

By: Representative Mitchell

To: Insurance;
Appropriations

HOUSE BILL NO. 1226

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE STATE TO PROVIDE, UNDER THE STATE AND SCHOOL
3 EMPLOYEES HEALTH INSURANCE PLAN, ONE HUNDRED PERCENT OF THE COST
4 OF THE PREMIUMS FOR THE FIRST THREE DEPENDENTS OF ALL ACTIVE
5 FULL-TIME EMPLOYEES; AND FOR RELATED PURPOSES.

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

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

9 **[Through June 30 of the year in which Section 25-11-143**
10 **becomes effective as provided in subsection (1) of Section**
11 **25-11-143, this section shall read as follows:]**

12 25-15-15. (1) The board is authorized to determine the
13 manner in which premiums and contributions by the state agencies,
14 local school districts, colleges, universities, community/junior
15 colleges and public libraries shall be collected to provide the
16 self-insured health insurance program for employees as provided
17 under this article. The state shall provide fifty percent (50%)
18 of the cost of the above life insurance plan. The state shall
19 provide one hundred percent (100%) of the cost of the above health
20 insurance plan for all active full-time employees and their first
21 three (3) dependents, and the employees shall be given the
22 opportunity to purchase coverage for their eligible dependents
23 with the premiums for such dependent coverage as well as the
24 employee's fifty percent (50%) share for his life insurance
25 coverage to be deductible from the employee's salary by the
26 agency, department or institution head, which deductions,
27 together with the fifty percent (50%) share of such life insurance
28 premiums of such employing agency, department or institution head



29 from funds appropriated to or authorized to be expended by such
30 employing agency, department or institution head, shall be
31 deposited directly into a depository bank or special fund in the
32 State Treasury, as determined by the board. These funds and
33 interest earned on these funds may be used for the disbursement of
34 claims and shall be exempt from the appropriation process.

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

51 (3) The state shall annually provide one hundred percent
52 (100%) of the cost of the health insurance plan for all public
53 school district employees who work no less than twenty (20) hours
54 during each week and regular nonstudent school bus drivers. Where
55 federal funding is allowable to defray, in full or in part, the
56 cost of participation in the program by district employees who
57 work no less than twenty (20) hours during the week and regular
58 nonstudent bus drivers, whose salaries are paid, in full or in
59 part, by federal funds, the allowance under this section shall be
60 reduced to the extent of such federal funding. Where the use of
61 federal funds is allowable but not available, it is the intent of



62 the Legislature that school districts contribute the cost of
63 participation for such employees from local funds, except that
64 parent fees for child nutrition programs shall not be increased to
65 cover such cost.

66 (4) The state shall provide annually, by line item in the
67 community/junior college appropriation bill, such funds to pay one
68 hundred percent (100%) of the cost of the health insurance plan
69 for all community/junior college district employees who work no
70 less than twenty (20) hours during each week.

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

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

91 (7) Any funds appropriated for the cost of insurance by line
92 item in the community/junior colleges appropriation bill which are
93 not expended during the fiscal year for which such funds were



94 appropriated shall be carried forward for the same purposes during
95 the next succeeding fiscal year.

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

125 (9) The board shall also provide for the creation of an
126 Insurance Reserve Fund and funds therein shall be invested by the



127 State Treasurer with all interest earned credited to the State and
128 School Employees Insurance Fund.

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

140 **[From and after July 1 of the year in which Section 25-11-143**
141 **becomes effective as provided in subsection (1) of Section**
142 **25-11-143, this section shall read as follows:]**

