

By: Senator(s) Hall, Dearing, Farris,  
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To: Public Health and  
Welfare;  
Appropriations

SENATE BILL NO. 2154  
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 83-41-211, MISSISSIPPI CODE OF 1972,  
2 TO REQUIRE MENTAL HEALTH COUNSELING SERVICES PROVIDED BY A DULY  
3 LICENSED PROFESSIONAL COUNSELOR TO BE INCLUDED COVERAGE UNDER THE  
4 STATE EMPLOYEES HEALTH INSURANCE PLAN AND THE PUBLIC SCHOOL  
5 EMPLOYEES HEALTH INSURANCE PLAN; TO AMEND SECTIONS 25-15-9 AND  
6 25-15-255, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND  
7 FOR RELATED PURPOSES.

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

9 SECTION 1. Section 83-41-211, Mississippi Code of 1972, is  
10 amended as follows:

11 83-41-211. Whenever any policy of insurance or any medical  
12 service plan or hospital service contract or hospital and medical  
13 service contract issued in this state provides for reimbursement  
14 for any diagnosis and treatment of mental, nervous or emotional  
15 disorders only which are within the lawful scope of practice of a  
16 duly licensed psychologist as defined in Section 73-31-3, within  
17 the lawful scope of practice of a duly licensed professional  
18 counselor as defined in Section 73-30-3, or within the lawful  
19 scope of practice of a duly licensed clinical social worker as  
20 defined in Section 73-53-3, the insured or other person entitled  
21 to benefits under such policy shall be entitled to reimbursement  
22 for such services, whether such services are performed by a duly  
23 licensed physician or by a duly licensed psychologist, by a duly  
24 licensed professional counselor or by a duly licensed clinical  
25 social worker, notwithstanding any provision to the contrary in  
26 any statute or in such policy, plan or contract. Duly licensed  
27 psychologists shall be entitled to participate in such policies,  
28 plans or contracts providing for the diagnosis and treatment of  
29 mental, nervous or emotional disorders only as authorized by

30 Section 73-31-3. A duly licensed professional counselor shall be  
31 entitled to participate in such policies, plans or contracts  
32 providing for the diagnosis and treatment of mental, nervous or  
33 emotional disorders only as authorized by Section 73-30-3. The  
34 requirements of this section relative to mental health counseling  
35 services provided by a duly licensed professional counselor shall  
36 be fully applicable to the State Employees Health Insurance Plan  
37 and the Public School Employees Health Insurance Plan. A duly  
38 licensed clinical social worker shall be entitled to participate  
39 in such policies, plans or contracts providing for the diagnosis  
40 and treatment of mental, nervous or emotional disorders only as  
41 authorized by Section 73-53-3.

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

44 25-15-9. (1) (a) The department shall design a plan of  
45 health insurance for state employees which provides benefits for  
46 semiprivate rooms in addition to other incidental coverages which  
47 the department deems necessary. The amount of the coverages shall  
48 be in such reasonable amount as may be determined by the  
49 department to be adequate, after due consideration of current  
50 health costs in Mississippi. The plan shall also include major  
51 medical benefits in such amounts as the department shall  
52 determine. The plan shall include benefits for mental health  
53 counseling services provided by a duly licensed professional  
54 counselor as required in Section 83-41-211. The department is  
55 also authorized to accept bids for such alternate coverage and  
56 optional benefits as the department shall deem proper. The  
57 department may employ or contract for such consulting or actuarial  
58 services as may be necessary to formulate the State Employees  
59 Health Insurance Plan, and to assist the department in the  
60 preparation of specifications and in the process of advertising  
61 for the bids for the plan. The department is authorized to  
62 promulgate rules and regulations to implement the provisions of  
63 this subsection.

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

67 (b) There is created an advisory council to advise the

68 department in the formulation of the State Employees Health  
69 Insurance Plan. The council shall be composed of the State  
70 Insurance Commissioner or his designee, an employee-representative  
71 of the institutions of higher learning appointed by the board of  
72 trustees thereof, an employee-representative of the Department of  
73 Transportation appointed by the director thereof, an  
74 employee-representative of the State Tax Commission appointed by  
75 the Commissioner of Revenue, an employee-representative of the  
76 Mississippi Department of Health appointed by the State Health  
77 Officer, an employee-representative of the Mississippi Department  
78 of Corrections appointed by the Commissioner of Corrections, and  
79 an employee-representative of the Department of Human Services  
80 appointed by the Executive Director of Human Services.

