

By: Compretta

To: Insurance;
Appropriations

HOUSE BILL NO. 1365

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 INCLUDE COVERAGE FOR TOBACCO USE CESSATION SERVICES UNDER THE
3 STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN; TO PROVIDE THAT
4 THE COVERAGE FOR THESE SERVICES SHALL BE FUNDED FROM THE HEALTH
5 CARE EXPENDABLE FUND; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 25-15-9, Mississippi Code of 1972, is
8 amended as follows:

9 25-15-9. (1) (a) The board shall design a plan of health
10 insurance for state employees which provides benefits for
11 semiprivate rooms in addition to other incidental coverages which
12 the board deems necessary. The amount of the coverages shall be
13 in such reasonable amount as may be determined by the board to be
14 adequate, after due consideration of current health costs in
15 Mississippi. The plan shall also include coverage for
16 comprehensive tobacco use cessation services, including
17 reimbursement for physician visits and Federal Drug Administration
18 approved cessation therapies. These benefits shall be subject to
19 the same annual deductibles or coinsurance that are established
20 for all other covered benefits. The coverage for tobacco use
21 cessation services shall be funded from monies appropriated from
22 the Health Care Expendable Fund established under Section
23 43-13-407 and from any other funds appropriated to or otherwise
24 made available to the board for this purpose. The plan shall also
25 include major medical benefits in such amounts as the board shall
26 determine. The board is also authorized to accept bids for such
27 alternate coverage and optional benefits as the board shall deem

28 proper. Any contract for alternative coverage and optional
29 benefits shall be awarded by the board after it has carefully
30 studied and evaluated the bids and selected the best and most
31 cost-effective bid. The board may reject all such bids; however,
32 the board shall notify all bidders of the rejection and shall
33 actively solicit new bids if all bids are rejected. The board may
34 employ or contract for such consulting or actuarial services as
35 may be necessary to formulate the plan, and to assist the board in
36 the preparation of specifications and in the process of
37 advertising for the bids for the plan. Such contracts shall be
38 solicited and entered into in accordance with Section 25-15-5.
39 The board shall keep a record of all persons, agents and
40 corporations who contract with or assist the board in preparing
41 and developing the plan. The board in a timely manner shall
42 provide copies of this record to the members of the advisory
43 council created in this section and those legislators, or their
44 designees, who may attend meetings of the advisory council. The
45 board shall provide copies of this record in the solicitation of
46 bids for the administration or servicing of the self-insured
47 program. Each person, agent or corporation which, during the
48 previous fiscal year, has assisted in the development of the plan
49 or employed or compensated any person who assisted in the
50 development of the plan, and which bids on the administration or
51 servicing of the plan, shall submit to the board a statement
52 accompanying the bid explaining in detail its participation with
53 the development of the plan. This statement shall include the
54 amount of compensation paid by the bidder to any such employee
55 during the previous fiscal year. The board shall make all such
56 information available to the members of the advisory council and
57 those legislators, or their designees, who may attend meetings of
58 the advisory council before any action is taken by the board on
59 the bids submitted. The failure of any bidder to fully and
60 accurately comply with this paragraph shall result in the
61 rejection of any bid submitted by that bidder or the cancellation
62 of any contract executed when the failure is discovered after the
63 acceptance of that bid. The board is authorized to promulgate
64 rules and regulations to implement the provisions of this

65 subsection.

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

69 Any corporation, association, company or individual that
70 contracts with the board for the third-party claims administration
71 of the self-insured plan shall prepare and keep on file an
72 explanation of benefits for each claim processed. The explanation
73 of benefits shall contain such information relative to each
74 processed claim which the board deems necessary, and, at a
75 minimum, each explanation shall provide the claimant's name, claim
76 number, provider number, provider name, service dates, type of
77 services, amount of charges, amount allowed to the claimant and
78 reason codes. The information contained in the explanation of
79 benefits shall be available for inspection upon request by the
80 board. The board shall have access to all claims information
81 utilized in the issuance of payments to employees and providers.

82 (b) There is created an advisory council to advise the
83 board in the formulation of the State and School Employees Health
84 Insurance Plan. The council shall be composed of the State
85 Insurance Commissioner or his designee, an employee-representative
86 of the institutions of higher learning appointed by the board of
87 trustees thereof, an employee-representative of the Department of
88 Transportation appointed by the director thereof, an
89 employee-representative of the State Tax Commission appointed by
90 the Commissioner of Revenue, an employee-representative of the
91 Mississippi Department of Health appointed by the State Health
92 Officer, an employee-representative of the Mississippi Department
93 of Corrections appointed by the Commissioner of Corrections, and
94 an employee-representative of the Department of Human Services
95 appointed by the Executive Director of Human Services, two (2)
96 certificated public school administrators appointed by the State
97 Board of Education, two (2) certificated classroom teachers
98 appointed by the State Board of Education, a noncertificated
99 school employee appointed by the State Board of Education and a
100 community/junior college employee appointed by the State Board for
101 Community and Junior Colleges.

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

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

134 (d) **Medical benefits for retired employees and**

135 **dependents under age sixty-five (65) years and not eligible for**
136 **Medicare benefits.** The same health insurance coverage as for all
137 other active employees and their dependents shall be available to
138 retired employees and all dependents under age sixty-five (65)
139 years who are not eligible for Medicare benefits, the level of
140 benefits to be the same level as for all other active
141 participants. This section will apply to those employees who
142 retire due to one hundred percent (100%) medical disability as
143 well as those employees electing early retirement.

