

By: Representative Reynolds

To: Insurance;  
Appropriations

## HOUSE BILL NO. 1094

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO  
2 REQUIRE THAT THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE  
3 MANAGEMENT BOARD SHALL NEGOTIATE AN AGREEMENT WITH THE UNIVERSITY  
4 OF MISSISSIPPI MEDICAL CENTER TO PROVIDE THAT THE MEDICAL CENTER  
5 SHALL ACCEPT AS FULL PAYMENT THE AMOUNT PAID TO IT BY THE STATE  
6 AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN FOR A STATE EMPLOYEE  
7 WITH A CATASTROPHIC ILLNESS; AND FOR RELATED PURPOSES.

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

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

11 **[Through June 30 of the year in which Section 25-11-143**  
12 **becomes effective as provided in subsection (1) of Section**  
13 **25-11-143, this section shall read as follows:]**

14 25-15-9. (1) (a) The board shall design a plan of health  
15 insurance for state employees which provides benefits for  
16 semiprivate rooms in addition to other incidental coverages which  
17 the board deems necessary. The amount of the coverages shall be  
18 in such reasonable amount as may be determined by the board to be  
19 adequate, after due consideration of current health costs in  
20 Mississippi. The plan shall also include major medical benefits  
21 in such amounts as the board shall determine. The board shall  
22 negotiate an agreement with the University of Mississippi Medical  
23 Center in accordance with Section 37-115-31 to provide (i) that  
24 the University of Mississippi Medical Center shall accept as full  
25 payment the amount paid by the plan for a state employee who is a  
26 participant in the plan and who received services from the  
27 University of Mississippi Medical Center for a catastrophic  
28 illness; and (ii) that there shall be no direct billing by the  
29 University of Mississippi Medical Center to such state employee.

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

63 and accurately comply with this paragraph shall result in the  
64 rejection of any bid submitted by that bidder or the cancellation  
65 of any contract executed when the failure is discovered after the  
66 acceptance of that bid. The board is authorized to promulgate  
67 rules and regulations to implement the provisions of this  
68 subsection.

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

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

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

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

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

127         (c) No change in the terms of the State and School  
128 Employees Health Insurance Plan may be made effective unless the

129 board, or its designee, has provided notice to the State and  
130 School Employees Health Insurance Advisory Council and has called  
131 a meeting of the council at least fifteen (15) days before the  
132 effective date of such change. In the event that the State and  
133 School Employees Health Insurance Advisory Council does not meet  
134 to advise the board on the proposed changes, the changes to the  
135 plan shall become effective at such time as the board has informed  
136 the council that the changes shall become effective.

137           (d) **Medical benefits for retired employees and**  
138 **dependents under age sixty-five (65) years and not eligible for**  
139 **Medicare benefits.** For employees who retire before July 1, 2005,  
140 and for employees retiring due to work-related disability under  
141 the Public Employees' Retirement System, the same health insurance  
142 coverage as for all other active employees and their dependents  
143 shall be available to retired employees and all dependents under  
144 age sixty-five (65) years who are not eligible for Medicare  
145 benefits, the level of benefits to be the same level as for all  
146 other active participants. For employees who retire on or after  
147 July 1, 2005, and not retiring due to work-related disability  
148 under the Public Employees' Retirement System, the same health  
149 insurance coverage as for all other active employees and their  
150 dependents shall be available to such retiring employees and all  
151 dependents under age sixty-five (65) years who are not eligible  
152 for Medicare benefits only if the retiring employees were  
153 participants in the State and School Employees Health Insurance  
154 Plan for four (4) years or more before their retirement, the level  
155 of benefits to be the same level as for all other active  
156 participants. This section will apply to those employees who  
157 retire due to one hundred percent (100%) medical disability as  
158 well as those employees electing early retirement.

