

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2025

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
 2 TO REQUIRE THE STATE OF MISSISSIPPI TO PROVIDE 100% OF THE COST OF
 3 A BASIC LEVEL OF HEALTH INSURANCE FOR CERTAIN EMPLOYEES INITIALLY
 4 EMPLOYED ON OR AFTER JANUARY 1, 2006, AND TO AUTHORIZE SUCH
 5 EMPLOYEES TO PURCHASE ADDITIONAL BENEFITS OR LEVELS OF COVERAGE;
 6 TO AUTHORIZE THE HEALTH INSURANCE MANAGEMENT BOARD TO IMPOSE A
 7 SURCHARGE ON RETIREES WHO ARE NOT MEDICARE ELIGIBLE AND WHO WERE
 8 INITIALLY EMPLOYED ON OR AFTER JANUARY 1, 2006, IN AN AMOUNT
 9 ACTUARIALLY DETERMINED BY THE BOARD TO COVER THE FULL COST OF
 10 INSURANCE; TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
 11 REQUIRE THAT EMPLOYEES MUST HAVE BEEN PARTICIPANTS IN THE STATE
 12 AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN FOR A CERTAIN NUMBER OF
 13 YEARS TO BE ELIGIBLE TO PARTICIPATE IN THE PLAN UPON THEIR
 14 RETIREMENT; AND FOR RELATED PURPOSES.

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

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

18 **[Through June 30 of the year in which Section 25-11-143**
 19 **becomes effective as provided in subsection (1) of Section**
 20 **25-11-143, this section shall read as follows:]**

21 25-15-15. (1) The board is authorized to determine the
 22 manner in which premiums and contributions by the state agencies,
 23 local school districts, colleges, universities, community/junior
 24 colleges and public libraries shall be collected to provide the
 25 self-insured health insurance program for employees as provided
 26 under this article. The state shall provide fifty percent (50%)
 27 of the cost of the above life insurance plan * * * for all active
 28 full-time employees. The state shall provide one hundred percent
 29 (100%) of the cost of the health insurance plan for active
 30 full-time employees initially employed before January 1, 2006.
 31 For active full-time employees initially employed on or after
 32 January 1, 2006, the state shall provide one hundred percent
 33 (100%) of the cost of a basic level of health insurance and the

34 employees may pay additional amounts to purchase additional
35 benefits or levels of coverage offered under the plan. All active
36 full-time employees shall be given the opportunity to purchase
37 coverage for their eligible dependents with the premiums for such
38 dependent coverage, as well as the employee's fifty percent (50%)
39 share for his life insurance coverage, to be deductible from the
40 employee's salary by the agency, department or institution head,
41 which deductions, together with the fifty percent (50%) share of
42 such life insurance premiums of such employing agency, department
43 or institution head from funds appropriated to or authorized to be
44 expended by the employing agency, department or institution head,
45 shall be deposited directly into a depository bank or special fund
46 in the State Treasury, as determined by the board. These funds
47 and interest earned on these funds may be used for the
48 disbursement of claims and shall be exempt from the appropriation
49 process.

50 (2) The state shall provide annually, by line item in the
51 Mississippi Library Commission appropriation bill, such funds to
52 pay one hundred percent (100%) of the cost of health insurance
53 under the State and School Employees Health Insurance Plan
54 for * * * full-time library staff members in each public library
55 in Mississippi initially employed before January 1, 2006. For
56 full-time library staff members initially employed on or after
57 January 1, 2006, the state shall provide one hundred percent
58 (100%) of the cost of a basic level of health insurance under the
59 State and School Employees Health Insurance Plan and the employees
60 may pay additional amounts to purchase additional benefits or
61 levels of coverage offered under the plan. The commission shall
62 allot to each public library a sufficient amount of those funds
63 appropriated to pay the costs of insurance for eligible employees.
64 Any funds so appropriated by line item which are not expended
65 during the fiscal year for which such funds were appropriated
66 shall be carried forward for the same purposes during the next

67 succeeding fiscal year. If any premiums for the health insurance
68 and/or late charges and interest penalties are not paid by a
69 public library in a timely manner, as defined by the board, the
70 Mississippi Library Commission, upon notice by the board, shall
71 immediately withhold all subsequent disbursements of funds to that
72 public library.

73 (3) The state shall annually provide one hundred percent
74 (100%) of the cost of the health insurance plan for * * * public
75 school district employees who work no less than twenty (20) hours
76 during each week and regular nonstudent school bus drivers, if
77 such employees and school bus drivers were initially employed
78 before January 1, 2006. For such employees and school bus drivers
79 initially employed on or after January 1, 2006, the state shall
80 provide one hundred percent (100%) of the cost of a basic level of
81 health insurance under the State and School Employees Health
82 Insurance Plan and the employees may pay additional amounts to
83 purchase additional benefits or levels of coverage offered under
84 the plan. Where federal funding is allowable to defray, in full
85 or in part, the cost of participation in the program by district
86 employees who work no less than twenty (20) hours during the week
87 and regular nonstudent bus drivers, whose salaries are paid, in
88 full or in part, by federal funds, the allowance under this
89 section shall be reduced to the extent of such federal funding.
90 Where the use of federal funds is allowable but not available, it
91 is the intent of the Legislature that school districts contribute
92 the cost of participation for such employees from local funds,
93 except that parent fees for child nutrition programs shall not be
94 increased to cover such cost.

