HOUSE BILL NO. 52

AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT CERTAIN INCREASES IN PREMIUMS TO COVER THE COST OF THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN SHALL BE DRAWN FROM FUNDS AVAILABLE AS A RESULT OF THE TOBACCO SETTLEMENT; TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

25-15-15. (1) The board is authorized to determine the manner in which premiums and contributions by the state agencies, local school districts, colleges, universities, community/junior colleges and public libraries shall be collected to provide the self-insured health insurance program for employees as provided under this article. The state shall provide fifty percent (50%) of the cost of the above life insurance plan and one hundred percent (100%) of the cost of the above health insurance plan for all active full-time employees, and the employees shall be given the opportunity to purchase coverage for their eligible dependents with the premiums for such dependent coverage as well as the employee's fifty percent (50%) share for his life insurance coverage to be deductible from the employee's salary by the agency, department or institution head, which deductions, together with the fifty percent (50%) share of such life insurance premiums of such employing agency, department or institution head from funds appropriated to or authorized to be expended by such employing agency, department or institution head, shall be deposited directly into a depository bank or special fund in the State Treasury, as determined by the board. These funds and

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interest earned on these funds may be used for the disbursement of
claims and shall be exempt from the appropriation process.

(2) The state shall provide annually, by line item in the
Mississippi Library Commission appropriation bill, such funds to
pay one hundred percent (100%) of the cost of health insurance
under the State and School Employees Health Insurance Plan for all
full-time library staff members in each public library in
Mississippi. The commission shall allot to each public library a
sufficient amount of those funds appropriated to pay the costs of
insurance for eligible employees. Any funds so appropriated by
line item which are not expended during the fiscal year for which
such funds were appropriated shall be carried forward for the same
purposes during the next succeeding fiscal year. If any premiums
for the health insurance and/or late charges and interest
penalties are not paid by a public library in a timely manner, as
defined by the board, the Mississippi Library Commission, upon
notice by the board, shall immediately withhold all subsequent
disbursements of funds to that public library.

(3) The state shall annually provide one hundred percent
(100%) of the cost of the health insurance plan for all public
school district employees who work no less than twenty (20) hours
during each week and regular nonstudent school bus drivers. Where
federal funding is allowable to defray, in full or in part, the
cost of participation in the program by district employees who
work no less than twenty (20) hours during the week and regular
nonstudent bus drivers, whose salaries are paid, in full or in
part, by federal funds, the allowance under this section shall be
reduced to the extent of such federal funding. Where the use of
federal funds is allowable but not available, it is the intent of
the Legislature that school districts contribute the cost of
participation for such employees from local funds, except that
parent fees for child nutrition programs shall not be increased to
cover such cost.
(4) The state shall provide annually, by line item in the community/junior college appropriation bill, such funds to pay one hundred percent (100%) of the cost of the health insurance plan for all community/junior college district employees who work no less than twenty (20) hours during each week.

(5) When the use of federal funding is allowable to defray, in full or in part, the cost of participation in the insurance plan by community/junior college district employees who work no less than twenty (20) hours during each week, whose salaries are paid, in full or in part, by federal funds, the allowance under this section shall be reduced to the extent of the federal funding. Where the use of federal funds is allowable but not available, it is the intent of the Legislature that community/junior college districts contribute the cost of participation for such employees from local funds.

(6) Any community/junior college district may contribute to the cost of coverage for any district employee from local community/junior college district funds, and any public school district may contribute to the cost of coverage for any district employee from nonminimum program funds. Any part of the cost of such coverage for participating employees of public school districts and public community/junior college districts that is not paid by the state shall be paid by the participating employees, which shall be deducted from the salaries of the employees in a manner determined by the board.

(7) Any funds appropriated for the cost of insurance by line item in the community/junior colleges appropriation bill which are not expended during the fiscal year for which such funds were appropriated shall be carried forward for the same purposes during the next succeeding fiscal year.

