

By: Representative Martinson

To: Insurance;  
Appropriations

HOUSE BILL NO. 1279

1 AN ACT TO AMEND SECTION 81-41-409, MISSISSIPPI CODE OF 1972,  
2 TO REQUIRE PARTICIPATING PROVIDERS IN ANY MANAGED CARE PLAN,  
3 BEFORE PROVIDING ANY PATIENT ENROLLED IN THE PLAN WITH ANY MEDICAL  
4 SERVICE THAT REQUIRES PRECERTIFICATION TO RECEIVE REIMBURSEMENT,  
5 TO VERIFY THAT THE PATIENT HAS OBTAINED THE REQUIRED  
6 PRECERTIFICATION FOR THAT SERVICE OR, IF NOT DONE BY THE PATIENT,  
7 TO OBTAIN THE REQUIRED PRECERTIFICATION FOR THE PATIENT; TO AMEND  
8 SECTIONS 25-15-9 AND 25-15-255, MISSISSIPPI CODE OF 1972, TO  
9 REQUIRE THE STATE EMPLOYEES HEALTH INSURANCE PLAN AND THE PUBLIC  
10 SCHOOL EMPLOYEES HEALTH INSURANCE PLAN TO REQUIRE PROVIDERS  
11 PARTICIPATING IN THE PLAN OR IN ANY NETWORK ESTABLISHED UNDER THE  
12 PLAN, BEFORE PROVIDING ANY PATIENT ENROLLED IN THE PLAN OR NETWORK  
13 WITH ANY MEDICAL SERVICE THAT REQUIRES PRECERTIFICATION TO RECEIVE  
14 REIMBURSEMENT, TO VERIFY THAT THE PATIENT HAS OBTAINED THE  
15 REQUIRED PRECERTIFICATION FOR THAT SERVICE OR, IF NOT DONE BY THE  
16 PATIENT, TO OBTAIN THE REQUIRED PRECERTIFICATION FOR THE PATIENT;  
17 AND FOR RELATED PURPOSES.

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

19 SECTION 1. Section 83-41-409, Mississippi Code of 1972, is  
20 amended as follows:

21 83-41-409. In order to be certified and recertified under  
22 this article, a managed care plan shall:

23 (a) Provide enrollees or other applicants with written  
24 information on the terms and conditions of coverage in easily  
25 understandable language including, but not limited to, information  
26 on the following:

27 (i) Coverage provisions, benefits, limitations,  
28 exclusions and restrictions on the use of any providers of care;

29 (ii) Summary of utilization review and quality  
30 assurance policies; and

31 (iii) Enrollee financial responsibility for  
32 copayments, deductibles and payments for out-of-plan services or  
33 supplies;

34 (b) Demonstrate that its provider network has providers

35 of sufficient number throughout the service area to assure  
36 reasonable access to care with minimum inconvenience by plan  
37 enrollees;

38 (c) File a summary of the plan credentialing criteria  
39 and process and policies with the State Department of Insurance to  
40 be available upon request;

41 (d) Provide a participating provider with a copy of  
42 his/her individual profile if economic or practice profiles, or  
43 both, are used in the credentialing process upon request;

44 (e) When any provider application for participation is  
45 denied or contract is terminated, the reasons for denial or  
46 termination shall be reviewed by the managed care plan upon the  
47 request of the provider; \* \* \*

48 (f) Establish procedures to ensure that all applicable  
49 state and federal laws designed to protect the confidentiality of  
50 medical records are followed;

51 (g) Require participating providers in the plan, before  
52 providing any patient enrolled in the plan with any hospital,  
53 medical or other health care service that requires  
54 precertification before the plan will reimburse for that service,  
55 to verify that the patient has obtained the required  
56 precertification for that service or, if not done by the patient,  
57 to obtain the required precertification for the patient.