159           (e) **Medical benefits for retired employees and**  
160 **dependents over age sixty-five (65) years or otherwise eligible**  
161 **for Medicare benefits.** For employees who retire before July 1,

162 2005, and for employees retiring due to work-related disability  
163 under the Public Employees' Retirement System, the health  
164 insurance coverage available to retired employees over age  
165 sixty-five (65) years or otherwise eligible for Medicare benefits,  
166 and all dependents over age sixty-five (65) years or otherwise  
167 eligible for Medicare benefits, shall be the major medical  
168 coverage with the lifetime maximum of One Million Dollars  
169 (\$1,000,000.00). For employees retiring on or after July 1, 2005,  
170 and not retiring due to work-related disability under the Public  
171 Employees' Retirement System, the health insurance coverage  
172 described herein shall be available to such retiring employees  
173 only if they were participants in the State and School Employees  
174 Health Insurance Plan for four (4) years or more and are over age  
175 sixty-five (65) years or otherwise eligible for Medicare benefits,  
176 and to all dependents over age sixty-five (65) years or otherwise  
177 eligible for Medicare benefits. Benefits shall be reduced by  
178 Medicare benefits as though such Medicare benefits were the base  
179 plan.

180 All covered individuals shall be assumed to have full  
181 Medicare coverage, Parts A and B; and any Medicare payments under  
182 both Parts A and B shall be computed to reduce benefits payable  
183 under this plan.

184 (2) Nonduplication of benefits--reduction of benefits by  
185 Title XIX benefits: When benefits would be payable under more  
186 than one (1) group plan, benefits under those plans will be  
187 coordinated to the extent that the total benefits under all plans  
188 will not exceed the total expenses incurred.

189 Benefits for hospital or surgical or medical benefits shall  
190 be reduced by any similar benefits payable in accordance with  
191 Title XIX of the Social Security Act or under any amendments  
192 thereto, or any implementing legislation.

193 Benefits for hospital or surgical or medical benefits shall  
194 be reduced by any similar benefits payable by workers'  
195 compensation.

196 (3) (a) Schedule of life insurance benefits--group term:  
197 The amount of term life insurance for each active employee of a  
198 department, agency or institution of the state government shall  
199 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
200 twice the amount of the employee's annual wage to the next highest  
201 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
202 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
203 amount for accidental death and dismemberment on a  
204 twenty-four-hour basis. The plan will further contain a premium  
205 waiver provision if a covered employee becomes totally and  
206 permanently disabled prior to age sixty-five (65) years.  
207 Employees retiring after June 30, 1999, shall be eligible to  
208 continue life insurance coverage in an amount of Five Thousand  
209 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
210 Thousand Dollars (\$20,000.00) into retirement.

211 (b) Effective October 1, 1999, schedule of life  
212 insurance benefits--group term: The amount of term life insurance  
213 for each active employee of any school district, community/junior  
214 college, public library or university-based program authorized  
215 under Section 37-23-31 for deaf, aphasic and emotionally disturbed  
216 children or any regular nonstudent bus driver shall not be in  
217 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
218 amount of the employee's annual wage to the next highest One  
219 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
220 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
221 amount for accidental death and dismemberment on a  
222 twenty-four-hour basis. The plan will further contain a premium  
223 waiver provision if a covered employee of any school district,  
224 community/junior college, public library or university-based  
225 program authorized under Section 37-23-31 for deaf, aphasic and

226 emotionally disturbed children or any regular nonstudent bus  
227 driver becomes totally and permanently disabled prior to age  
228 sixty-five (65) years. Employees of any school district,  
229 community/junior college, public library or university-based  
230 program authorized under Section 37-23-31 for deaf, aphasic and  
231 emotionally disturbed children or any regular nonstudent bus  
232 driver retiring after September 30, 1999, shall be eligible to  
233 continue life insurance coverage in an amount of Five Thousand  
234 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
235 Thousand Dollars (\$20,000.00) into retirement.

236 (4) Any eligible employee who on March 1, 1971, was  
237 participating in a group life insurance program which has  
238 provisions different from those included herein and for which the  
239 State of Mississippi was paying a part of the premium may, at his  
240 discretion, continue to participate in such plan. Such employee  
241 shall pay in full all additional costs, if any, above the minimum  
242 program established by this article. Under no circumstances shall  
243 any individual who begins employment with the state after March 1,  
244 1971, be eligible for the provisions of this subsection.

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

247 (6) Any premium differentials, differences in coverages,  
248 discounts determined by risk or by any other factors shall be  
249 uniformly applied to all active employees participating in the  
250 insurance plan. It is the intent of the Legislature that the  
251 state contribution to the plan be the same for each employee  
252 throughout the state.

