HOUSE BILL NO. 152

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

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

SECTION 1. The Legislature finds that there is a problem with availability and affordability of health care services for working lower income persons. It is the intent of this Legislature to make such coverage more available and affordable by authorizing the development of innovative plans to prepay such coverage.

SECTION 2. A plan which provides health care services to working low income individuals on a prepaid basis shall not be considered to be insurance or a service plan or corporation or health maintenance organization within the provisions of Section 83-1-1 et seq., if the plan meets the following conditions:

(a) Eligibility for enrollment in the plan is limited to persons employed in businesses employing two hundred (200) or less eligible persons and persons engaged in domestic service in private households and dependents of such persons where such persons earn no more than two hundred fifty percent (250%) of the federal poverty level and are not covered under any other group insurance arrangements. Persons who are eligible under the plan and terminate employment shall remain eligible for the plan for six (6) months after the employment termination date. Employers
employing two hundred (200) or less eligible persons may prepay
the clinic or health center for health services for the benefit of
their employees.

(b) The plan is operated on a not-for-profit basis
under the sponsorship of a not-for-profit organization.

(c) Covered primary care services under the plan are
provided to enrollees in the plan either by providers on staff of
the sponsoring organization or by volunteers recruited from a
local medical society who have, in both instances, agreed to
provide their services for free or for a nominal reimbursement for
out-of-pocket expenses or expendable supplies, or both, directly
related to and incurred as a result of the service provided to the
enrollee.

(d) Payments to outside contractors under the plan for
marketing, claims administration and similar services shall total
no more than ten percent (10%) of the total charges.

(e) The plan has received the approval and endorsement
of the local medical society in consultation with the Mississippi
State Medical Association.

(f) Except as provided in paragraph (c) of this
section, no portion of any fees or charges under the plan shall be
paid directly or indirectly as salary to any officer or director
of the sponsoring not-for-profit organization.

(g) The sponsoring not-for-profit corporation files an
annual report with the Commissioner of Insurance within ninety
(90) days of the close of the fiscal year of such corporation
which includes at a minimum the following information: number of
plan enrollees; total services rendered under the plan; plan
financial statements; administrative costs and salaries paid by
the plan; and such other information as may be reasonably
requested by the Commissioner of Insurance.

SECTION 3. This act shall take effect and be in force from
and after July 1, 2007.