95 (4) The state shall provide annually, by line item in the
96 community/junior college appropriation bill, such funds to pay one
97 hundred percent (100%) of the cost of the health insurance plan
98 for * * * community/junior college district employees initially
99 employed before January 1, 2006, who work no less than twenty (20)

100 hours during each week. For such employees initially employed on
101 or after January 1, 2006, the state shall provide one hundred
102 percent (100%) of the cost of a basic level of health insurance
103 under the State and School Employees Health Insurance Plan and the
104 employees may pay additional amounts to purchase additional
105 benefits or levels of coverage offered under the plan.

106 (5) When the use of federal funding is allowable to defray,
107 in full or in part, the cost of participation in the insurance
108 plan by community/junior college district employees who work no
109 less than twenty (20) hours during each week, whose salaries are
110 paid, in full or in part, by federal funds, the allowance under
111 this section shall be reduced to the extent of the federal
112 funding. Where the use of federal funds is allowable but not
113 available, it is the intent of the Legislature that
114 community/junior college districts contribute the cost of
115 participation for such employees from local funds.

116 (6) Any community/junior college district may contribute to
117 the cost of coverage for any district employee from local
118 community/junior college district funds, and any public school
119 district may contribute to the cost of coverage for any district
120 employee from nonminimum program funds. Any part of the cost of
121 such coverage for participating employees of public school
122 districts and public community/junior college districts that is
123 not paid by the state shall be paid by the participating
124 employees, which shall be deducted from the salaries of the
125 employees in a manner determined by the board.

126 (7) Any funds appropriated for the cost of insurance by line
127 item in the community/junior colleges appropriation bill which are
128 not expended during the fiscal year for which such funds were
129 appropriated shall be carried forward for the same purposes during
130 the next succeeding fiscal year.

131 (8) The board may establish and enforce late charges and
132 interest penalties or other penalties for the purpose of requiring

133 the prompt payment of all premiums for life and health insurance
134 permitted under Chapter 15 of Title 25. All funds in excess of
135 the amount needed for disbursement of claims shall be deposited in
136 a special fund in the State Treasury to be known as the State and
137 School Employees Insurance Fund. The State Treasurer shall invest
138 all funds in the State and School Employees Insurance Fund and all
139 interest earned shall be credited to the State and School
140 Employees Insurance Fund. Such funds shall be placed with one or
141 more depositories of the state and invested on the first day such
142 funds are available for investment in certificates of deposit,
143 repurchase agreements or in United States Treasury bills or as
144 otherwise authorized by law for the investment of Public
145 Employees' Retirement System funds, as long as such investment is
146 made from competitive offering and at the highest and best market
147 rate obtainable consistent with any available investment
148 alternatives; however, such investments shall not be made in
149 shares of stock, common or preferred, or in any other investments
150 which would mature more than one (1) year from the date of
151 investment. The board shall have the authority to draw from this
152 fund periodically such funds as are necessary to operate the
153 self-insurance plan or to pay to the insurance carrier the cost of
154 operation of this plan, it being the purpose to limit the amount
155 of participation by the state to fifty percent (50%) of the cost
156 of the life insurance program and not to limit the contracting for
157 additional benefits where the cost will be paid in full by the
158 employee. The state shall not share in the cost of coverage for
159 retired employees.

160 (9) The board shall also provide for the creation of an
161 Insurance Reserve Fund and funds therein shall be invested by the
162 State Treasurer with all interest earned credited to the State and
163 School Employees Insurance Fund.

164 (10) Any retired employee electing to purchase retired life
165 and health insurance will have the full cost of such insurance

166 deducted monthly from his State of Mississippi retirement plan
167 check or direct billed for the cost of the premium if the
168 retirement check is insufficient to pay for the premium. If the
169 board determines actuarially that the premium paid by the
170 participating retirees adversely affects the overall cost of the
171 plan to the state, then the board may impose a premium surcharge,
172 not to exceed fifteen percent (15%), upon such participating
173 retired employees who are under the age for Medicare eligibility
174 and who were initially employed before January 1, 2006. For
175 participating retired employees who are under the age for Medicare
176 eligibility and who were initially employed on or after January 1,
177 2006, the board may impose a premium surcharge in an amount the
178 board determines actuarially to cover the full cost of insurance.

179 **[From and after July 1 of the year in which Section 25-11-143**
180 **becomes effective as provided in subsection (1) of Section**
181 **25-11-143, this section shall read as follows:]**

182 25-15-15. (1) The board may determine the manner in which
183 premiums and contributions by the state agencies, local school
184 districts, colleges, universities, community/junior colleges and
185 public libraries will be collected to provide the self-insured
186 health insurance program for employees as provided under this
187 article. The state shall provide fifty percent (50%) of the cost
188 of the above life insurance plan * * * for all active full-time
189 employees. The state shall provide one hundred percent (100%) of
190 the cost of the health insurance plan for active full-time
191 employees initially employed before January 1, 2006. For active
192 full-time employees initially employed on or after January 1,
193 2006, the state shall provide one hundred percent (100%) of the
194 cost of a basic level of health insurance and the employees may
195 pay additional amounts to purchase additional benefits or levels
196 of coverage offered under the plan. All active full-time
197 employees shall be given the opportunity to purchase coverage for
198 their eligible dependents with the premiums for the dependent

