

By: Senator(s) Dearing, Morgan, Posey, Kirby To: Insurance; Finance

SENATE BILL NO. 2185

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE THE STATE EMPLOYEES HEALTH INSURANCE MANAGEMENT BOARD TO
3 DESIGN A PLAN OF LONG-TERM CARE INSURANCE FOR ACTIVE AND RETIRED
4 EMPLOYEES; TO PROVIDE AN INCOME TAX CREDIT FOR PREMIUMS PAID
5 DURING THE TAXABLE YEAR FOR CERTAIN QUALIFIED LONG-TERM CARE
6 INSURANCE POLICIES; TO LIMIT THE MAXIMUM AMOUNT OF THE CREDIT; TO
7 PROVIDE THAT ANY UNUSED TAX CREDIT SHALL NOT BE ALLOWED TO BE
8 CARRIED FORWARD TO APPLY TO THE TAXPAYER'S SUCCEEDING YEARS' TAX
9 LIABILITY; AND FOR RELATED PURPOSES.

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

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

13 **[Through June 30 of the year in which Section 25-11-143**
14 **becomes effective as provided in subsection (1) of Section**
15 **25-11-143, this section shall read as follows:]**

16 25-15-9. (1) (a) The board shall design a plan of health
17 insurance for state employees which provides benefits for
18 semiprivate rooms in addition to other incidental coverages which
19 the board deems necessary. The amount of the coverages shall be
20 in such reasonable amount as may be determined by the board to be
21 adequate, after due consideration of current health costs in
22 Mississippi. The plan shall also include major medical benefits
23 in such amounts as the board shall determine. The board is also
24 authorized to accept bids for such alternate coverage and optional
25 benefits as the board shall deem proper. Any contract for
26 alternative coverage and optional benefits shall be awarded by the
27 board after it has carefully studied and evaluated the bids and
28 selected the best and most cost-effective bid. The board may
29 reject all such bids; however, the board shall notify all bidders
30 of the rejection and shall actively solicit new bids if all bids

31 are rejected. The board may employ or contract for such
32 consulting or actuarial services as may be necessary to formulate
33 the plan, and to assist the board in the preparation of
34 specifications and in the process of advertising for the bids for
35 the plan. Such contracts shall be solicited and entered into in
36 accordance with Section 25-15-5. The board shall keep a record of
37 all persons, agents and corporations who contract with or assist
38 the board in preparing and developing the plan. The board in a
39 timely manner shall provide copies of this record to the members
40 of the advisory council created in this section and those
41 legislators, or their designees, who may attend meetings of the
42 advisory council. The board shall provide copies of this record
43 in the solicitation of bids for the administration or servicing of
44 the self-insured program. Each person, agent or corporation
45 which, during the previous fiscal year, has assisted in the
46 development of the plan or employed or compensated any person who
47 assisted in the development of the plan, and which bids on the
48 administration or servicing of the plan, shall submit to the board
49 a statement accompanying the bid explaining in detail its
50 participation with the development of the plan. This statement
51 shall include the amount of compensation paid by the bidder to any
52 such employee during the previous fiscal year. The board shall
53 make all such information available to the members of the advisory
54 council and those legislators, or their designees, who may attend
55 meetings of the advisory council before any action is taken by the
56 board on the bids submitted. The failure of any bidder to fully
57 and accurately comply with this paragraph shall result in the
58 rejection of any bid submitted by that bidder or the cancellation
59 of any contract executed when the failure is discovered after the
60 acceptance of that bid. The board is authorized to promulgate
61 rules and regulations to implement the provisions of this
62 subsection.

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

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

79 (b) There is created an advisory council to advise the
80 board in the formulation of the State and School Employees Health
81 Insurance Plan. The council shall be composed of the State
82 Insurance Commissioner or his designee, an employee-representative
83 of the institutions of higher learning appointed by the board of
84 trustees thereof, an employee-representative of the Department of
85 Transportation appointed by the director thereof, an
86 employee-representative of the State Tax Commission appointed by
87 the Commissioner of Revenue, an employee-representative of the
88 Mississippi Department of Health appointed by the State Health
89 Officer, an employee-representative of the Mississippi Department
90 of Corrections appointed by the Commissioner of Corrections, and
91 an employee-representative of the Department of Human Services
92 appointed by the Executive Director of Human Services, two (2)
93 certificated public school administrators appointed by the State
94 Board of Education, two (2) certificated classroom teachers
95 appointed by the State Board of Education, a noncertificated

96 school employee appointed by the State Board of Education and a
97 community/junior college employee appointed by the State Board for
98 Community and Junior Colleges.