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

259 after July 1, 2004, until October 1, 2004, any school district,  
260 community/junior college district or public library may elect to  
261 choose a policy or policies of group life insurance existing on  
262 October 1, 1999, with an insurance company approved by the State  
263 and School Employees Health Insurance Management Board in lieu of  
264 participation in the State and School Life Insurance Plan. The  
265 state's contribution of up to fifty percent (50%) of the active  
266 employee's premium under the State and School Life Insurance Plan  
267 may be applied toward the cost of coverage for full-time employees  
268 participating in the approved life insurance company group plan.  
269 For purposes of this subsection (7), "life insurance company group  
270 plan" means a plan administered or sold by a private insurance  
271 company. After October 1, 1999, the board may assess charges in  
272 addition to the existing State and School Life Insurance Plan  
273 rates to such employees as a condition of enrollment in the State  
274 and School Life Insurance Plan. In order for any life insurance  
275 company group plan to be approved by the State and School  
276 Employees Health Insurance Management Board under this subsection  
277 (7), it shall meet the following criteria:

278 (a) The insurance company offering the group life  
279 insurance plan shall be rated "A-" or better by A.M. Best state  
280 insurance rating service and be licensed as an admitted carrier in  
281 the State of Mississippi by the Mississippi Department of  
282 Insurance.

283 (b) The insurance company group life insurance plan  
284 shall provide the same life insurance, accidental death and  
285 dismemberment insurance and waiver of premium benefits as provided  
286 in the State and School Life Insurance Plan.

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

290 (d) The insurance company group life insurance plan  
291 shall have one (1) composite rate per One Thousand Dollars

292 (\$1,000.00) of coverage for active employees regardless of age and  
293 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
294 coverage for all retirees regardless of age or type of retiree.

295 (e) The insurance company and its group life insurance  
296 plan shall comply with any administrative requirements of the  
297 State and School Employees Health Insurance Management Board. In  
298 the event any insurance company providing group life insurance  
299 benefits to employees under this subsection (7) fails to comply  
300 with any requirements specified herein or any administrative  
301 requirements of the board, the state shall discontinue providing  
302 funding for the cost of such insurance.

303 **[From and after July 1 of the year in which Section 25-11-143**  
304 **becomes effective as provided in subsection (1) of Section**  
305 **25-11-143, this section shall read as follows:]**

306 25-15-9. (1) (a) The board shall design a plan of health  
307 insurance for state employees that provides benefits for  
308 semiprivate rooms in addition to other incidental coverages that  
309 the board deems necessary. The amount of the coverages shall be  
310 in such reasonable amount as may be determined by the board to be  
311 adequate, after due consideration of current health costs in  
312 Mississippi. The plan shall also include major medical benefits  
313 in such amounts as the board shall determine. The board is also  
314 authorized to accept bids for such alternate coverage and optional  
315 benefits as the board deems proper. Any contract for alternative  
316 coverage and optional benefits shall be awarded by the board after  
317 it has carefully studied and evaluated the bids and selected the  
318 best and most cost-effective bid. The board may reject all such  
319 bids; however, the board shall notify all bidders of the rejection  
320 and shall actively solicit new bids if all bids are rejected. The  
321 board may employ or contract for such consulting or actuarial  
322 services as may be necessary to formulate the plan, and to assist  
323 the board in the preparation of specifications and in the process  
324 of advertising for the bids for the plan. Those contracts shall

325 be solicited and entered into in accordance with Section 25-15-5.  
326 The board shall keep a record of all persons, agents and  
327 corporations who contract with or assist the board in preparing  
328 and developing the plan. The board in a timely manner shall  
329 provide copies of this record to the members of the advisory  
330 council created in this section and those legislators, or their  
331 designees, who may attend meetings of the advisory council. The  
332 board shall provide copies of this record in the solicitation of  
333 bids for the administration or servicing of the self-insured  
334 program. Each person, agent or corporation that, during the  
335 previous fiscal year, has assisted in the development of the plan  
336 or employed or compensated any person who assisted in the  
337 development of the plan, and that bids on the administration or  
338 servicing of the plan, shall submit to the board a statement  
339 accompanying the bid explaining in detail its participation with  
340 the development of the plan. This statement shall include the  
341 amount of compensation paid by the bidder to any such employee  
342 during the previous fiscal year. The board shall make all such  
343 information available to the members of the advisory council and  
344 those legislators, or their designees, who may attend meetings of  
345 the advisory council before any action is taken by the board on  
346 the bids submitted. The failure of any bidder to fully and  
347 accurately comply with this paragraph shall result in the  
348 rejection of any bid submitted by that bidder or the cancellation  
349 of any contract executed when the failure is discovered after the  
350 acceptance of that bid. The board is authorized to promulgate  
351 rules and regulations to implement the provisions of this  
352 subsection.

