

By: Representative Fleming

To: Insurance;
Appropriations

HOUSE BILL NO. 104

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE STATE'S SHARE OF THE COST OF THE STATE AND
3 SCHOOL EMPLOYEES HEALTH INSURANCE PLAN SHALL BE DRAWN FROM FUNDS
4 AVAILABLE AS A RESULT OF THE TOBACCO SETTLEMENT; TO AMEND
5 43-13-407, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND
6 FOR RELATED PURPOSES.

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

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

10 25-15-15. (1) The board is authorized to determine the
11 manner in which premiums and contributions by the state agencies,
12 local school districts, colleges, universities, community/junior
13 colleges and public libraries shall be collected to provide the
14 self-insured health insurance program for employees as provided
15 under this article. The state shall provide fifty percent (50%)
16 of the cost of the above life insurance plan and one hundred
17 percent (100%) of the cost of the above health insurance plan for
18 all active full-time employees, and the employees shall be given
19 the opportunity to purchase coverage for their eligible dependents
20 with the premiums for such dependent coverage as well as the
21 employee's fifty percent (50%) share for his life insurance
22 coverage to be deductible from the employee's salary by the
23 agency, department or institution head, which deductions, together
24 with the fifty percent (50%) share of such life insurance premiums
25 of such employing agency, department or institution head from
26 funds appropriated to or authorized to be expended by such
27 employing agency, department or institution head, shall be
28 deposited directly into a depository bank or special fund in the
29 State Treasury, as determined by the board. These funds and



30 interest earned on these funds may be used for the disbursement of
31 claims and shall be exempt from the appropriation process.

32 (2) The state shall provide annually, by line item in the
33 Mississippi Library Commission appropriation bill, such funds to
34 pay one hundred percent (100%) of the cost of health insurance
35 under the State and School Employees Health Insurance Plan for all
36 full-time library staff members in each public library in
37 Mississippi. The commission shall allot to each public library a
38 sufficient amount of those funds appropriated to pay the costs of
39 insurance for eligible employees. Any funds so appropriated by
40 line item which are not expended during the fiscal year for which
41 such funds were appropriated shall be carried forward for the same
42 purposes during the next succeeding fiscal year. If any premiums
43 for the health insurance and/or late charges and interest
44 penalties are not paid by a public library in a timely manner, as
45 defined by the board, the Mississippi Library Commission, upon
46 notice by the board, shall immediately withhold all subsequent
47 disbursements of funds to that public library.

48 (3) The state shall annually provide one hundred percent
49 (100%) of the cost of the health insurance plan for all public
50 school district employees who work no less than twenty (20) hours
51 during each week and regular nonstudent school bus drivers. Where
52 federal funding is allowable to defray, in full or in part, the
53 cost of participation in the program by district employees who
54 work no less than twenty (20) hours during the week and regular
55 nonstudent bus drivers, whose salaries are paid, in full or in
56 part, by federal funds, the allowance under this section shall be
57 reduced to the extent of such federal funding. Where the use of
58 federal funds is allowable but not available, it is the intent of
59 the Legislature that school districts contribute the cost of
60 participation for such employees from local funds, except that
61 parent fees for child nutrition programs shall not be increased to
62 cover such cost.



63 (4) The state shall provide annually, by line item in the
64 community/junior college appropriation bill, such funds to pay one
65 hundred percent (100%) of the cost of the health insurance plan
66 for all community/junior college district employees who work no
67 less than twenty (20) hours during each week.

68 (5) When the use of federal funding is allowable to defray,
69 in full or in part, the cost of participation in the insurance
70 plan by community/junior college district employees who work no
71 less than twenty (20) hours during each week, whose salaries are
72 paid, in full or in part, by federal funds, the allowance under
73 this section shall be reduced to the extent of the federal
74 funding. Where the use of federal funds is allowable but not
75 available, it is the intent of the Legislature that
76 community/junior college districts contribute the cost of
77 participation for such employees from local funds.

78 (6) Any community/junior college district may contribute to
79 the cost of coverage for any district employee from local
80 community/junior college district funds, and any public school
81 district may contribute to the cost of coverage for any district
82 employee from nonminimum program funds. Any part of the cost of
83 such coverage for participating employees of public school
84 districts and public community/junior college districts that is
85 not paid by the state shall be paid by the participating
86 employees, which shall be deducted from the salaries of the
87 employees in a manner determined by the board.

88 (7) Any funds appropriated for the cost of insurance by line
89 item in the community/junior colleges appropriation bill which are
90 not expended during the fiscal year for which such funds were
91 appropriated shall be carried forward for the same purposes during
92 the next succeeding fiscal year.

