

By: Senator(s) Tollison

To: Public Health and  
Welfare; Appropriations

SENATE BILL NO. 2071

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO  
2 PROVIDE THAT THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN  
3 SHALL INCLUDE COVERAGE FOR CERTAIN ANNUAL HEALTH EXAMINATIONS; TO  
4 PROVIDE THAT THE STATE'S SHARE OF THE COST OF SUCH EXAMINATIONS  
5 SHALL BE DRAWN FROM THE HEALTH CARE EXPENDABLE FUND; TO AMEND  
6 SECTION 43-13-407, MISSISSIPPI CODE OF 1972, IN CONFORMITY  
7 THERETO; AND FOR RELATED PURPOSES.

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

9 SECTION 1. Section 25-15-9, Mississippi Code of 1972, is  
10 amended as follows:

11 [Through June 30 of the year in which Section 25-11-143  
12 becomes effective as provided in subsection (1) of Section  
13 25-11-143, this section shall read as follows:]

14 25-15-9. (1) (a) The board shall design a plan of health  
15 insurance for state employees which provides benefits for  
16 semiprivate rooms in addition to other incidental coverages which  
17 the board deems necessary. The amount of the coverages shall be  
18 in such reasonable amount as may be determined by the board to be  
19 adequate, after due consideration of current health costs in  
20 Mississippi. The plan shall also include major medical benefits  
21 in such amounts as the board shall determine. The plan shall also  
22 include coverage of annual examinations for breast cancer,  
23 diabetes, colo-rectal cancer and hypertension; and the state's  
24 share of the cost of such examinations shall be drawn from the  
25 Health Care Expendable Fund established by Section 43-13-407.  
26 The board is also authorized to accept bids for such alternate  
27 coverage and optional benefits as the board shall deem proper.  
28 Any contract for alternative coverage and optional benefits shall  
29 be awarded by the board after it has carefully studied and



30 evaluated the bids and selected the best and most cost-effective  
31 bid. The board may reject all such bids; however, the board shall  
32 notify all bidders of the rejection and shall actively solicit new  
33 bids if all bids are rejected. The board may employ or contract  
34 for such consulting or actuarial services as may be necessary to  
35 formulate the plan, and to assist the board in the preparation of  
36 specifications and in the process of advertising for the bids for  
37 the plan. Such contracts shall be solicited and entered into in  
38 accordance with Section 25-15-5. The board shall keep a record of  
39 all persons, agents and corporations who contract with or assist  
40 the board in preparing and developing the plan. The board in a  
41 timely manner shall provide copies of this record to the members  
42 of the advisory council created in this section and those  
43 legislators, or their designees, who may attend meetings of the  
44 advisory council. The board shall provide copies of this record  
45 in the solicitation of bids for the administration or servicing of  
46 the self-insured program. Each person, agent or corporation  
47 which, during the previous fiscal year, has assisted in the  
48 development of the plan or employed or compensated any person who  
49 assisted in the development of the plan, and which bids on the  
50 administration or servicing of the plan, shall submit to the board  
51 a statement accompanying the bid explaining in detail its  
52 participation with the development of the plan. This statement  
53 shall include the amount of compensation paid by the bidder to any  
54 such employee during the previous fiscal year. The board shall  
55 make all such information available to the members of the advisory  
56 council and those legislators, or their designees, who may attend  
57 meetings of the advisory council before any action is taken by the  
58 board on the bids submitted. The failure of any bidder to fully  
59 and accurately comply with this paragraph shall result in the  
60 rejection of any bid submitted by that bidder or the cancellation  
61 of any contract executed when the failure is discovered after the  
62 acceptance of that bid. The board is authorized to promulgate



63 rules and regulations to implement the provisions of this  
64 subsection.

65 The board shall develop plans for the insurance plan  
66 authorized by this section in accordance with the provisions of  
67 Section 25-15-5.

