

By: Senator(s) Carmichael

To: Insurance;
Appropriations

SENATE BILL NO. 2106

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE COVERAGE FOR HYPERBARIC OXYGEN THERAPY FOR CHILDREN WITH
3 CEREBRAL PALSY UNDER THE STATE AND SCHOOL EMPLOYEES HEALTH
4 INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

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

8 25-15-9. (1) (a) The board shall design a plan of health
9 insurance for state employees which provides benefits for
10 semiprivate rooms in addition to other incidental coverages which
11 the board deems necessary. The amount of the coverages shall be
12 in such reasonable amount as may be determined by the board to be
13 adequate, after due consideration of current health costs in
14 Mississippi. The plan shall also include major medical benefits
15 in such amounts as the board shall determine. The board is also
16 authorized to accept bids for such alternate coverage and optional
17 benefits as the board shall deem proper. Any contract for
18 alternative coverage and optional benefits shall be awarded by the
19 board after it has carefully studied and evaluated the bids and
20 selected the best and most cost-effective bid. The board may
21 reject all such bids; however, the board shall notify all bidders
22 of the rejection and shall actively solicit new bids if all bids
23 are rejected. The board may employ or contract for such
24 consulting or actuarial services as may be necessary to formulate
25 the plan, and to assist the board in the preparation of
26 specifications and in the process of advertising for the bids for
27 the plan. Such contracts shall be solicited and entered into in
28 accordance with Section 25-15-5. The board shall keep a record of

29 all persons, agents and corporations who contract with or assist
30 the board in preparing and developing the plan. The board in a
31 timely manner shall provide copies of this record to the members
32 of the advisory council created in this section and those
33 legislators, or their designees, who may attend meetings of the
34 advisory council. The board shall provide copies of this record
35 in the solicitation of bids for the administration or servicing of
36 the self-insured program. Each person, agent or corporation
37 which, during the previous fiscal year, has assisted in the
38 development of the plan or employed or compensated any person who
39 assisted in the development of the plan, and which bids on the
40 administration or servicing of the plan, shall submit to the board
41 a statement accompanying the bid explaining in detail its
42 participation with the development of the plan. This statement
43 shall include the amount of compensation paid by the bidder to any
44 such employee during the previous fiscal year. The board shall
45 make all such information available to the members of the advisory
46 council and those legislators, or their designees, who may attend
47 meetings of the advisory council before any action is taken by the
48 board on the bids submitted. The failure of any bidder to fully
49 and accurately comply with this paragraph shall result in the
50 rejection of any bid submitted by that bidder or the cancellation
51 of any contract executed when the failure is discovered after the
52 acceptance of that bid. The board is authorized to promulgate
53 rules and regulations to implement the provisions of this
54 subsection.

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

58 Any corporation, association, company or individual that
59 contracts with the board for the third-party claims administration
60 of the self-insured plan shall prepare and keep on file an
61 explanation of benefits for each claim processed. The explanation

62 of benefits shall contain such information relative to each
63 processed claim which the board deems necessary, and, at a
64 minimum, each explanation shall provide the claimant's name, claim
65 number, provider number, provider name, service dates, type of
66 services, amount of charges, amount allowed to the claimant and
67 reason codes. The information contained in the explanation of
68 benefits shall be available for inspection upon request by the
69 board. The board shall have access to all claims information
70 utilized in the issuance of payments to employees and providers.

71 (b) There is created an advisory council to advise the
72 board in the formulation of the State and School Employees Health
73 Insurance Plan. The council shall be composed of the State
74 Insurance Commissioner or his designee, an employee-representative
75 of the institutions of higher learning appointed by the board of
76 trustees thereof, an employee-representative of the Department of
77 Transportation appointed by the director thereof, an
78 employee-representative of the State Tax Commission appointed by
79 the Commissioner of Revenue, an employee-representative of the
80 Mississippi Department of Health appointed by the State Health
81 Officer, an employee-representative of the Mississippi Department
82 of Corrections appointed by the Commissioner of Corrections, and
83 an employee-representative of the Department of Human Services
84 appointed by the Executive Director of Human Services, two (2)
85 certificated public school administrators appointed by the State
86 Board of Education, two (2) certificated classroom teachers
87 appointed by the State Board of Education, a noncertificated
88 school employee appointed by the State Board of Education and a
89 community/junior college employee appointed by the State Board for
90 Community and Junior Colleges.

