

By: Representative Denny

To: Insurance

HOUSE BILL NO. 1124

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

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

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

9 83-61-7. (1) To be eligible for insurance coverage under  
10 the program, an individual shall provide evidence to the approved  
11 carrier that he or she:

- 12 (a) Is under sixty-five (65) years of age;
- 13 (b) Is acceptable to the approved carrier; and
- 14 (c) \* \* \* That his or her family income does not  
15 exceed one hundred twenty-five percent (125%) of the federal  
16 poverty level.

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

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

23 83-63-3. For purposes of this chapter, the following terms  
24 are defined as follows:

- 25 (a) "Actuarial certification" means a written statement  
26 by a member of the American Academy of Actuaries, or other  
27 individual acceptable to the commissioner, that a small employer  
28 carrier is in compliance with Section 83-63-7, based upon the

29 person's examination, including a review of the appropriate  
30 records and of the actuarial assumptions and methods used by the  
31 small employer carrier in establishing premium rates for  
32 applicable health benefit plans.

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

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

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

52 (e) "Class of business" means all or a separate  
53 grouping of small employers established pursuant to Section  
54 83-63-5.

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

56 (g) "Eligible employee" means an employee who works on  
57 a full-time basis and has a normal work week of twenty (20) or  
58 more hours. The term includes a sole proprietor, a partner of a  
59 partnership and an independent contractor, if the sole proprietor,  
60 partner or independent contractor is included as an employee under

61 a health benefit plan of a small employer, but does not include an  
62 employee who works on a part-time, temporary or substitute basis.

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

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

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

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

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

88 (m) "Small employer" means any person, firm,  
89 corporation, partnership or association actively engaged in  
90 business which, on at least fifty percent (50%) of its working  
91 days during the preceding year, employed no more than fifty (50)  
92 eligible employees. In determining the number of eligible  
93 employees, companies which are affiliated companies or which are

94 eligible to file a combined tax return for purposes of state  
95 taxation shall be considered one (1) employer.

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

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