68 Any corporation, association, company or individual that  
69 contracts with the board for the third-party claims administration  
70 of the self-insured plan shall prepare and keep on file an  
71 explanation of benefits for each claim processed. The explanation  
72 of benefits shall contain such information relative to each  
73 processed claim which the board deems necessary, and, at a  
74 minimum, each explanation shall provide the claimant's name, claim  
75 number, provider number, provider name, service dates, type of  
76 services, amount of charges, amount allowed to the claimant and  
77 reason codes. The information contained in the explanation of  
78 benefits shall be available for inspection upon request by the  
79 board. The board shall have access to all claims information  
80 utilized in the issuance of payments to employees and providers.

81 (b) There is created an advisory council to advise the  
82 board in the formulation of the State and School Employees Health  
83 Insurance Plan. The council shall be composed of the State  
84 Insurance Commissioner or his designee, an employee-representative  
85 of the institutions of higher learning appointed by the board of  
86 trustees thereof, an employee-representative of the Department of  
87 Transportation appointed by the director thereof, an  
88 employee-representative of the State Tax Commission appointed by  
89 the Commissioner of Revenue, an employee-representative of the  
90 Mississippi Department of Health appointed by the State Health  
91 Officer, an employee-representative of the Mississippi Department  
92 of Corrections appointed by the Commissioner of Corrections, and  
93 an employee-representative of the Department of Human Services  
94 appointed by the Executive Director of Human Services, two (2)  
95 certificated public school administrators appointed by the State



96 Board of Education, two (2) certificated classroom teachers  
97 appointed by the State Board of Education, a noncertificated  
98 school employee appointed by the State Board of Education and a  
99 community/junior college employee appointed by the State Board for  
100 Community and Junior Colleges.

101 The Lieutenant Governor may designate the Secretary of the  
102 Senate, the Chairman of the Senate Appropriations Committee, the  
103 Chairman of the Senate Education Committee and the Chairman of the  
104 Senate Insurance Committee, and the Speaker of the House of  
105 Representatives may designate the Clerk of the House, the Chairman  
106 of the House Appropriations Committee, the Chairman of the House  
107 Education Committee and the Chairman of the House Insurance  
108 Committee, to attend any meeting of the State and School Employees  
109 Insurance Advisory Council. The appointing authorities may  
110 designate an alternate member from their respective houses to  
111 serve when the regular designee is unable to attend such meetings  
112 of the council. Such designees shall have no jurisdiction or vote  
113 on any matter within the jurisdiction of the council. For  
114 attending meetings of the council, such legislators shall receive  
115 per diem and expenses which shall be paid from the contingent  
116 expense funds of their respective houses in the same amounts as  
117 provided for committee meetings when the Legislature is not in  
118 session; however, no per diem and expenses for attending meetings  
119 of the council will be paid while the Legislature is in session.  
120 No per diem and expenses will be paid except for attending  
121 meetings of the council without prior approval of the proper  
122 committee in their respective houses.

123 (c) No change in the terms of the State and School  
124 Employees Health Insurance Plan may be made effective unless the  
125 board, or its designee, has provided notice to the State and  
126 School Employees Health Insurance Advisory Council and has called  
127 a meeting of the council at least fifteen (15) days before the  
128 effective date of such change. In the event that the State and



129 School Employees Health Insurance Advisory Council does not meet  
130 to advise the board on the proposed changes, the changes to the  
131 plan shall become effective at such time as the board has informed  
132 the council that the changes shall become effective.

133           (d) **Medical benefits for retired employees and**  
134 **dependents under age sixty-five (65) years and not eligible for**  
135 **Medicare benefits.** The same health insurance coverage as for all  
136 other active employees and their dependents shall be available to  
137 retired employees and all dependents under age sixty-five (65)  
138 years who are not eligible for Medicare benefits, the level of  
139 benefits to be the same level as for all other active  
140 participants. This section will apply to those employees who  
141 retire due to one hundred percent (100%) medical disability as  
142 well as those employees electing early retirement.