58 SECTION 2. Section 25-15-9, Mississippi Code of 1972, is  
59 amended as follows:

60 25-15-9. (1) (a) The department shall design a plan of  
61 health insurance for state employees which provides benefits for  
62 semiprivate rooms in addition to other incidental coverages which  
63 the department deems necessary. The amount of the coverages shall  
64 be in such reasonable amount as may be determined by the  
65 department to be adequate, after due consideration of current  
66 health costs in Mississippi. The plan shall also include major  
67 medical benefits in such amounts as the department shall  
68 determine. The plan shall require providers that participate in

69 the plan or in any network established under the plan, before  
70 providing any patient enrolled in the plan or network with any  
71 hospital, medical or other health care service that requires  
72 precertification before the plan will reimburse for that service,  
73 to verify that the patient has obtained the required  
74 precertification for that service or, if not done by the patient,  
75 to obtain the required precertification for the patient.

76 The department is also authorized to accept bids for such  
77 alternate coverage and optional benefits as the department shall  
78 deem proper. The department may employ or contract for such  
79 consulting or actuarial services as may be necessary to formulate  
80 the State Employees Health Insurance Plan, and to assist the  
81 department in the preparation of specifications and in the process  
82 of advertising for the bids for the plan. The department is  
83 authorized to promulgate rules and regulations to implement the  
84 provisions of this subsection.

85 The department shall develop plans for the insurance plan  
86 authorized by this section in accordance with the provisions of  
87 Section 25-15-5.

88 (b) There is created an advisory council to advise the  
89 department in the formulation of the State Employees Health  
90 Insurance Plan. The council shall be composed of the State  
91 Insurance Commissioner or his designee, an employee-representative  
92 of the institutions of higher learning appointed by the board of  
93 trustees thereof, an employee-representative of the Department of  
94 Transportation appointed by the director thereof, an  
95 employee-representative of the State Tax Commission appointed by  
96 the Commissioner of Revenue, an employee-representative of the  
97 Mississippi Department of Health appointed by the State Health  
98 Officer, an employee-representative of the Mississippi Department  
99 of Corrections appointed by the Commissioner of Corrections, and  
100 an employee-representative of the Department of Human Services  
101 appointed by the Executive Director of Human Services.

102 The Lieutenant Governor may designate the Secretary of the

103 Senate, the Chairman of the Senate Appropriations Committee and  
104 the Chairman of the Senate Insurance Committee, and the Speaker of  
105 the House of Representatives may designate the Clerk of the House,  
106 the Chairman of the House Appropriations Committee and the  
107 Chairman of the House Insurance Committee, to attend any meeting  
108 of the State Employees Insurance Advisory Council. The appointing  
109 authorities may designate an alternate member from their  
110 respective houses to serve when the regular designee is unable to  
111 attend such meetings of the council. Such designees shall have  
112 no jurisdiction or vote on any matter within the jurisdiction of  
113 the council. For attending meetings of the council, such  
114 legislators shall receive per diem and expenses which shall be  
115 paid from the contingent expense funds of their respective houses  
116 in the same amounts as provided for committee meetings when the  
117 Legislature is not in session; however, no per diem and expenses  
118 for attending meetings of the council will be paid while the  
119 Legislature is in session. No per diem and expenses will be paid  
120 except for attending meetings of the council without prior  
121 approval of the proper committee in their respective houses.

122 (c) No change in the terms of the State Employees  
123 Health Insurance Plan may be made effective unless the Executive  
124 Director of the Department of Finance and Administration, or his  
125 designee, has provided notice to the State Employees Health  
126 Insurance Advisory Council and has called a meeting of the council  
127 at least fifteen (15) days before the effective date of such  
128 change. In the event that the State Employees Health Insurance  
129 Council does not meet to advise the department on the proposed  
130 changes, the changes to the plan shall become effective at such  
131 time as the department has informed the council that the changes  
132 shall become effective.

133 (d) **Medical benefits for retired employees and**  
134 **dependents under age sixty-five (65) years.** The same health  
135 insurance coverage as for all other active employees and their  
136 dependents shall be available to retired employees and all

137 dependents under age sixty-five (65) years, the level of benefits  
138 to be the same level as for all other active participants. This  
139 section will apply to those employees who retire due to one  
140 hundred percent (100%) medical disability as well as those  
141 employees electing early retirement.

142 (e) **Medical benefits for retired employees over age**  
143 **sixty-five (65) years.** The health insurance coverage available to  
144 retired employees over age sixty-five (65) years, and all  
145 dependents over age sixty-five (65) years, shall be the major  
146 medical coverage with the lifetime maximum of One Million Dollars  
147 (\$1,000,000.00). Benefits shall be reduced by Medicare benefits  
148 as though such Medicare benefits were the base plan.

