

**\*\*\*Adopted\*\*\***

**AMENDMENT No. 1 PROPOSED TO**

**House Bill NO. 667**

**By Senator(s) Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

12 SECTION 1. Section 83-9-39, Mississippi Code of 1972, is  
13 amended as follows:  
14 83-9-39. (1) Except as otherwise provided herein, all  
15 alternative delivery systems and all individual and group health  
16 insurance policies, plans or programs regulated by the State of  
17 Mississippi \* \* \* shall provide covered benefits for the treatment  
18 of mental illness, except for policies which only provide coverage  
19 for specified diseases and other limited benefit health insurance  
20 policies and negotiated labor contracts. Health insurance  
21 policies, plans or programs of any employer of one hundred (100)  
22 eligible employees or less, which is regulated by the State of  
23 Mississippi and which does not currently offer benefits for  
24 treatment of mental illness, shall offer covered benefits for the  
25 treatment of mental illness, except for policies which only  
26 provide coverage for specified diseases and other limited benefit  
27 health insurance policies and negotiated labor contracts. This  
28 coverage shall not be required if the application of this

29 provision results in an increase in the cost under the plan or  
30 coverage of one percent (1%) or more; and any owner of a plan  
31 desiring to effect this exemption shall give notice in writing to  
32 the Mississippi Department of Insurance. This coverage shall be  
33 offered on an optional basis, but the owner of the policy, plan or  
34 program must reject such coverage in writing.

35 (2) Covered benefits for inpatient treatment of mental  
36 illness in insurance policies and other contracts subject to  
37 Sections 83-9-37 through 83-9-43 shall be limited to inpatient  
38 services certified as necessary by a health service provider.

39 (3) Covered benefits for outpatient treatment of mental  
40 illness in insurance policies and other contracts subject to  
41 Sections 83-9-37 through 83-9-43 shall be limited to outpatient  
42 services certified as necessary by a health service provider.

43 (4) Before an insured party may qualify to receive benefits  
44 under Sections 83-9-37 through 83-9-43, a health service provider  
45 shall certify that the individual is suffering from mental illness  
46 and refer the individual for the appropriate treatment.

47 (5) All mental illness, treatment or services with respect  
48 to such treatment eligible for health insurance coverage shall be  
49 subject to professional utilization and peer review procedures.

50 (6) The provisions of this section shall apply only to  
51 alternative delivery systems and individual and group health  
52 insurance policies, plans or programs issued or renewed after July  
53 1, 1991.

54 (7) The exclusion period for coverage of a preexisting  
55 mental condition shall be the same period of time as that for  
56 other medical illnesses covered under the same plan, program or  
57 contract.

58 SECTION 2. Section 83-9-41, Mississippi Code of 1972, is

59 amended as follows:

60 83-9-41. (1) Covered benefits for services in this section  
61 shall be limited to coverage of treatment of clinically  
62 significant mental illness.

63 (2) Treatment under this section shall be covered for a  
64 minimum of thirty (30) days per year for inpatient services, a  
65 minimum of sixty (60) days per year for partial hospitalization,  
66 and a minimum of fifty-two (52) outpatient visits per year.

67 (3) The rate of payment for inpatient services and partial  
68 hospitalization shall be the same as provided for any other  
69 condition. The rate of payment for outpatient visits shall be a  
70 minimum of fifty percent (50%) of covered expenses which may be  
71 limited to a maximum payment of Fifty Dollars (\$50.00) per visit.

72 \* \* \*

73 SECTION 3. Section 25-15-9, Mississippi Code of 1972, is  
74 amended as follows:

75 25-15-9. (1) (a) The board shall design a plan of health  
76 insurance for state employees which provides benefits for  
77 semiprivate rooms in addition to other incidental coverages which  
78 the board deems necessary. The amount of the coverages shall be  
79 in such reasonable amount as may be determined by the board to be  
80 adequate, after due consideration of current health costs in  
81 Mississippi. The plan shall also include major medical benefits  
82 in such amounts as the board shall determine. The plan shall  
83 include benefits for the treatment of mental illness with covered  
84 benefits in the same amounts as required for private group health  
85 insurance policies in Sections 83-9-39 and 83-9-41. The board is  
86 also authorized to accept bids for such alternate coverage and  
87 optional benefits as the board shall deem proper. Any contract  
88 for alternative coverage and optional benefits shall be awarded by