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

356 Any corporation, association, company or individual that  
357 contracts with the board for the third-party claims administration

358 of the self-insured plan shall prepare and keep on file an  
359 explanation of benefits for each claim processed. The explanation  
360 of benefits shall contain such information relative to each  
361 processed claim which the board deems necessary, and, at a  
362 minimum, each explanation shall provide the claimant's name, claim  
363 number, provider number, provider name, service dates, type of  
364 services, amount of charges, amount allowed to the claimant and  
365 reason codes. The information contained in the explanation of  
366 benefits shall be available for inspection upon request by the  
367 board. The board shall have access to all claims information  
368 utilized in the issuance of payments to employees and providers.

369 (b) There is created an advisory council to advise the  
370 board in the formulation of the State and School Employees Health  
371 Insurance Plan. The council shall be composed of the State  
372 Insurance Commissioner or his designee, an employee-representative  
373 of the state institutions of higher learning appointed by the  
374 board of trustees thereof, an employee-representative of the  
375 Mississippi Department of Transportation appointed by the director  
376 thereof, an employee-representative of the State Tax Commission  
377 appointed by the Commissioner of Revenue, an  
378 employee-representative of the State Department of Health  
379 appointed by the State Health Officer, an employee-representative  
380 of the Mississippi Department of Corrections appointed by the  
381 Commissioner of Corrections, and an employee-representative of the  
382 Mississippi Department of Human Services appointed by the  
383 Executive Director of Human Services, two (2) certificated public  
384 school administrators appointed by the State Board of Education,  
385 two (2) certificated classroom teachers appointed by the State  
386 Board of Education, a noncertificated school employee appointed by  
387 the State Board of Education and a community/junior college  
388 employee appointed by the State Board for Community and Junior  
389 Colleges.

390           The Lieutenant Governor may designate the Secretary of the  
391 Senate, the Chairman of the Senate Appropriations Committee, the  
392 Chairman of the Senate Education Committee and the Chairman of the  
393 Senate Insurance Committee, and the Speaker of the House of  
394 Representatives may designate the Clerk of the House, the Chairman  
395 of the House Appropriations Committee, the Chairman of the House  
396 Education Committee and the Chairman of the House Insurance  
397 Committee, to attend any meeting of the State and School Employees  
398 Insurance Advisory Council. The appointing authorities may  
399 designate an alternate member from their respective houses to  
400 serve when the regular designee is unable to attend such meetings  
401 of the council. Those designees shall have no jurisdiction or  
402 vote on any matter within the jurisdiction of the council. For  
403 attending meetings of the council, those legislators shall receive  
404 per diem and expenses, which shall be paid from the contingent  
405 expense funds of their respective houses in the same amounts as  
406 provided for committee meetings when the Legislature is not in  
407 session; however, no per diem and expenses for attending meetings  
408 of the council will be paid while the Legislature is in session.  
409 No per diem and expenses will be paid except for attending  
410 meetings of the council without prior approval of the proper  
411 committee in their respective houses.

412           (c) No change in the terms of the State and School  
413 Employees Health Insurance Plan may be made effective unless the  
414 board, or its designee, has provided notice to the State and  
415 School Employees Health Insurance Advisory Council and has called  
416 a meeting of the council at least fifteen (15) days before the  
417 effective date of the change. If the State and School Employees  
418 Health Insurance Advisory Council does not meet to advise the  
419 board on the proposed changes, the changes to the plan will become  
420 effective at such time as the board has informed the council that  
421 the changes will become effective.

422 (2) Nonduplication of benefits--reduction of benefits by  
423 Title XIX benefits: When benefits would be payable under more  
424 than one (1) group plan, benefits under those plans will be  
425 coordinated to the extent that the total benefits under all plans  
426 will not exceed the total expenses incurred.

427 Benefits for hospital or surgical or medical benefits shall  
428 be reduced by any similar benefits payable in accordance with  
429 Title XIX of the Social Security Act or under any amendments  
430 thereto, or any implementing legislation.

431 Benefits for hospital or surgical or medical benefits shall  
432 be reduced by any similar benefits payable by workers'  
433 compensation.