149 All covered individuals shall be assumed to have full  
150 Medicare coverage, Parts A and B; and any Medicare payments under  
151 both Parts A and B shall be computed to reduce benefits payable  
152 under this plan.

153 (2) Nonduplication of benefits--reduction of benefits by  
154 Title XIX benefits: When benefits would be payable under more  
155 than one (1) group plan, benefits under those plans will be  
156 coordinated to the extent that the total benefits under all plans  
157 will not exceed the total expenses incurred.

158 Benefits for hospital or surgical or medical benefits shall  
159 be reduced by any similar benefits payable in accordance with  
160 Title XIX of the Social Security Act or under any amendments  
161 thereto, or any implementing legislation.

162 Benefits for hospital or surgical or medical benefits shall  
163 be reduced by any similar benefits payable by workers'  
164 compensation. (3) Schedule of life insurance

165 benefits--group term: The amount of term life insurance for each  
166 active employee shall not be in excess of One Hundred Thousand  
167 Dollars (\$100,000.00), or twice the amount of the employee's  
168 annual wage to the next highest One Thousand Dollars (\$1,000.00),  
169 whichever may be less, but in no case less than Thirty Thousand  
170 Dollars (\$30,000.00), with a like amount for accidental death and

171 dismemberment on a twenty-four-hour basis. The plan will further  
172 contain a premium waiver provision if a covered employee becomes  
173 totally and permanently disabled prior to age sixty-five (65)  
174 years. Retired employees shall be eligible to continue life  
175 insurance coverage in an amount of Two Thousand Dollars  
176 (\$2,000.00), Four Thousand Dollars (\$4,000.00) or Ten Thousand  
177 Dollars (\$10,000.00) into retirement. The Department of Finance  
178 and Administration shall prepare a report to the Legislative  
179 Budget Office on or before October 1, 1995, recommending any  
180 changes to the maximum group life coverages applicable to retired  
181 employees prescribed herein, and providing options as to any  
182 expected additional costs associated with increasing such  
183 benefits.

184 (4) Any eligible employee who on March 1, 1971, was  
185 participating in a group life insurance program which has  
186 provisions different from those included herein and for which the  
187 State of Mississippi was paying a part of the premium may, at his  
188 discretion, continue to participate in such plan. Such employee  
189 shall pay in full all additional costs, if any, above the minimum  
190 program established by this article. Under no circumstances shall  
191 any individual who begins employment with the state after March 1,  
192 1971, be eligible for the provisions of this paragraph.

193 (5) Any participant of the State Employees Health Insurance  
194 Plan who otherwise would lose coverage and who would be eligible  
195 as a dependent under an existing Public School Employees Health  
196 Insurance Plan contract may transfer to the Public School  
197 Employees Health Insurance Plan as a dependent under the existing  
198 contract. Any participant of the Public School Employees Health  
199 Insurance Plan who otherwise would lose coverage and who would be  
200 eligible as a dependent under an existing State Employees Health  
201 Insurance Plan contract may transfer to the State Employees Health  
202 Insurance Plan as a dependent under the existing contract. A  
203 transfer pursuant to this subsection must occur within thirty-one  
204 (31) days of losing coverage. Credit shall be given for any

205 deductible amount satisfied, out-of-pocket expenses and time  
206 served toward the twelve-month pre-existing waiting period.

207 (6) If both spouses are eligible employees who participate  
208 in the plan, the benefits shall apply individually to each spouse  
209 by virtue of his or her participation in the plan. If those  
210 spouses also have one or more eligible dependents participating in  
211 the plan, the cost of their dependents shall be calculated at a  
212 special family plan rate. The cost for participation by the  
213 dependents shall be paid by the spouse who elects to carry such  
214 dependents under his or her coverage. The special family plan  
215 rate shall also apply if the state employee's spouse is a covered  
216 eligible employee under the Public School Employees Health  
217 Insurance Plan.