81         The Lieutenant Governor may designate the Secretary of the  
82 Senate, the Chairman of the Senate Appropriations Committee and  
83 the Chairman of the Senate Insurance Committee, and the Speaker of  
84 the House of Representatives may designate the Clerk of the House,  
85 the Chairman of the House Appropriations Committee and the  
86 Chairman of the House Insurance Committee, to attend any meeting  
87 of the State Employees Insurance Advisory Council. The appointing  
88 authorities may designate an alternate member from their  
89 respective houses to serve when the regular designee is unable to  
90 attend such meetings of the council. Such designees shall have  
91 no jurisdiction or vote on any matter within the jurisdiction of  
92 the council. For attending meetings of the council, such  
93 legislators shall receive per diem and expenses which shall be  
94 paid from the contingent expense funds of their respective houses  
95 in the same amounts as provided for committee meetings when the  
96 Legislature is not in session; however, no per diem and expenses  
97 for attending meetings of the council will be paid while the  
98 Legislature is in session. No per diem and expenses will be paid  
99 except for attending meetings of the council without prior  
100 approval of the proper committee in their respective houses.

101             (c) No change in the terms of the State Employees

102 Health Insurance Plan may be made effective unless the Executive  
103 Director of the Department of Finance and Administration or his  
104 designee, has provided notice to the State Employees Health  
105 Insurance Advisory Council and has called a meeting of the council  
106 at least fifteen (15) days before the effective date of such  
107 change. In the event that the State Employees Health Insurance  
108 Council does not meet to advise the department on the proposed  
109 changes, the changes to the plan shall become effective at such  
110 time as the department has informed the council that the changes  
111 shall become effective.

112           (d) **Medical benefits for retired employees and**  
113 **dependents under age sixty-five (65) years.** The same health  
114 insurance coverage as for all other active employees and their  
115 dependents shall be available to retired employees and all  
116 dependents under age sixty-five (65) years, the level of benefits  
117 to be the same level as for all other active participants. This  
118 section will apply to those employees who retire due to one  
119 hundred percent (100%) medical disability as well as those  
120 employees electing early retirement.

121           (e) **Medical benefits for retired employees over age**  
122 **sixty-five (65) years.** The health insurance coverage available to  
123 retired employees over age sixty-five (65) years, and all  
124 dependents over age sixty-five (65) years, shall be the major  
125 medical coverage with the lifetime maximum of One Million Dollars  
126 (\$1,000,000.00). Benefits shall be reduced by Medicare benefits  
127 as though such Medicare benefits were the base plan.

128           All covered individuals shall be assumed to have full  
129 Medicare coverage, Parts A and B; and any Medicare payments under  
130 both Parts A and B shall be computed to reduce benefits payable  
131 under this plan.

132           (2) Nonduplication of benefits--reduction of benefits by  
133 Title XIX benefits: When benefits would be payable under more  
134 than one (1) group plan, benefits under those plans will be  
135 coordinated to the extent that the total benefits under all plans

136 will not exceed the total expenses incurred.

137 Benefits for hospital or surgical or medical benefits shall  
138 be reduced by any similar benefits payable in accordance with  
139 Title XIX of the Social Security Act or under any amendments  
140 thereto, or any implementing legislation.

141 Benefits for hospital or surgical or medical benefits shall be  
142 reduced by any similar benefits payable by workers' compensation.

143 (3) Schedule of life insurance benefits--group term: The  
144 amount of term life insurance for each active employee shall not be  
145 in excess of One Hundred Thousand Dollars (\$100,000.00), or twice  
146 the amount of the employee's annual wage to the next highest One  
147 Thousand Dollars (\$1,000.00), whichever may be less, but in no case  
148 less than Thirty Thousand Dollars (\$30,000.00), with a like amount  
149 for accidental death and dismemberment on a twenty-four-hour basis.

150 The plan will further contain a premium waiver provision if a  
151 covered employee becomes totally and permanently disabled prior to  
152 age sixty-five (65) years. Retired employees shall be eligible to  
153 continue life insurance coverage in an amount of Two Thousand  
154 Dollars (\$2,000.00), Four Thousand Dollars (\$4,000.00) or Ten  
155 Thousand Dollars (\$10,000.00) into retirement. The Department of  
156 Finance and Administration shall prepare a report to the Legislative  
157 Budget Office on or before October 1, 1995, recommending any changes  
158 to the maximum group life coverages applicable to retired employees  
159 prescribed herein, and providing options as to any expected  
160 additional costs associated with increasing such benefits.