(8) The board may establish and enforce late charges and interest penalties or other penalties for the purpose of requiring the prompt payment of all premiums for life and health insurance.
permitted under Chapter 15 of Title 25. All funds in excess of
the amount needed for disbursement of claims shall be deposited in
a special fund in the State Treasury to be known as the State and
School Employees Insurance Fund. The State Treasurer shall invest
all funds in the State and School Employees Insurance Fund and all
interest earned shall be credited to the State and School
Employees Insurance Fund. Such funds shall be placed with one or
more depositories of the state and invested on the first day such
funds are available for investment in certificates of deposit,
repurchase agreements or in United States Treasury bills or as
otherwise authorized by law for the investment of Public
Employees' Retirement System funds, as long as such investment is
made from competitive offering and at the highest and best market
rate obtainable consistent with any available investment
alternatives; however, such investments shall not be made in
shares of stock, common or preferred, or in any other investments
which would mature more than one (1) year from the date of
investment. The board shall have the authority to draw from this
fund periodically such funds as are necessary to operate the
self-insurance plan or to pay to the insurance carrier the cost of
operation of this plan, it being the purpose to limit the amount
of participation by the state to fifty percent (50%) of the cost
of the life insurance program and not to limit the contracting for
additional benefits where the cost will be paid in full by the
employee. The state shall not share in the cost of coverage for
retired employees.

(9) The board shall also provide for the creation of an
Insurance Reserve Fund and funds therein shall be invested by the
State Treasurer with all interest earned credited to the State and
School Employees Insurance Fund.

(10) Any retired employee electing to purchase retired life
and health insurance will have the full cost of such insurance
deducted monthly from his State of Mississippi retirement plan
check or direct billed for the cost of the premium if the retirement check is insufficient to pay for the premium. If the board determines actuarially that the premium paid by the participating retirees adversely affects the overall cost of the plan to the state, then the department may impose a premium surcharge, not to exceed fifteen percent (15%), upon such participating retired employees who are under the age for Medicare eligibility.

(11) Based on the premiums paid in fiscal year 2001, any increases in premiums to cover the cost of the health insurance provided herein shall be drawn from the Health Care Expendable Fund established by Section 43-13-407.

SECTION 2. Section 43-13-407, Mississippi Code of 1972, is amended as follows:

43-13-407. (1) In accordance with the purposes of this article, there is established in the State Treasury the Health Care Expendable Fund, into which shall be transferred from the Health Care Trust Fund the following sums:

(a) In fiscal year 2000, Fifty Million Dollars ($50,000,000.00);
(b) In fiscal year 2001, Fifty-five Million Dollars ($55,000,000.00);
(c) In fiscal year 2002, Sixty Million Five Hundred Thousand Dollars ($60,500,000.00);
(d) In fiscal year 2003, Sixty-six Million Five Hundred Fifty Thousand Dollars ($66,550,000.00);
(e) In fiscal year 2004 and each subsequent fiscal year, a sum equal to the average annual amount of the income from the investment of the funds in the Health Care Trust Fund since July 1, 1999.

(2) In any fiscal year in which interest and dividends from the investment of the funds in the Health Care Trust Fund are not sufficient to fund the full amount of the annual transfer into the
Health Care Expendable Fund as required in subsection (1) of this section, the State Treasurer shall transfer from tobacco settlement installment payments an amount that is sufficient to fully fund the amount of the annual transfer.

(3) All income from the investment of the funds in the Health Care Expendable Fund shall be credited to the account of the Health Care Expendable Fund. Any funds in the Health Care Expendable Fund at the end of a fiscal year shall not lapse into the State General Fund.

(4) The funds in the Health Care Expendable Fund shall be available for expenditure pursuant to specific appropriation by the Legislature beginning in fiscal year 2000, and shall be expended exclusively for health care purposes, including, but not limited to, any increases in premiums to cover the cost of the State and School Employees Health Insurance Plan as provided in Section 25-15-15(11).

SECTION 3. This act shall take effect and be in force from and after July 1, 2002.