218 (7) (a) The department may offer medical savings accounts  
219 as defined in Section 71-9-3 as a plan option. Provided, however,  
220 that prior to offering such accounts as a plan option, the  
221 Department of Finance and Administration shall prepare and present  
222 to the Senate and House Insurance Committees by December 15, 1996,  
223 a comprehensive study of medical savings accounts to include a  
224 proposed implementation timetable and potential actuarial effects  
225 of such accounts on the existing state employee health plan. The  
226 department's study shall also include, but not be limited to,  
227 recommended employer contribution levels, recommended employee  
228 contribution levels, recommendations on annual rollover of  
229 balances or withdrawals for nonmedical purposes, and  
230 recommendations on medical coverage for persons who expend their  
231 account balances. The department shall use existing staff  
232 resources and those of other agencies to conduct this study. In  
233 no case shall the department employ a consultant or contractor  
234 other than an actuary to conduct this study. No later than July  
235 15, 1996, the Department of Finance and Administration shall meet  
236 with the staff of the PEER Committee and the Legislative Budget  
237 Office to receive recommendations on the issues and methods which  
238 the department shall consider in preparing its report. No later

239 than October 15, 1996, the Department of Finance and  
240 Administration shall submit a copy of its draft report to the PEER  
241 Committee and the Legislative Budget Office which shall analyze  
242 the report and prepare comments for publication in the final  
243 report to be submitted to the House and Senate Insurance  
244 Committees on December 15, 1996.

245 (b) In no case shall the department offer medical  
246 savings accounts as an option to health plan participants prior to  
247 January 1, 1998.

248 (8) Any premium differentials, differences in coverages,  
249 discounts determined by risk or by any other factors shall be  
250 uniformly applied to all active employees participating in the  
251 insurance plan. It is the intent of the Legislature that the  
252 state contribution to the plan be the same for each employee  
253 throughout the state.

254 SECTION 3. Section 25-15-255, Mississippi Code of 1972, is  
255 amended as follows:

256 25-15-255. (1) (a) The Department of Finance and  
257 Administration shall design a plan of health insurance for  
258 employees which provides benefits for semiprivate rooms in  
259 addition to other incidental coverages which the department deems  
260 necessary.

261 The amount of the coverages shall be in such reasonable  
262 amount as may be determined by the department to be adequate,  
263 after due consideration of current health costs in Mississippi.  
264 The plan shall also include major medical benefits in such amounts  
265 as the department shall determine. The plan shall require  
266 providers that participate in the plan or in any network  
267 established under the plan, before providing any patient enrolled  
268 in the plan or network with any hospital, medical or other health  
269 care service that requires precertification before the plan will  
270 reimburse for that service, to verify that the patient has  
271 obtained the required precertification for that service or, if not  
272 done by the patient, to obtain the required precertification for



273 the patient. The department is also authorized to accept bids for  
274 alternate coverage and optional benefits. Any contract for  
275 alternative coverage and optional benefits shall be awarded by the  
276 department after it has carefully studied and evaluated the bids  
277 and selected the best and most cost-effective bid. The department  
278 may reject all such bids; however, the department shall notify all  
279 bidders of the rejection and shall actively solicit new bids if  
280 all bids are rejected.

281 It is the intent of the Legislature that coverage under this  
282 plan may be self-insured by the State of Mississippi and the same  
283 as coverage provided state employees under the Public Employees  
284 Health Insurance Plan created in Section 25-15-3 et seq. The  
285 department may contract the administration and service of the  
286 self-insured program to a third party; however, before executing  
287 any contract, the department shall actively solicit bids for the  
288 administration and service of the program.

289 The department shall conduct the solicitation and contracting  
290 process in strict accordance with Section 25-15-301.

291 Beginning on January 1, 1996, any contract entered into  
292 between the department for the administration and/or service of  
293 the self-insured plan and a third party shall be for the calendar  
294 year that begins on the first day of January and expires on the  
295 following thirty-first day of December.

