

By: Senator(s) King

To: Insurance

SENATE BILL NO. 2729

1 AN ACT TO AMEND SECTION 83-9-221, MISSISSIPPI CODE OF 1972,
2 TO PROVIDE THAT THE PREEXISTING CONDITION EXCLUSION IN
3 COMPREHENSIVE HEALTH INSURANCE RISK POOL ASSOCIATION POLICIES
4 SHALL NOT APPLY TO CERTAIN PERSONS WHOSE COVERAGE WAS TERMINATED
5 BECAUSE THE INSURER DISCONTINUED ITS BUSINESS IN THE STATE OF
6 MISSISSIPPI; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 83-9-221, Mississippi Code of 1972, is
9 amended as follows:

10 83-9-221. (1) Coverage offered.

11 (a) The plan shall offer in an annually renewable
12 policy the coverage specified in this section for each eligible
13 person.

14 (b) If an eligible person is also eligible for Medicare
15 coverage, the plan shall not pay or reimburse any person for
16 expenses paid by Medicare.

17 (c) Any person whose health insurance coverage is
18 involuntarily terminated for any reason other than nonpayment of
19 premium may apply for coverage under the plan. If such coverage
20 is applied for within sixty-three (63) days after the involuntary
21 termination and if premiums are paid for the entire period of
22 coverage, the effective date of the coverage shall be the date of
23 termination of the previous coverage.

24 (2) Major medical expense coverage. The plan shall offer
25 major medical expense coverage to every eligible person who is not
26 eligible for Medicare. The coverage to be issued by the plan, its
27 schedule of benefits, exclusions and other limitations shall be
28 established by the board and may be amended from time to time
29 subject to the approval of the commissioner.



30 (3) In establishing the plan coverage, the board shall take
31 into consideration the levels of health insurance provided in the
32 state and medical economic factors as may be deemed appropriate;
33 and promulgate benefit levels, deductibles, coinsurance factors,
34 exclusions and limitations determined to be generally reflective
35 of and commensurate with health insurance provided through a
36 representative number of large employers in the state.

37 (4) Rates for coverages issued by the association may not be
38 unreasonable in relation to the benefits provided, the risk
39 experience and the reasonable expenses of providing the coverage.

40 (a) Separate schedules of premium rates based on age
41 may apply for individual risks.

42 (b) Rates are subject to approval by the State
43 Department of Insurance.

44 (c) Standard risk rates for coverages issued by the
45 association shall be established by the association, subject to
46 approval by the department, using reasonable actuarial techniques,
47 and shall reflect anticipated experiences and expenses of such
48 coverages for standard risks.

49 (d) The rating plan established by the association
50 shall initially provide for rates equal to one hundred fifty
51 percent (150%) of the average standard risk rates. Any changes in
52 the initial rates shall be based on experience of the plan and
53 shall reflect reasonably anticipated losses and expenses.

54 (e) No rate shall exceed one hundred seventy-five
55 percent (175%) of the standard risk rate.

56 (5) Preexisting conditions.

57 (a) An association policy may contain provisions under
58 which coverage is excluded during a period of twelve (12) months
59 following the effective date of coverage with respect to a given
60 covered individual for any preexisting condition, as long as:

61 (i) The condition manifested itself within a
62 period of six (6) months before the effective date of coverage;



63 (ii) Medical advice or treatment was recommended
64 or received within a period of six (6) months before the effective
65 date of coverage.

66 (b) However, no preexisting condition exclusion shall
67 apply to any person if:

68 (i) On the date the person seeks coverage from the
69 association, the aggregate of the periods of prior insurance
70 coverage is twelve (12) months or more; and

71 (ii) The most recent coverage within the period
72 described in item (i) of this paragraph was terminated because the
73 insurer discontinued its business in the State of Mississippi.

74 (6) Other sources primary.

75 (a) The association shall be payer of last resort of
76 benefits whenever any other benefit or source of third party
77 payment is available. The coverage provided by the association
78 shall be considered excess coverage, and benefits otherwise
79 payable under association coverage shall be reduced by all amounts
80 paid or payable through any other health insurance and by all
81 hospital and medical expense benefits paid or payable under any
82 short-term, accident, dental-only, vision-only, fixed indemnity,
83 limited benefit or credit insurance, coverage issued as a
84 supplement to liability insurance, workers' compensation coverage,
85 automobile medical payment or liability insurance whether provided
86 on the basis of fault or nonfault, and by any hospital or medical
87 benefits paid or payable by any insurer or insurance arrangement
88 or any hospital or medical benefits paid or payable under or
89 provided pursuant to any state or federal law or program.

90 (b) No amounts paid or payable by Medicare or any other
91 governmental program or any other insurance, or self-insurance
92 maintained in lieu of otherwise statutorily required insurance,
93 may be made or recognized as claims under such policy or be
94 recognized as or towards satisfaction of applicable deductibles or



95 out-of-pocket maximums or to reduce the limits of benefits
96 available.

97 (c) The association shall have a cause of action
98 against a participant for the recovery of the amount of any
99 benefits paid to the participant which should not have been
100 claimed or recognized as claims because of the provisions of this
101 subsection or because otherwise not covered. Benefits due from
102 the association may be reduced or refused as a setoff against any
103 amount recoverable under this paragraph.

104 **SECTION 2.** This act shall take effect and be in force from
105 and after its passage.

