

By: Senator(s) Dearing

To: Insurance; Public
Health and Welfare

SENATE BILL NO. 2250

1 AN ACT TO REQUIRE HEALTH INSURANCE COVERAGE WHEN DENTAL CARE
2 IS PROVIDED UNDER GENERAL ANESTHESIA; TO AMEND SECTIONS 25-15-9
3 AND 25-15-255, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO;
4 AND FOR RELATED PURPOSES. BE IT ENACTED BY THE LEGISLATURE OF
5 THE STATE OF MISSISSIPPI:
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7 SECTION 1. Every hospital, health or medical expenses
8 insurance policy, hospital or medical service contract, employee
9 welfare benefit plan, health or accident insurance policy, or any
10 policy of group, family group, or blanket or franchise, health and
11 accident insurance or self-insurance plan, health maintenance
12 organization, and preferred provider organization which is
13 delivered or issued for delivery in this state shall provide
14 benefits for anesthesia and for associated facility charges when
15 the mental or physical condition of the insured requires dental
16 treatment to be rendered under general anesthesia in a hospital
17 setting, surgical center or dental office. The requirements of
18 this section shall be fully applicable to the State Employees
19 Health Insurance Plan and the Public School Employees Health
20 Insurance Plan. Excluded herefrom are limited benefit or
21 supplemental health insurance policies.

22 An insurer may require prior authorization for the anesthesia
23 and associated facility charges for dental care procedures in the
24 same manner that prior authorization is required for treatment of
25 other medical conditions under general anesthesia. The benefit
26 provided by this coverage shall be subject to the same annual
27 deductibles or co-insurance established for all other covered
28 benefits within a given policy, plan or contract. Private third
29 party payers may not reduce or eliminate coverage due to these

30 requirements.

31 A dentist shall consider the Indications for General
32 Anesthesia as published in the reference manual of the American
33 Academy of Pediatric Dentistry as utilization standards for
34 determining whether performing dental procedures necessary to
35 treat the particular condition or conditions of the patient under
36 general anesthesia constitutes appropriate treatment.

37 The provisions of this legislation shall not apply to
38 treatment rendered for temporal mandibular joint (TMJ) disorders.

39 An insurer under this legislation may restrict coverage to
40 include only procedures performed by a fully accredited specialist
41 in pediatric dentistry or other dentists fully accredited in a
42 recognized dental specialty for which hospital privileges are
43 granted or a dentist who is certified by virtue of completion of
44 an accredited program of post-graduate hospital training to be
45 granted hospital privileges.

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

48 25-15-9. (1) (a) The department shall design a plan of
49 health insurance for state employees which provides benefits for
50 semiprivate rooms in addition to other incidental coverages which
51 the department deems necessary. The amount of the coverages shall
52 be in such reasonable amount as may be determined by the
53 department to be adequate, after due consideration of current
54 health costs in Mississippi. The plan shall also include major
55 medical benefits in such amounts as the department shall
56 determine. The plan shall provide benefits for anesthesia and
57 associated facility charges for certain dental care procedures as
58 required in Section 1 of Senate Bill No. 2250, 1999 Regular
59 Session. The department is also authorized to accept bids for
60 such alternate coverage and optional benefits as the department
61 shall deem proper. The department may employ or contract for such
62 consulting or actuarial services as may be necessary to formulate
63 the State Employees Health Insurance Plan, and to assist the
64 department in the preparation of specifications and in the process
65 of advertising for the bids for the plan. The department is
66 authorized to promulgate rules and regulations to implement the
67 provisions of this subsection.

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

71 (b) There is created an advisory council to advise the
72 department in the formulation of the State Employees Health
73 Insurance Plan. The council shall be composed of the State
74 Insurance Commissioner or his designee, an employee-representative
75 of the institutions of higher learning appointed by the board of
76 trustees thereof, an employee-representative of the Department of
77 Transportation appointed by the director thereof, an
78 employee-representative of the State Tax Commission appointed by
79 the Commissioner of Revenue, an employee-representative of the
80 Mississippi Department of Health appointed by the State Health
81 Officer, an employee-representative of the Mississippi Department
82 of Corrections appointed by the Commissioner of Corrections, and
83 an employee-representative of the Department of Human Services
84 appointed by the Executive Director of Human Services.

85 The Lieutenant Governor may designate the Secretary of the
86 Senate, the Chairman of the Senate Appropriations Committee and
87 the Chairman of the Senate Insurance Committee, and the Speaker of
88 the House of Representatives may designate the Clerk of the House,
89 the Chairman of the House Appropriations Committee and the
90 Chairman of the House Insurance Committee, to attend any meeting
91 of the State Employees Insurance Advisory Council. The appointing
92 authorities may designate an alternate member from their
93 respective houses to serve when the regular designee is unable to
94 attend such meetings of the council. Such designees shall have
95 no jurisdiction or vote on any matter within the jurisdiction of
96 the council. For attending meetings of the council, such
97 legislators shall receive per diem and expenses which shall be
98 paid from the contingent expense funds of their respective houses
99 in the same amounts as provided for committee meetings when the
100 Legislature is not in session; however, no per diem and expenses
101 for attending meetings of the council will be paid while the

102 Legislature is in session. No per diem and expenses will be paid
103 except for attending meetings of the council without prior
104 approval of the proper committee in their respective houses.