296 The department may employ or contract for such consulting or  
297 actuarial services as may be necessary to formulate the Public  
298 School Employees Health Insurance Plan, and to assist the  
299 department in the preparation of specifications and in the process  
300 of advertising for the bids for the plan. Such contracts shall be  
301 solicited and entered into in accordance with Section 25-15-5.  
302 The department shall keep a record of all persons, agents and  
303 corporations who contract with or assist the department in  
304 preparing and developing the plan. The department, in a timely  
305 manner, shall provide copies of this record to the members of the  
306 advisory council created in paragraph (b) of this subsection and

307 those legislators, or their designees, who may attend meetings of  
308 the advisory council. The department shall provide copies of this  
309 record in the solicitation of bids for the administration and  
310 servicing of the self-insured program. Each person, agent or  
311 corporation which, during the previous fiscal year, has assisted  
312 in the development of the plan or employed or compensated any  
313 person who assisted in the development of the plan, and which bids  
314 on the administration or servicing of the plan, shall submit to  
315 the department a statement accompanying the bid explaining in  
316 detail its participation with the development of the plan. This  
317 statement shall include the amount of compensation paid by the  
318 bidder to any such employee during the previous fiscal year. The  
319 department shall make all such information available to the  
320 members of the advisory council and those legislators, or their  
321 designees, who may attend meetings of the advisory council before  
322 any action is taken by the department on the bids submitted. The  
323 failure of any bidder to fully and accurately comply with this  
324 paragraph shall result in the rejection of any bid submitted by  
325 that bidder or the cancellation of any contract executed when the  
326 failure is discovered after the acceptance of that bid.

327 The department is authorized to promulgate rules and  
328 regulations to implement the provisions of this subsection. After  
329 expiration or termination of the contract between the state and  
330 the administering corporation existing immediately before the date  
331 on which the plan becomes self-insured by the State of  
332 Mississippi, the remainder of funds in the Premium Stabilization  
333 Fund shall revert to the Public School Employees Insurance Fund  
334 and shall be used exclusively for payment of future premiums.

335 Any corporation, association, company or individual that  
336 contracts with the department for the third-party claims  
337 administration of the self-insured plan shall prepare and keep on  
338 file an explanation of benefits for each claim processed. The  
339 explanation of benefits shall contain such information relative to  
340 each processed claim which the department deems necessary, and at

341 a minimum, each explanation shall provide the claimant's name,  
342 claim number, provider number, provider name, service dates, type  
343 of services, amount of charges, amount allowed to the claimant and  
344 reason codes.

345 The information contained in the explanation of benefits  
346 shall be available for inspection upon request by the department.  
347 The department shall have access to all claims information  
348 utilized in the issuance of payments to employees and providers.  
349 Any corporation, association, company or individual that contracts  
350 with the department for the administration and/or service of the  
351 self-insured plan shall remit one hundred percent (100%) of all  
352 savings or discounts resulting from any contract to the department  
353 and/or participant. Any corporation, association, company or  
354 individual that contracts with the department for the  
355 administration and/or service of the self-insured plan shall  
356 allow, upon notice by the department, the department or its  
357 designee to audit records of the corporation, association, company  
358 or individual relative to the corporation, association, company or  
359 individual's performance under any contract with the department.  
360 The information maintained by any corporation, association,  
361 company or individual, relating to such contracts, shall be  
362 available for inspection upon request by the department and such  
363 information shall be compiled in a manner that will provide a  
364 clear audit trail.

365 (b) There is created an advisory council to the  
366 department to advise the department in the formulation of the  
367 Public School Employees Health Insurance Plan. The advisory  
368 council and those legislators, or their designees, authorized to  
369 attend meetings of the advisory council pursuant to this  
370 subsection shall be informed in a timely manner concerning each  
371 aspect of the formulation and development of the plan. No change  
372 in the terms of the Public School Employees Health Insurance Plan  
373 may be made effective unless the Executive Director of the  
374 Department of Finance and Administration, or his designee, has

375 provided notice to the Public School Employees Health Insurance  
376 Advisory Council and has called a meeting of the council at least  
377 fifteen (15) days before the effective date of such change. In  
378 the event that the Public School Employees Health Insurance  
379 Advisory Council does not meet to advise the department on the  
380 proposed changes, the changes to the plan shall become effective  
381 at such times as the department has informed the council that the  
382 changes shall become effective.

