

By: Representative Dedeaux

To: Insurance

HOUSE BILL NO. 1213

1 AN ACT TO AMEND SECTION 71-9-3, MISSISSIPPI CODE OF 1972, TO
2 LOWER THE MINIMUM DEDUCTIBLE FOR INSURANCE COVERAGE TO MEDICAL
3 SAVINGS ACCOUNT HOLDERS TO \$1,000.00; AND FOR RELATED PURPOSES.

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

5 **SECTION 1.** Section 71-9-3, Mississippi Code of 1972, is
6 amended as follows:

7 71-9-3. As used in this chapter:

8 (a) "Account administrator" means a state chartered
9 bank, savings and loan association, credit union or trust company
10 authorized to act as a fiduciary and under the supervision of the
11 Department of Banking and Consumer Finance or the Department of
12 Savings Associations, as appropriate; a national bank, national
13 lending association or federal savings and loan association or
14 credit union authorized to act as a fiduciary in this state; an
15 insurer licensed and admitted to do business in this state; a
16 third party administrator licensed by the Mississippi Commissioner
17 of Insurance; or an employer, if the employer has a self-insured
18 health plan meeting federal ERISA requirements.

19 (b) "Account holder" means a resident individual or an
20 employee for whose benefit a medical savings account is
21 established.

22 (c) "Dependent" means the spouse of an account holder
23 or the child of an account holder if the child is:

24 (i) Legally entitled to the provision of proper or
25 necessary subsistence, education, medical care, or other care
26 necessary for his or her health, guidance or well-being and not

27 otherwise emancipated, self-supporting, married or a member of the
28 Armed Forces of the United States; or

29 (ii) Mentally or physically incapacitated to the
30 extent that he or she is not self-sufficient.

31 (d) "Domicile" means a place where an individual has
32 his or her true, fixed and permanent home and principal
33 establishment, to which, whenever absent, he or she intends to
34 return.

35 (e) "Eligible medical expense" means an expense paid by
36 a taxpayer for medical care described in Section 213(d) of the
37 Internal Revenue Code.

38 (f) "Higher deductible" means a deductible of not less
39 than One Thousand Dollars (\$1,000.00) but not more than Two
40 Thousand Two Hundred Fifty Dollars (\$2,250.00) for individual
41 health coverage, and not less than Three Thousand Dollars
42 (\$3,000.00) but not more than Four Thousand Five Hundred Dollars
43 (\$4,500.00) for health coverage provided to an individual and his
44 or her dependents, in tax year 1994. Beginning after 1998, such
45 deductible limits thereafter shall be adjusted annually in
46 fifty-dollar increments for increases in the cost of living, as
47 measured by the medical costs component of the Consumer Price
48 Index.

49 (g) "Medical savings account" means an account
50 established to pay eligible medical expense of the account holder
51 and his or her dependents.

52 (h) "Medical savings account program" means a program
53 that includes all of the following:

54 (i) The purchase by an employer of a qualified
55 higher deductible health plan for the benefit of an employee and
56 his or her dependents or the purchase by a resident individual of
57 a qualified higher deductible health plan for his or her benefit
58 or for the benefit of his or her dependents, or both;

59 (ii) The payment on behalf of an employee into a
60 medical savings account by his or her employer or payment into a
61 medical savings account by a resident individual on his or her
62 behalf of at least sixty-six and two-thirds percent (66-2/3%) of
63 the premium reduction realized by the purchase of a qualified
64 higher deductible health plan; and

65 (iii) An account administrator to administer the
66 medical savings account and the reimbursement of eligible medical
67 expenses therefrom.

68 (i) "Qualified higher deductible health plan" means an
69 accident and health insurance policy, certificate or contract
70 that:

71 (i) Is purchased by an employer for the benefit of
72 an employee or by a resident individual for his or her benefit;
73 and

74 (ii) Provides for payment of covered expenses that
75 exceed the higher deductible, but shall not exceed the maximum
76 out-of-pocket expenses of Three Thousand Dollars (\$3,000.00) for
77 individual coverage and Five Thousand Five Hundred Dollars
78 (\$5,500.00) for family coverage.

79 (j) "Resident individual" means an individual who has a
80 domicile in this state.

81 **SECTION 2.** This act shall take effect and be in force from
82 and after January 1, 2006.