

By: Senator(s) Robertson

To: Insurance

SENATE BILL NO. 2939

1 AN ACT TO CREATE A NEW SECTION TO ALLOW ANY STATE AGENCY,
2 UNIVERSITY, SCHOOL DISTRICT, COMMUNITY COLLEGE, PUBLIC LIBRARY, OR
3 UNIVERSITY-BASED PROGRAM FOR DEAF, APHASIC AND EMOTIONALLY
4 DISTURBED CHILDREN, TO CHOOSE A POLICY OR POLICIES OF GROUP LIFE
5 INSURANCE WITH AN INSURANCE COMPANY LICENSED BY THE DEPARTMENT OF
6 INSURANCE; TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
7 DELETE THE PROVISIONS RELATING TO THE STATE AND SCHOOL EMPLOYEES
8 LIFE INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** (1) On or after January 1, 2008, any state
11 agency, university, school district, community/junior college
12 district, public library, or university-based program authorized
13 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
14 children, shall contract for a policy or policies of group term
15 life insurance with an insurance company licensed by the
16 Department of Insurance.

17 (2) The schedule of group term life insurance benefits of
18 this policy or policies shall be as follows: The amount of term
19 life insurance for each active employee of a department, agency or
20 institution of the state government shall not be in excess of One
21 Hundred Thousand Dollars (\$100,000.00), or twice the amount of the
22 employee's annual wage to the next highest One Thousand Dollars
23 (\$1,000.00), whichever may be less, but in no case less than
24 Thirty Thousand Dollars (\$30,000.00), with a like amount for
25 accidental death and dismemberment on a twenty-four-hour basis.
26 The plan will further contain a premium waiver provision if a
27 covered employee becomes totally and permanently disabled prior to
28 age sixty-five (65) years.

29 (3) The state shall contribute fifty percent (50%) of the
30 active employee's premium for such group term life insurance, but

31 in no event shall the state's contribution per employee exceed
32 Twelve Cents (\$0.12) per One Thousand Dollars (\$1,000.00) in
33 benefits or Twelve Dollars (\$12.00) per month, whichever is less.

34 (4) Employees retiring after January 1, 2008, shall be
35 eligible to continue life insurance coverage in an amount of Five
36 Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or
37 Twenty Thousand Dollars (\$20,000.00), at their option and at their
38 cost.

39 **SECTION 2.** Section 25-15-9, Mississippi Code of 1972, is
40 amended as follows:

41 **[Through June 30 of the year in which Section 25-11-143**
42 **becomes effective as provided in subsection (1) of Section**
43 **25-11-143, this section shall read as follows:]**

44 25-15-9. (1) (a) The board shall design a plan of health
45 insurance for state employees which provides benefits for
46 semiprivate rooms in addition to other incidental coverages which
47 the board deems necessary. The amount of the coverages shall be
48 in such reasonable amount as may be determined by the board to be
49 adequate, after due consideration of current health costs in
50 Mississippi. The plan shall also include major medical benefits
51 in such amounts as the board shall determine. The board is also
52 authorized to accept bids for such alternate coverage and optional
53 benefits as the board shall deem proper. Any contract for
54 alternative coverage and optional benefits shall be awarded by the
55 board after it has carefully studied and evaluated the bids and
56 selected the best and most cost-effective bid. The board may
57 reject all such bids; however, the board shall notify all bidders
58 of the rejection and shall actively solicit new bids if all bids
59 are rejected. The board may employ or contract for such
60 consulting or actuarial services as may be necessary to formulate
61 the plan, and to assist the board in the preparation of
62 specifications and in the process of advertising for the bids for
63 the plan. Such contracts shall be solicited and entered into in

64 accordance with Section 25-15-5. The board shall keep a record of
65 all persons, agents and corporations who contract with or assist
66 the board in preparing and developing the plan. The board in a
67 timely manner shall provide copies of this record to the members
68 of the advisory council created in this section and those
69 legislators, or their designees, who may attend meetings of the
70 advisory council. The board shall provide copies of this record
71 in the solicitation of bids for the administration or servicing of
72 the self-insured program. Each person, agent or corporation
73 which, during the previous fiscal year, has assisted in the
74 development of the plan or employed or compensated any person who
75 assisted in the development of the plan, and which bids on the
76 administration or servicing of the plan, shall submit to the board
77 a statement accompanying the bid explaining in detail its
78 participation with the development of the plan. This statement
79 shall include the amount of compensation paid by the bidder to any
80 such employee during the previous fiscal year. The board shall
81 make all such information available to the members of the advisory
82 council and those legislators, or their designees, who may attend
83 meetings of the advisory council before any action is taken by the
84 board on the bids submitted. The failure of any bidder to fully
85 and accurately comply with this paragraph shall result in the
86 rejection of any bid submitted by that bidder or the cancellation
87 of any contract executed when the failure is discovered after the
88 acceptance of that bid. The board is authorized to promulgate
89 rules and regulations to implement the provisions of this
90 subsection.