143           (e) **Medical benefits for retired employees and**  
144 **dependents over age sixty-five (65) years or otherwise eligible**  
145 **for Medicare benefits.** The health insurance coverage available to  
146 retired employees over age sixty-five (65) years or otherwise  
147 eligible for Medicare benefits, and all dependents over age  
148 sixty-five (65) years or otherwise eligible for Medicare benefits,  
149 shall be the major medical coverage with the lifetime maximum of  
150 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by  
151 Medicare benefits as though such Medicare benefits were the base  
152 plan.

153           All covered individuals shall be assumed to have full  
154 Medicare coverage, Parts A and B; and any Medicare payments under  
155 both Parts A and B shall be computed to reduce benefits payable  
156 under this plan.

157           (2) Nonduplication of benefits--reduction of benefits by  
158 Title XIX benefits: When benefits would be payable under more  
159 than one (1) group plan, benefits under those plans will be  
160 coordinated to the extent that the total benefits under all plans  
161 will not exceed the total expenses incurred.



162 Benefits for hospital or surgical or medical benefits shall  
163 be reduced by any similar benefits payable in accordance with  
164 Title XIX of the Social Security Act or under any amendments  
165 thereto, or any implementing legislation.

166 Benefits for hospital or surgical or medical benefits shall  
167 be reduced by any similar benefits payable by workers'  
168 compensation.

169 (3) (a) Schedule of life insurance benefits--group term:  
170 The amount of term life insurance for each active employee of a  
171 department, agency or institution of the state government shall  
172 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
173 twice the amount of the employee's annual wage to the next highest  
174 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
175 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
176 amount for accidental death and dismemberment on a  
177 twenty-four-hour basis. The plan will further contain a premium  
178 waiver provision if a covered employee becomes totally and  
179 permanently disabled prior to age sixty-five (65) years.  
180 Employees retiring after June 30, 1999, shall be eligible to  
181 continue life insurance coverage in an amount of Five Thousand  
182 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
183 Thousand Dollars (\$20,000.00) into retirement.

184 (b) Effective October 1, 1999, schedule of life  
185 insurance benefits--group term: The amount of term life insurance  
186 for each active employee of any school district, community/junior  
187 college, public library or university-based program authorized  
188 under Section 37-23-31 for deaf, aphasic and emotionally disturbed  
189 children or any regular nonstudent bus driver shall not be in  
190 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
191 amount of the employee's annual wage to the next highest One  
192 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
193 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
194 amount for accidental death and dismemberment on a



195 twenty-four-hour basis. The plan will further contain a premium  
196 waiver provision if a covered employee of any school district,  
197 community/junior college, public library or university-based  
198 program authorized under Section 37-23-31 for deaf, aphasic and  
199 emotionally disturbed children or any regular nonstudent bus  
200 driver becomes totally and permanently disabled prior to age  
201 sixty-five (65) years. Employees of any school district,  
202 community/junior college, public library or university-based  
203 program authorized under Section 37-23-31 for deaf, aphasic and  
204 emotionally disturbed children or any regular nonstudent bus  
205 driver retiring after September 30, 1999, shall be eligible to  
206 continue life insurance coverage in an amount of Five Thousand  
207 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
208 Thousand Dollars (\$20,000.00) into retirement.

209 (4) Any eligible employee who on March 1, 1971, was  
210 participating in a group life insurance program which has  
211 provisions different from those included herein and for which the  
212 State of Mississippi was paying a part of the premium may, at his  
213 discretion, continue to participate in such plan. Such employee  
214 shall pay in full all additional costs, if any, above the minimum  
215 program established by this article. Under no circumstances shall  
216 any individual who begins employment with the state after March 1,  
217 1971, be eligible for the provisions of this subsection.

218 (5) The board may offer medical savings accounts as defined  
219 in Section 71-9-3 as a plan option.

220 (6) Any premium differentials, differences in coverages,  
221 discounts determined by risk or by any other factors shall be  
222 uniformly applied to all active employees participating in the  
223 insurance plan. It is the intent of the Legislature that the  
224 state contribution to the plan be the same for each employee  
225 throughout the state.