91 The Lieutenant Governor may designate the Secretary of the
92 Senate, the Chairman of the Senate Appropriations Committee, the
93 Chairman of the Senate Education Committee and the Chairman of the
94 Senate Insurance Committee, and the Speaker of the House of

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

113 (c) No change in the terms of the State and School
114 Employees Health Insurance Plan may be made effective unless the
115 board, or its designee, has provided notice to the State and
116 School Employees Health Insurance Advisory Council and has called
117 a meeting of the council at least fifteen (15) days before the
118 effective date of such change. In the event that the State and
119 School Employees Health Insurance Advisory Council does not meet
120 to advise the board on the proposed changes, the changes to the
121 plan shall become effective at such time as the board has informed
122 the council that the changes shall become effective.

123 (d) **Medical benefits for retired employees and**
124 **dependents under age sixty-five (65) years and not eligible for**
125 **Medicare benefits.** The same health insurance coverage as for all
126 other active employees and their dependents shall be available to
127 retired employees and all dependents under age sixty-five (65)

128 years who are not eligible for Medicare benefits, the level of
129 benefits to be the same level as for all other active
130 participants. This section will apply to those employees who
131 retire due to one hundred percent (100%) medical disability as
132 well as those employees electing early retirement.

133 (e) **Medical benefits for retired employees and**
134 **dependents over age sixty-five (65) years or otherwise eligible**
135 **for Medicare benefits.** The health insurance coverage available to
136 retired employees over age sixty-five (65) years or otherwise
137 eligible for Medicare benefits, and all dependents over age
138 sixty-five (65) years or otherwise eligible for Medicare benefits,
139 shall be the major medical coverage with the lifetime maximum of
140 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by
141 Medicare benefits as though such Medicare benefits were the base
142 plan.

143 All covered individuals shall be assumed to have full
144 Medicare coverage, Parts A and B; and any Medicare payments under
145 both Parts A and B shall be computed to reduce benefits payable
146 under this plan.

147 (2) Nonduplication of benefits--reduction of benefits by
148 Title XIX benefits: When benefits would be payable under more
149 than one (1) group plan, benefits under those plans will be
150 coordinated to the extent that the total benefits under all plans
151 will not exceed the total expenses incurred.

152 Benefits for hospital or surgical or medical benefits shall
153 be reduced by any similar benefits payable in accordance with
154 Title XIX of the Social Security Act or under any amendments
155 thereto, or any implementing legislation.

156 Benefits for hospital or surgical or medical benefits shall
157 be reduced by any similar benefits payable by workers'
158 compensation.

159 (3) Beginning on July 1, 2004, the board shall provide that
160 the plan include coverage for hyperbaric oxygen therapy for

161 children with cerebral palsy. The benefit provided in this
162 subsection shall be subject to the same annual deductibles or
163 coinsurance established for all other covered benefits within the
164 plan.

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

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

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

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

214 (6) The board may offer medical savings accounts as defined
215 in Section 71-9-3 as a plan option.

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

222 (8) On October 1, 1999, any school district,
223 community/junior college district or public library may elect to
224 remain with an existing policy or policies of group life insurance
225 with an insurance company approved by the State and School
226 Employees Health Insurance Management Board, in lieu of

227 participation in the State and School Life Insurance Plan. The
228 state's contribution of up to fifty percent (50%) of the active
229 employee's premium under the State and School Life Insurance Plan
230 may be applied toward the cost of coverage for full-time employees
231 participating in the approved life insurance company group plan.
232 For purposes of this subsection (8), "life insurance company group
233 plan" means a plan administered or sold by a private insurance
234 company. After October 1, 1999, the board may assess charges in
235 addition to the existing State and School Life Insurance Plan
236 rates to such employees as a condition of enrollment in the State
237 and School Life Insurance Plan. In order for any life insurance
238 company group plan existing as of October 1, 1999, to be approved
239 by the State and School Employees Health Insurance Management
240 Board under this subsection (8), it shall meet the following
241 criteria:

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

247 (b) The insurance company group life insurance plan
248 shall provide the same life insurance, accidental death and
249 dismemberment insurance and waiver of premium benefits as provided
250 in the State and School Life Insurance Plan.

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

254 (d) The insurance company group life insurance plan
255 shall have one (1) composite rate per One Thousand Dollars
256 (\$1,000.00) of coverage for active employees regardless of age and
257 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
258 coverage for all retirees regardless of age or type of retiree.

259 (e) The insurance company and its group life insurance
260 plan shall comply with any administrative requirements of the
261 State and School Employees Health Insurance Management Board. In
262 the event any insurance company providing group life insurance
263 benefits to employees under this subsection (8) fails to comply
264 with any requirements specified herein or any administrative
265 requirements of the board, the state shall discontinue providing
266 funding for the cost of such insurance.

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