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

94 Any corporation, association, company or individual that
95 contracts with the board for the third-party claims administration
96 of the self-insured plan shall prepare and keep on file an

97 explanation of benefits for each claim processed. The explanation
98 of benefits shall contain such information relative to each
99 processed claim which the board deems necessary, and, at a
100 minimum, each explanation shall provide the claimant's name, claim
101 number, provider number, provider name, service dates, type of
102 services, amount of charges, amount allowed to the claimant and
103 reason codes. The information contained in the explanation of
104 benefits shall be available for inspection upon request by the
105 board. The board shall have access to all claims information
106 utilized in the issuance of payments to employees and providers.

107 (b) There is created an advisory council to advise the
108 board in the formulation of the State and School Employees Health
109 Insurance Plan. The council shall be composed of the State
110 Insurance Commissioner or his designee, an employee-representative
111 of the institutions of higher learning appointed by the board of
112 trustees thereof, an employee-representative of the Department of
113 Transportation appointed by the director thereof, an
114 employee-representative of the State Tax Commission appointed by
115 the Commissioner of Revenue, an employee-representative of the
116 Mississippi Department of Health appointed by the State Health
117 Officer, an employee-representative of the Mississippi Department
118 of Corrections appointed by the Commissioner of Corrections, and
119 an employee-representative of the Department of Human Services
120 appointed by the Executive Director of Human Services, two (2)
121 certificated public school administrators appointed by the State
122 Board of Education, two (2) certificated classroom teachers
123 appointed by the State Board of Education, a noncertificated
124 school employee appointed by the State Board of Education and a
125 community/junior college employee appointed by the State Board for
126 Community and Junior Colleges.

127 The Lieutenant Governor may designate the Secretary of the
128 Senate, the Chairman of the Senate Appropriations Committee, the
129 Chairman of the Senate Education Committee and the Chairman of the

130 Senate Insurance Committee, and the Speaker of the House of
131 Representatives may designate the Clerk of the House, the Chairman
132 of the House Appropriations Committee, the Chairman of the House
133 Education Committee and the Chairman of the House Insurance
134 Committee, to attend any meeting of the State and School Employees
135 Insurance Advisory Council. The appointing authorities may
136 designate an alternate member from their respective houses to
137 serve when the regular designee is unable to attend such meetings
138 of the council. Such designees shall have no jurisdiction or vote
139 on any matter within the jurisdiction of the council. For
140 attending meetings of the council, such legislators shall receive
141 per diem and expenses which shall be paid from the contingent
142 expense funds of their respective houses in the same amounts as
143 provided for committee meetings when the Legislature is not in
144 session; however, no per diem and expenses for attending meetings
145 of the council will be paid while the Legislature is in session.
146 No per diem and expenses will be paid except for attending
147 meetings of the council without prior approval of the proper
148 committee in their respective houses.

149 (c) No change in the terms of the State and School
150 Employees Health Insurance Plan may be made effective unless the
151 board, or its designee, has provided notice to the State and
152 School Employees Health Insurance Advisory Council and has called
153 a meeting of the council at least fifteen (15) days before the
154 effective date of such change. In the event that the State and
155 School Employees Health Insurance Advisory Council does not meet
156 to advise the board on the proposed changes, the changes to the
157 plan shall become effective at such time as the board has informed
158 the council that the changes shall become effective.

159 (d) **Medical benefits for retired employees and**
160 **dependents under age sixty-five (65) years and not eligible for**
161 **Medicare benefits.** For employees who retire before July 1, 2005,
162 and for employees retiring due to work-related disability under

163 the Public Employees' Retirement System, the same health insurance
164 coverage as for all other active employees and their dependents
165 shall be available to retired employees and all dependents under
166 age sixty-five (65) years who are not eligible for Medicare
167 benefits, the level of benefits to be the same level as for all
168 other active participants. For employees who retire on or after
169 July 1, 2005, and not retiring due to work-related disability
170 under the Public Employees' Retirement System, the same health
171 insurance coverage as for all other active employees and their
172 dependents shall be available to such retiring employees and all
173 dependents under age sixty-five (65) years who are not eligible
174 for Medicare benefits only if the retiring employees were
175 participants in the State and School Employees Health Insurance
176 Plan for four (4) years or more before their retirement, the level
177 of benefits to be the same level as for all other active
178 participants. This section will apply to those employees who
179 retire due to one hundred percent (100%) medical disability as
180 well as those employees electing early retirement.

