HOUSE BILL NO. 1124

AN ACT TO AMEND SECTION 83-61-7, MISSISSIPPI CODE OF 1972, TO REVISE THE ELIGIBILITY REQUIREMENTS UNDER THE VOLUNTARY BASIC HEALTH INSURANCE COVERAGE LAW; TO AMEND SECTION 83-63-3, MISSISSIPPI CODE OF 1972, TO REVISE ELIGIBILITY REQUIREMENTS UNDER THE SMALL EMPLOYER HEALTH BENEFIT PLANS; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 83-61-7, Mississippi Code of 1972, is amended as follows:

83-61-7. (1) To be eligible for insurance coverage under the program, an individual shall provide evidence to the approved carrier that he or she:

(a) Is under sixty-five (65) years of age;

(b) Is acceptable to the approved carrier; and

(c) * * * That his or her family income does not exceed one hundred twenty-five percent (125%) of the federal poverty level.

(2) No person who is covered under the program and terminates the coverage is again eligible for coverage unless twelve (12) months have elapsed since the person's latest termination.

SECTION 2. Section 83-63-3, Mississippi Code of 1972, is amended as follows:

83-63-3. For purposes of this chapter, the following terms are defined as follows:

(a) "Actuarial certification" means a written statement by a member of the American Academy of Actuaries, or other individual acceptable to the commissioner, that a small employer carrier is in compliance with Section 83-63-7, based upon the
person's examination, including a review of the appropriate records and of the actuarial assumptions and methods used by the small employer carrier in establishing premium rates for applicable health benefit plans.

(b) "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under the rating system for that class of business, by the small employer carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.

(c) "Carrier" means any entity that provides health insurance in this state such as an insurance company; a prepaid hospital or medical service plan; a nonprofit hospital, medical and surgical service corporation; a health maintenance organization; a fully insured multiple employer welfare arrangement; or any other entity providing a plan of health insurance subject to state insurance regulation.

(d) "Case characteristics" means demographic or other objective characteristics of a small employer that are considered by the small employer carrier in the determination of premium rates for the small employer, but claim experience, health status and duration of coverage are not case characteristics for the purposes of this chapter.

(e) "Class of business" means all or a separate grouping of small employers established pursuant to Section 83-63-5.

(f) "Commissioner" means the Commissioner of Insurance.

(g) "Eligible employee" means an employee who works on a full-time basis and has a normal work week of twenty (20) or more hours. The term includes a sole proprietor, a partner of a partnership and an independent contractor, if the sole proprietor, partner or independent contractor is included as an employee under
a health benefit plan of a small employer, but does not include an employee who works on a part-time, temporary or substitute basis.

(h) "Established geographic service area" means a geographical area, as approved by the commissioner and based on the carrier's certificate of authority to transact insurance in this state, within which the carrier is authorized to provide coverage.

(i) "Health benefit plan" or "plan" means any hospital or medical policy or certificate, hospital or medical service plan contract, or health maintenance organization subscriber contract. Health benefit plan does not include accident-only, specified disease, credit, dental, vision, Medicare supplement, long-term care, or disability income insurance; coverage issued as a supplement to liability insurance; workers' compensation or similar insurance; or automobile medical-payment insurance.

(j) "Index rate" means for each class of business for small employees with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

(k) "New business premium rate" means for each class of business as to a rating period, the premium rate charged or offered by the small employer carrier to small employers with similar case characteristics for newly issued health benefit plans with the same or similar coverage.

(l) "Rating period" means the calendar period for which premium rates established by a small employer carrier are assumed to be in effect.

(m) "Small employer" means any person, firm, corporation, partnership or association actively engaged in business which, on at least fifty percent (50%) of its working days during the preceding year, employed no more than fifty (50) eligible employees. In determining the number of eligible employees, companies which are affiliated companies or which are
eligible to file a combined tax return for purposes of state taxation shall be considered one (1) employer.

(n) "Small employer carrier" means any carrier which offers health benefit plans covering eligible employees of one or more small employers in this state.

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