199 coverage, as well as the employee's fifty percent (50%) share for
200 his life insurance coverage, to be deductible from the employee's
201 salary by the agency, department or institution head. Those
202 deductions, together with the fifty percent (50%) share of the
203 life insurance premiums of the employing agency, department or
204 institution head from funds appropriated to or authorized to be
205 expended by the employing agency, department or institution head,
206 shall be deposited directly into a depository bank or special fund
207 in the State Treasury, as determined by the board. These funds
208 and interest earned on these funds may be used for the
209 disbursement of claims and shall be exempt from the appropriation
210 process.

211 (2) The state shall provide annually, by line item in the
212 Mississippi Library Commission appropriation bill, the funds to
213 pay one hundred percent (100%) of the cost of health insurance
214 under the State and School Employees Health Insurance Plan for all
215 full-time library staff members in each public library in
216 Mississippi initially employed before January 1, 2006. For
217 full-time library staff members initially employed on or after
218 January 1, 2006, the state shall provide one hundred percent
219 (100%) of the cost of a basic level of health insurance under the
220 State and School Employees Health Insurance Plan and the employees
221 may pay additional amounts to purchase additional benefits or
222 levels of coverage offered under the plan. The commission shall
223 allot to each public library a sufficient amount of those funds
224 appropriated to pay the costs of insurance for eligible employees.
225 Any funds so appropriated by line item that are not expended
226 during the fiscal year for which the funds were appropriated shall
227 be carried forward for the same purposes during the next
228 succeeding fiscal year. If any premiums for the health insurance
229 and/or late charges and interest penalties are not paid by a
230 public library in a timely manner, as defined by the board, the
231 Mississippi Library Commission, upon notice by the board, shall

232 immediately withhold all subsequent disbursements of funds to that
233 public library.

234 (3) The state shall annually provide one hundred percent
235 (100%) of the cost of the health insurance plan for * * * public
236 school district employees who work no less than twenty (20) hours
237 during each week and regular nonstudent school bus drivers, if
238 such employees and school bus drivers were initially employed
239 before January 1, 2006. For such employees and school bus drivers
240 initially employed on or after January 1, 2006, the state shall
241 provide one hundred percent (100%) of the cost of a basic level of
242 health insurance under the State and School Employees Health
243 Insurance Plan and the employees may pay additional amounts to
244 purchase additional benefits or levels of coverage offered under
245 the plan. Where federal funding is allowable to defray, in full
246 or in part, the cost of participation in the program by district
247 employees who work no less than twenty (20) hours during the week
248 and regular nonstudent bus drivers, whose salaries are paid, in
249 full or in part, by federal funds, the allowance under this
250 section shall be reduced to the extent of that federal funding.
251 Where the use of federal funds is allowable but not available, it
252 is the intent of the Legislature that school districts contribute
253 the cost of participation for the employees from local funds,
254 except that parent fees for child nutrition programs shall not be
255 increased to cover that cost.

256 (4) The state shall provide annually, by line item in the
257 community/junior college appropriation bill, the funds to pay one
258 hundred percent (100%) of the cost of the health insurance plan
259 for * * * community/junior college district employees initially
260 employed before January 1, 2006, who work no less than twenty (20)
261 hours during each week. For such employees initially employed on
262 or after January 1, 2006, the state shall provide one hundred
263 percent (100%) of the cost of a basic level of health insurance
264 under the State and School Employees Health Insurance Plan and the

265 employees may pay additional amounts to purchase additional
266 benefits or levels of coverage offered under the plan.

267 (5) When the use of federal funding is allowable to defray,
268 in full or in part, the cost of participation in the insurance
269 plan by community/junior college district employees who work no
270 less than twenty (20) hours during each week, whose salaries are
271 paid, in full or in part, by federal funds, the allowance under
272 this section shall be reduced to the extent of the federal
273 funding. Where the use of federal funds is allowable but not
274 available, it is the intent of the Legislature that
275 community/junior college districts contribute the cost of
276 participation for the employees from local funds.

277 (6) Any community/junior college district may contribute to
278 the cost of coverage for any district employee from local
279 community/junior college district funds, and any public school
280 district may contribute to the cost of coverage for any district
281 employee from nonminimum program funds. Any part of the cost of
282 the coverage for participating employees of public school
283 districts and public community/junior college districts that is
284 not paid by the state shall be paid by the participating
285 employees, which shall be deducted from the salaries of the
286 employees in a manner determined by the board.

287 (7) Any funds appropriated for the cost of insurance by line
288 item in the community/junior colleges appropriation bill that are
289 not expended during the fiscal year for which the funds were
290 appropriated shall be carried forward for the same purposes during
291 the next succeeding fiscal year.

