

By: Representative Fillingane

To: Insurance;
Appropriations

HOUSE BILL NO. 927

1 AN ACT TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT BEGINNING WITH FISCAL YEAR 2002 THE LEGISLATURE
3 SHALL APPROPRIATE AN ANNUAL AMOUNT FROM THE TOBACCO LITIGATION
4 HEALTH CARE EXPENDABLE FUND EQUAL TO ANY INCREASE IN PREMIUM COST
5 FOR COVERAGE UNDER THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE
6 PLAN; TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972, IN
7 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 43-13-407, Mississippi Code of 1972, is
10 amended as follows:

11 43-13-407. (1) In accordance with the purposes of this
12 article, there is established in the State Treasury the Health
13 Care Expendable Fund, into which shall be transferred from the
14 Health Care Trust Fund the following sums:

15 (a) In fiscal year 2000, Fifty Million Dollars
16 (\$50,000,000.00);

17 (b) In fiscal year 2001, Fifty-five Million Dollars
18 (\$55,000,000.00);

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

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

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

27 (2) In any fiscal year in which interest and dividends from
28 the investment of the funds in the Health Care Trust Fund are not
29 sufficient to fund the full amount of the annual transfer into the



30 Health Care Expendable Fund as required in subsection (1) of this
31 section, the State Treasurer shall transfer from tobacco
32 settlement installment payments an amount that is sufficient to
33 fully fund the amount of the annual transfer.

34 (3) All income from the investment of the funds in the
35 Health Care Expendable Fund shall be credited to the account of
36 the Health Care Expendable Fund. Any funds in the Health Care
37 Expendable Fund at the end of a fiscal year shall not lapse into
38 the State General Fund.

39 (4) The funds in the Health Care Expendable Fund shall be
40 available for expenditure pursuant to specific appropriation by
41 the Legislature beginning in fiscal year 2000, and shall be
42 expended exclusively for health care purposes. Provided, however,
43 that beginning with fiscal year 2002, the Legislature shall
44 annually appropriate from the Health Care Expendable Fund an
45 amount necessary to pay for the cost of any increase in premiums
46 to be paid by employees or by the state under the State and School
47 Employees Health Insurance Plan, as certified to the Legislative
48 Budget Office by the State and School Employees Health Insurance
49 Management Board.

50 SECTION 2. Section 25-15-15, Mississippi Code of 1972, is
51 amended as follows:

52 25-15-15. (1) The board is authorized to determine the
53 manner in which premiums and contributions by the state agencies,
54 local school districts, colleges, universities, community/junior
55 colleges and public libraries shall be collected to provide the
56 self-insured health insurance program for employees as provided
57 under this article. The state shall provide fifty percent (50%)
58 of the cost of the above life insurance plan and one hundred
59 percent (100%) of the cost of the above health insurance plan for
60 all active full-time employees, and the employees shall be given
61 the opportunity to purchase coverage for their eligible dependents
62 with the premiums for such dependent coverage as well as the



63 employee's fifty percent (50%) share for his life insurance
64 coverage to be deductible from the employee's salary by the
65 agency, department or institution head, which deductions, together
66 with the fifty percent (50%) share of such life insurance premiums
67 of such employing agency, department or institution head from
68 funds appropriated to or authorized to be expended by such
69 employing agency, department or institution head, shall be
70 deposited directly into a depository bank or special fund in the
71 State Treasury, as determined by the board. These funds and
72 interest earned on these funds may be used for the disbursement of
73 claims and shall be exempt from the appropriation process.

74 (2) The state shall provide annually, by line item in the
75 Mississippi Library Commission appropriation bill, such funds to
76 pay one hundred percent (100%) of the cost of health insurance
77 under the State and School Employees Health Insurance Plan for all
78 full-time library staff members in each public library in
79 Mississippi. The commission shall allot to each public library a
80 sufficient amount of those funds appropriated to pay the costs of
81 insurance for eligible employees. Any funds so appropriated by
82 line item which are not expended during the fiscal year for which
83 such funds were appropriated shall be carried forward for the same
84 purposes during the next succeeding fiscal year. If any premiums
85 for the health insurance and/or late charges and interest
86 penalties are not paid by a public library in a timely manner, as
87 defined by the board, the Mississippi Library Commission, upon
88 notice by the board, shall immediately withhold all subsequent
89 disbursements of funds to that public library.