226 (7) On October 1, 1999, any school district,  
227 community/junior college district or public library may elect to



228 remain with an existing policy or policies of group life insurance  
229 with an insurance company approved by the State and School  
230 Employees Health Insurance Management Board, in lieu of  
231 participation in the State and School Life Insurance Plan. The  
232 state's contribution of up to fifty percent (50%) of the active  
233 employee's premium under the State and School Life Insurance Plan  
234 may be applied toward the cost of coverage for full-time employees  
235 participating in the approved life insurance company group plan.  
236 For purposes of this subsection (7), "life insurance company group  
237 plan" means a plan administered or sold by a private insurance  
238 company. After October 1, 1999, the board may assess charges in  
239 addition to the existing State and School Life Insurance Plan  
240 rates to such employees as a condition of enrollment in the State  
241 and School Life Insurance Plan. In order for any life insurance  
242 company group plan existing as of October 1, 1999, to be approved  
243 by the State and School Employees Health Insurance Management  
244 Board under this subsection (7), it shall meet the following  
245 criteria:

246           (a) The insurance company offering the group life  
247 insurance plan shall be rated "A-" or better by A.M. Best state  
248 insurance rating service and be licensed as an admitted carrier in  
249 the State of Mississippi by the Mississippi Department of  
250 Insurance.

251           (b) The insurance company group life insurance plan  
252 shall provide the same life insurance, accidental death and  
253 dismemberment insurance and waiver of premium benefits as provided  
254 in the State and School Life Insurance Plan.

255           (c) The insurance company group life insurance plan  
256 shall be fully insured, and no form of self-funding life insurance  
257 by such company shall be approved.

258           (d) The insurance company group life insurance plan  
259 shall have one (1) composite rate per One Thousand Dollars  
260 (\$1,000.00) of coverage for active employees regardless of age and





261 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
262 coverage for all retirees regardless of age or type of retiree.

263 (e) The insurance company and its group life insurance  
264 plan shall comply with any administrative requirements of the  
265 State and School Employees Health Insurance Management Board. In  
266 the event any insurance company providing group life insurance  
267 benefits to employees under this subsection (7) fails to comply  
268 with any requirements specified herein or any administrative  
269 requirements of the board, the state shall discontinue providing  
270 funding for the cost of such insurance.

271 **[From and after July 1 of the year in which Section 25-11-143**  
272 **becomes effective as provided in subsection (1) of Section**  
273 **25-11-143, this section shall read as follows:]**

274 25-15-9. (1) (a) The board shall design a plan of health  
275 insurance for state employees that provides benefits for  
276 semiprivate rooms in addition to other incidental coverages that  
277 the board deems necessary. The amount of the coverages shall be  
278 in such reasonable amount as may be determined by the board to be  
279 adequate, after due consideration of current health costs in  
280 Mississippi. The plan shall also include major medical benefits  
281 in such amounts as the board shall determine. The plan shall also  
282 include coverage of annual examinations for breast cancer,  
283 diabetes, colo-retal cancer and hypertension; and the state's  
284 share of the cost of such examinations shall be drawn from the  
285 Health Care Expendable Fund established by Section 43-13-407. The  
286 board is also authorized to accept bids for such alternate  
287 coverage and optional benefits as the board deems proper. Any  
288 contract for alternative coverage and optional benefits shall be  
289 awarded by the board after it has carefully studied and evaluated  
290 the bids and selected the best and most cost-effective bid. The  
291 board may reject all such bids; however, the board shall notify  
292 all bidders of the rejection and shall actively solicit new bids  
293 if all bids are rejected. The board may employ or contract for



