminimum program funds. Any part of the cost of
313 such coverage for participating employees of public school
314 districts and public community/junior college districts that is
315 not paid by the state or by the districts shall be paid by the
316 participating employees, which shall be deducted from the salaries
317 of the employees in a manner determined by the department.

318 Any funds appropriated for the cost of insurance by line item
319 in the community/junior colleges appropriation bill which are not
320 expended during the fiscal year for which such funds were
321 appropriated shall be carried forward for the same purposes during
322 the next succeeding fiscal year.

323 Any local contribution to the cost of insurance paid by a
324 community/junior college district for eligible employees during
325 the fiscal year immediately preceding July 1, 1994, shall be
326 converted into salary supplements or fringe benefits distributed
327 among all full-time employees of the district.

328 (4) The state shall pay one hundred percent (100%) of the
329 cost of coverage for retired employees. Any retired employee
330 electing to purchase retired health insurance for his dependents
331 will have the full cost of such insurance deducted monthly from
332 his State of Mississippi retirement plan check or directly billed
333 to him. * * *

334 SECTION 3. This act shall take effect and be in force from
335 and after January 1, 2000.