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

170           (5) Any participant of the State Employees Health Insurance  
171 Plan who otherwise would lose coverage and who would be eligible as  
172 a dependent under an existing Public School Employees Health  
173 Insurance Plan contract may transfer to the Public School Employees  
174 Health Insurance Plan as a dependent under the existing contract.  
175 Any participant of the Public School Employees Health Insurance Plan  
176 who otherwise would lose coverage and who would be eligible as a  
177 dependent under an existing State Employees Health Insurance Plan  
178 contract may transfer to the State Employees Health Insurance Plan  
179 as a dependent under the existing contract. A transfer pursuant to  
180 this subsection must occur within thirty-one (31) days of losing  
181 coverage. Credit shall be given for any deductible amount  
182 satisfied, out-of-pocket expenses and time served toward the  
183 twelve-month pre-existing waiting period.

184           (6) If both spouses are eligible employees who participate in  
185 the plan, the benefits shall apply individually to each spouse by  
186 virtue of his or her participation in the plan. If those spouses  
187 also have one or more eligible dependents participating in the plan,  
188 the cost of their dependents shall be calculated at a special family  
189 plan rate. The cost for participation by the dependents shall be  
190 paid by the spouse who elects to carry such dependents under his or  
191 her coverage. The special family plan rate shall also apply if the  
192 state employee's spouse is a covered eligible employee under the  
193 Public School Employees Health Insurance Plan.

194           (7) (a) The department may offer medical savings accounts as  
195 defined in Section 71-9-3 as a plan option. Provided, however, that  
196 prior to offering such accounts as a plan option, the Department of  
197 Finance and Administration shall prepare and present to the Senate  
198 and House Insurance Committees by December 15, 1996, a comprehensive  
199 study of medical savings accounts to include a proposed  
200 implementation timetable and potential actuarial effects of such  
201 accounts on the existing state employee health plan. The  
202 department's study shall also include, but not be limited to,  
203 recommended employer contribution levels, recommended employee

204 contribution levels, recommendations on annual rollover of balances  
205 or withdrawals for nonmedical purposes, and recommendations on  
206 medical coverage for persons who expend their account balances. The  
207 department shall use existing staff resources and those of other  
208 agencies to conduct this study. In no case shall the department  
209 employ a consultant or contractor other than an actuary to conduct  
210 this study. No later than July 15, 1996, the Department of Finance  
211 and Administration shall meet with the staff of the PEER Committee  
212 and the Legislative Budget Office to receive recommendations on the  
213 issues and methods which the department shall consider in preparing  
214 its report. No later than October 15, 1996, the Department of  
215 Finance and Administration shall submit a copy of its draft report  
216 to the PEER Committee and the Legislative Budget Office which shall  
217 analyze the report and prepare comments for publication in the final  
218 report to be submitted to the House and Senate Insurance Committees  
219 on December 15, 1996.

220 (b) In no case shall the department offer medical savings  
221 accounts as an option to health plan participants prior to January  
222 1, 1998.

223 (8) Any premium differentials, differences in coverages,  
224 discounts determined by risk or by any other factors shall be  
225 uniformly applied to all active employees participating in the  
226 insurance plan. It is the intent of the Legislature that the state  
227 contribution to the plan be the same for each employee throughout  
228 the state.

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

231 25-15-255. (1) (a) The Department of Finance and  
232 Administration shall design a plan of health insurance for employees  
233 which provides benefits for semiprivate rooms in addition to other  
234 incidental coverages which the department deems necessary.

235 The amount of the coverages shall be in such reasonable amount  
236 as may be determined by the department to be adequate, after due  
237 consideration of current health costs in Mississippi. The plan

238 shall also include major medical benefits in such amounts as the  
239 department shall determine. The plan shall include benefits for  
240 mental health counseling services provided by a duly licensed  
241 professional counselor as required in Section 83-41-211. The  
242 department is also authorized to accept bids for alternate coverage  
243 and optional benefits. Any contract for alternative coverage and  
244 optional benefits shall be awarded by the department after it has  
245 carefully studied and evaluated the bids and selected the best and  
246 most cost-effective bid. The department may reject all such bids;  
247 however, the department shall notify all bidders of the rejection  
248 and shall actively solicit new bids if all bids are rejected.