105 (c) No change in the terms of the State Employees
106 Health Insurance Plan may be made effective unless the Executive
107 Director of the Department of Finance and Administration or his
108 designee, has provided notice to the State Employees Health
109 Insurance Advisory Council and has called a meeting of the council
110 at least fifteen (15) days before the effective date of such
111 change. In the event that the State Employees Health Insurance
112 Council does not meet to advise the department on the proposed
113 changes, the changes to the plan shall become effective at such
114 time as the department has informed the council that the changes
115 shall become effective.

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

125 (e) **Medical benefits for retired employees over age**
126 **sixty-five (65) years.** The health insurance coverage available to
127 retired employees over age sixty-five (65) years, and all
128 dependents over age sixty-five (65) years, shall be the major
129 medical coverage with the lifetime maximum of One Million Dollars
130 (\$1,000,000.00). Benefits shall be reduced by Medicare benefits
131 as though such Medicare benefits were the base plan.

132 All covered individuals shall be assumed to have full
133 Medicare coverage, Parts A and B; and any Medicare payments under
134 both Parts A and B shall be computed to reduce benefits payable
135 under this plan.

136 (2) Nonduplication of benefits--reduction of benefits by
137 Title XIX benefits: When benefits would be payable under more
138 than one (1) group plan, benefits under those plans will be
139 coordinated to the extent that the total benefits under all plans
140 will not exceed the total expenses incurred.

141 Benefits for hospital or surgical or medical benefits shall
142 be reduced by any similar benefits payable in accordance with
143 Title XIX of the Social Security Act or under any amendments
144 thereto, or any implementing legislation.

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

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

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

165 (4) Any eligible employee who on March 1, 1971, was
166 participating in a group life insurance program which has provisions
167 different from those included herein and for which the State of
168 Mississippi was paying a part of the premium may, at his discretion,
169 continue to participate in such plan. Such employee shall pay in

170 full all additional costs, if any, above the minimum program
171 established by this article. Under no circumstances shall any
172 individual who begins employment with the state after March 1, 1971,
173 be eligible for the provisions of this paragraph.

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

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

198 (7) (a) The department may offer medical savings accounts as
199 defined in Section 71-9-3 as a plan option. Provided, however, that
200 prior to offering such accounts as a plan option, the Department of
201 Finance and Administration shall prepare and present to the Senate
202 and House Insurance Committees by December 15, 1996, a comprehensive
203 study of medical savings accounts to include a proposed

204 implementation timetable and potential actuarial effects of such
205 accounts on the existing state employee health plan. The
206 department's study shall also include, but not be limited to,
207 recommended employer contribution levels, recommended employee
208 contribution levels, recommendations on annual rollover of balances
209 or withdrawals for nonmedical purposes, and recommendations on
210 medical coverage for persons who expend their account balances. The
211 department shall use existing staff resources and those of other
212 agencies to conduct this study. In no case shall the department
213 employ a consultant or contractor other than an actuary to conduct
214 this study. No later than July 15, 1996, the Department of Finance
215 and Administration shall meet with the staff of the PEER Committee
216 and the Legislative Budget Office to receive recommendations on the
217 issues and methods which the department shall consider in preparing
218 its report. No later than October 15, 1996, the Department of
219 Finance and Administration shall submit a copy of its draft report
220 to the PEER Committee and the Legislative Budget Office which shall
221 analyze the report and prepare comments for publication in the final
222 report to be submitted to the House and Senate Insurance Committees
223 on December 15, 1996.

224 (b) In no case shall the department offer medical savings
225 accounts as an option to health plan participants prior to January
226 1, 1998.

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

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

235 25-15-255. (1) (a) The Department of Finance and
236 Administration shall design a plan of health insurance for employees
237 which provides benefits for semiprivate rooms in addition to other

238 incidental coverages which the department deems necessary.

239 The amount of the coverages shall be in such reasonable amount
240 as may be determined by the department to be adequate, after due
241 consideration of current health costs in Mississippi. The plan
242 shall also include major medical benefits in such amounts as the
243 department shall determine. The plan shall include benefits for
244 anesthesia and associated facility charges for certain dental care
245 procedures as required in Section 1 of Senate Bill No. 2250, 1999
246 Regular Session. The department is also authorized to accept bids
247 for alternate coverage and optional benefits. Any contract for
248 alternative coverage and optional benefits shall be awarded by the
249 department after it has carefully studied and evaluated the bids and
250 selected the best and most cost-effective bid. The department may
251 reject all such bids; however, the department shall notify all
252 bidders of the rejection and shall actively solicit new bids if all
253 bids are rejected.

