

By: Representative Formby

To: Insurance;  
Appropriations

## HOUSE BILL NO. 1525

1 AN ACT TO CREATE A NEW SECTION TO ALLOW ANY STATE AGENCY,  
2 UNIVERSITY, SCHOOL DISTRICT, COMMUNITY COLLEGE, PUBLIC LIBRARY OR  
3 UNIVERSITY-BASED PROGRAM FOR DEAF, APHASIC AND EMOTIONALLY  
4 DISTURBED CHILDREN TO CHOOSE A POLICY OR POLICIES OF GROUP LIFE  
5 INSURANCE WITH AN INSURANCE COMPANY LICENSED BY THE DEPARTMENT OF  
6 INSURANCE; TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, BY  
7 DELETING THE PROVISIONS RELATING TO THE STATE AND SCHOOL EMPLOYEES  
8 LIFE INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** On or after January 1, 2006, any state agency,  
11 university, school district, community/junior college district,  
12 public library, or university-based program authorized under  
13 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
14 children shall contract for a policy or policies of group term  
15 life insurance with an insurance company licensed by the  
16 Department of Insurance. The state shall contribute fifty percent  
17 (50%) of the active employee's premium for such group term life  
18 insurance, but in no event shall the state's contribution exceed  
19 Twelve Dollars (\$12.00) per month per employee.

20 **SECTION 2.** Section 25-15-9, Mississippi Code of 1972, is  
21 amended as follows:

22 **[Through June 30 of the year in which Section 25-11-143**  
23 **becomes effective as provided in subsection (1) of Section**  
24 **25-11-143, this section shall read as follows:]**

25 25-15-9. (1) (a) The board shall design a plan of health  
26 insurance for state employees which provides benefits for  
27 semiprivate rooms in addition to other incidental coverages which  
28 the board deems necessary. The amount of the coverages shall be  
29 in such reasonable amount as may be determined by the board to be  
30 adequate, after due consideration of current health costs in

31 Mississippi. The plan shall also include major medical benefits  
32 in such amounts as the board shall determine. The board is also  
33 authorized to accept bids for such alternate coverage and optional  
34 benefits as the board shall deem proper. Any contract for  
35 alternative coverage and optional benefits shall be awarded by the  
36 board after it has carefully studied and evaluated the bids and  
37 selected the best and most cost-effective bid. The board may  
38 reject all such bids; however, the board shall notify all bidders  
39 of the rejection and shall actively solicit new bids if all bids  
40 are rejected. The board may employ or contract for such  
41 consulting or actuarial services as may be necessary to formulate  
42 the plan, and to assist the board in the preparation of  
43 specifications and in the process of advertising for the bids for  
44 the plan. Such contracts shall be solicited and entered into in  
45 accordance with Section 25-15-5. The board shall keep a record of  
46 all persons, agents and corporations who contract with or assist  
47 the board in preparing and developing the plan. The board in a  
48 timely manner shall provide copies of this record to the members  
49 of the advisory council created in this section and those  
50 legislators, or their designees, who may attend meetings of the  
51 advisory council. The board shall provide copies of this record  
52 in the solicitation of bids for the administration or servicing of  
53 the self-insured program. Each person, agent or corporation  
54 which, during the previous fiscal year, has assisted in the  
55 development of the plan or employed or compensated any person who  
56 assisted in the development of the plan, and which bids on the  
57 administration or servicing of the plan, shall submit to the board  
58 a statement accompanying the bid explaining in detail its  
59 participation with the development of the plan. This statement  
60 shall include the amount of compensation paid by the bidder to any  
61 such employee during the previous fiscal year. The board shall  
62 make all such information available to the members of the advisory  
63 council and those legislators, or their designees, who may attend

64 meetings of the advisory council before any action is taken by the  
65 board on the bids submitted. The failure of any bidder to fully  
66 and accurately comply with this paragraph shall result in the  
67 rejection of any bid submitted by that bidder or the cancellation  
68 of any contract executed when the failure is discovered after the  
69 acceptance of that bid. The board is authorized to promulgate  
70 rules and regulations to implement the provisions of this  
71 subsection.

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

75 Any corporation, association, company or individual that  
76 contracts with the board for the third-party claims administration  
77 of the self-insured plan shall prepare and keep on file an  
78 explanation of benefits for each claim processed. The explanation  
79 of benefits shall contain such information relative to each  
80 processed claim which the board deems necessary, and, at a  
81 minimum, each explanation shall provide the claimant's name, claim  
82 number, provider number, provider name, service dates, type of  
83 services, amount of charges, amount allowed to the claimant and  
84 reason codes. The information contained in the explanation of  
85 benefits shall be available for inspection upon request by the  
86 board. The board shall have access to all claims information  
87 utilized in the issuance of payments to employees and providers.

88 (b) There is created an advisory council to advise the  
89 board in the formulation of the State and School Employees Health  
90 Insurance Plan. The council shall be composed of the State  
91 Insurance Commissioner or his designee, an employee-representative  
92 of the institutions of higher learning appointed by the board of  
93 trustees thereof, an employee-representative of the Department of  
94 Transportation appointed by the director thereof, an  
95 employee-representative of the State Tax Commission appointed by  
96 the Commissioner of Revenue, an employee-representative of the

97 Mississippi Department of Health appointed by the State Health  
98 Officer, an employee-representative of the Mississippi Department  
99 of Corrections appointed by the Commissioner of Corrections, and  
100 an employee-representative of the Department of Human Services  
101 appointed by the Executive Director of Human Services, two (2)  
102 certificated public school administrators appointed by the State  
103 Board of Education, two (2) certificated classroom teachers  
104 appointed by the State Board of Education, a noncertificated  
105 school employee appointed by the State Board of Education and a  
106 community/junior college employee appointed by the State Board for  
107 Community and Junior Colleges.

