

By: Senator(s) Dearing

To: Fees, Salaries and
Administration;
Appropriations

SENATE BILL NO. 2250

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 INCREASE THE AMOUNTS OF LIFE INSURANCE FOR WHICH RETIREES ARE
3 ELIGIBLE UNDER THE STATE AND SCHOOL EMPLOYEES LIFE INSURANCE PLAN;
4 AND FOR RELATED PURPOSES.

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

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

8 25-15-9. (1) (a) The board shall design a plan of health
9 insurance for state employees which provides benefits for
10 semiprivate rooms in addition to other incidental coverages which
11 the board deems necessary. The amount of the coverages shall be
12 in such reasonable amount as may be determined by the board to be
13 adequate, after due consideration of current health costs in
14 Mississippi. The plan shall also include major medical benefits
15 in such amounts as the board shall determine. The board is also
16 authorized to accept bids for such alternate coverage and optional
17 benefits as the board shall deem proper. Any contract for
18 alternative coverage and optional benefits shall be awarded by the
19 board after it has carefully studied and evaluated the bids and
20 selected the best and most cost-effective bid. The board may
21 reject all such bids; however, the board shall notify all bidders
22 of the rejection and shall actively solicit new bids if all bids
23 are rejected. The board may employ or contract for such
24 consulting or actuarial services as may be necessary to formulate
25 the plan, and to assist the board in the preparation of
26 specifications and in the process of advertising for the bids for
27 the plan. Such contracts shall be solicited and entered into in

28 accordance with Section 25-15-5. The board shall keep a record of
29 all persons, agents and corporations who contract with or assist
30 the board in preparing and developing the plan. The board in a
31 timely manner shall provide copies of this record to the members
32 of the advisory council created in this section and those
33 legislators, or their designees, who may attend meetings of the
34 advisory council. The board shall provide copies of this record
35 in the solicitation of bids for the administration or servicing of
36 the self-insured program. Each person, agent or corporation
37 which, during the previous fiscal year, has assisted in the
38 development of the plan or employed or compensated any person who
39 assisted in the development of the plan, and which bids on the
40 administration or servicing of the plan, shall submit to the board
41 a statement accompanying the bid explaining in detail its
42 participation with the development of the plan. This statement
43 shall include the amount of compensation paid by the bidder to any
44 such employee during the previous fiscal year. The board shall
45 make all such information available to the members of the advisory
46 council and those legislators, or their designees, who may attend
47 meetings of the advisory council before any action is taken by the
48 board on the bids submitted. The failure of any bidder to fully
49 and accurately comply with this paragraph shall result in the
50 rejection of any bid submitted by that bidder or the cancellation
51 of any contract executed when the failure is discovered after the
52 acceptance of that bid. The board is authorized to promulgate
53 rules and regulations to implement the provisions of this
54 subsection.

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

58 Any corporation, association, company or individual that
59 contracts with the board for the third-party claims administration
60 of the self-insured plan shall prepare and keep on file an

61 explanation of benefits for each claim processed. The explanation
62 of benefits shall contain such information relative to each
63 processed claim which the board deems necessary, and, at a
64 minimum, each explanation shall provide the claimant's name, claim
65 number, provider number, provider name, service dates, type of
66 services, amount of charges, amount allowed to the claimant and
67 reason codes. The information contained in the explanation of
68 benefits shall be available for inspection upon request by the
69 board. The board shall have access to all claims information
70 utilized in the issuance of payments to employees and providers.

71 (b) There is created an advisory council to advise the
72 board in the formulation of the State and School Employees Health
73 Insurance Plan. The council shall be composed of the State
74 Insurance Commissioner or his designee, an employee-representative
75 of the institutions of higher learning appointed by the board of
76 trustees thereof, an employee-representative of the Department of
77 Transportation appointed by the director thereof, an
78 employee-representative of the State Tax Commission appointed by
79 the Commissioner of Revenue, an employee-representative of the
80 Mississippi Department of Health appointed by the State Health
81 Officer, an employee-representative of the Mississippi Department
82 of Corrections appointed by the Commissioner of Corrections, and
83 an employee-representative of the Department of Human Services
84 appointed by the Executive Director of Human Services, two (2)
85 certificated public school administrators appointed by the State
86 Board of Education, two (2) certificated classroom teachers
87 appointed by the State Board of Education, a noncertificated
88 school employee appointed by the State Board of Education and a
89 community/junior college employee appointed by the State Board for
90 Community and Junior Colleges.

91 The Lieutenant Governor may designate the Secretary of the
92 Senate, the Chairman of the Senate Appropriations Committee, the
93 Chairman of the Senate Education Committee and the Chairman of the

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

113 (c) No change in the terms of the State and School
114 Employees Health Insurance Plan may be made effective unless the
115 board, or its designee, has provided notice to the State and
116 School Employees Health Insurance Advisory Council and has called
117 a meeting of the council at least fifteen (15) days before the
118 effective date of such change. In the event that the State and
119 School Employees Health Insurance Advisory Council does not meet
120 to advise the board on the proposed changes, the changes to the
121 plan shall become effective at such time as the board has informed
122 the council that the changes shall become effective.