90 (3) The state shall annually provide one hundred percent
91 (100%) of the cost of the health insurance plan for all public
92 school district employees who work no less than twenty (20) hours
93 during each week and regular nonstudent school bus drivers. Where
94 federal funding is allowable to defray, in full or in part, the
95 cost of participation in the program by district employees who



96 work no less than twenty (20) hours during the week and regular
97 nonstudent bus drivers, whose salaries are paid, in full or in
98 part, by federal funds, the allowance under this section shall be
99 reduced to the extent of such federal funding. Where the use of
100 federal funds is allowable but not available, it is the intent of
101 the Legislature that school districts contribute the cost of
102 participation for such employees from local funds, except that
103 parent fees for child nutrition programs shall not be increased to
104 cover such cost.

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

110 (5) When the use of federal funding is allowable to defray,
111 in full or in part, the cost of participation in the insurance
112 plan by community/junior college district employees who work no
113 less than twenty (20) hours during each week, whose salaries are
114 paid, in full or in part, by federal funds, the allowance under
115 this section shall be reduced to the extent of the federal
116 funding. Where the use of federal funds is allowable but not
117 available, it is the intent of the Legislature that
118 community/junior college districts contribute the cost of
119 participation for such employees from local funds.

120 (6) Any community/junior college district may contribute to
121 the cost of coverage for any district employee from local
122 community/junior college district funds, and any public school
123 district may contribute to the cost of coverage for any district
124 employee from nonminimum program funds. Any part of the cost of
125 such coverage for participating employees of public school
126 districts and public community/junior college districts that is
127 not paid by the state shall be paid by the participating



128 employees, which shall be deducted from the salaries of the
129 employees in a manner determined by the board.

130 (7) Any funds appropriated for the cost of insurance by line
131 item in the community/junior colleges appropriation bill which are
132 not expended during the fiscal year for which such funds were
133 appropriated shall be carried forward for the same purposes during
134 the next succeeding fiscal year.

135 (8) The board may establish and enforce late charges and
136 interest penalties or other penalties for the purpose of requiring
137 the prompt payment of all premiums for life and health insurance
138 permitted under Chapter 15 of Title 25. All funds in excess of
139 the amount needed for disbursement of claims shall be deposited in
140 a special fund in the State Treasury to be known as the State and
141 School Employees Insurance Fund. The State Treasurer shall invest
142 all funds in the State and School Employees Insurance Fund and all
143 interest earned shall be credited to the State and School
144 Employees Insurance Fund. Such funds shall be placed with one or
145 more depositories of the state and invested on the first day such
146 funds are available for investment in certificates of deposit,
147 repurchase agreements or in United States Treasury bills or as
148 otherwise authorized by law for the investment of Public
149 Employees' Retirement System funds, as long as such investment is
150 made from competitive offering and at the highest and best market
151 rate obtainable consistent with any available investment
152 alternatives; however, such investments shall not be made in
153 shares of stock, common or preferred, or in any other investments
154 which would mature more than one (1) year from the date of
155 investment. The board shall have the authority to draw from this
156 fund periodically such funds as are necessary to operate the
157 self-insurance plan or to pay to the insurance carrier the cost of
158 operation of this plan, it being the purpose to limit the amount
159 of participation by the state to fifty percent (50%) of the cost
160 of the life insurance program and not to limit the contracting for



161 additional benefits where the cost will be paid in full by the
162 employee. The state shall not share in the cost of coverage for
163 retired employees.

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

168 (10) Any retired employee electing to purchase retired life
169 and health insurance will have the full cost of such insurance
170 deducted monthly from his State of Mississippi retirement plan
171 check or direct billed for the cost of the premium if the
172 retirement check is insufficient to pay for the premium. If the
173 board determines actuarially that the premium paid by the
174 participating retirees adversely affects the overall cost of the
175 plan to the state, then the department may impose a premium
176 surcharge, not to exceed fifteen percent (15%), upon such
177 participating retired employees who are under the age for Medicare
178 eligibility.

179 (11) Beginning with fiscal year 2002, the state's and the
180 employee's share of the cost of any increase in premiums for the
181 health insurance provided herein shall be drawn from the Health
182 Care Expendable Fund as provided in Section 43-13-407.

183 SECTION 3. This act shall take effect and be in force from
184 and after its passage.

