

By: Representatives Formby, Stringer

To: Insurance;  
Appropriations

HOUSE BILL NO. 191  
(As Passed the House)

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO  
2 REQUIRE THAT EMPLOYEES MUST HAVE BEEN PARTICIPANTS IN THE STATE  
3 AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN FOR TWO YEARS OR MORE  
4 TO BE ELIGIBLE TO PARTICIPATE IN THE PLAN UPON THEIR RETIREMENT;  
5 TO DELETE THE PROVISIONS RELATING TO THE STATE AND SCHOOL  
6 EMPLOYEES LIFE INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

128           (d) **Medical benefits for retired employees and**  
129 **dependents under age sixty-five (65) years and not eligible for**  
130 **Medicare benefits.** For employees who retire before June 30, 2005,  
131 the same health insurance coverage as for all other active  
132 employees and their dependents shall be available to retired  
133 employees and all dependents under age sixty-five (65) years who  
134 are not eligible for Medicare benefits, the level of benefits to  
135 be the same level as for all other active participants. For  
136 employees who retire after June 30, 2005, the same health  
137 insurance coverage as for all other active employees and their  
138 dependents shall be available to such retiring employees only if  
139 they were participants in the State and School Employees Health  
140 Insurance Plan for four (4) years or more before their retirement  
141 and all dependents under age sixty-five (65) years who are not  
142 eligible for Medicare benefits, the level of benefits to be the  
143 same level as for all other active participants. This section  
144 will apply to those employees who retire due to one hundred  
145 percent (100%) medical disability as well as those employees  
146 electing early retirement.

147           (e) **Medical benefits for retired employees and**  
148 **dependents over age sixty-five (65) years or otherwise eligible**  
149 **for Medicare benefits.** For employees who retire before June 30,  
150 2005, the health insurance coverage available to retired employees  
151 over age sixty-five (65) years or otherwise eligible for Medicare  
152 benefits, and all dependents over age sixty-five (65) years or  
153 otherwise eligible for Medicare benefits, shall be the major  
154 medical coverage with the lifetime maximum of One Million Dollars  
155 (\$1,000,000.00). For employees retiring after June 30, 2005, the  
156 health insurance coverage described herein shall be available to  
157 such retiring employees only if they were participants in the  
158 State and School Employees Health Insurance Plan for four (4)  
159 years or more and are over age sixty-five (65) years or otherwise  
160 eligible for Medicare benefits, and all dependents over age

161 sixty-five (65) years or otherwise eligible for Medicare benefits.  
162 Benefits shall be reduced by Medicare benefits as though such  
163 Medicare benefits were the base plan.

164 All covered individuals shall be assumed to have full  
165 Medicare coverage, Parts A and B; and any Medicare payments under  
166 both Parts A and B shall be computed to reduce benefits payable  
167 under this plan.

168 (2) Nonduplication of benefits--reduction of benefits by  
169 Title XIX benefits: When benefits would be payable under more  
170 than one (1) group plan, benefits under those plans will be  
171 coordinated to the extent that the total benefits under all plans  
172 will not exceed the total expenses incurred.

173 Benefits for hospital or surgical or medical benefits shall  
174 be reduced by any similar benefits payable in accordance with  
175 Title XIX of the Social Security Act or under any amendments  
176 thereto, or any implementing legislation.

177 Benefits for hospital or surgical or medical benefits shall  
178 be reduced by any similar benefits payable by workers'  
179 compensation.

180 \* \* \*

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

183 (4) Any premium differentials, differences in coverages,  
184 discounts determined by risk or by any other factors shall be  
185 uniformly applied to all active employees participating in the  
186 insurance plan. It is the intent of the Legislature that the  
187 state contribution to the plan be the same for each employee  
188 throughout the state.

189 \* \* \*

190 **[From and after July 1 of the year in which Section 25-11-143**  
191 **becomes effective as provided in subsection (1) of Section**  
192 **25-11-143, this section shall read as follows:]**

193           25-15-9. (1) (a) The board shall design a plan of health  
194 insurance for state employees that provides benefits for  
195 semiprivate rooms in addition to other incidental coverages that  
196 the board deems necessary. The amount of the coverages shall be  
197 in such reasonable amount as may be determined by the board to be  
198 adequate, after due consideration of current health costs in  
199 Mississippi. The plan shall also include major medical benefits  
200 in such amounts as the board shall determine. The board is also  
201 authorized to accept bids for such alternate coverage and optional  
202 benefits as the board deems proper. Any contract for alternative  
203 coverage and optional benefits shall be awarded by the board after  
204 it has carefully studied and evaluated the bids and selected the  
205 best and most cost-effective bid. The board may reject all such  
206 bids; however, the board shall notify all bidders of the rejection  
207 and shall actively solicit new bids if all bids are rejected. The  
208 board may employ or contract for such consulting or actuarial  
209 services as may be necessary to formulate the plan, and to assist  
210 the board in the preparation of specifications and in the process  
211 of advertising for the bids for the plan. Those contracts shall  
212 be solicited and entered into in accordance with Section 25-15-5.  
213 The board shall keep a record of all persons, agents and  
214 corporations who contract with or assist the board in preparing  
215 and developing the plan. The board in a timely manner shall  
216 provide copies of this record to the members of the advisory  
217 council created in this section and those legislators, or their  
218 designees, who may attend meetings of the advisory council. The  
219 board shall provide copies of this record in the solicitation of  
220 bids for the administration or servicing of the self-insured  
221 program. Each person, agent or corporation that, during the  
222 previous fiscal year, has assisted in the development of the plan  
223 or employed or compensated any person who assisted in the  
224 development of the plan, and that bids on the administration or  
225 servicing of the plan, shall submit to the board a statement