181 (e) **Medical benefits for retired employees and**
182 **dependents over age sixty-five (65) years or otherwise eligible**
183 **for Medicare benefits.** For employees who retire before July 1,
184 2005, and for employees retiring due to work-related disability
185 under the Public Employees' Retirement System, the health
186 insurance coverage available to retired employees over age
187 sixty-five (65) years or otherwise eligible for Medicare benefits,
188 and all dependents over age sixty-five (65) years or otherwise
189 eligible for Medicare benefits, shall be the major medical
190 coverage with the lifetime maximum of One Million Dollars
191 (\$1,000,000.00). For employees retiring on or after July 1, 2005,
192 and not retiring due to work-related disability under the Public
193 Employees' Retirement System, the health insurance coverage
194 described herein shall be available to such retiring employees
195 only if they were participants in the State and School Employees

196 Health Insurance Plan for four (4) years or more and are over age
197 sixty-five (65) years or otherwise eligible for Medicare benefits,
198 and to all dependents over age sixty-five (65) years or otherwise
199 eligible for Medicare benefits. Benefits shall be reduced by
200 Medicare benefits as though such Medicare benefits were the base
201 plan.

202 All covered individuals shall be assumed to have full
203 Medicare coverage, Parts A and B; and any Medicare payments under
204 both Parts A and B shall be computed to reduce benefits payable
205 under this plan.

206 (2) Nonduplication of benefits--reduction of benefits by
207 Title XIX benefits: When benefits would be payable under more
208 than one (1) group plan, benefits under those plans will be
209 coordinated to the extent that the total benefits under all plans
210 will not exceed the total expenses incurred.

211 Benefits for hospital or surgical or medical benefits shall
212 be reduced by any similar benefits payable in accordance with
213 Title XIX of the Social Security Act or under any amendments
214 thereto, or any implementing legislation.

215 Benefits for hospital or surgical or medical benefits shall
216 be reduced by any similar benefits payable by workers'
217 compensation.

218 * * *

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

221 (4) Any premium differentials, differences in coverages,
222 discounts determined by risk or by any other factors shall be
223 uniformly applied to all active employees participating in the
224 insurance plan. It is the intent of the Legislature that the
225 state contribution to the plan be the same for each employee
226 throughout the state.

227 * * *

228 **[From and after July 1 of the year in which Section 25-11-143**
229 **becomes effective as provided in subsection (1) of Section**
230 **25-11-143, this section shall read as follows:]**

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232 insurance for state employees that provides benefits for
233 semiprivate rooms in addition to other incidental coverages that
234 the board deems necessary. The amount of the coverages shall be
235 in such reasonable amount as may be determined by the board to be
236 adequate, after due consideration of current health costs in
237 Mississippi. The plan shall also include major medical benefits
238 in such amounts as the board shall determine. The board is also
239 authorized to accept bids for such alternate coverage and optional
240 benefits as the board deems proper. Any contract for alternative
241 coverage and optional benefits shall be awarded by the board after
242 it has carefully studied and evaluated the bids and selected the
243 best and most cost-effective bid. The board may reject all such
244 bids; however, the board shall notify all bidders of the rejection
245 and shall actively solicit new bids if all bids are rejected. The
246 board may employ or contract for such consulting or actuarial
247 services as may be necessary to formulate the plan, and to assist
248 the board in the preparation of specifications and in the process
249 of advertising for the bids for the plan. Those contracts shall
250 be solicited and entered into in accordance with Section 25-15-5.
251 The board shall keep a record of all persons, agents and
252 corporations who contract with or assist the board in preparing
253 and developing the plan. The board in a timely manner shall
254 provide copies of this record to the members of the advisory
255 council created in this section and those legislators, or their
256 designees, who may attend meetings of the advisory council. The
257 board shall provide copies of this record in the solicitation of
258 bids for the administration or servicing of the self-insured
259 program. Each person, agent or corporation that, during the
260 previous fiscal year, has assisted in the development of the plan

261 or employed or compensated any person who assisted in the
262 development of the plan, and that bids on the administration or
263 servicing of the plan, shall submit to the board a statement
264 accompanying the bid explaining in detail its participation with
265 the development of the plan. This statement shall include the
266 amount of compensation paid by the bidder to any such employee
267 during the previous fiscal year. The board shall make all such
268 information available to the members of the advisory council and
269 those legislators, or their designees, who may attend meetings of
270 the advisory council before any action is taken by the board on
271 the bids submitted. The failure of any bidder to fully and
272 accurately comply with this paragraph shall result in the
273 rejection of any bid submitted by that bidder or the cancellation
274 of any contract executed when the failure is discovered after the
275 acceptance of that bid. The board is authorized to promulgate
276 rules and regulations to implement the provisions of this
277 subsection.