123 (d) **Medical benefits for retired employees and**
124 **dependents under age sixty-five (65) years and not eligible for**
125 **Medicare benefits.** The same health insurance coverage as for all
126 other active employees and their dependents shall be available to

127 retired employees and all dependents under age sixty-five (65)
128 years who are not eligible for Medicare benefits, the level of
129 benefits to be the same level as for all other active
130 participants. This section will apply to those employees who
131 retire due to one hundred percent (100%) medical disability as
132 well as those employees electing early retirement.

133 (e) **Medical benefits for retired employees and**
134 **dependents over age sixty-five (65) years or otherwise eligible**
135 **for Medicare benefits.** The health insurance coverage available to
136 retired employees over age sixty-five (65) years or otherwise
137 eligible for Medicare benefits, and all dependents over age
138 sixty-five (65) years or otherwise eligible for Medicare benefits,
139 shall be the major medical coverage with the lifetime maximum of
140 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by
141 Medicare benefits as though such Medicare benefits were the base
142 plan.

143 All covered individuals shall be assumed to have full
144 Medicare coverage, Parts A and B; and any Medicare payments under
145 both Parts A and B shall be computed to reduce benefits payable
146 under this plan.

147 (2) Nonduplication of benefits--reduction of benefits by
148 Title XIX benefits: When benefits would be payable under more
149 than one (1) group plan, benefits under those plans will be
150 coordinated to the extent that the total benefits under all plans
151 will not exceed the total expenses incurred.

152 Benefits for hospital or surgical or medical benefits shall
153 be reduced by any similar benefits payable in accordance with
154 Title XIX of the Social Security Act or under any amendments
155 thereto, or any implementing legislation.

156 Benefits for hospital or surgical or medical benefits shall
157 be reduced by any similar benefits payable by workers'
158 compensation.

159 (3) (a) Schedule of life insurance benefits--group term:
160 The amount of term life insurance for each active employee of a
161 department, agency or institution of the state government shall
162 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
163 twice the amount of the employee's annual wage to the next highest
164 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
165 case less than Thirty Thousand Dollars (\$30,000.00), with a like
166 amount for accidental death and dismemberment on a
167 twenty-four-hour basis. The plan will further contain a premium
168 waiver provision if a covered employee becomes totally and
169 permanently disabled prior to age sixty-five (65) years.
170 Employees retiring after June 30, 1999, shall be eligible to
171 continue life insurance coverage in an amount of Ten Thousand
172 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00),
173 Fifty Thousand Dollars (\$50,000.00) or One Hundred Thousand
174 Dollars (\$100,000.00) into retirement.

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

192 sixty-five (65) years. Employees of any school district,
193 community/junior college, public library or university-based
194 program authorized under Section 37-23-31 for deaf, aphasic and
195 emotionally disturbed children or any regular nonstudent bus
196 driver retiring after September 30, 1999, shall be eligible to
197 continue life insurance coverage in an amount of Ten Thousand
198 Dollars (\$10,000.00), Twenty-five Thousand Dollars (\$25,000.00),
199 Fifty Thousand Dollars (\$50,000.00) or One Hundred Thousand
200 Dollars (\$100,000.00) into retirement.

201 (4) Any eligible employee who on March 1, 1971, was
202 participating in a group life insurance program which has
203 provisions different from those included herein and for which the
204 State of Mississippi was paying a part of the premium may, at his
205 discretion, continue to participate in such plan. Such employee
206 shall pay in full all additional costs, if any, above the minimum
207 program established by this article. Under no circumstances shall
208 any individual who begins employment with the state after March 1,
209 1971, be eligible for the provisions of this paragraph.

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

212 (6) Any premium differentials, differences in coverages,
213 discounts determined by risk or by any other factors shall be
214 uniformly applied to all active employees participating in the
215 insurance plan. It is the intent of the Legislature that the
216 state contribution to the plan be the same for each employee
217 throughout the state.

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

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

238 (a) The insurance company offering the group life
239 insurance plan shall be rated "A-" or better by A.M. Best state
240 insurance rating service and be licensed as an admitted carrier in
241 the State of Mississippi by the Mississippi Department of
242 Insurance.

243 (b) The insurance company group life insurance plan
244 shall provide the same life insurance, accidental death and
245 dismemberment insurance and waiver of premium benefits as provided
246 in the State and School Life Insurance Plan.

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

250 (d) The insurance company group life insurance plan
251 shall have one (1) composite rate per One Thousand Dollars
252 (\$1,000.00) of coverage for active employees regardless of age and
253 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
254 coverage for all retirees regardless of age or type of retiree.

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

258 the event any insurance company providing group life insurance
259 benefits to employees under this subsection (7) fails to comply
260 with any requirements specified herein or any administrative
261 requirements of the board, the state shall discontinue providing
262 funding for the cost of such insurance.

263 SECTION 2. This act shall take effect and be in force from
264 and after July 1, 2001.