383 The council shall be composed of the State Insurance  
384 Commissioner or his designee, two (2) certificated public school  
385 administrators appointed by the State Board of Education, two (2)  
386 certificated classroom teachers appointed by the State Board of  
387 Education, a noncertificated school employee appointed by the  
388 State Board of Education, and a community/junior college employee  
389 appointed by the State Board for Community and Junior Colleges.  
390 Members of the council shall serve at the will and pleasure of the  
391 appointing authorities; however, no member shall serve for a  
392 period of less than one (1) year. The members of the council  
393 shall serve without compensation, per diem or expense  
394 reimbursement.

395 The Chairman of the Senate Insurance Committee, the Chairman  
396 of the Senate Education Committee, the Chairman of the House of  
397 Representatives Insurance Committee and the Chairman of the House  
398 of Representatives Education Committee, and/or their designees  
399 from their respective houses, may attend any meeting of the  
400 advisory council. The legislators, or their designees, shall have  
401 no jurisdiction or vote on any matter within the jurisdiction of  
402 the council. For attending meetings of the council, the  
403 legislators shall receive per diem and expenses which shall be  
404 paid from the contingent expense funds of their respective houses  
405 in the same amounts as provided for committee meetings when the  
406 Legislature is not in session; however, no per diem and expenses  
407 for attending meetings of the council will be paid while the  
408 Legislature is in session. No per diem and expenses will be paid

409 except for attending meetings of the council without prior  
410 approval of the proper committee in their respective houses.

411           (c) **Medical benefits for retired employees and**  
412 **dependents under age sixty-five (65) years.** The same health  
413 insurance coverage as for all other active employees and their  
414 dependents shall be available to retired employees and all  
415 dependents under age sixty-five (65) years, the level of benefits  
416 to be the same level as for all other active participants. This  
417 section will apply to those employees who retire due to one  
418 hundred percent (100%) medical disability as well as those  
419 employees electing early retirement.

420           (d) **Medical benefits for retired employees over age**  
421 **sixty-five (65).** The health insurance coverage available to  
422 retired employees over age sixty-five (65) years, and all  
423 dependents over age sixty-five (65) years, shall be the major  
424 medical coverage with the lifetime maximum of One Million Dollars  
425 (\$1,000,000.00). Benefits shall be reduced by Medicare benefits  
426 as though such Medicare benefits were the base plan.

427           All covered individuals shall be assumed to have full  
428 Medicare coverage, Parts A and B; and any Medicare payments under  
429 both Parts A and B shall be computed to reduce benefits payable  
430 under this plan.

431           (2) **Nonduplication of benefits-reduction of benefits by**  
432 **Title XIX benefits.** When benefits would be payable under more  
433 than one group plan, benefits under those plans will be  
434 coordinated to the extent that the total benefits under all plans  
435 will not exceed the total expenses incurred.

436           Benefits for hospital or surgical or medical benefits shall  
437 be reduced by any similar benefits payable in accordance with  
438 Title XIX of the Social Security Act or under any amendments  
439 thereto, or any implementing legislation.

440           Benefits for hospital or surgical or medical benefits shall  
441 be reduced by any similar benefits payable by workers'  
442 compensation.

443           (3) The department is hereby authorized to determine the  
444 manner in which premiums and contributions by the state and local  
445 school districts shall be collected to provide the self-insured  
446 health insurance program for school employees and community/junior  
447 college employees as provided under this article.

448           (4) Any premium differentials, differences in coverages,  
449 discounts determined by risk or by any other factors shall be  
450 uniformly applied to all active employees participating in the  
451 insurance plan. It is the intent of the Legislature that the  
452 state contribution to the plan be the same for each employee  
453 throughout the state.

454           (5) Any participant of the State Employees Health Insurance  
455 Plan who otherwise would lose coverage and who would be eligible  
456 as a dependent under an existing Public School Employees Health  
457 Insurance Plan contract may transfer to the Public School  
458 Employees Health Insurance Plan as a dependent under the existing  
459 contract. Any participant of the Public School Employees Health  
460 Insurance Plan who otherwise would lose coverage and who would be  
461 eligible as a dependent under an existing State Employees Health  
462 Insurance Plan contract may transfer to the State Employees Health  
463 Insurance Plan as a dependent under the existing contract. A  
464 transfer pursuant to this subsection must occur within thirty-one  
465 (31) days of losing coverage. Credit shall be given for any  
466 deductible amount satisfied, out-of-pocket expenses and time  
467 served toward the twelve-month pre-existing waiting period.