294 such consulting or actuarial services as may be necessary to  
295 formulate the plan, and to assist the board in the preparation of  
296 specifications and in the process of advertising for the bids for  
297 the plan. Those contracts shall be solicited and entered into in  
298 accordance with Section 25-15-5. The board shall keep a record of  
299 all persons, agents and corporations who contract with or assist  
300 the board in preparing and developing the plan. The board in a  
301 timely manner shall provide copies of this record to the members  
302 of the advisory council created in this section and those  
303 legislators, or their designees, who may attend meetings of the  
304 advisory council. The board shall provide copies of this record  
305 in the solicitation of bids for the administration or servicing of  
306 the self-insured program. Each person, agent or corporation that,  
307 during the previous fiscal year, has assisted in the development  
308 of the plan or employed or compensated any person who assisted in  
309 the development of the plan, and that bids on the administration  
310 or servicing of the plan, shall submit to the board a statement  
311 accompanying the bid explaining in detail its participation with  
312 the development of the plan. This statement shall include the  
313 amount of compensation paid by the bidder to any such employee  
314 during the previous fiscal year. The board shall make all such  
315 information available to the members of the advisory council and  
316 those legislators, or their designees, who may attend meetings of  
317 the advisory council before any action is taken by the board on  
318 the bids submitted. The failure of any bidder to fully and  
319 accurately comply with this paragraph shall result in the  
320 rejection of any bid submitted by that bidder or the cancellation  
321 of any contract executed when the failure is discovered after the  
322 acceptance of that bid. The board is authorized to promulgate  
323 rules and regulations to implement the provisions of this  
324 subsection.



325           The board shall develop plans for the insurance plan  
326 authorized by this section in accordance with the provisions of  
327 Section 25-15-5.

328           Any corporation, association, company or individual that  
329 contracts with the board for the third-party claims administration  
330 of the self-insured plan shall prepare and keep on file an  
331 explanation of benefits for each claim processed. The explanation  
332 of benefits shall contain such information relative to each  
333 processed claim which the board deems necessary, and, at a  
334 minimum, each explanation shall provide the claimant's name, claim  
335 number, provider number, provider name, service dates, type of  
336 services, amount of charges, amount allowed to the claimant and  
337 reason codes. The information contained in the explanation of  
338 benefits shall be available for inspection upon request by the  
339 board. The board shall have access to all claims information  
340 utilized in the issuance of payments to employees and providers.

341           (b) There is created an advisory council to advise the  
342 board in the formulation of the State and School Employees Health  
343 Insurance Plan. The council shall be composed of the State  
344 Insurance Commissioner or his designee, an employee-representative  
345 of the state institutions of higher learning appointed by the  
346 board of trustees thereof, an employee-representative of the  
347 Mississippi Department of Transportation appointed by the director  
348 thereof, an employee-representative of the State Tax Commission  
349 appointed by the Commissioner of Revenue, an  
350 employee-representative of the State Department of Health  
351 appointed by the State Health Officer, an employee-representative  
352 of the Mississippi Department of Corrections appointed by the  
353 Commissioner of Corrections, and an employee-representative of the  
354 Mississippi Department of Human Services appointed by the  
355 Executive Director of Human Services, two (2) certificated public  
356 school administrators appointed by the State Board of Education,  
357 two (2) certificated classroom teachers appointed by the State



358 Board of Education, a noncertificated school employee appointed by  
359 the State Board of Education and a community/junior college  
360 employee appointed by the State Board for Community and Junior  
361 Colleges.

362         The Lieutenant Governor may designate the Secretary of the  
363 Senate, the Chairman of the Senate Appropriations Committee, the  
364 Chairman of the Senate Education Committee and the Chairman of the  
365 Senate Insurance Committee, and the Speaker of the House of  
366 Representatives may designate the Clerk of the House, the Chairman  
367 of the House Appropriations Committee, the Chairman of the House  
368 Education Committee and the Chairman of the House Insurance  
369 Committee, to attend any meeting of the State and School Employees  
370 Insurance Advisory Council. The appointing authorities may  
371 designate an alternate member from their respective houses to  
372 serve when the regular designee is unable to attend such meetings  
373 of the council. Those designees shall have no jurisdiction or  
374 vote on any matter within the jurisdiction of the council. For  
375 attending meetings of the council, those legislators shall receive  
376 per diem and expenses, which shall be paid from the contingent  
377 expense funds of their respective houses in the same amounts as  
378 provided for committee meetings when the Legislature is not in  
379 session; however, no per diem and expenses for attending meetings  
380 of the council will be paid while the Legislature is in session.  
381 No per diem and expenses will be paid except for attending  
382 meetings of the council without prior approval of the proper  
383 committee in their respective houses.