89 the board after it has carefully studied and evaluated the bids  
90 and selected the best and most cost-effective bid. The board may  
91 reject all such bids; however, the board shall notify all bidders  
92 of the rejection and shall actively solicit new bids if all bids  
93 are rejected. The board may employ or contract for such  
94 consulting or actuarial services as may be necessary to formulate  
95 the plan, and to assist the board in the preparation of  
96 specifications and in the process of advertising for the bids for  
97 the plan. Such contracts shall be solicited and entered into in  
98 accordance with Section 25-15-5. The board shall keep a record of  
99 all persons, agents and corporations who contract with or assist  
100 the board in preparing and developing the plan. The board in a  
101 timely manner shall provide copies of this record to the members  
102 of the advisory council created in this section and those  
103 legislators, or their designees, who may attend meetings of the  
104 advisory council. The board shall provide copies of this record  
105 in the solicitation of bids for the administration or servicing of  
106 the self-insured program. Each person, agent or corporation  
107 which, during the previous fiscal year, has assisted in the  
108 development of the plan or employed or compensated any person who  
109 assisted in the development of the plan, and which bids on the  
110 administration or servicing of the plan, shall submit to the board  
111 a statement accompanying the bid explaining in detail its  
112 participation with the development of the plan. This statement  
113 shall include the amount of compensation paid by the bidder to any  
114 such employee during the previous fiscal year. The board shall  
115 make all such information available to the members of the advisory  
116 council and those legislators, or their designees, who may attend  
117 meetings of the advisory council before any action is taken by the  
118 board on the bids submitted. The failure of any bidder to fully

119 and accurately comply with this paragraph shall result in the  
120 rejection of any bid submitted by that bidder or the cancellation  
121 of any contract executed when the failure is discovered after the  
122 acceptance of that bid. The board is authorized to promulgate  
123 rules and regulations to implement the provisions of this  
124 subsection.

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

128 Any corporation, association, company or individual that  
129 contracts with the board for the third-party claims administration  
130 of the self-insured plan shall prepare and keep on file an  
131 explanation of benefits for each claim processed. The explanation  
132 of benefits shall contain such information relative to each  
133 processed claim which the board deems necessary, and, at a  
134 minimum, each explanation shall provide the claimant's name, claim  
135 number, provider number, provider name, service dates, type of  
136 services, amount of charges, amount allowed to the claimant and  
137 reason codes. The information contained in the explanation of  
138 benefits shall be available for inspection upon request by the  
139 board. The board shall have access to all claims information  
140 utilized in the issuance of payments to employees and providers.

141 (b) There is created an advisory council to advise the  
142 board in the formulation of the State and School Employees Health  
143 Insurance Plan. The council shall be composed of the State  
144 Insurance Commissioner or his designee, an employee-representative  
145 of the institutions of higher learning appointed by the board of  
146 trustees thereof, an employee-representative of the Department of  
147 Transportation appointed by the director thereof, an  
148 employee-representative of the State Tax Commission appointed by

149 the Commissioner of Revenue, an employee-representative of the  
150 Mississippi Department of Health appointed by the State Health  
151 Officer, an employee-representative of the Mississippi Department  
152 of Corrections appointed by the Commissioner of Corrections, and  
153 an employee-representative of the Department of Human Services  
154 appointed by the Executive Director of Human Services, two (2)  
155 certificated public school administrators appointed by the State  
156 Board of Education, two (2) certificated classroom teachers  
157 appointed by the State Board of Education, a noncertificated  
158 school employee appointed by the State Board of Education and a  
159 community/junior college employee appointed by the State Board for  
160 Community and Junior Colleges.

161 The Lieutenant Governor may designate the Secretary of the  
162 Senate, the Chairman of the Senate Appropriations Committee, the  
163 Chairman of the Senate Education Committee and the Chairman of the  
164 Senate Insurance Committee, and the Speaker of the House of  
165 Representatives may designate the Clerk of the House, the Chairman  
166 of the House Appropriations Committee, the Chairman of the House  
167 Education Committee and the Chairman of the House Insurance  
168 Committee, to attend any meeting of the State and School Employees  
169 Insurance Advisory Council. The appointing authorities may  
170 designate an alternate member from their respective houses to  
171 serve when the regular designee is unable to attend such meetings  
172 of the council. Such designees shall have no jurisdiction or vote  
173 on any matter within the jurisdiction of the council. For  
174 attending meetings of the council, such legislators shall receive  
175 per diem and expenses which shall be paid from the contingent  
176 expense funds of their respective houses in the same amounts as  
177 provided for committee meetings when the Legislature is not in  
178 session; however, no per diem and expenses for attending meetings

179 of the council will be paid while the Legislature is in session.  
180 No per diem and expenses will be paid except for attending  
181 meetings of the council without prior approval of the proper  
182 committee in their respective houses.

