

By: Senator(s) Dearing

To: Fees, Salaries and  
Administration;  
Appropriations

COMMITTEE SUBSTITUTE  
FOR  
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 TO REVISE THE DEFINITION OF THE TERM "ANNUAL WAGE" AS IT RELATES  
5 TO THE STATE AND SCHOOL EMPLOYEES LIFE INSURANCE PLAN; AND FOR  
6 RELATED PURPOSES.

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

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

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

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

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

60 Any corporation, association, company or individual that  
61 contracts with the board for the third-party claims administration

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

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

93 The Lieutenant Governor may designate the Secretary of the  
94 Senate, the Chairman of the Senate Appropriations Committee, the

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

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

125 (d) **Medical benefits for retired employees and**  
126 **dependents under age sixty-five (65) years and not eligible for**  
127 **Medicare benefits.** The same health insurance coverage as for all

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

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

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

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

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

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

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

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

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

203 (c) For the purposes of this subsection (3), the term  
204 "annual wage" shall mean the amount listed as social security  
205 wages on the employee's W-2 Form for the prior calendar year, or  
206 the employee's current annual salary if the employee has been  
207 employed for less than one (1) calendar year.

208 (4) Any eligible employee who on March 1, 1971, was  
209 participating in a group life insurance program which has  
210 provisions different from those included herein and for which the  
211 State of Mississippi was paying a part of the premium may, at his  
212 discretion, continue to participate in such plan. Such employee  
213 shall pay in full all additional costs, if any, above the minimum  
214 program established by this article. Under no circumstances shall  
215 any individual who begins employment with the state after March 1,  
216 1971, be eligible for the provisions of this paragraph.

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

219 (6) Any premium differentials, differences in coverages,  
220 discounts determined by risk or by any other factors shall be  
221 uniformly applied to all active employees participating in the  
222 insurance plan. It is the intent of the Legislature that the  
223 state contribution to the plan be the same for each employee  
224 throughout the state.

225 (7) On October 1, 1999, any school district,  
226 community/junior college district or public library may elect to

227 remain with an existing policy or policies of group life insurance  
228 with an insurance company approved by the State and School  
229 Employees Health Insurance Management Board, in lieu of  
230 participation in the State and School Life Insurance Plan. The  
231 state's contribution of up to fifty percent (50%) of the active  
232 employee's premium under the State and School Life Insurance Plan  
233 may be applied toward the cost of coverage for full-time employees  
234 participating in the approved life insurance company group plan.  
235 For purposes of this subsection (7), "life insurance company group  
236 plan" means a plan administered or sold by a private insurance  
237 company. After October 1, 1999, the board may assess charges in  
238 addition to the existing State and School Life Insurance Plan  
239 rates to such employees as a condition of enrollment in the State  
240 and School Life Insurance Plan. In order for any life insurance  
241 company group plan existing as of October 1, 1999, to be approved  
242 by the State and School Employees Health Insurance Management  
243 Board under this subsection (7), it shall meet the following  
244 criteria:

245           (a) The insurance company offering the group life  
246 insurance plan shall be rated "A-" or better by A.M. Best state  
247 insurance rating service and be licensed as an admitted carrier in  
248 the State of Mississippi by the Mississippi Department of  
249 Insurance.

250           (b) The insurance company group life insurance plan  
251 shall provide the same life insurance, accidental death and  
252 dismemberment insurance and waiver of premium benefits as provided  
253 in the State and School Life Insurance Plan.

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

257           (d) The insurance company group life insurance plan  
258 shall have one (1) composite rate per One Thousand Dollars  
259 (\$1,000.00) of coverage for active employees regardless of age and



260 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
261 coverage for all retirees regardless of age or type of retiree.

262 (e) The insurance company and its group life insurance  
263 plan shall comply with any administrative requirements of the  
264 State and School Employees Health Insurance Management Board. In  
265 the event any insurance company providing group life insurance  
266 benefits to employees under this subsection (7) fails to comply  
267 with any requirements specified herein or any administrative  
268 requirements of the board, the state shall discontinue providing  
269 funding for the cost of such insurance.

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