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

130 (c) No change in the terms of the State and School  
131 Employees Health Insurance Plan may be made effective unless the  
132 board, or its designee, has provided notice to the State and  
133 School Employees Health Insurance Advisory Council and has called  
134 a meeting of the council at least fifteen (15) days before the  
135 effective date of such change. In the event that the State and  
136 School Employees Health Insurance Advisory Council does not meet  
137 to advise the board on the proposed changes, the changes to the  
138 plan shall become effective at such time as the board has informed  
139 the council that the changes shall become effective.

140 (d) **Medical benefits for retired employees and**  
141 **dependents under age sixty-five (65) years and not eligible for**  
142 **Medicare benefits.** The same health insurance coverage as for all  
143 other active employees and their dependents shall be available to  
144 retired employees and all dependents under age sixty-five (65)  
145 years who are not eligible for Medicare benefits, the level of  
146 benefits to be the same level as for all other active  
147 participants. This section will apply to those employees who  
148 retire due to one hundred percent (100%) medical disability as  
149 well as those employees electing early retirement.

150 (e) **Medical benefits for retired employees and**  
151 **dependents over age sixty-five (65) years or otherwise eligible**  
152 **for Medicare benefits.** The health insurance coverage available to  
153 retired employees over age sixty-five (65) years or otherwise  
154 eligible for Medicare benefits, and all dependents over age  
155 sixty-five (65) years or otherwise eligible for Medicare benefits,  
156 shall be the major medical coverage with the lifetime maximum of  
157 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by  
158 Medicare benefits as though such Medicare benefits were the base  
159 plan.

160 All covered individuals shall be assumed to have full  
161 Medicare coverage, Parts A and B; and any Medicare payments under

162 both Parts A and B shall be computed to reduce benefits payable  
163 under this plan.

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

169 Benefits for hospital or surgical or medical benefits shall  
170 be reduced by any similar benefits payable in accordance with  
171 Title XIX of the Social Security Act or under any amendments  
172 thereto, or any implementing legislation.

173 Benefits for hospital or surgical or medical benefits shall  
174 be reduced by any similar benefits payable by workers'  
175 compensation.

176 \* \* \*

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

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

185 \* \* \*

186 **[From and after July 1 of the year in which Section 25-11-143**  
187 **becomes effective as provided in subsection (1) of Section**  
188 **25-11-143, this section shall read as follows:]**

189 25-15-9. (1) (a) The board shall design a plan of health  
190 insurance for state employees that provides benefits for  
191 semiprivate rooms in addition to other incidental coverages that  
192 the board deems necessary. The amount of the coverages shall be  
193 in such reasonable amount as may be determined by the board to be  
194 adequate, after due consideration of current health costs in

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

228 the advisory council before any action is taken by the board on  
229 the bids submitted. The failure of any bidder to fully and  
230 accurately comply with this paragraph shall result in the  
231 rejection of any bid submitted by that bidder or the cancellation  
232 of any contract executed when the failure is discovered after the  
233 acceptance of that bid. The board is authorized to promulgate  
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240 contracts with the board for the third-party claims administration  
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254 Insurance Plan. The council shall be composed of the State  
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257 learning appointed by the board of trustees thereof, an  
258 employee-representative of the Mississippi Department of  
259 Transportation appointed by the director thereof, an  
260 employee-representative of the State Tax Commission appointed by

261 the Commissioner of Revenue, an employee-representative of the  
262 State Department of Health appointed by the State Health Officer,  
263 an employee-representative of the Mississippi Department of  
264 Corrections appointed by the Commissioner of Corrections, and an  
265 employee-representative of the Mississippi Department of Human  
266 Services appointed by the Executive Director of Human Services,  
267 two (2) certificated public school administrators appointed by the  
268 State Board of Education, two (2) certificated classroom teachers  
269 appointed by the State Board of Education, a noncertificated  
270 school employee appointed by the State Board of Education and a  
271 community/junior college employee appointed by the State Board for  
272 Community and Junior Colleges.

273         The Lieutenant Governor may designate the Secretary of the  
274 Senate, the Chairman of the Senate Appropriations Committee, the  
275 Chairman of the Senate Education Committee and the Chairman of the  
276 Senate Insurance Committee, and the Speaker of the House of  
277 Representatives may designate the Clerk of the House, the Chairman  
278 of the House Appropriations Committee, the Chairman of the House  
279 Education Committee and the Chairman of the House Insurance  
280 Committee, to attend any meeting of the State and School Employees  
281 Insurance Advisory Council. The appointing authorities may  
282 designate an alternate member from their respective houses to  
283 serve when the regular designee is unable to attend such meetings  
284 of the council. Those designees shall have no jurisdiction or  
285 vote on any matter within the jurisdiction of the council. For  
286 attending meetings of the council, those legislators shall receive  
287 per diem and expenses, which shall be paid from the contingent  
288 expense funds of their respective houses in the same amounts as  
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307 than one (1) group plan, benefits under those plans will be  
308 coordinated to the extent that the total benefits under all plans  
309 will not exceed the total expenses incurred.

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311 be reduced by any similar benefits payable in accordance with  
312 Title XIX of the Social Security Act or under any amendments  
313 thereto, or any implementing legislation.

314 Benefits for hospital or surgical or medical benefits shall  
315 be reduced by any similar benefits payable by workers'  
316 compensation.

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

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

326 \* \* \*

327           **SECTION 3.** This act shall take effect and be in force from  
328 and after January 1, 2006.