226 accompanying the bid explaining in detail its participation with  
227 the development of the plan. This statement shall include the  
228 amount of compensation paid by the bidder to any such employee  
229 during the previous fiscal year. The board shall make all such  
230 information available to the members of the advisory council and  
231 those legislators, or their designees, who may attend meetings of  
232 the advisory council before any action is taken by the board on  
233 the bids submitted. The failure of any bidder to fully and  
234 accurately comply with this paragraph shall result in the  
235 rejection of any bid submitted by that bidder or the cancellation  
236 of any contract executed when the failure is discovered after the  
237 acceptance of that bid. The board is authorized to promulgate  
238 rules and regulations to implement the provisions of this  
239 subsection.

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

243 Any corporation, association, company or individual that  
244 contracts with the board for the third-party claims administration  
245 of the self-insured plan shall prepare and keep on file an  
246 explanation of benefits for each claim processed. The explanation  
247 of benefits shall contain such information relative to each  
248 processed claim which the board deems necessary, and, at a  
249 minimum, each explanation shall provide the claimant's name, claim  
250 number, provider number, provider name, service dates, type of  
251 services, amount of charges, amount allowed to the claimant and  
252 reason codes. The information contained in the explanation of  
253 benefits shall be available for inspection upon request by the  
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257 board in the formulation of the State and School Employees Health  
258 Insurance Plan. The council shall be composed of the State



259 Insurance Commissioner or his designee, an employee-representative  
260 of the state institutions of higher learning appointed by the  
261 board of trustees thereof, an employee-representative of the  
262 Mississippi Department of Transportation appointed by the director  
263 thereof, an employee-representative of the State Tax Commission  
264 appointed by the Commissioner of Revenue, an  
265 employee-representative of the State Department of Health  
266 appointed by the State Health Officer, an employee-representative  
267 of the Mississippi Department of Corrections appointed by the  
268 Commissioner of Corrections, and an employee-representative of the  
269 Mississippi Department of Human Services appointed by the  
270 Executive Director of Human Services, two (2) certificated public  
271 school administrators appointed by the State Board of Education,  
272 two (2) certificated classroom teachers appointed by the State  
273 Board of Education, a noncertificated school employee appointed by  
274 the State Board of Education and a community/junior college  
275 employee appointed by the State Board for Community and Junior  
276 Colleges.

277         The Lieutenant Governor may designate the Secretary of the  
278 Senate, the Chairman of the Senate Appropriations Committee, the  
279 Chairman of the Senate Education Committee and the Chairman of the  
280 Senate Insurance Committee, and the Speaker of the House of  
281 Representatives may designate the Clerk of the House, the Chairman  
282 of the House Appropriations Committee, the Chairman of the House  
283 Education Committee and the Chairman of the House Insurance  
284 Committee, to attend any meeting of the State and School Employees  
285 Insurance Advisory Council. The appointing authorities may  
286 designate an alternate member from their respective houses to  
287 serve when the regular designee is unable to attend such meetings  
288 of the council. Those designees shall have no jurisdiction or  
289 vote on any matter within the jurisdiction of the council. For  
290 attending meetings of the council, those legislators shall receive  
291 per diem and expenses, which shall be paid from the contingent

292 expense funds of their respective houses in the same amounts as  
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294 session; however, no per diem and expenses for attending meetings  
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310 Title XIX benefits: When benefits would be payable under more  
311 than one (1) group plan, benefits under those plans will be  
312 coordinated to the extent that the total benefits under all plans  
313 will not exceed the total expenses incurred.

314 Benefits for hospital or surgical or medical benefits shall  
315 be reduced by any similar benefits payable in accordance with  
316 Title XIX of the Social Security Act or under any amendments  
317 thereto, or any implementing legislation.

318 Benefits for hospital or surgical or medical benefits shall  
319 be reduced by any similar benefits payable by workers'  
320 compensation.

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323 in Section 71-9-3 as a plan option.

324       (4) Any premium differentials, differences in coverages,  
325 discounts determined by risk or by any other factors shall be  
326 uniformly applied to all active employees participating in the  
327 insurance plan. It is the intent of the Legislature that the  
328 state contribution to the plan be the same for each employee  
329 throughout the state.

330       \* \* \*

331       **SECTION 2.** This act shall take effect and be in force from  
332 and after July 1, 2005.