143 25-15-15. (1) The board may determine the manner in which
144 premiums and contributions by the state agencies, local school
145 districts, colleges, universities, community/junior colleges and
146 public libraries will be collected to provide the self-insured
147 health insurance program for employees as provided under this
148 article. The state shall provide fifty percent (50%) of the cost
149 of the above life insurance plan. The state shall provide one
150 hundred percent (100%) of the cost of the above health insurance
151 plan for all active full-time employees and their first three (3)
152 dependents. The employees shall be given the opportunity to
153 purchase coverage for their eligible dependents with the premiums
154 for the dependent coverage, as well as the employee's fifty
155 percent (50%) share for his life insurance coverage, to be
156 deductible from the employee's salary by the agency, department or
157 institution head. Those deductions, together with the fifty
158 percent (50%) share of the life insurance premiums of the
159 employing agency, department or institution head from funds



160 appropriated to or authorized to be expended by the employing
161 agency, department or institution head, shall be deposited
162 directly into a depository bank or special fund in the State
163 Treasury, as determined by the board. These funds and interest
164 earned on these funds may be used for the disbursement of claims
165 and shall be exempt from the appropriation process.

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

182 (3) The state shall annually provide one hundred percent
183 (100%) of the cost of the health insurance plan for all public
184 school district employees who work no less than twenty (20) hours
185 during each week and regular nonstudent school bus drivers. Where
186 federal funding is allowable to defray, in full or in part, the
187 cost of participation in the program by district employees who
188 work no less than twenty (20) hours during the week and regular
189 nonstudent bus drivers, whose salaries are paid, in full or in
190 part, by federal funds, the allowance under this section shall be
191 reduced to the extent of that federal funding. Where the use of
192 federal funds is allowable but not available, it is the intent of



193 the Legislature that school districts contribute the cost of
194 participation for the employees from local funds, except that
195 parent fees for child nutrition programs shall not be increased to
196 cover that cost.

197 (4) The state shall provide annually, by line item in the
198 community/junior college appropriation bill, the funds to pay one
199 hundred percent (100%) of the cost of the health insurance plan
200 for all community/junior college district employees who work no
201 less than twenty (20) hours during each week.

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

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

222 (7) Any funds appropriated for the cost of insurance by line
223 item in the community/junior colleges appropriation bill that are
224 not expended during the fiscal year for which the funds were



225 appropriated shall be carried forward for the same purposes during
226 the next succeeding fiscal year.

227 (8) The board may establish and enforce late charges and
228 interest penalties or other penalties for the purpose of requiring
229 the prompt payment of all premiums for life and health insurance
230 permitted under Chapter 15 of Title 25. All funds in excess of
231 the amount needed for disbursement of claims shall be deposited in
232 a special fund in the State Treasury to be known as the State and
233 School Employees Insurance Fund. The State Treasurer shall invest
234 all funds in the State and School Employees Insurance Fund and all
235 interest earned shall be credited to the State and School
236 Employees Insurance Fund. Those funds shall be placed with one or
237 more depositories of the state and invested on the first day that
238 the funds are available for investment in certificates of deposit,
239 repurchase agreements or in United States Treasury bills or as
240 otherwise authorized by law for the investment of Public
241 Employees' Retirement System funds, as long as the investment is
242 made from competitive offering and at the highest and best market
243 rate obtainable consistent with any available investment
244 alternatives. However, those investments shall not be made in
245 shares of stock, common or preferred, or in any other investments
246 that would mature more than one (1) year from the date of
247 investment. The board shall have the authority to draw from this
248 fund periodically such funds as are necessary to operate the
249 self-insurance plan or to pay to the insurance carrier the cost of
250 operation of this plan, it being the purpose to limit the amount
251 of participation by the state to fifty percent (50%) of the cost
252 of the life insurance program and not to limit the contracting for
253 additional benefits where the cost will be paid in full by the
254 employee.

255 (9) The board shall also provide for the creation of an
256 Insurance Reserve Fund, and funds in the reserve fund shall be



257 invested by the State Treasurer with all interest earned credited
258 to the State and School Employees Insurance Fund.

259 **SECTION 2.** The Legislature shall appropriate the funds
260 necessary to provide for health insurance coverage of the first
261 three (3) dependents of all active full time employees.

262 **SECTION 3.** This act shall take effect and be in force from
263 and after July 1, 2003.

