HOUSE BILL NO. 1081

 1   AN ACT TO ESTABLISH A PLAN THAT PROVIDES HEALTH CARE SERVICES
 2 TO WORKING LOW INCOME INDIVIDUALS ON A PREPAID BASIS AND IS NOT
 3 CONSIDERED TO BE INSURANCE; TO PROVIDE ELIGIBILITY REQUIREMENTS;
 4 TO PROVIDE THAT THE PLAN SHALL BE OPERATED ON A NOT-FOR-PROFIT
 5 BASIS; TO PROVIDE THAT HEALTH SERVICES SHALL BE RENDERED FOR FREE
 6 OR FOR A NOMINAL REIMBURSEMENT; TO REQUIRE APPROVAL OF THE PLAN BY
 7 THE STATE MEDICAL ASSOCIATION; TO REQUIRE THAT CERTAIN ANNUAL
 8 REPORTS SHALL BE FILED WITH THE COMMISSIONER OF INSURANCE; AND FOR
 9 RELATED PURPOSES.

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

11   **SECTION 1.** The Legislature finds that there is a problem

12 with availability and affordability of health care services for

13 working lower income persons. It is the intent of this

14 Legislature to make such coverage more available and affordable by

15 authorizing the development of innovative plans to prepay such

16 coverage.

17   **SECTION 2.** A plan which provides health care services to

18 working low income individuals on a prepaid basis shall not be

19 considered to be insurance or a service plan or corporation or

20 health maintenance organization within the provisions of Section

21 83-1-1 et seq., if the plan meets the following conditions:

22   (a) Eligibility for enrollment in the plan is limited

23 to persons employed in businesses employing two hundred (200) or

24 less eligible persons and persons engaged in domestic service in

25 private households and dependents of such persons where such

26 persons earn no more than two hundred fifty percent (250%) of the

27 federal poverty level and are not covered under any other group

28 insurance arrangements. Persons who are eligible under the plan

29 and terminate employment shall remain eligible for the plan for

30 six (6) months after the employment termination date. Employers

31   employing two hundred (200) or less eligible persons may prepay

32   the clinic or health center for health services for the benefit of

33   their employees.

34   (b)   The plan is operated on a not-for-profit basis

35   under the sponsorship of a not-for-profit organization.

36   (c)   Covered primary care services under the plan are

37   provided to enrollees in the plan either by providers on staff of

38   the sponsoring organization or by volunteers recruited from a

39   local medical society who have, in both instances, agreed to

40   provide their services for free or for a nominal reimbursement for

41   out-of-pocket expenses or expendable supplies, or both, directly

42   related to and incurred as a result of the service provided to the

43   enrollee.

44   (d)   Payments to outside contractors under the plan for

45   marketing, claims, administration and similar services shall total

46   no more than ten percent (10%) of the total charges.

47   (e)   The plan has received the approval and endorsement

48   of the local medical society in consultation with the Mississippi

49   State Medical Association.

50   (f)   Except as provided in paragraph (c) of this

51   section, no portion of any fees or charges under the plan shall be

52   paid directly or indirectly as salary to any officer or director

53   of the sponsoring not-for-profit organization; and

54   (g)   The sponsoring not-for-profit corporation files an

55   annual report with the Commissioner of Insurance within ninety

56   (90) days of the close of the fiscal year of such corporation and

57   the plan includes at a minimum the following information: number

58   of plan enrollees; total services rendered under the plan; plan

59   financial statements; administrative costs and salaries paid by

60   the plan; and such other information as may be reasonably

61   requested by the Commissioner of Insurance.

62   **SECTION 3.** This act shall take effect and be in force from

63   and after July 1, 2006.

H. B. No. 1081   *HR03/R413*
06/HR03/R413   ST: Health care services; plan to provide to
PAGE 2 (MS\LH)   low income persons on prepaid basis not
                               considered to be insurance.