

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.

