

By: Representatives Denny, Akins, Aldridge, Beckett, Bentz, Chism, Davis, Ellington, Fillingane, Formby, Janus, Lott, Martinson, Mayhall, Reeves, Simpson, Turner, Wells-Smith, Zuber

To: Insurance

HOUSE BILL NO. 345

1 AN ACT TO AMEND SECTION 83-61-7, MISSISSIPPI CODE OF 1972, TO
2 REVISE THE ELIGIBILITY REQUIREMENTS UNDER THE VOLUNTARY BASIC
3 HEALTH INSURANCE COVERAGE LAW; TO AMEND SECTION 83-63-3,
4 MISSISSIPPI CODE OF 1972, TO REVISE ELIGIBILITY REQUIREMENTS UNDER
5 THE SMALL EMPLOYER HEALTH BENEFIT PLANS; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 83-61-7, Mississippi Code of 1972, is
8 amended as follows:

9 83-61-7. (1) To be eligible for insurance coverage under
10 the program, an individual shall provide evidence to the approved
11 carrier that he or she:

12 (a) Is under sixty-five (65) years of age;

13 (b) Is acceptable to the approved carrier; and

14 (c) * * * That his or her family income does not exceed
15 one hundred twenty-five percent (125%) of the federal poverty
16 level.

17 (2) No person who is covered under the program and
18 terminates the coverage is again eligible for coverage unless
19 twelve (12) months have elapsed since the person's latest
20 termination.

21 **SECTION 2.** Section 83-63-3, Mississippi Code of 1972, is
22 amended as follows:

23 83-63-3. For purposes of this chapter, the following terms
24 are defined as follows:

25 (a) "Actuarial certification" means a written statement
26 by a member of the American Academy of Actuaries, or other
27 individual acceptable to the commissioner, that a small employer
28 carrier is in compliance with Section 83-63-7, based upon the

29 person's examination, including a review of the appropriate
30 records and of the actuarial assumptions and methods used by the
31 small employer carrier in establishing premium rates for
32 applicable health benefit plans.

33 (b) "Base premium rate" means for each class of
34 business as to a rating period, the lowest premium rate charged or
35 which could have been charged under the rating system for that
36 class of business, by the small employer carrier to small
37 employers with similar case characteristics for health benefit
38 plans with the same or similar coverage.

39 (c) "Carrier" means any entity that provides health
40 insurance in this state such as an insurance company; a prepaid
41 hospital or medical service plan; a nonprofit hospital, medical
42 and surgical service corporation; a health maintenance
43 organization; a fully insured multiple employer welfare
44 arrangement; or any other entity providing a plan of health
45 insurance subject to state insurance regulation.

46 (d) "Case characteristics" means demographic or other
47 objective characteristics of a small employer that are considered
48 by the small employer carrier in the determination of premium
49 rates for the small employer, but claim experience, health status
50 and duration of coverage are not case characteristics for the
51 purposes of this chapter.

52 (e) "Class of business" means all or a separate
53 grouping of small employers established pursuant to Section
54 83-63-5.

55 (f) "Commissioner" means the Commissioner of Insurance.

56 (g) "Eligible employee" means an employee who works on
57 a full-time basis and has a normal work week of twenty (20) or
58 more hours. The term includes a sole proprietor, a partner of a
59 partnership and an independent contractor, if the sole proprietor,
60 partner or independent contractor is included as an employee under

61 a health benefit plan of a small employer, but does not include an
62 employee who works on a part-time, temporary or substitute basis.

63 (h) "Established geographic service area" means a
64 geographical area, as approved by the commissioner and based on
65 the carrier's certificate of authority to transact insurance in
66 this state, within which the carrier is authorized to provide
67 coverage.

68 (i) "Health benefit plan" or "plan" means any hospital
69 or medical policy or certificate, hospital or medical service plan
70 contract, or health maintenance organization subscriber contract.
71 Health benefit plan does not include accident-only, specified
72 disease, credit, dental, vision, Medicare supplement, long-term
73 care, or disability income insurance; coverage issued as a
74 supplement to liability insurance; workers' compensation or
75 similar insurance; or automobile medical-payment insurance.

76 (j) "Index rate" means for each class of business for
77 small employees with similar case characteristics, the arithmetic
78 average of the applicable base premium rate and the corresponding
79 highest premium rate.

80 (k) "New business premium rate" means for each class of
81 business as to a rating period, the premium rate charged or
82 offered by the small employer carrier to small employers with
83 similar case characteristics for newly issued health benefit plans
84 with the same or similar coverage.

85 (l) "Rating period" means the calendar period for which
86 premium rates established by a small employer carrier are assumed
87 to be in effect.

88 (m) "Small employer" means any person, firm,
89 corporation, partnership or association actively engaged in
90 business which, on at least fifty percent (50%) of its working
91 days during the preceding year, employed no more than fifty (50)
92 eligible employees. In determining the number of eligible
93 employees, companies which are affiliated companies or which are

94 eligible to file a combined tax return for purposes of state
95 taxation shall be considered one (1) employer.

96 (n) "Small employer carrier" means any carrier which
97 offers health benefit plans covering eligible employees of one or
98 more small employers in this state.

99 **SECTION 3.** This act shall take effect and be in force from
100 and after July 1, 2004.