

By: Senator(s) Robertson

To: Fees, Salaries and Administration

SENATE BILL NO. 2952

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 DELETE THE PROVISIONS OF LAW WHICH REQUIRE APPROVAL BY THE STATE
3 AND SCHOOL EMPLOYEES HEALTH INSURANCE MANAGEMENT BOARD OF GROUP
4 LIFE INSURANCE PLANS FOR SCHOOL DISTRICTS, COMMUNITY/JUNIOR
5 COLLEGE DISTRICTS OR PUBLIC LIBRARIES, IN LIEU OF PARTICIPATION IN
6 THE STATE AND SCHOOL LIFE INSURANCE PLAN; AND FOR RELATED
7 PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

162 (3) (a) Schedule of life insurance benefits--group term:
163 The amount of term life insurance for each active employee of a
164 department, agency or institution of the state government shall
165 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
166 twice the amount of the employee's annual wage to the next highest
167 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
168 case less than Thirty Thousand Dollars (\$30,000.00), with a like
169 amount for accidental death and dismemberment on a
170 twenty-four-hour basis. The plan will further contain a premium
171 waiver provision if a covered employee becomes totally and
172 permanently disabled prior to age sixty-five (65) years.
173 Employees retiring after June 30, 1999, shall be eligible to
174 continue life insurance coverage in an amount of Five Thousand
175 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
176 Thousand Dollars (\$20,000.00) 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 Five Thousand
200 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
201 Thousand Dollars (\$20,000.00) into retirement.

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

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

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

219 (7) On October 1, 1999, any school district,
220 community/junior college district or public library may elect to
221 remain with an existing policy or policies of group life insurance
222 with an insurance company approved by the school district,
223 community/junior college district or public library, in lieu of
224 participation in the State and School Life Insurance Plan. The

225 state's contribution of up to fifty percent (50%) of the active
226 employee's premium under the State and School Life Insurance Plan
227 may be applied toward the cost of coverage for full-time employees
228 participating in the approved life insurance company group plan.
229 For purposes of this subsection (7), "life insurance company group
230 plan" means a plan administered or sold by a private insurance
231 company. After October 1, 1999, the board may assess charges in
232 addition to the existing State and School Life Insurance Plan
233 rates to such employees as a condition of enrollment in the State
234 and School Life Insurance Plan. * * *

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