384         (c) No change in the terms of the State and School  
385 Employees Health Insurance Plan may be made effective unless the  
386 board, or its designee, has provided notice to the State and  
387 School Employees Health Insurance Advisory Council and has called  
388 a meeting of the council at least fifteen (15) days before the  
389 effective date of the change. If the State and School Employees  
390 Health Insurance Advisory Council does not meet to advise the



391 board on the proposed changes, the changes to the plan will become  
392 effective at such time as the board has informed the council that  
393 the changes will become effective.

394 (2) Nonduplication of benefits--reduction of benefits by  
395 Title XIX benefits: When benefits would be payable under more  
396 than one (1) group plan, benefits under those plans will be  
397 coordinated to the extent that the total benefits under all plans  
398 will not exceed the total expenses incurred.

399 Benefits for hospital or surgical or medical benefits shall  
400 be reduced by any similar benefits payable in accordance with  
401 Title XIX of the Social Security Act or under any amendments  
402 thereto, or any implementing legislation.

403 Benefits for hospital or surgical or medical benefits shall  
404 be reduced by any similar benefits payable by workers'  
405 compensation.

406 (3) (a) Schedule of life insurance benefits--group term:  
407 The amount of term life insurance for each active employee of a  
408 department, agency or institution of the state government shall  
409 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
410 twice the amount of the employee's annual wage to the next highest  
411 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
412 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
413 amount for accidental death and dismemberment on a  
414 twenty-four-hour basis.

415 (b) Effective October 1, 1999, schedule of life  
416 insurance benefits--group term: The amount of term life insurance  
417 for each active employee of any school district, community/junior  
418 college, public library, university-based program authorized under  
419 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
420 children, or any regular nonstudent bus driver shall not be in  
421 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
422 amount of the employee's annual wage to the next highest One  
423 Thousand Dollars (\$1,000.00), whichever may be less, but in no



424 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
425 amount for accidental death and dismemberment on a  
426 twenty-four-hour basis. The plan will further contain a premium  
427 waiver provision if a covered employee of any school district,  
428 community/junior college, public library, university-based program  
429 authorized under Section 37-23-31 for deaf, aphasic and  
430 emotionally disturbed children, or any regular nonstudent bus  
431 driver becomes totally and permanently disabled before age  
432 sixty-five (65) years.

433 (4) Any eligible employee who on March 1, 1971, was  
434 participating in a group life insurance program that has  
435 provisions different from those included in this section and for  
436 which the State of Mississippi was paying a part of the premium  
437 may, at his discretion, continue to participate in that plan. The  
438 employee shall pay in full all additional costs, if any, above the  
439 minimum program established by this article. Under no  
440 circumstances shall any individual who begins employment with the  
441 state after March 1, 1971, be eligible for the provisions of this  
442 subsection.

443 (5) The board may offer medical savings accounts as defined  
444 in Section 71-9-3 as a plan option.

445 (6) Any premium differentials, differences in coverages,  
446 discounts determined by risk or by any other factors shall be  
447 uniformly applied to all active employees participating in the  
448 insurance plan. It is the intent of the Legislature that the  
449 state contribution to the plan be the same for each employee  
450 throughout the state.

451 (7) On October 1, 1999, any school district,  
452 community/junior college district or public library may elect to  
453 remain with an existing policy or policies of group life insurance  
454 with an insurance company approved by the State and School  
455 Employees Health Insurance Management Board, in lieu of  
456 participation in the State and School Life Insurance Plan. The



457 state's contribution of up to fifty percent (50%) of the active  
458 employee's premium under the State and School Life Insurance Plan  
459 may be applied toward the cost of coverage for full-time employees  
460 participating in the approved life insurance company group plan.  
461 For purposes of this subsection (7), "life insurance company group  
462 plan" means a plan administered or sold by a private insurance  
463 company. After October 1, 1999, the board may assess charges in  
464 addition to the existing State and School Life Insurance Plan  
465 rates to those employees as a condition of enrollment in the State  
466 and School Life Insurance Plan. In order for any life insurance  
467 company group plan existing as of October 1, 1999, to be approved  
468 by the State and School Employees Health Insurance Management  
469 Board under this subsection (7), it shall meet the following  
470 criteria:

471 (a) The insurance company offering the group life  
472 insurance plan shall be rated "A-" or better by A.M. Best state  
473 insurance rating service and be licensed as an admitted carrier in  
474 the State of Mississippi by the Mississippi Department of  
475 Insurance.

