

By: Senator(s) Tollison

To: Appropriations

SENATE BILL NO. 2258

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-rectal 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 paragraph.

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);

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, and at the time the
526 State of Mississippi receives the 2003 calendar year tobacco
527 settlement installment payment, the State Treasurer shall deposit
528 the full amount of that installment payment into the Health Care
529 Expendable Fund.

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

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

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

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556 stand repealed on July 1, 2004.

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