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

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

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

269 The department may employ or contract for such consulting or
270 actuarial services as may be necessary to formulate the Public
271 School Employees Health Insurance Plan, and to assist the department

272 in the preparation of specifications and in the process of
273 advertising for the bids for the plan. Such contracts shall be
274 solicited and entered into in accordance with Section 25-15-5. The
275 department shall keep a record of all persons, agents and
276 corporations who contract with or assist the department in preparing
277 and developing the plan. The department, in a timely manner, shall
278 provide copies of this record to the members of the advisory council
279 created in paragraph (b) of this subsection and those legislators,
280 or their designees, who may attend meetings of the advisory council.

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

300 The department is authorized to promulgate rules and
301 regulations to implement the provisions of this subsection. After
302 expiration or termination of the contract between the state and the
303 administering corporation existing immediately before the date on
304 which the plan becomes self-insured by the State of Mississippi, the
305 remainder of funds in the Premium Stabilization Fund shall revert to

306 the Public School Employees Insurance Fund and shall be used
307 exclusively for payment of future premiums.

308 Any corporation, association, company or individual that
309 contracts with the department for the third-party claims
310 administration of the self-insured plan shall prepare and keep on
311 file an explanation of benefits for each claim processed. The
312 explanation of benefits shall contain such information relative to
313 each processed claim which the department deems necessary, and at a
314 minimum, each explanation shall provide the claimant's name, claim
315 number, provider number, provider name, service dates, type of
316 services, amount of charges, amount allowed to the claimant and
317 reason codes.

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

337 (b) There is created an advisory council to the
338 department to advise the department in the formulation of the Public
339 School Employees Health Insurance Plan. The advisory council and

340 those legislators, or their designees, authorized to attend meetings
341 of the advisory council pursuant to this subsection shall be
342 informed in a timely manner concerning each aspect of the
343 formulation and development of the plan. No change in the terms of
344 the Public School Employees Health Insurance Plan may be made
345 effective unless the Executive Director of the Department of Finance
346 and Administration, or his designee, has provided notice to the
347 Public School Employees Health Insurance Advisory Council and has
348 called a meeting of the council at least fifteen (15) days before
349 the effective date of such change. In the event that the Public
350 School Employees Health Insurance Advisory Council does not meet to
351 advise the department on the proposed changes, the changes to the
352 plan shall become effective at such times as the department has
353 informed the council that the changes shall become effective.

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

365 The Chairman of the Senate Insurance Committee, the Chairman of
366 the Senate Education Committee, the Chairman of the House of
367 Representatives Insurance Committee and the Chairman of the House of
368 Representatives Education Committee, and/or their designees from
369 their respective houses, may attend any meeting of the advisory
370 council. The legislators, or their designees, shall have no
371 jurisdiction or vote on any matter within the jurisdiction of the
372 council. For attending meetings of the council, the legislators
373 shall receive per diem and expenses which shall be paid from the

374 contingent expense funds of their respective houses in the same
375 amounts as provided for committee meetings when the Legislature is
376 not in session; however, no per diem and expenses for attending
377 meetings of the council will be paid while the Legislature is in
378 session. No per diem and expenses will be paid except for attending
379 meetings of the council without prior approval of the proper
380 committee in their respective houses.

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

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

396 All covered individuals shall be assumed to have full Medicare
397 coverage, Parts A and B; and any Medicare payments under both Parts
398 A and B shall be computed to reduce benefits payable under this
399 plan.

400 (2) **Nonduplication of benefits-reduction of benefits by Title**
401 **XIX benefits.** When benefits would be payable under more than one
402 group plan, benefits under those plans will be coordinated to the
403 extent that the total benefits under all plans will not exceed the
404 total expenses incurred.

405 Benefits for hospital or surgical or medical benefits shall be
406 reduced by any similar benefits payable in accordance with Title XIX
407 of the Social Security Act or under any amendments thereto, or any

408 implementing legislation.

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

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

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

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

436 (6) The Department of Finance and Administration shall
437 annually report to the Joint Legislative Budget Committee the
438 condition of the Public School Employees Health Insurance Plan.
439 Such report shall contain, but not be limited to, a report of the
440 plan's financial condition at the close of the most recent complete
441 calendar year. The report shall also include all recommendations

442 made to the department by consultants regarding the plan and its
443 administration, including a complete departmental response to each
444 recommendation. The department shall also list the history of
445 yearly claims paid and premiums received for each employee subgroup,
446 including, but not limited to, active employees, dependents and
447 retirees and shall also publish the loss ratios for these subgroups.

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

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

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

466 (b) A schedule of all contracts, administrative and
467 otherwise, executed for the benefit of the plan during the most
468 recent completed fiscal year, and those executed and anticipated for
469 the current fiscal year;

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

472 The department shall also provide to the Joint Legislative
473 Committee on Performance Evaluation and Expenditure Review (PEER)
474 all information described in paragraph (b) in this subsection. The
475 PEER Committee shall prepare a report by January 1 of each year on

476 all contractors utilized by the department for the health plans,
477 excluding the third-party administrator contract. The committee's
478 report shall address the processes by which the department procured
479 the contractors, the contractors' work products and contract
480 expenditures. The review provided for herein shall be supplemental
481 to the review provided for in Section 25-15-301.

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

507 (b) In no case shall the department offer medical savings
508 accounts as an option to health plan participants prior to January
509 1, 1998.

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