468           (6) The Department of Finance and Administration shall  
469 annually report to the Joint Legislative Budget Committee the  
470 condition of the Public School Employees Health Insurance Plan.  
471 Such report shall contain, but not be limited to, a report of the  
472 plan's financial condition at the close of the most recent  
473 complete calendar year. The report shall also include all  
474 recommendations made to the department by consultants regarding  
475 the plan and its administration, including a complete departmental  
476 response to each recommendation. The department shall also list

477 the history of yearly claims paid and premiums received for each  
478 employee subgroup, including, but not limited to, active  
479 employees, dependents and retirees and shall also publish the loss  
480 ratios for these subgroups. For purposes of this subsection, the  
481 term "loss ratios" shall mean claims paid by the plan for each  
482 subgroup divided by premiums received by the plan for the  
483 insurance coverage of the members in that subgroup. Any plan  
484 revisions made during the previous year shall also be listed in  
485 the report and fully described in the report. The department  
486 shall also provide the Joint Legislative Budget Committee with a  
487 monthly statement of plan utilization.

488 In addition to the information provided for herein, the  
489 department shall provide to the Joint Legislative Budget Committee  
490 budgetary information on the Public School Employees Health  
491 Insurance Plan. All information shall be provided to the Joint  
492 Legislative Budget Committee in a format designated by the  
493 committee. The information shall be provided in September of each  
494 year, and at such times throughout the year as the committee deems  
495 necessary. The information shall include, but not be limited to:

496 (a) A detailed breakdown of all expenditures of the  
497 plan, administrative and otherwise, for the most recently  
498 completed fiscal year and projected expenditures for the current  
499 fiscal year;

500 (b) A schedule of all contracts, administrative and  
501 otherwise, executed for the benefit of the plan during the most  
502 recent completed fiscal year, and those executed and anticipated  
503 for the current fiscal year;

504 (c) Anticipated plan expenditures, administrative and  
505 otherwise, for the next fiscal year.

506 The department shall also provide to the Joint Legislative  
507 Committee on Performance Evaluation and Expenditure Review (PEER)  
508 all information described in paragraph (b) in this subsection.  
509 The PEER Committee shall prepare a report by January 1 of each  
510 year on all contractors utilized by the department for the health

511 plans, excluding the third-party administrator contract. The  
512 committee's report shall address the processes by which the  
513 department procured the contractors, the contractors' work  
514 products and contract expenditures. The review provided for  
515 herein shall be supplemental to the review provided for in Section  
516 25-15-301.

517 (7) (a) The department may offer medical savings accounts  
518 as defined in Section 71-9-3 as a plan option. Provided, however,  
519 that prior to offering such accounts as a plan option, the  
520 Department of Finance and Administration shall prepare and present  
521 to the Legislature by December 15, 1996, a comprehensive study of  
522 medical savings accounts to include a proposed implementation  
523 timetable and potential actuarial effects of such accounts on the  
524 existing public school employees' health plan. The department's  
525 study shall also include, but not be limited to, recommended  
526 employer contribution levels, recommended employee contribution  
527 levels, recommendations on annual rollover of balances or  
528 withdrawals for nonmedical purposes, and, recommendations on  
529 medical coverage for persons who expend their account balances.  
530 The department shall use existing staff resources and those of  
531 other agencies to conduct this study. In no case shall the  
532 department employ a consultant or contractor other than an actuary  
533 to conduct this study. No later than July 15, 1996, the  
534 Department of Finance and Administration shall meet with the staff  
535 of the PEER Committee and the Legislative Budget Office to receive  
536 recommendations on the issues and methods which the department  
537 shall consider in preparing its report. No later than October 15,  
538 1996, the Department of Finance and Administration shall submit a  
539 copy of its draft report to the PEER Committee and the Legislative  
540 Budget Office which shall analyze the report and prepare comments  
541 for publication in the final report to be submitted to the House  
542 and Senate Insurance Committees on December 15, 1996.

543 (b) In no case shall the department offer medical  
544 savings accounts as an option to health plan participants prior to



545 January 1, 1998.

546 SECTION 4. This act shall take effect and be in force from  
547 and after its passage.