292 (8) The board may establish and enforce late charges and
293 interest penalties or other penalties for the purpose of requiring
294 the prompt payment of all premiums for life and health insurance
295 permitted under Chapter 15 of Title 25. All funds in excess of
296 the amount needed for disbursement of claims shall be deposited in
297 a special fund in the State Treasury to be known as the State and

298 School Employees Insurance Fund. The State Treasurer shall invest
299 all funds in the State and School Employees Insurance Fund and all
300 interest earned shall be credited to the State and School
301 Employees Insurance Fund. Those funds shall be placed with one or
302 more depositories of the state and invested on the first day that
303 the funds are available for investment in certificates of deposit,
304 repurchase agreements or in United States Treasury bills or as
305 otherwise authorized by law for the investment of Public
306 Employees' Retirement System funds, as long as the investment is
307 made from competitive offering and at the highest and best market
308 rate obtainable consistent with any available investment
309 alternatives. However, those investments shall not be made in
310 shares of stock, common or preferred, or in any other investments
311 that would mature more than one (1) year from the date of
312 investment. The board shall have the authority to draw from this
313 fund periodically such funds as are necessary to operate the
314 self-insurance plan or to pay to the insurance carrier the cost of
315 operation of this plan, it being the purpose to limit the amount
316 of participation by the state to fifty percent (50%) of the cost
317 of the life insurance program and not to limit the contracting for
318 additional benefits where the cost will be paid in full by the
319 employee.

320 (9) The board shall also provide for the creation of an
321 Insurance Reserve Fund, and funds in the reserve fund shall be
322 invested by the State Treasurer with all interest earned credited
323 to the State and School Employees Insurance Fund.

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

326 **[Through June 30 of the year in which Section 25-11-143**
327 **becomes effective as provided in subsection (1) of Section**
328 **25-11-143, this section shall read as follows:]**

329 25-15-9. (1) (a) The board shall design a plan of health
330 insurance for state employees which provides benefits for

331 semiprivate rooms in addition to other incidental coverages which
332 the board deems necessary. The amount of the coverages shall be
333 in such reasonable amount as may be determined by the board to be
334 adequate, after due consideration of current health costs in
335 Mississippi. The plan shall also include major medical benefits
336 in such amounts as the board shall determine. The board is also
337 authorized to accept bids for such alternate coverage and optional
338 benefits as the board shall deem proper. Any contract for
339 alternative coverage and optional benefits shall be awarded by the
340 board after it has carefully studied and evaluated the bids and
341 selected the best and most cost-effective bid. The board may
342 reject all such bids; however, the board shall notify all bidders
343 of the rejection and shall actively solicit new bids if all bids
344 are rejected. The board may employ or contract for such
345 consulting or actuarial services as may be necessary to formulate
346 the plan, and to assist the board in the preparation of
347 specifications and in the process of advertising for the bids for
348 the plan. Such contracts shall be solicited and entered into in
349 accordance with Section 25-15-5. The board shall keep a record of
350 all persons, agents and corporations who contract with or assist
351 the board in preparing and developing the plan. The board in a
352 timely manner shall provide copies of this record to the members
353 of the advisory council created in this section and those
354 legislators, or their designees, who may attend meetings of the
355 advisory council. The board shall provide copies of this record
356 in the solicitation of bids for the administration or servicing of
357 the self-insured program. Each person, agent or corporation
358 which, during the previous fiscal year, has assisted in the
359 development of the plan or employed or compensated any person who
360 assisted in the development of the plan, and which bids on the
361 administration or servicing of the plan, shall submit to the board
362 a statement accompanying the bid explaining in detail its
363 participation with the development of the plan. This statement

364 shall include the amount of compensation paid by the bidder to any
365 such employee during the previous fiscal year. The board shall
366 make all such information available to the members of the advisory
367 council and those legislators, or their designees, who may attend
368 meetings of the advisory council before any action is taken by the
369 board on the bids submitted. The failure of any bidder to fully
370 and accurately comply with this paragraph shall result in the
371 rejection of any bid submitted by that bidder or the cancellation
372 of any contract executed when the failure is discovered after the
373 acceptance of that bid. The board is authorized to promulgate
374 rules and regulations to implement the provisions of this
375 subsection.

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

379 Any corporation, association, company or individual that
380 contracts with the board for the third-party claims administration
381 of the self-insured plan shall prepare and keep on file an
382 explanation of benefits for each claim processed. The explanation
383 of benefits shall contain such information relative to each
384 processed claim which the board deems necessary, and, at a
385 minimum, each explanation shall provide the claimant's name, claim
386 number, provider number, provider name, service dates, type of
387 services, amount of charges, amount allowed to the claimant and
388 reason codes. The information contained in the explanation of
389 benefits shall be available for inspection upon request by the
390 board. The board shall have access to all claims information
391 utilized in the issuance of payments to employees and providers.

392 (b) There is created an advisory council to advise the
393 board in the formulation of the State and School Employees Health
394 Insurance Plan. The council shall be composed of the State
395 Insurance Commissioner or his designee, an employee-representative
396 of the institutions of higher learning appointed by the board of

397 trustees thereof, an employee-representative of the Department of
398 Transportation appointed by the director thereof, an
399 employee-representative of the State Tax Commission appointed by
400 the Commissioner of Revenue, an employee-representative of the
401 Mississippi Department of Health appointed by the State Health
402 Officer, an employee-representative of the Mississippi Department
403 of Corrections appointed by the Commissioner of Corrections, and
404 an employee-representative of the Department of Human Services
405 appointed by the Executive Director of Human Services, two (2)
406 certificated public school administrators appointed by the State
407 Board of Education, two (2) certificated classroom teachers
408 appointed by the State Board of Education, a noncertificated
409 school employee appointed by the State Board of Education and a
410 community/junior college employee appointed by the State Board for
411 Community and Junior Colleges.