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

121 (c) No change in the terms of the State and School
122 Employees Health Insurance Plan may be made effective unless the
123 board, or its designee, has provided notice to the State and
124 School Employees Health Insurance Advisory Council and has called
125 a meeting of the council at least fifteen (15) days before the
126 effective date of such change. In the event that the State and
127 School Employees Health Insurance Advisory Council does not meet
128 to advise the board on the proposed changes, the changes to the

129 plan shall become effective at such time as the board has informed
130 the council that the changes shall become effective.

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

153 (e) **Medical benefits for retired employees and**
154 **dependents over age sixty-five (65) years or otherwise eligible**
155 **for Medicare benefits.** For employees who retire before July 1,
156 2005, and for employees retiring due to work-related disability
157 under the Public Employees' Retirement System, the health
158 insurance coverage available to retired employees over age
159 sixty-five (65) years or otherwise eligible for Medicare benefits,
160 and all dependents over age sixty-five (65) years or otherwise
161 eligible for Medicare benefits, shall be the major medical

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

174 All covered individuals shall be assumed to have full
175 Medicare coverage, Parts A and B; and any Medicare payments under
176 both Parts A and B shall be computed to reduce benefits payable
177 under this plan.

178 (2) Nonduplication of benefits--reduction of benefits by
179 Title XIX benefits: When benefits would be payable under more
180 than one (1) group plan, benefits under those plans will be
181 coordinated to the extent that the total benefits under all plans
182 will not exceed the total expenses incurred.

183 Benefits for hospital or surgical or medical benefits shall
184 be reduced by any similar benefits payable in accordance with
185 Title XIX of the Social Security Act or under any amendments
186 thereto, or any implementing legislation.

187 Benefits for hospital or surgical or medical benefits shall
188 be reduced by any similar benefits payable by workers'
189 compensation.

190 (3) (a) Schedule of life insurance benefits--group term:
191 The amount of term life insurance for each active employee of a
192 department, agency or institution of the state government shall
193 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
194 twice the amount of the employee's annual wage to the next highest

195 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
196 case less than Thirty Thousand Dollars (\$30,000.00), with a like
197 amount for accidental death and dismemberment on a
198 twenty-four-hour basis. The plan will further contain a premium
199 waiver provision if a covered employee becomes totally and
200 permanently disabled prior to age sixty-five (65) years.
201 Employees retiring after June 30, 1999, shall be eligible to
202 continue life insurance coverage in an amount of Five Thousand
203 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
204 Thousand Dollars (\$20,000.00) into retirement.

205 (b) Effective October 1, 1999, schedule of life
206 insurance benefits--group term: The amount of term life insurance
207 for each active employee of any school district, community/junior
208 college, public library or university-based program authorized
209 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
210 children or any regular nonstudent bus driver shall not be in
211 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
212 amount of the employee's annual wage to the next highest One
213 Thousand Dollars (\$1,000.00), whichever may be less, but in no
214 case less than Thirty Thousand Dollars (\$30,000.00), with a like
215 amount for accidental death and dismemberment on a
216 twenty-four-hour basis. The plan will further contain a premium
217 waiver provision if a covered employee of any school district,
218 community/junior college, public library or university-based
219 program authorized under Section 37-23-31 for deaf, aphasic and
220 emotionally disturbed children or any regular nonstudent bus
221 driver becomes totally and permanently disabled prior to age
222 sixty-five (65) years. Employees of any school district,
223 community/junior college, public library or university-based
224 program authorized under Section 37-23-31 for deaf, aphasic and
225 emotionally disturbed children or any regular nonstudent bus
226 driver retiring after September 30, 1999, shall be eligible to
227 continue life insurance coverage in an amount of Five Thousand

228 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
229 Thousand Dollars (\$20,000.00) into retirement.

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

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

241 (6) Any premium differentials, differences in coverages,
242 discounts determined by risk or by any other factors shall be
243 uniformly applied to all active employees participating in the
244 insurance plan. It is the intent of the Legislature that the
245 state contribution to the plan be the same for each employee
246 throughout the state.