476 (b) The insurance company group life insurance plan  
477 shall provide the same life insurance, accidental death and  
478 dismemberment insurance and waiver of premium benefits as provided  
479 in the State and School Life Insurance Plan.

480 (c) The insurance company group life insurance plan  
481 shall be fully insured, and no form of self-funding life insurance  
482 by such company shall be approved.

483 (d) The insurance company group life insurance plan  
484 shall have one (1) composite rate per One Thousand Dollars  
485 (\$1,000.00) of coverage for active employees regardless of age.

486 (e) The insurance company and its group life insurance  
487 plan shall comply with any administrative requirements of the  
488 State and School Employees Health Insurance Management Board. If  
489 any insurance company providing group life insurance benefits to



490 employees under this subsection (7) fails to comply with any  
491 requirements specified in this subsection or any administrative  
492 requirements of the board, the state shall discontinue providing  
493 funding for the cost of that insurance.

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

496       43-13-407. (1) In accordance with the purposes of this  
497 article, there is established in the State Treasury the Health  
498 Care Expendable Fund, into which shall be transferred from the  
499 Health Care Trust Fund the following sums:

500               (a) In fiscal year 2000, Fifty Million Dollars  
501 (\$50,000,000.00);

502               (b) In fiscal year 2001, Fifty-five Million Dollars  
503 (\$55,000,000.00);

504               (c) In fiscal year 2002, Sixty Million Five Hundred  
505 Thousand Dollars (\$60,500,000.00);

506               (d) In fiscal year 2003, Sixty-six Million Five Hundred  
507 Fifty Thousand Dollars (\$66,550,000.00); and

508               (e) In fiscal year 2004 and each subsequent fiscal  
509 year, a sum equal to the average annual amount of the income from  
510 the investment of the funds in the Health Care Trust Fund since  
511 July 1, 1999.

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

519       (3) (a) On March 6, 2002, the State Treasurer shall  
520 transfer the sum of Eighty-seven Million Dollars (\$87,000,000.00)  
521 from the Health Care Trust Fund into the Health Care Expendable  
522 Fund. In addition, at the time the State of Mississippi receives





523 the 2002 calendar year tobacco settlement installment payment, the  
524 State Treasurer shall deposit the full amount of that installment  
525 payment into the Health Care Expendable Fund.

526 (b) If during any fiscal year after March 6, 2002, the  
527 general fund revenues received by the state exceed the general  
528 fund revenues received during the previous fiscal year by more  
529 than five percent (5%), the Legislature shall repay to the Health  
530 Care Trust Fund one-third (1/3) of the amount of the general fund  
531 revenues that exceed the five percent (5%) growth in general fund  
532 revenues. The repayment required by this paragraph shall continue  
533 in each fiscal year in which there is more than five percent (5%)  
534 growth in general fund revenues, until the full amount of the  
535 funds that were transferred and deposited into the Health Care  
536 Expendable Fund under the provisions of paragraph (a) of this  
537 subsection have been repaid to the Health Care Trust Fund.

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

543 (5) The funds in the Health Care Expendable Fund shall be  
544 available for expenditure under specific appropriation by the  
545 Legislature beginning in fiscal year 2000, and shall be expended  
546 exclusively for health care purposes, including, but not limited  
547 to, the state's share of the cost of the annual examinations for  
548 breast cancer, diabetes, colo-rectal cancer and hypertension  
549 provided under the State and School Employees Health Insurance  
550 Plan in Section 25-15-9.

551 (6) Subsections (1), (2), (4) and (5) of this section shall  
552 stand repealed on July 1, 2004.

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