412 The Lieutenant Governor may designate the Secretary of the
413 Senate, the Chairman of the Senate Appropriations Committee, the
414 Chairman of the Senate Education Committee and the Chairman of the
415 Senate Insurance Committee, and the Speaker of the House of
416 Representatives may designate the Clerk of the House, the Chairman
417 of the House Appropriations Committee, the Chairman of the House
418 Education Committee and the Chairman of the House Insurance
419 Committee, to attend any meeting of the State and School Employees
420 Insurance Advisory Council. The appointing authorities may
421 designate an alternate member from their respective houses to
422 serve when the regular designee is unable to attend such meetings
423 of the council. Such designees shall have no jurisdiction or vote
424 on any matter within the jurisdiction of the council. For
425 attending meetings of the council, such legislators shall receive
426 per diem and expenses which shall be paid from the contingent
427 expense funds of their respective houses in the same amounts as
428 provided for committee meetings when the Legislature is not in
429 session; however, no per diem and expenses for attending meetings

430 of the council will be paid while the Legislature is in session.
431 No per diem and expenses will be paid except for attending
432 meetings of the council without prior approval of the proper
433 committee in their respective houses.

434 (c) No change in the terms of the State and School
435 Employees Health Insurance Plan may be made effective unless the
436 board, or its designee, has provided notice to the State and
437 School Employees Health Insurance Advisory Council and has called
438 a meeting of the council at least fifteen (15) days before the
439 effective date of such change. In the event that the State and
440 School Employees Health Insurance Advisory Council does not meet
441 to advise the board on the proposed changes, the changes to the
442 plan shall become effective at such time as the board has informed
443 the council that the changes shall become effective.

444 (d) **Medical benefits for retired employees and**
445 **dependents under age sixty-five (65) years and not eligible for**
446 **Medicare benefits.** For employees who retire before July 1, 2005,
447 and for employees retiring due to work-related disability under
448 the Public Employees Retirement System, the same health insurance
449 coverage as for all other active employees and their dependents
450 shall be available to retired employees and all dependents under
451 age sixty-five (65) years who are not eligible for Medicare
452 benefits, the level of benefits to be the same level as for all
453 other active participants. For employees who retire on or after
454 July 1, 2005, and not retiring due to work-related disability
455 under the Public Employees Retirement System, the same health
456 insurance coverage as for all other active employees and their
457 dependents shall be available to such retiring employees and all
458 dependents under age sixty-five (65) years who are not eligible
459 for Medicare benefits only if the retiring employees were
460 participants in the State and School Employees Health Insurance
461 Plan for four (4) years or more before their retirement, the level
462 of benefits to be the same level as for all other active

463 participants. This section will apply to those employees who
464 retire due to one hundred percent (100%) medical disability as
465 well as those employees electing early retirement.

466 (e) **Medical benefits for retired employees and**
467 **dependents over age sixty-five (65) years or otherwise eligible**
468 **for Medicare benefits.** For employees who retire before July 1,
469 2005, and for employees retiring due to work-related disability
470 under the Public Employees Retirement System, the health insurance
471 coverage available to retired employees over age sixty-five (65)
472 years or otherwise eligible for Medicare benefits, and all
473 dependents over age sixty-five (65) years or otherwise eligible
474 for Medicare benefits, shall be the major medical coverage with
475 the lifetime maximum of One Million Dollars (\$1,000,000.00). For
476 employees retiring on or after July 1, 2005, and not retiring due
477 to work-related disability under the Public Employees Retirement
478 System, the health insurance coverage described herein shall be
479 available to such retiring employees only if they were
480 participants in the State and School Employees Health Insurance
481 Plan for four (4) years or more and are over age sixty-five (65)
482 years or otherwise eligible for Medicare benefits, and to all
483 dependents over age sixty-five (65) years or otherwise eligible
484 for Medicare benefits. Benefits shall be reduced by Medicare
485 benefits as though such Medicare benefits were the base plan.

486 All covered individuals shall be assumed to have full
487 Medicare coverage, Parts A and B; and any Medicare payments under
488 both Parts A and B shall be computed to reduce benefits payable
489 under this plan.

490 (2) Nonduplication of benefits--reduction of benefits by
491 Title XIX benefits: When benefits would be payable under more
492 than one (1) group plan, benefits under those plans will be
493 coordinated to the extent that the total benefits under all plans
494 will not exceed the total expenses incurred.

495 Benefits for hospital or surgical or medical benefits shall
496 be reduced by any similar benefits payable in accordance with
497 Title XIX of the Social Security Act or under any amendments
498 thereto, or any implementing legislation.

499 Benefits for hospital or surgical or medical benefits shall
500 be reduced by any similar benefits payable by workers'
501 compensation.