249 It is the intent of the Legislature that coverage under this  
250 plan may be self-insured by the State of Mississippi and the same as  
251 coverage provided state employees under the Public Employees Health  
252 Insurance Plan created in Section 25-15-3 et seq. The department  
253 may contract the administration and service of the self-insured  
254 program to a third party; however, before executing any contract,  
255 the department shall actively solicit bids for the administration  
256 and service of the program.

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

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

264 The department may employ or contract for such consulting or  
265 actuarial services as may be necessary to formulate the Public  
266 School Employees Health Insurance Plan, and to assist the department  
267 in the preparation of specifications and in the process of  
268 advertising for the bids for the plan. Such contracts shall be  
269 solicited and entered into in accordance with Section 25-15-5. The  
270 department shall keep a record of all persons, agents and  
271 corporations who contract with or assist the department in preparing



272 and developing the plan. The department, in a timely manner, shall  
273 provide copies of this record to the members of the advisory council  
274 created in paragraph (b) of this subsection and those legislators,  
275 or their designees, who may attend meetings of the advisory council.

276 The department shall provide copies of this record in the  
277 solicitation of bids for the administration and servicing of the  
278 self-insured program. Each person, agent or corporation which,  
279 during the previous fiscal year, has assisted in the development of  
280 the plan or employed or compensated any person who assisted in the  
281 development of the plan, and which bids on the administration or  
282 servicing of the plan, shall submit to the department a statement  
283 accompanying the bid explaining in detail its participation with the  
284 development of the plan. This statement shall include the amount of  
285 compensation paid by the bidder to any such employee during the  
286 previous fiscal year. The department shall make all such  
287 information available to the members of the advisory council and  
288 those legislators, or their designees, who may attend meetings of  
289 the advisory council before any action is taken by the department on  
290 the bids submitted. The failure of any bidder to fully and  
291 accurately comply with this paragraph shall result in the rejection  
292 of any bid submitted by that bidder or the cancellation of any  
293 contract executed when the failure is discovered after the  
294 acceptance of that bid.

295 The department is authorized to promulgate rules and  
296 regulations to implement the provisions of this subsection. After  
297 expiration or termination of the contract between the state and the  
298 administering corporation existing immediately before the date on  
299 which the plan becomes self-insured by the State of Mississippi, the  
300 remainder of funds in the Premium Stabilization Fund shall revert to  
301 the Public School Employees Insurance Fund and shall be used  
302 exclusively for payment of future premiums.

303 Any corporation, association, company or individual that  
304 contracts with the department for the third-party claims  
305 administration of the self-insured plan shall prepare and keep on

306 file an explanation of benefits for each claim processed. The  
307 explanation of benefits shall contain such information relative to  
308 each processed claim which the department deems necessary, and at a  
309 minimum, each explanation shall provide the claimant's name, claim  
310 number, provider number, provider name, service dates, type of  
311 services, amount of charges, amount allowed to the claimant and  
312 reason codes.

313 The information contained in the explanation of benefits shall  
314 be available for inspection upon request by the department. The  
315 department shall have access to all claims information utilized in  
316 the issuance of payments to employees and providers. Any  
317 corporation, association, company or individual that contracts with  
318 the department for the administration and/or service of the  
319 self-insured plan shall remit one hundred percent (100%) of all  
320 savings or discounts resulting from any contract to the department  
321 and/or participant. Any corporation, association, company or  
322 individual that contracts with the department for the administration  
323 and/or service of the self-insured plan shall allow, upon notice by  
324 the department, the department or its designee to audit records of  
325 the corporation, association, company or individual relative to the  
326 corporation, association, company or individual's performance under  
327 any contract with the department. The information maintained by any  
328 corporation, association, company or individual, relating to such  
329 contracts, shall be available for inspection upon request by the  
330 department and such information shall be compiled in a manner that  
331 will provide a clear audit trail.

332 (b) There is created an advisory council to the  
333 department to advise the department in the formulation of the Public  
334 School Employees Health Insurance Plan. The advisory council and  
335 those legislators, or their designees, authorized to attend meetings  
336 of the advisory council pursuant to this subsection shall be  
337 informed in a timely manner concerning each aspect of the  
338 formulation and development of the plan. No change in the terms of  
339 the Public School Employees Health Insurance Plan may be made

340 effective unless the Executive Director of the Department of Finance  
341 and Administration, or his designee, has provided notice to the  
342 Public School Employees Health Insurance Advisory Council and has  
343 called a meeting of the council at least fifteen (15) days before  
344 the effective date of such change. In the event that the Public  
345 School Employees Health Insurance Advisory Council does not meet to  
346 advise the department on the proposed changes, the changes to the  
347 plan shall become effective at such times as the department has  
348 informed the council that the changes shall become effective.