183 (c) No change in the terms of the State and School  
184 Employees Health Insurance Plan may be made effective unless the  
185 board, or its designee, has provided notice to the State and  
186 School Employees Health Insurance Advisory Council and has called  
187 a meeting of the council at least fifteen (15) days before the  
188 effective date of such change. In the event that the State and  
189 School Employees Health Insurance Advisory Council does not meet  
190 to advise the board on the proposed changes, the changes to the  
191 plan shall become effective at such time as the board has informed  
192 the council that the changes shall become effective.

193 (d) **Medical benefits for retired employees and**  
194 **dependents under age sixty-five (65) years and not eligible for**  
195 **Medicare benefits.** The same health insurance coverage as for all  
196 other active employees and their dependents shall be available to  
197 retired employees and all dependents under age sixty-five (65)  
198 years who are not eligible for Medicare benefits, the level of  
199 benefits to be the same level as for all other active  
200 participants. This section will apply to those employees who  
201 retire due to one hundred percent (100%) medical disability as  
202 well as those employees electing early retirement.

203 (e) **Medical benefits for retired employees and**  
204 **dependents over age sixty-five (65) years or otherwise eligible**  
205 **for Medicare benefits.** The health insurance coverage available to  
206 retired employees over age sixty-five (65) years or otherwise  
207 eligible for Medicare benefits, and all dependents over age  
208 sixty-five (65) years or otherwise eligible for Medicare benefits,

209 shall be the major medical coverage with the lifetime maximum of  
210 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by  
211 Medicare benefits as though such Medicare benefits were the base  
212 plan.

213 All covered individuals shall be assumed to have full  
214 Medicare coverage, Parts A and B; and any Medicare payments under  
215 both Parts A and B shall be computed to reduce benefits payable  
216 under this plan.

217 (2) Nonduplication of benefits--reduction of benefits by  
218 Title XIX benefits: When benefits would be payable under more  
219 than one (1) group plan, benefits under those plans will be  
220 coordinated to the extent that the total benefits under all plans  
221 will not exceed the total expenses incurred.

222 Benefits for hospital or surgical or medical benefits shall  
223 be reduced by any similar benefits payable in accordance with  
224 Title XIX of the Social Security Act or under any amendments  
225 thereto, or any implementing legislation.

226 Benefits for hospital or surgical or medical benefits shall  
227 be reduced by any similar benefits payable by workers'  
228 compensation.

229 (3) (a) Schedule of life insurance benefits--group term:  
230 The amount of term life insurance for each active employee of a  
231 department, agency or institution of the state government shall  
232 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
233 twice the amount of the employee's annual wage to the next highest  
234 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
235 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
236 amount for accidental death and dismemberment on a  
237 twenty-four-hour basis. The plan will further contain a premium  
238 waiver provision if a covered employee becomes totally and



239 permanently disabled prior to age sixty-five (65) years.  
240 Employees retiring after June 30, 1999, shall be eligible to  
241 continue life insurance coverage in an amount of Five Thousand  
242 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
243 Thousand Dollars (\$20,000.00) into retirement.

244 (b) Effective October 1, 1999, schedule of life  
245 insurance benefits--group term: The amount of term life insurance  
246 for each active employee of any school district, community/junior  
247 college, public library or university-based program authorized  
248 under Section 37-23-31 for deaf, aphasic and emotionally disturbed  
249 children or any regular nonstudent bus driver shall not be in  
250 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
251 amount of the employee's annual wage to the next highest One  
252 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
253 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
254 amount for accidental death and dismemberment on a  
255 twenty-four-hour basis. The plan will further contain a premium  
256 waiver provision if a covered employee of any school district,  
257 community/junior college, public library or university-based  
258 program authorized under Section 37-23-31 for deaf, aphasic and  
259 emotionally disturbed children or any regular nonstudent bus  
260 driver becomes totally and permanently disabled prior to age  
261 sixty-five (65) years. Employees of any school district,  
262 community/junior college, public library or university-based  
263 program authorized under Section 37-23-31 for deaf, aphasic and  
264 emotionally disturbed children or any regular nonstudent bus  
265 driver retiring after September 30, 1999, shall be eligible to  
266 continue life insurance coverage in an amount of Five Thousand  
267 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
268 Thousand Dollars (\$20,000.00) into retirement.