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

154 All covered individuals shall be assumed to have full
155 Medicare coverage, Parts A and B; and any Medicare payments under
156 both Parts A and B shall be computed to reduce benefits payable
157 under this plan.

158 (2) Nonduplication of benefits--reduction of benefits by
159 Title XIX benefits: When benefits would be payable under more
160 than one (1) group plan, benefits under those plans will be
161 coordinated to the extent that the total benefits under all plans
162 will not exceed the total expenses incurred.

163 Benefits for hospital or surgical or medical benefits shall
164 be reduced by any similar benefits payable in accordance with
165 Title XIX of the Social Security Act or under any amendments
166 thereto, or any implementing legislation.

167 Benefits for hospital or surgical or medical benefits shall

168 be reduced by any similar benefits payable by workers'
169 compensation.

170 (3) (a) Schedule of life insurance benefits--group term:
171 The amount of term life insurance for each active employee of a
172 department, agency or institution of the State Government shall
173 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
174 twice the amount of the employee's annual wage to the next highest
175 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
176 case less than Thirty Thousand Dollars (\$30,000.00), with a like
177 amount for accidental death and dismemberment on a
178 twenty-four-hour basis. The plan will further contain a premium
179 waiver provision if a covered employee becomes totally and
180 permanently disabled prior to age sixty-five (65) years.
181 Employees retiring after June 30, 1999, shall be eligible to
182 continue life insurance coverage in an amount of Five Thousand
183 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
184 Thousand Dollars (\$20,000.00) into retirement.

185 (b) Effective October 1, 1999, schedule of life
186 insurance benefits--group term: The amount of term life insurance
187 for each active employee of any school district, community/junior
188 college, public library or university-based program authorized
189 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
190 children or any regular nonstudent bus driver shall not be in
191 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
192 amount of the employee's annual wage to the next highest One
193 Thousand Dollars (\$1,000.00), whichever may be less, but in no
194 case less than Thirty Thousand Dollars (\$30,000.00), with a like
195 amount for accidental death and dismemberment on a
196 twenty-four-hour basis. The plan will further contain a premium
197 waiver provision if a covered employee of any school district,
198 community/junior college, public library or university-based
199 program authorized under Section 37-23-31 for deaf, aphasic and
200 emotionally disturbed children or any regular nonstudent bus

201 driver becomes totally and permanently disabled prior to age
202 sixty-five (65) years. Employees of any school district,
203 community/junior college, public library or university-based
204 program authorized under Section 37-23-31 for deaf, aphasic and
205 emotionally disturbed children or any regular nonstudent bus
206 driver retiring after September 30, 1999, shall be eligible to
207 continue life insurance coverage in an amount of Five Thousand
208 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
209 Thousand Dollars (\$20,000.00) into retirement.

210 (4) Any eligible employee who on March 1, 1971, was
211 participating in a group life insurance program which has
212 provisions different from those included herein and for which the
213 State of Mississippi was paying a part of the premium may, at his
214 discretion, continue to participate in such plan. Such employee
215 shall pay in full all additional costs, if any, above the minimum
216 program established by this article. Under no circumstances shall
217 any individual who begins employment with the state after March 1,
218 1971, be eligible for the provisions of this paragraph.

219 (5) The board may offer medical savings accounts as defined
220 in Section 71-9-3 as a plan option.

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

227 (7) On October 1, 1999, any school district,
228 community/junior college district or public library may elect to
229 remain with an existing policy or policies of group life insurance
230 with an insurance company approved by the State and School
231 Employees Health Insurance Management Board, in lieu of
232 participation in the State and School Life Insurance Plan. The
233 state's contribution of up to fifty percent (50%) of the active

234 employee's premium under the State and School Life Insurance Plan
235 may be applied toward the cost of coverage for full-time employees
236 participating in the approved life insurance company group plan.
237 For purposes of this subsection (7), "life insurance company group
238 plan" means a plan administered or sold by a private insurance
239 company. After October 1, 1999, the board may assess charges in
240 addition to the existing State and School Life Insurance Plan
241 rates to such employees as a condition of enrollment in the State
242 and School Life Insurance Plan. In order for any life insurance
243 company group plan existing as of October 1, 1999, to be approved
244 by the State and School Employees Health Insurance Management
245 Board under this subsection (7), it shall meet the following
246 criteria:

247 (a) The insurance company offering the group life
248 insurance plan shall be rated "A-" or better by A.M. Best state
249 insurance rating service and be licensed as an admitted carrier in
250 the State of Mississippi by the Mississippi Department of
251 Insurance.

252 (b) The insurance company group life insurance plan
253 shall provide the same life insurance, accidental death and
254 dismemberment insurance and waiver of premium benefits as provided
255 in the State and School Life Insurance Plan.

256 (c) The insurance company group life insurance plan
257 shall be fully insured, and no form of self-funding life insurance
258 by such company shall be approved.

259 (d) The insurance company group life insurance plan
260 shall have one (1) composite rate per One Thousand Dollars
261 (\$1,000.00) of coverage for active employees regardless of age and
262 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
263 coverage for all retirees regardless of age or type of retiree.

264 (e) The insurance company and its group life insurance
265 plan shall comply with any administrative requirements of the
266 State and School Employees Health Insurance Management Board. In

267 the event any insurance company providing group life insurance
268 benefits to employees under this subsection (7) fails to comply
269 with any requirements specified herein or any administrative
270 requirements of the board, the state shall discontinue providing
271 funding for the cost of such insurance.

272 SECTION 2. This act shall take effect and be in force from
273 and after July 1, 2000.