247 (7) On October 1, 1999, any school district,
248 community/junior college district or public library may elect to
249 remain with an existing policy or policies of group life insurance
250 with an insurance company approved by the State and School
251 Employees Health Insurance Management Board, in lieu of
252 participation in the State and School Life Insurance Plan. On or
253 after July 1, 2004, until October 1, 2004, any school district,
254 community/junior college district or public library may elect to
255 choose a policy or policies of group life insurance existing on
256 October 1, 1999, with an insurance company approved by the State
257 and School Employees Health Insurance Management Board in lieu of
258 participation in the State and School Life Insurance Plan. The
259 state's contribution of up to fifty percent (50%) of the active
260 employee's premium under the State and School Life Insurance Plan

261 may be applied toward the cost of coverage for full-time employees
262 participating in the approved life insurance company group plan.
263 For purposes of this subsection (7), "life insurance company group
264 plan" means a plan administered or sold by a private insurance
265 company. After October 1, 1999, the board may assess charges in
266 addition to the existing State and School Life Insurance Plan
267 rates to such employees as a condition of enrollment in the State
268 and School Life Insurance Plan. In order for any life insurance
269 company group plan to be approved by the State and School
270 Employees Health Insurance Management Board under this subsection
271 (7), it shall meet the following criteria:

272 (a) The insurance company offering the group life
273 insurance plan shall be rated "A-" or better by A.M. Best state
274 insurance rating service and be licensed as an admitted carrier in
275 the State of Mississippi by the Mississippi Department of
276 Insurance.

277 (b) The insurance company group life insurance plan
278 shall provide the same life insurance, accidental death and
279 dismemberment insurance and waiver of premium benefits as provided
280 in the State and School Life Insurance Plan.

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

284 (d) The insurance company group life insurance plan
285 shall have one (1) composite rate per One Thousand Dollars
286 (\$1,000.00) of coverage for active employees regardless of age and
287 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
288 coverage for all retirees regardless of age or type of retiree.

289 (e) The insurance company and its group life insurance
290 plan shall comply with any administrative requirements of the
291 State and School Employees Health Insurance Management Board. In
292 the event any insurance company providing group life insurance
293 benefits to employees under this subsection (7) fails to comply

294 with any requirements specified herein or any administrative
295 requirements of the board, the state shall discontinue providing
296 funding for the cost of such insurance.

297 (8) The board shall design and offer a plan of long-term
298 care insurance for active and retired employees which shall
299 provide benefits that include, but are not limited to, home health
300 services, assisted living services and nursing home services. The
301 plan shall also provide inflation protection to ensure that the
302 plan continues to provide meaningful benefits in the future. The
303 board may employ or contract for such consulting or actuarial
304 services as may be necessary to formulate the plan.

305 **[From and after July 1 of the year in which Section 25-11-143**
306 **becomes effective as provided in subsection (1) of Section**
307 **25-11-143, this section shall read as follows:]**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

518 (d) The insurance company group life insurance plan
519 shall have one (1) composite rate per One Thousand Dollars
520 (\$1,000.00) of coverage for active employees regardless of age.

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

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

529 (8) The board shall design and offer a plan of long-term
530 care insurance for active and retired employees which provides
531 benefits that include, but are not limited to, home health
532 services, assisted living services and nursing home services. The
533 plan shall also provide inflation protection to ensure that the
534 plan continues to provide meaningful benefits in the future. The
535 board may employ or contract for such consulting or actuarial
536 services as may be necessary to formulate the plan.

537 **SECTION 2.** (1) A taxpayer shall be allowed a credit against
538 the income taxes imposed under this chapter in an amount equal to
539 twenty-five percent (25%) of the premium costs paid during the
540 taxable year for a qualified long-term care insurance policy as
541 defined in Section 7702B of the Internal Revenue Code that offers
542 coverage to either the individual, the individual's spouse, the
543 individual's parent or parent-in-law, or the individual's
544 dependent as defined in Section 152 of the Internal Revenue Code.

545 (2) No taxpayer shall be entitled to the credit with respect
546 to the same expended amounts for qualified long-term care
547 insurance which are claimed by another taxpayer.

548 (3) The credit allowed by this section shall not exceed Five
549 Hundred Dollars (\$500.00) or the taxpayer's income tax liability,
550 whichever is less, for each qualified long-term care insurance
551 policy. Nevertheless, if a taxpayer's income tax liability is
552 less than the amount of the credit that could be claimed in that
553 year, the taxpayer's spouse or dependent may claim any unused
554 portion of the credit as a credit against the spouse's or
555 dependent's tax liability for the same year. Any unused tax

556 credit shall not be allowed to be carried forward to apply to the
557 taxpayer's succeeding year's tax liability.

558 (4) No credit shall be allowed under this section with
559 respect to any premium for qualified long-term care insurance
560 either deducted or subtracted by the taxpayer in arriving at his
561 net taxable income under this section or with respect to any
562 premiums for qualified long-term care insurance which were
563 excluded from his net taxable income.

564 **SECTION 3.** Section 2 of this act shall be codified in
565 Chapter 7, Title 27, Mississippi Code of 1972.

566 **SECTION 4.** This act shall take effect and be in force from
567 and after July 1, 2007.