349 The council shall be composed of the State Insurance  
350 Commissioner or his designee, two (2) certificated public school  
351 administrators appointed by the State Board of Education, two (2)  
352 certificated classroom teachers appointed by the State Board of  
353 Education, a noncertificated school employee appointed by the State  
354 Board of Education, and a community/junior college employee  
355 appointed by the State Board for Community and Junior Colleges.  
356 Members of the council shall serve at the will and pleasure of the  
357 appointing authorities; however, no member shall serve for a period  
358 of less than one (1) year. The members of the council shall serve  
359 without compensation, per diem or expense reimbursement.

360 The Chairman of the Senate Insurance Committee, the Chairman of  
361 the Senate Education Committee, the Chairman of the House of  
362 Representatives Insurance Committee and the Chairman of the House of  
363 Representatives Education Committee, and/or their designees from  
364 their respective houses, may attend any meeting of the advisory  
365 council. The legislators, or their designees, shall have no  
366 jurisdiction or vote on any matter within the jurisdiction of the  
367 council. For attending meetings of the council, the legislators  
368 shall receive per diem and expenses which shall be paid from the  
369 contingent expense funds of their respective houses in the same  
370 amounts as provided for committee meetings when the Legislature is  
371 not in session; however, no per diem and expenses for attending  
372 meetings of the council will be paid while the Legislature is in  
373 session. No per diem and expenses will be paid except for attending

374 meetings of the council without prior approval of the proper  
375 committee in their respective houses.

376 (c) **Medical benefits for retired employees and dependents**  
377 **under age sixty-five (65) years.** The same health insurance coverage  
378 as for all other active employees and their dependents shall be  
379 available to retired employees and all dependents under age  
380 sixty-five (65) years, the level of benefits to be the same level as  
381 for all other active participants. This section will apply to those  
382 employees who retire due to one hundred percent (100%) medical  
383 disability as well as those employees electing early retirement.

384 (d) **Medical benefits for retired employees over age**  
385 **sixty-five (65).** The health insurance coverage available to retired  
386 employees over age sixty-five (65) years, and all dependents over  
387 age sixty-five (65) years, shall be the major medical coverage with  
388 the lifetime maximum of One Million Dollars (\$1,000,000.00).  
389 Benefits shall be reduced by Medicare benefits as though such  
390 Medicare benefits were the base plan.

391 All covered individuals shall be assumed to have full Medicare  
392 coverage, Parts A and B; and any Medicare payments under both Parts  
393 A and B shall be computed to reduce benefits payable under this  
394 plan.

395 (2) **Nonduplication of benefits-reduction of benefits by Title**  
396 **XIX benefits.** When benefits would be payable under more than one  
397 group plan, benefits under those plans will be coordinated to the  
398 extent that the total benefits under all plans will not exceed the  
399 total expenses incurred.

400 Benefits for hospital or surgical or medical benefits shall be  
401 reduced by any similar benefits payable in accordance with Title XIX  
402 of the Social Security Act or under any amendments thereto, or any  
403 implementing legislation.

404 Benefits for hospital or surgical or medical benefits shall be  
405 reduced by any similar benefits payable by workers' compensation.

406 (3) The department is hereby authorized to determine the  
407 manner in which premiums and contributions by the state and local

408 school districts shall be collected to provide the self-insured  
409 health insurance program for school employees and community/junior  
410 college employees as provided under this article.

411 (4) Any premium differentials, differences in coverages,  
412 discounts determined by risk or by any other factors shall be  
413 uniformly applied to all active employees participating in the  
414 insurance plan. It is the intent of the Legislature that the state  
415 contribution to the plan be the same for each employee throughout  
416 the state.

417 (5) Any participant of the State Employees Health Insurance  
418 Plan who otherwise would lose coverage and who would be eligible as  
419 a dependent under an existing Public School Employees Health  
420 Insurance Plan contract may transfer to the Public School Employees  
421 Health Insurance Plan as a dependent under the existing contract.  
422 Any participant of the Public School Employees Health Insurance Plan  
423 who otherwise would lose coverage and who would be eligible as a  
424 dependent under an existing State Employees Health Insurance Plan  
425 contract may transfer to the State Employees Health Insurance Plan  
426 as a dependent under the existing contract. A transfer pursuant to  
427 this subsection must occur within thirty-one (31) days of losing  
428 coverage. Credit shall be given for any deductible amount  
429 satisfied, out-of-pocket expenses and time served toward the  
430 twelve-month pre-existing waiting period.