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

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282 contracts with the board for the third-party claims administration
283 of the self-insured plan shall prepare and keep on file an
284 explanation of benefits for each claim processed. The explanation
285 of benefits shall contain such information relative to each
286 processed claim which the board deems necessary, and, at a
287 minimum, each explanation shall provide the claimant's name, claim
288 number, provider number, provider name, service dates, type of
289 services, amount of charges, amount allowed to the claimant and
290 reason codes. The information contained in the explanation of
291 benefits shall be available for inspection upon request by the
292 board. The board shall have access to all claims information
293 utilized in the issuance of payments to employees and providers.

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295 board in the formulation of the State and School Employees Health
296 Insurance Plan. The council shall be composed of the State
297 Insurance Commissioner or his designee, an employee-representative
298 of the state institutions of higher learning appointed by the
299 board of trustees thereof, an employee-representative of the
300 Mississippi Department of Transportation appointed by the director
301 thereof, an employee-representative of the State Tax Commission
302 appointed by the Commissioner of Revenue, an
303 employee-representative of the State Department of Health
304 appointed by the State Health Officer, an employee-representative
305 of the Mississippi Department of Corrections appointed by the
306 Commissioner of Corrections, and an employee-representative of the
307 Mississippi Department of Human Services appointed by the
308 Executive Director of Human Services, two (2) certificated public
309 school administrators appointed by the State Board of Education,
310 two (2) certificated classroom teachers appointed by the State
311 Board of Education, a noncertificated school employee appointed by
312 the State Board of Education and a community/junior college
313 employee appointed by the State Board for Community and Junior
314 Colleges.

315 The Lieutenant Governor may designate the Secretary of the
316 Senate, the Chairman of the Senate Appropriations Committee, the
317 Chairman of the Senate Education Committee and the Chairman of the
318 Senate Insurance Committee, and the Speaker of the House of
319 Representatives may designate the Clerk of the House, the Chairman
320 of the House Appropriations Committee, the Chairman of the House
321 Education Committee and the Chairman of the House Insurance
322 Committee, to attend any meeting of the State and School Employees
323 Insurance Advisory Council. The appointing authorities may
324 designate an alternate member from their respective houses to
325 serve when the regular designee is unable to attend such meetings
326 of the council. Those designees shall have no jurisdiction or

327 vote on any matter within the jurisdiction of the council. For
328 attending meetings of the council, those legislators shall receive
329 per diem and expenses, which shall be paid from the contingent
330 expense funds of their respective houses in the same amounts as
331 provided for committee meetings when the Legislature is not in
332 session; however, no per diem and expenses for attending meetings
333 of the council will be paid while the Legislature is in session.
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335 meetings of the council without prior approval of the proper
336 committee in their respective houses.

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338 Employees Health Insurance Plan may be made effective unless the
339 board, or its designee, has provided notice to the State and
340 School Employees Health Insurance Advisory Council and has called
341 a meeting of the council at least fifteen (15) days before the
342 effective date of the change. If the State and School Employees
343 Health Insurance Advisory Council does not meet to advise the
344 board on the proposed changes, the changes to the plan will become
345 effective at such time as the board has informed the council that
346 the changes will become effective.

347 (2) Nonduplication of benefits--reduction of benefits by
348 Title XIX benefits: When benefits would be payable under more
349 than one (1) group plan, benefits under those plans will be
350 coordinated to the extent that the total benefits under all plans
351 will not exceed the total expenses incurred.

352 Benefits for hospital or surgical or medical benefits shall
353 be reduced by any similar benefits payable in accordance with
354 Title XIX of the Social Security Act or under any amendments
355 thereto, or any implementing legislation.

356 Benefits for hospital or surgical or medical benefits shall
357 be reduced by any similar benefits payable by workers'
358 compensation.

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

362 (4) Any premium differentials, differences in coverages,
363 discounts determined by risk or by any other factors shall be
364 uniformly applied to all active employees participating in the
365 insurance plan. It is the intent of the Legislature that the
366 state contribution to the plan be the same for each employee
367 throughout the state.

368 * * *

369 **SECTION 3.** This act shall take effect and be in force from
370 and after January 1, 2008.