

By: Representative Fleming

To: Insurance

HOUSE BILL NO. 307

1 AN ACT TO AMEND SECTION 71-9-5, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT FOR PURPOSES OF ESTABLISHING A MEDICAL SAVINGS
3 ACCOUNT PROGRAM, AN EMPLOYER THAT PREVIOUSLY DID NOT PROVIDE
4 HEALTH INSURANCE COVERAGE FOR HIS EMPLOYEES SHALL PAY ON BEHALF OF
5 HIS EMPLOYEES AN AMOUNT DETERMINED BY CALCULATING A CERTAIN
6 PERCENTAGE OF THE PREMIUM REDUCTION REALIZED BY THE PURCHASE OF
7 SIMILAR HEALTH INSURANCE COVERAGE WITH A ONE THOUSAND DOLLAR
8 DEDUCTIBLE; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** Section 71-9-5, Mississippi Code of 1972, is
11 amended as follows:

12 71-9-5. (1) Each employer shall be permitted to offer
13 voluntarily the following programs:

14 (a) Continued coverage under the employer's existing
15 health coverage policy, certificate or contract; or

16 (b) Participation in a medical savings account program.

17 (2) An employer that previously did not provide an accident
18 and health insurance policy, certificate or contract for his or
19 her employees may establish a medical savings account program. In
20 this case, the premium reduction referred to in Section
21 71-9-3(j)(ii) shall be based on the cost of similar coverage with
22 a One Thousand Dollar (\$1,000.00) deductible.

23 (3) A resident individual may establish a medical savings
24 account for the benefit of himself or herself and his or her
25 dependents. Contributions to a medical savings account
26 established by a resident individual for a tax year shall not
27 exceed the allowable deductible for a qualified higher deductible
28 health plan.

29 (4) Except as otherwise provided by law, the principal
30 contributed and the interest earned on a medical savings account

31 shall be excluded from the taxable gross income of the account
32 holder under Section 27-7-15.

33 **SECTION 2.** This act shall take effect and be in force from
34 and after July 1, 2007.