431 (6) The Department of Finance and Administration shall  
432 annually report to the Joint Legislative Budget Committee the  
433 condition of the Public School Employees Health Insurance Plan.  
434 Such report shall contain, but not be limited to, a report of the  
435 plan's financial condition at the close of the most recent complete  
436 calendar year. The report shall also include all recommendations  
437 made to the department by consultants regarding the plan and its  
438 administration, including a complete departmental response to each  
439 recommendation. The department shall also list the history of  
440 yearly claims paid and premiums received for each employee subgroup,  
441 including, but not limited to, active employees, dependents and

442 retirees and shall also publish the loss ratios for these subgroups.

443 For purposes of this subsection, the term "loss ratios" shall mean  
444 claims paid by the plan for each subgroup divided by premiums  
445 received by the plan for the insurance coverage of the members in  
446 that subgroup. Any plan revisions made during the previous year  
447 shall also be listed in the report and fully described in the  
448 report. The department shall also provide the Joint Legislative  
449 Budget Committee with a monthly statement of plan utilization.

450 In addition to the information provided for herein, the  
451 department shall provide to the Joint Legislative Budget Committee  
452 budgetary information on the Public School Employees Health  
453 Insurance Plan. All information shall be provided to the Joint  
454 Legislative Budget Committee in a format designated by the  
455 committee. The information shall be provided in September of each  
456 year, and at such times throughout the year as the committee deems  
457 necessary. The information shall include, but not be limited to:

458 (a) A detailed breakdown of all expenditures of the plan,  
459 administrative and otherwise, for the most recently completed fiscal  
460 year and projected expenditures for the current fiscal year;

461 (b) A schedule of all contracts, administrative and  
462 otherwise, executed for the benefit of the plan during the most  
463 recent completed fiscal year, and those executed and anticipated for  
464 the current fiscal year;

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

467 The department shall also provide to the Joint Legislative  
468 Committee on Performance Evaluation and Expenditure Review (PEER)  
469 all information described in paragraph (b) in this subsection. The  
470 PEER Committee shall prepare a report by January 1 of each year on  
471 all contractors utilized by the department for the health plans,  
472 excluding the third-party administrator contract. The committee's  
473 report shall address the processes by which the department procured  
474 the contractors, the contractors' work products and contract  
475 expenditures. The review provided for herein shall be supplemental

476 to the review provided for in Section 25-15-301.

477 (7) (a) The department may offer medical savings accounts as  
478 defined in Section 71-9-3 as a plan option. Provided, however, that  
479 prior to offering such accounts as a plan option, the Department of  
480 Finance and Administration shall prepare and present to the  
481 Legislature by December 15, 1996, a comprehensive study of medical  
482 savings accounts to include a proposed implementation timetable and  
483 potential actuarial effects of such accounts on the existing public  
484 school employees' health plan. The department's study shall also  
485 include, but not be limited to, recommended employer contribution  
486 levels, recommended employee contribution levels, recommendations on  
487 annual rollover of balances or withdrawals for nonmedical purposes,  
488 and, recommendations on medical coverage for persons who expend  
489 their account balances. The department shall use existing staff  
490 resources and those of other agencies to conduct this study. In no  
491 case shall the department employ a consultant or contractor other  
492 than an actuary to conduct this study. No later than July 15, 1996,  
493 the Department of Finance and Administration shall meet with the  
494 staff of the PEER Committee and the Legislative Budget Office to  
495 receive recommendations on the issues and methods which the  
496 department shall consider in preparing its report. No later than  
497 October 15, 1996, the Department of Finance and Administration shall  
498 submit a copy of its draft report to the PEER Committee and the  
499 Legislative Budget Office which shall analyze the report and prepare  
500 comments for publication in the final report to be submitted to the  
501 House and Senate Insurance Committees on December 15, 1996.

502 (b) In no case shall the department offer medical savings  
503 accounts as an option to health plan participants prior to January  
504 1, 1998.

505 SECTION 4. This act shall take effect and be in force from and  
506 after July 1, 1999.