

By: Representative Gadd

To: County Affairs

HOUSE BILL NO. 1472

1 AN ACT TO AMEND SECTION 25-15-101, MISSISSIPPI CODE OF 1972,
2 TO REQUIRE THE BOARD OF SUPERVISORS OF EACH COUNTY TO PROVIDE THE
3 FULL COST OF GROUP HEALTH INSURANCE COVERAGE FOR CERTAIN SCHOOL
4 BOARD MEMBERS WITHIN THE COUNTY; AND FOR RELATED PURPOSES.

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

6 **SECTION 1.** Section 25-15-101, Mississippi Code of 1972, is
7 amended as follows:

8 25-15-101. The governing board of any county, municipality,
9 municipal separate school district, other school district or
10 junior college district, and the governing board or head of any
11 institution, department or agency of any county or municipality
12 may negotiate for and secure for all or specified groups of
13 employees and their dependents of such county or municipality, or
14 institution, department or agency of such county or municipality,
15 or municipal separate school district, other school district or
16 junior college district, a policy or policies of group insurance
17 covering the life, (except as hereinafter provided), salary
18 protection, health, accident and hospitalization, as well as a
19 group contract or contracts covering hospital and/or medical
20 and/or surgical services or benefits (including surgical costs,
21 so-called "hospital extras," medical expenses, allied coverages,
22 and major medical costs) of such of its employees and their
23 dependents as may desire such insurance and other coverage under
24 such service or benefit contracts, and who shall authorize in
25 writing the deduction from the salary or wages of such employees
26 of the proportionate part of the costs thereof attributable to
27 such employees. However, beginning with the 1984-1985 school
28 year, school districts shall provide the policies of group

29 insurance to certificated personnel. Beginning with the 2004-2005
30 school year, the board of supervisors of each county shall pay,
31 out of any available funds, one hundred percent (100%) of the cost
32 of group health insurance coverage for each of the school board
33 members within the county for the period of time that the member
34 is serving his term on the board. Any employee who desires to
35 reallocate or reduce any part of his or her salary or wages for a
36 cafeteria fringe benefit plan in accordance with current
37 requirements of Section 125 et seq. of the Internal Revenue Code
38 for himself or herself and/or for his or her dependent(s) shall
39 authorize, in writing, the deduction from the salary or wages of
40 such employee the proportionate part of the costs thereof
41 attributable to such employee. Any amount so deducted shall be
42 transferred into the general fund or contingent fund of such
43 county or municipality, or the operating fund of such institution,
44 department or agency of the county or municipality, or the
45 maintenance fund of such municipal separate school district, other
46 school district or junior college district, as the case may be,
47 and shall be supplemented by funds from the general fund,
48 contingent fund, maintenance fund, or operating fund, as the case
49 may be, in an amount to be determined by the governing board or
50 head of such political subdivision, school district, junior
51 college district, institution, department or agency, in their
52 discretion, in order to pay the full costs. In no instances shall
53 the amount of contributions by any governing board or head of a
54 political subdivision, school district, junior college district,
55 institution, department or agency hereinabove mentioned exceed an
56 average of one hundred percent (100%) of the cost of all such
57 group coverages for employees.

58 The governing board or head of such political subdivision,
59 school district, junior college district, institution, department
60 or agency is authorized to pay such full costs direct to the
61 insurance company and to the hospital and/or medical and/or

62 surgical service association from the general fund, contingent
63 fund, or the maintenance fund of such county or municipality, or
64 the operating fund of such institution, department, or agency of
65 the county or municipality, or the maintenance fund of such
66 municipal separate school district, other school district or
67 junior college district, as the case may be, and to do all acts
68 necessary and proper for the purpose of carrying out the
69 provisions of Sections 25-15-101 and 25-15-103 and of effectuating
70 the purposes hereof. The rates for any and all costs covered by
71 the sections shall be in keeping with promulgated schedules, and
72 the rates for such costs shall be approved by the Insurance
73 Commissioner of the State of Mississippi. This section shall not
74 be construed to prevent changes in rates based on experience, nor
75 the granting of dividends or rate reductions or credits.

76 The governing board or head of any political subdivision or
77 other entity set forth in this section may elect to become a
78 self-insurer with respect to all or any portion of group life,
79 salary protection, health, accident and hospitalization benefits
80 on terms and conditions deemed advisable, in its discretion. The
81 administration and service of any such self-insurance program
82 shall be contracted to a third party approved by the Commissioner
83 of Insurance and benefits provided in excess of the self-insurance
84 plan shall be covered by a policy or policies of group insurance
85 or a group contract or contracts issued by a company licensed to
86 do business in this state.

87 The governing board of any political subdivision or other
88 entity set forth in this section may join with any one or more
89 other such political subdivision or entity to pool the risks
90 authorized to be insured or self-insured under this section or to
91 act as a self-insurer, or to contract for a policy or policies of
92 insurance, or to contract with a third party administrator for a
93 self-insurance plan; however, in order to qualify as a
94 self-insurer a group, whether consisting of one or more employers,

95 shall consist of not less than one hundred fifty (150) employees.
96 The governing board of any political subdivision or other entity
97 set forth in this section having at least fifty (50) employees but
98 less than one hundred fifty (150) employees may self-insure all or
99 any part of a benefit program with benefits authorized to be
100 insured or self-insured under this section in an amount not to
101 exceed Two Thousand Dollars (\$2,000.00) per year per employee; and
102 any such political subdivision or other entity may join with any
103 one or more other such political subdivisions or entities, such
104 political subdivisions and entities having at least fifty (50)
105 employees but less than one hundred fifty (150) employees in the
106 aggregate, to pool the risks authorized to be insured or
107 self-insured under this section. However, any such self-insurance
108 plan or pooled risk plan involving at least fifty (50) employees
109 but less than one hundred fifty (150) employees shall be certified
110 by the Mississippi Department of Insurance as being actuarially
111 sound.

112 Any political subdivision or other entity that provides any
113 plan of group insurance or other coverage under this section does
114 not waive, but expressly reserves, its sovereign immunity under
115 the laws of the State of Mississippi; and all plans and agreements
116 executed by political subdivisions and other entities providing
117 insurance or other coverage under this section shall contain a
118 provision expressly limiting liability for the payment of all
119 benefits for single or multiple claims to the extent of the
120 insurance carried or to the extent of funds available under the
121 self-insurance fund.

122 Nothing in Sections 25-15-101 and 25-15-103 shall be
123 construed to apply to agencies financed entirely by federally
124 granted administrative funds.

125 The restrictions in this section on the amount which
126 employers may pay for group insurance and other coverage for their
127 employees shall not be applicable to municipalities.

128 Any governing board or head of any political subdivision or
129 other entity that provides any plan of group insurance or other
130 coverage under this section, and any person with whom such
131 governing board, head of a political subdivision or other entity
132 contracts in the performance of any duty or authority prescribed
133 under this section, shall be liable civilly for the loss or
134 misappropriation of any public funds resulting from their failure
135 to comply with any provision of this section, such funds to be
136 recovered in the manner provided under Section 7-7-211.

137 **SECTION 2.** This act shall take effect and be in force from
138 and after July 1, 2004.