HOUSE BILL NO. 205

AN ACT TO AMEND SECTION 71-9-5, MISSISSIPPI CODE OF 1972, TO PROVIDE THAT FOR PURPOSES OF ESTABLISHING A MEDICAL SAVINGS ACCOUNT PROGRAM, AN EMPLOYER THAT PREVIOUSLY DID NOT PROVIDE HEALTH INSURANCE COVERAGE FOR HIS EMPLOYEES SHALL PAY ON BEHALF OF HIS EMPLOYEES AN AMOUNT DETERMINED BY CALCULATING A CERTAIN PERCENTAGE OF THE PREMIUM REDUCTION REALIZED BY THE PURCHASE OF SIMILAR HEALTH INSURANCE COVERAGE WITH A ONE THOUSAND DOLLAR DEDUCTIBLE; AND FOR RELATED PURPOSES.

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

SECTION 1. Section 71-9-5, Mississippi Code of 1972, is amended as follows:

71-9-5. (1) Each employer shall be permitted to offer voluntarily the following programs:

(a) Continued coverage under the employer's existing health coverage policy, certificate or contract; or

(b) Participation in a medical savings account program.

(2) An employer that previously did not provide an accident and health insurance policy, certificate or contract for his or her employees may establish a medical savings account program. In this case, the premium reduction referred to in Section 71-9-3(h)(ii) shall be based on the cost of similar coverage with a One Thousand Dollar ($1,000.00) deductible.

(3) A resident individual may establish a medical savings account for the benefit of himself or herself and his or her dependents. Contributions to a medical savings account established by a resident individual for a tax year shall not exceed the allowable deductible for a qualified higher deductible health plan.

(4) Except as otherwise provided by law, the principal contributed and the interest earned on a medical savings account...
shall be excluded from the taxable gross income of the account holder under Section 27-7-15.

SECTION 2. This act shall take effect and be in force from and after July 1, 2003.