434 (3) (a) Schedule of life insurance benefits--group term:  
435 The amount of term life insurance for each active employee of a  
436 department, agency or institution of the state government shall  
437 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
438 twice the amount of the employee's annual wage to the next highest  
439 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
440 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
441 amount for accidental death and dismemberment on a  
442 twenty-four-hour basis.

443 (b) Effective October 1, 1999, schedule of life  
444 insurance benefits--group term: The amount of term life insurance  
445 for each active employee of any school district, community/junior  
446 college, public library, university-based program authorized under  
447 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
448 children, or any regular nonstudent bus driver shall not be in  
449 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
450 amount of the employee's annual wage to the next highest One  
451 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
452 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
453 amount for accidental death and dismemberment on a  
454 twenty-four-hour basis. The plan will further contain a premium

455 waiver provision if a covered employee of any school district,  
456 community/junior college, public library, university-based program  
457 authorized under Section 37-23-31 for deaf, aphasic and  
458 emotionally disturbed children, or any regular nonstudent bus  
459 driver becomes totally and permanently disabled before age  
460 sixty-five (65) years.

461 (4) Any eligible employee who on March 1, 1971, was  
462 participating in a group life insurance program that has  
463 provisions different from those included in this section and for  
464 which the State of Mississippi was paying a part of the premium  
465 may, at his discretion, continue to participate in that plan. The  
466 employee shall pay in full all additional costs, if any, above the  
467 minimum program established by this article. Under no  
468 circumstances shall any individual who begins employment with the  
469 state after March 1, 1971, be eligible for the provisions of this  
470 subsection.

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

473 (6) Any premium differentials, differences in coverages,  
474 discounts determined by risk or by any other factors shall be  
475 uniformly applied to all active employees participating in the  
476 insurance plan. It is the intent of the Legislature that the  
477 state contribution to the plan be the same for each employee  
478 throughout the state.

479 (7) On October 1, 1999, any school district,  
480 community/junior college district or public library may elect to  
481 remain with an existing policy or policies of group life insurance  
482 with an insurance company approved by the State and School  
483 Employees Health Insurance Management Board, in lieu of  
484 participation in the State and School Life Insurance Plan. On or  
485 after July 1, 2004, until October 1, 2004, any school district,  
486 community/junior college district or public library may elect to  
487 choose a policy or policies of group life insurance existing on

488 October 1, 1999, with an insurance company approved by the State  
489 and School Employees Health Insurance Management Board in lieu of  
490 participation in the State and School Life Insurance Plan. The  
491 state's contribution of up to fifty percent (50%) of the active  
492 employee's premium under the State and School Life Insurance Plan  
493 may be applied toward the cost of coverage for full-time employees  
494 participating in the approved life insurance company group plan.  
495 For purposes of this subsection (7), "life insurance company group  
496 plan" means a plan administered or sold by a private insurance  
497 company. After October 1, 1999, the board may assess charges in  
498 addition to the existing State and School Life Insurance Plan  
499 rates to those employees as a condition of enrollment in the State  
500 and School Life Insurance Plan. In order for any life insurance  
501 company group plan to be approved by the State and School  
502 Employees Health Insurance Management Board under this subsection  
503 (7), it shall meet the following criteria:

504 (a) The insurance company offering the group life  
505 insurance plan shall be rated "A-" or better by A.M. Best state  
506 insurance rating service and be licensed as an admitted carrier in  
507 the State of Mississippi by the Mississippi Department of  
508 Insurance.

509 (b) The insurance company group life insurance plan  
510 shall provide the same life insurance, accidental death and  
511 dismemberment insurance and waiver of premium benefits as provided  
512 in the State and School Life Insurance Plan.

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

516 (d) The insurance company group life insurance plan  
517 shall have one (1) composite rate per One Thousand Dollars  
518 (\$1,000.00) of coverage for active employees regardless of age.

519 (e) The insurance company and its group life insurance  
520 plan shall comply with any administrative requirements of the

521 State and School Employees Health Insurance Management Board. If  
522 any insurance company providing group life insurance benefits to  
523 employees under this subsection (7) fails to comply with any  
524 requirements specified in this subsection or any administrative  
525 requirements of the board, the state shall discontinue providing  
526 funding for the cost of that insurance.

527       **SECTION 2.** This act shall take effect and be in force from  
528 and after July 1, 2006.