269 (4) Any eligible employee who on March 1, 1971, was  
270 participating in a group life insurance program which has  
271 provisions different from those included herein and for which the  
272 State of Mississippi was paying a part of the premium may, at his  
273 discretion, continue to participate in such plan. Such employee  
274 shall pay in full all additional costs, if any, above the minimum  
275 program established by this article. Under no circumstances shall  
276 any individual who begins employment with the state after March 1,  
277 1971, be eligible for the provisions of this paragraph.

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

280 (6) Any premium differentials, differences in coverages,  
281 discounts determined by risk or by any other factors shall be  
282 uniformly applied to all active employees participating in the  
283 insurance plan. It is the intent of the Legislature that the  
284 state contribution to the plan be the same for each employee  
285 throughout the state.

286 (7) On October 1, 1999, any school district,  
287 community/junior college district or public library may elect to  
288 remain with an existing policy or policies of group life insurance  
289 with an insurance company approved by the State and School  
290 Employees Health Insurance Management Board, in lieu of  
291 participation in the State and School Life Insurance Plan. The  
292 state's contribution of up to fifty percent (50%) of the active  
293 employee's premium under the State and School Life Insurance Plan  
294 may be applied toward the cost of coverage for full-time employees  
295 participating in the approved life insurance company group plan.  
296 For purposes of this subsection (7), "life insurance company group  
297 plan" means a plan administered or sold by a private insurance  
298 company. After October 1, 1999, the board may assess charges in

299 addition to the existing State and School Life Insurance Plan  
300 rates to such employees as a condition of enrollment in the State  
301 and School Life Insurance Plan. In order for any life insurance  
302 company group plan existing as of October 1, 1999, to be approved  
303 by the State and School Employees Health Insurance Management  
304 Board under this subsection (7), it shall meet the following  
305 criteria:

306 (a) The insurance company offering the group life  
307 insurance plan shall be rated "A-" or better by A.M. Best state  
308 insurance rating service and be licensed as an admitted carrier in  
309 the State of Mississippi by the Mississippi Department of  
310 Insurance.

311 (b) The insurance company group life insurance plan  
312 shall provide the same life insurance, accidental death and  
313 dismemberment insurance and waiver of premium benefits as provided  
314 in the State and School Life Insurance Plan.

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

318 (d) The insurance company group life insurance plan  
319 shall have one (1) composite rate per One Thousand Dollars  
320 (\$1,000.00) of coverage for active employees regardless of age and  
321 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
322 coverage for all retirees regardless of age or type of retiree.

323 (e) The insurance company and its group life insurance  
324 plan shall comply with any administrative requirements of the  
325 State and School Employees Health Insurance Management Board. In  
326 the event any insurance company providing group life insurance  
327 benefits to employees under this subsection (7) fails to comply  
328 with any requirements specified herein or any administrative

329 requirements of the board, the state shall discontinue providing  
330 funding for the cost of such insurance.

331 SECTION 4. This act shall take effect and be in force from  
332 and after January 1, 2002.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

1 AN ACT TO AMEND SECTION 83-9-39, MISSISSIPPI CODE OF 1972, TO  
2 REQUIRE THAT CERTAIN HEALTH INSURANCE POLICIES PROVIDE COVERED  
3 BENEFITS FOR THE TREATMENT OF MENTAL ILLNESS; TO AMEND SECTION  
4 83-9-41, MISSISSIPPI CODE OF 1972, TO INCREASE THE MINIMUM  
5 OUTPATIENT VISITS ALLOWED EACH YEAR FOR TREATMENT OF MENTAL  
6 ILLNESS AND TO REMOVE THE LIFETIME LIMITS; TO AMEND SECTION  
7 25-15-9, MISSISSIPPI CODE OF 1972, TO REQUIRE THE STATE HEALTH  
8 PLAN TO INCLUDE COVERAGE FOR THE TREATMENT OF MENTAL ILLNESS WITH  
9 BENEFITS EQUAL TO THOSE REQUIRED IN PRIVATE GROUP POLICIES; AND  
10 FOR RELATED PURPOSES.