502 (3) (a) Schedule of life insurance benefits--group term:
503 The amount of term life insurance for each active employee of a
504 department, agency or institution of the state government shall
505 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
506 twice the amount of the employee's annual wage to the next highest
507 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
508 case less than Thirty Thousand Dollars (\$30,000.00), with a like
509 amount for accidental death and dismemberment on a
510 twenty-four-hour basis. The plan will further contain a premium
511 waiver provision if a covered employee becomes totally and
512 permanently disabled prior to age sixty-five (65) years.
513 Employees retiring after June 30, 1999, shall be eligible to
514 continue life insurance coverage in an amount of Five Thousand
515 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
516 Thousand Dollars (\$20,000.00) into retirement.

517 (b) Effective October 1, 1999, schedule of life
518 insurance benefits--group term: The amount of term life insurance
519 for each active employee of any school district, community/junior
520 college, public library or university-based program authorized
521 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
522 children or any regular nonstudent bus driver shall not be in
523 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
524 amount of the employee's annual wage to the next highest One
525 Thousand Dollars (\$1,000.00), whichever may be less, but in no
526 case less than Thirty Thousand Dollars (\$30,000.00), with a like
527 amount for accidental death and dismemberment on a

528 twenty-four-hour basis. The plan will further contain a premium
529 waiver provision if a covered employee of any school district,
530 community/junior college, public library or university-based
531 program authorized under Section 37-23-31 for deaf, aphasic and
532 emotionally disturbed children or any regular nonstudent bus
533 driver becomes totally and permanently disabled prior to age
534 sixty-five (65) years. Employees of any school district,
535 community/junior college, public library or university-based
536 program authorized under Section 37-23-31 for deaf, aphasic and
537 emotionally disturbed children or any regular nonstudent bus
538 driver retiring after September 30, 1999, shall be eligible to
539 continue life insurance coverage in an amount of Five Thousand
540 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
541 Thousand Dollars (\$20,000.00) into retirement.

542 (4) Any eligible employee who on March 1, 1971, was
543 participating in a group life insurance program which has
544 provisions different from those included herein and for which the
545 State of Mississippi was paying a part of the premium may, at his
546 discretion, continue to participate in such plan. Such employee
547 shall pay in full all additional costs, if any, above the minimum
548 program established by this article. Under no circumstances shall
549 any individual who begins employment with the state after March 1,
550 1971, be eligible for the provisions of this subsection.

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

553 (6) Any premium differentials, differences in coverages,
554 discounts determined by risk or by any other factors shall be
555 uniformly applied to all active employees participating in the
556 insurance plan. It is the intent of the Legislature that the
557 state contribution to the plan be the same for each employee
558 throughout the state.

559 (7) On October 1, 1999, any school district,
560 community/junior college district or public library may elect to

561 remain with an existing policy or policies of group life insurance
562 with an insurance company approved by the State and School
563 Employees Health Insurance Management Board, in lieu of
564 participation in the State and School Life Insurance Plan. On or
565 after July 1, 2004, until October 1, 2004, any school district,
566 community/junior college district or public library may elect to
567 choose a policy or policies of group life insurance existing on
568 October 1, 1999, with an insurance company approved by the State
569 and School Employees Health Insurance Management Board in lieu of
570 participation in the State and School Life Insurance Plan. The
571 state's contribution of up to fifty percent (50%) of the active
572 employee's premium under the State and School Life Insurance Plan
573 may be applied toward the cost of coverage for full-time employees
574 participating in the approved life insurance company group plan.
575 For purposes of this subsection (7), "life insurance company group
576 plan" means a plan administered or sold by a private insurance
577 company. After October 1, 1999, the board may assess charges in
578 addition to the existing State and School Life Insurance Plan
579 rates to such employees as a condition of enrollment in the State
580 and School Life Insurance Plan. In order for any life insurance
581 company group plan to be approved by the State and School
582 Employees Health Insurance Management Board under this subsection
583 (7), it shall meet the following criteria:

584 (a) The insurance company offering the group life
585 insurance plan shall be rated "A-" or better by A.M. Best state
586 insurance rating service and be licensed as an admitted carrier in
587 the State of Mississippi by the Mississippi Department of
588 Insurance.

589 (b) The insurance company group life insurance plan
590 shall provide the same life insurance, accidental death and
591 dismemberment insurance and waiver of premium benefits as provided
592 in the State and School Life Insurance Plan.

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

596 (d) The insurance company group life insurance plan
597 shall have one (1) composite rate per One Thousand Dollars
598 (\$1,000.00) of coverage for active employees regardless of age and
599 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
600 coverage for all retirees regardless of age or type of retiree.

601 (e) The insurance company and its group life insurance
602 plan shall comply with any administrative requirements of the
603 State and School Employees Health Insurance Management Board. In
604 the event any insurance company providing group life insurance
605 benefits to employees under this subsection (7) fails to comply
606 with any requirements specified herein or any administrative
607 requirements of the board, the state shall discontinue providing
608 funding for the cost of such insurance.