93 (8) The board may establish and enforce late charges and
94 interest penalties or other penalties for the purpose of requiring
95 the prompt payment of all premiums for life and health insurance



96 permitted under Chapter 15 of Title 25. All funds in excess of
97 the amount needed for disbursement of claims shall be deposited in
98 a special fund in the State Treasury to be known as the State and
99 School Employees Insurance Fund. The State Treasurer shall invest
100 all funds in the State and School Employees Insurance Fund and all
101 interest earned shall be credited to the State and School
102 Employees Insurance Fund. Such funds shall be placed with one or
103 more depositories of the state and invested on the first day such
104 funds are available for investment in certificates of deposit,
105 repurchase agreements or in United States Treasury bills or as
106 otherwise authorized by law for the investment of Public
107 Employees' Retirement System funds, as long as such investment is
108 made from competitive offering and at the highest and best market
109 rate obtainable consistent with any available investment
110 alternatives; however, such investments shall not be made in
111 shares of stock, common or preferred, or in any other investments
112 which would mature more than one (1) year from the date of
113 investment. The board shall have the authority to draw from this
114 fund periodically such funds as are necessary to operate the
115 self-insurance plan or to pay to the insurance carrier the cost of
116 operation of this plan, it being the purpose to limit the amount
117 of participation by the state to fifty percent (50%) of the cost
118 of the life insurance program and not to limit the contracting for
119 additional benefits where the cost will be paid in full by the
120 employee. The state shall not share in the cost of coverage for
121 retired employees.

122 (9) The board shall also provide for the creation of an
123 Insurance Reserve Fund and funds therein shall be invested by the
124 State Treasurer with all interest earned credited to the State and
125 School Employees Insurance Fund.

126 (10) Any retired employee electing to purchase retired life
127 and health insurance will have the full cost of such insurance
128 deducted monthly from his State of Mississippi retirement plan



129 check or direct billed for the cost of the premium if the
130 retirement check is insufficient to pay for the premium. If the
131 board determines actuarially that the premium paid by the
132 participating retirees adversely affects the overall cost of the
133 plan to the state, then the department may impose a premium
134 surcharge, not to exceed fifteen percent (15%), upon such
135 participating retired employees who are under the age for Medicare
136 eligibility.

137 (11) The state's share of the cost of the health insurance
138 provided herein shall be drawn from the Health Care Expendable
139 Fund established by Section 43-13-407.

140 SECTION 2. Section 43-13-407, Mississippi Code of 1972, is
141 amended as follows:

142 43-13-407. (1) In accordance with the purposes of this
143 article, there is established in the State Treasury the Health
144 Care Expendable Fund, into which shall be transferred from the
145 Health Care Trust Fund the following sums:

146 (a) In fiscal year 2000, Fifty Million Dollars
147 (\$50,000,000.00);

148 (b) In fiscal year 2001, Fifty-five Million Dollars
149 (\$55,000,000.00);

150 (c) In fiscal year 2002, Sixty Million Five Hundred
151 Thousand Dollars (\$60,500,000.00);

152 (d) In fiscal year 2003, Sixty-six Million Five Hundred
153 Fifty Thousand Dollars (\$66,550,000.00);

154 (e) In fiscal year 2004 and each subsequent fiscal
155 year, a sum equal to the average annual amount of the income from
156 the investment of the funds in the Health Care Trust Fund since
157 July 1, 1999.

158 (2) In any fiscal year in which interest and dividends from
159 the investment of the funds in the Health Care Trust Fund are not
160 sufficient to fund the full amount of the annual transfer into the
161 Health Care Expendable Fund as required in subsection (1) of this



162 section, the State Treasurer shall transfer from tobacco
163 settlement installment payments an amount that is sufficient to
164 fully fund the amount of the annual transfer.

165 (3) All income from the investment of the funds in the
166 Health Care Expendable Fund shall be credited to the account of
167 the Health Care Expendable Fund. Any funds in the Health Care
168 Expendable Fund at the end of a fiscal year shall not lapse into
169 the State General Fund.

170 (4) The funds in the Health Care Expendable Fund shall be
171 available for expenditure pursuant to specific appropriation by
172 the Legislature beginning in fiscal year 2000, and shall be
173 expended exclusively for health care purposes, including, but not
174 limited to, the state's share of the cost of the State and School
175 Employees Health Insurance Plan.

176 SECTION 3. This act shall take effect and be in force from
177 and after July 1, 2001.