609 **[From and after July 1 of the year in which Section 25-11-143**
610 **becomes effective as provided in subsection (1) of Section**
611 **25-11-143, this section shall read as follows:]**

612 25-15-9. (1) (a) The board shall design a plan of health
613 insurance for state employees that provides benefits for
614 semiprivate rooms in addition to other incidental coverages that
615 the board deems necessary. The amount of the coverages shall be
616 in such reasonable amount as may be determined by the board to be
617 adequate, after due consideration of current health costs in
618 Mississippi. The plan shall also include major medical benefits
619 in such amounts as the board shall determine. The board is also
620 authorized to accept bids for such alternate coverage and optional
621 benefits as the board deems proper. Any contract for alternative
622 coverage and optional benefits shall be awarded by the board after
623 it has carefully studied and evaluated the bids and selected the
624 best and most cost-effective bid. The board may reject all such
625 bids; however, the board shall notify all bidders of the rejection

626 and shall actively solicit new bids if all bids are rejected. The
627 board may employ or contract for such consulting or actuarial
628 services as may be necessary to formulate the plan, and to assist
629 the board in the preparation of specifications and in the process
630 of advertising for the bids for the plan. Those contracts shall
631 be solicited and entered into in accordance with Section 25-15-5.
632 The board shall keep a record of all persons, agents and
633 corporations who contract with or assist the board in preparing
634 and developing the plan. The board in a timely manner shall
635 provide copies of this record to the members of the advisory
636 council created in this section and those legislators, or their
637 designees, who may attend meetings of the advisory council. The
638 board shall provide copies of this record in the solicitation of
639 bids for the administration or servicing of the self-insured
640 program. Each person, agent or corporation that, during the
641 previous fiscal year, has assisted in the development of the plan
642 or employed or compensated any person who assisted in the
643 development of the plan, and that bids on the administration or
644 servicing of the plan, shall submit to the board a statement
645 accompanying the bid explaining in detail its participation with
646 the development of the plan. This statement shall include the
647 amount of compensation paid by the bidder to any such employee
648 during the previous fiscal year. The board shall make all such
649 information available to the members of the advisory council and
650 those legislators, or their designees, who may attend meetings of
651 the advisory council before any action is taken by the board on
652 the bids submitted. The failure of any bidder to fully and
653 accurately comply with this paragraph shall result in the
654 rejection of any bid submitted by that bidder or the cancellation
655 of any contract executed when the failure is discovered after the
656 acceptance of that bid. The board is authorized to promulgate
657 rules and regulations to implement the provisions of this
658 subsection.

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

662 Any corporation, association, company or individual that
663 contracts with the board for the third-party claims administration
664 of the self-insured plan shall prepare and keep on file an
665 explanation of benefits for each claim processed. The explanation
666 of benefits shall contain such information relative to each
667 processed claim which the board deems necessary, and, at a
668 minimum, each explanation shall provide the claimant's name, claim
669 number, provider number, provider name, service dates, type of
670 services, amount of charges, amount allowed to the claimant and
671 reason codes. The information contained in the explanation of
672 benefits shall be available for inspection upon request by the
673 board. The board shall have access to all claims information
674 utilized in the issuance of payments to employees and providers.

675 (b) There is created an advisory council to advise the
676 board in the formulation of the State and School Employees Health
677 Insurance Plan. The council shall be composed of the State
678 Insurance Commissioner or his designee, an employee-representative
679 of the state institutions of higher learning appointed by the
680 board of trustees thereof, an employee-representative of the
681 Mississippi Department of Transportation appointed by the director
682 thereof, an employee-representative of the State Tax Commission
683 appointed by the Commissioner of Revenue, an
684 employee-representative of the State Department of Health
685 appointed by the State Health Officer, an employee-representative
686 of the Mississippi Department of Corrections appointed by the
687 Commissioner of Corrections, and an employee-representative of the
688 Mississippi Department of Human Services appointed by the
689 Executive Director of Human Services, two (2) certificated public
690 school administrators appointed by the State Board of Education,
691 two (2) certificated classroom teachers appointed by the State

692 Board of Education, a noncertificated school employee appointed by
693 the State Board of Education and a community/junior college
694 employee appointed by the State Board for Community and Junior
695 Colleges.

696 The Lieutenant Governor may designate the Secretary of the
697 Senate, the Chairman of the Senate Appropriations Committee, the
698 Chairman of the Senate Education Committee and the Chairman of the
699 Senate Insurance Committee, and the Speaker of the House of
700 Representatives may designate the Clerk of the House, the Chairman
701 of the House Appropriations Committee, the Chairman of the House
702 Education Committee and the Chairman of the House Insurance
703 Committee, to attend any meeting of the State and School Employees
704 Insurance Advisory Council. The appointing authorities may
705 designate an alternate member from their respective houses to
706 serve when the regular designee is unable to attend such meetings
707 of the council. Those designees shall have no jurisdiction or
708 vote on any matter within the jurisdiction of the council. For
709 attending meetings of the council, those legislators shall receive
710 per diem and expenses, which shall be paid from the contingent
711 expense funds of their respective houses in the same amounts as
712 provided for committee meetings when the Legislature is not in
713 session; however, no per diem and expenses for attending meetings
714 of the council will be paid while the Legislature is in session.
715 No per diem and expenses will be paid except for attending
716 meetings of the council without prior approval of the proper
717 committee in their respective houses.

718 (c) No change in the terms of the State and School
719 Employees Health Insurance Plan may be made effective unless the
720 board, or its designee, has provided notice to the State and
721 School Employees Health Insurance Advisory Council and has called
722 a meeting of the council at least fifteen (15) days before the
723 effective date of the change. If the State and School Employees
724 Health Insurance Advisory Council does not meet to advise the

725 board on the proposed changes, the changes to the plan will become
726 effective at such time as the board has informed the council that
727 the changes will become effective.

728 (2) Nonduplication of benefits--reduction of benefits by
729 Title XIX benefits: When benefits would be payable under more
730 than one (1) group plan, benefits under those plans will be
731 coordinated to the extent that the total benefits under all plans
732 will not exceed the total expenses incurred.

733 Benefits for hospital or surgical or medical benefits shall
734 be reduced by any similar benefits payable in accordance with
735 Title XIX of the Social Security Act or under any amendments
736 thereto, or any implementing legislation.

737 Benefits for hospital or surgical or medical benefits shall
738 be reduced by any similar benefits payable by workers'
739 compensation.

740 (3) (a) Schedule of life insurance benefits--group term:
741 The amount of term life insurance for each active employee of a
742 department, agency or institution of the state government shall
743 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
744 twice the amount of the employee's annual wage to the next highest
745 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
746 case less than Thirty Thousand Dollars (\$30,000.00), with a like
747 amount for accidental death and dismemberment on a
748 twenty-four-hour basis.

749 (b) Effective October 1, 1999, schedule of life
750 insurance benefits--group term: The amount of term life insurance
751 for each active employee of any school district, community/junior
752 college, public library, university-based program authorized under
753 Section 37-23-31 for deaf, aphasic and emotionally disturbed
754 children, or any regular nonstudent bus driver shall not be in
755 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
756 amount of the employee's annual wage to the next highest One
757 Thousand Dollars (\$1,000.00), whichever may be less, but in no

758 case less than Thirty Thousand Dollars (\$30,000.00), with a like
759 amount for accidental death and dismemberment on a
760 twenty-four-hour basis. The plan will further contain a premium
761 waiver provision if a covered employee of any school district,
762 community/junior college, public library, university-based program
763 authorized under Section 37-23-31 for deaf, aphasic and
764 emotionally disturbed children, or any regular nonstudent bus
765 driver becomes totally and permanently disabled before age
766 sixty-five (65) years.

767 (4) Any eligible employee who on March 1, 1971, was
768 participating in a group life insurance program that has
769 provisions different from those included in this section and for
770 which the State of Mississippi was paying a part of the premium
771 may, at his discretion, continue to participate in that plan. The
772 employee shall pay in full all additional costs, if any, above the
773 minimum program established by this article. Under no
774 circumstances shall any individual who begins employment with the
775 state after March 1, 1971, be eligible for the provisions of this
776 subsection.

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

779 (6) Any premium differentials, differences in coverages,
780 discounts determined by risk or by any other factors shall be
781 uniformly applied to all active employees participating in the
782 insurance plan. It is the intent of the Legislature that the
783 state contribution to the plan be the same for each employee
784 throughout the state.

785 (7) On October 1, 1999, any school district,
786 community/junior college district or public library may elect to
787 remain with an existing policy or policies of group life insurance
788 with an insurance company approved by the State and School
789 Employees Health Insurance Management Board, in lieu of
790 participation in the State and School Life Insurance Plan. On or

791 after July 1, 2004, until October 1, 2004, any school district,
792 community/junior college district or public library may elect to
793 choose a policy or policies of group life insurance existing on
794 October 1, 1999, with an insurance company approved by the State
795 and School Employees Health Insurance Management Board in lieu of
796 participation in the State and School Life Insurance Plan. The
797 state's contribution of up to fifty percent (50%) of the active
798 employee's premium under the State and School Life Insurance Plan
799 may be applied toward the cost of coverage for full-time employees
800 participating in the approved life insurance company group plan.
801 For purposes of this subsection (7), "life insurance company group
802 plan" means a plan administered or sold by a private insurance
803 company. After October 1, 1999, the board may assess charges in
804 addition to the existing State and School Life Insurance Plan
805 rates to those employees as a condition of enrollment in the State
806 and School Life Insurance Plan. In order for any life insurance
807 company group plan to be approved by the State and School
808 Employees Health Insurance Management Board under this subsection
809 (7), it shall meet the following criteria:

810 (a) The insurance company offering the group life
811 insurance plan shall be rated "A-" or better by A.M. Best state
812 insurance rating service and be licensed as an admitted carrier in
813 the State of Mississippi by the Mississippi Department of
814 Insurance.

815 (b) The insurance company group life insurance plan
816 shall provide the same life insurance, accidental death and
817 dismemberment insurance and waiver of premium benefits as provided
818 in the State and School Life Insurance Plan.

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

822 (d) The insurance company group life insurance plan
823 shall have one (1) composite rate per One Thousand Dollars
824 (\$1,000.00) of coverage for active employees regardless of age.

825 (e) The insurance company and its group life insurance
826 plan shall comply with any administrative requirements of the
827 State and School Employees Health Insurance Management Board. If
828 any insurance company providing group life insurance benefits to
829 employees under this subsection (7) fails to comply with any
830 requirements specified in this subsection or any administrative
831 requirements of the board, the state shall discontinue providing
832 funding for the cost of that insurance.

833 **SECTION 3.** Section 1 of this act shall take effect and be in
834 force from and after January 1, 2006. Section 2 of this act shall
835 take effect and be in force from and after its passage.