

By: Representative Robinson

To: Appropriations

HOUSE BILL NO. 740
(As Passed the House)

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE STATE AND SCHOOL EMPLOYEES' HEALTH INSURANCE
3 MANAGEMENT BOARD TO IMPOSE A PREMIUM DIFFERENTIAL TO PARTICIPANTS
4 IN THE HEALTH INSURANCE PLAN BASED ON THE RISK FACTORS ASSOCIATED
5 WITH SMOKING; TO PROVIDE THAT THE AMOUNT OF ANY PREMIUM
6 DIFFERENTIAL SHALL NOT BE PAID BY THE STATE FOR ANY ACTIVE
7 EMPLOYEE, BUT SHALL BE PAID BY THE PARTICIPANT; TO BRING FORWARD
8 SECTION 25-15-9, MISSISSIPPI CODE OF 1972, FOR THE PURPOSES OF
9 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

11 **SECTION 1.** Section 25-15-15, 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 25-15-15. (1) The board is authorized to determine the
17 manner in which premiums and contributions by the state agencies,
18 local school districts, colleges, universities, community/junior
19 colleges and public libraries shall be collected to provide the
20 self-insured health insurance program for employees as provided
21 under this article. The state shall provide fifty percent (50%)
22 of the cost of the above life insurance plan for all active
23 full-time employees. The state shall provide one hundred percent
24 (100%) of the cost of the health insurance plan for active
25 full-time employees initially employed before January 1, 2006.
26 For active full-time employees initially employed on or after
27 January 1, 2006, the state shall provide one hundred percent
28 (100%) of the cost of a basic level of health insurance and the
29 employees may pay additional amounts to purchase additional
30 benefits or levels of coverage offered under the plan. All active



31 full-time employees shall be given the opportunity to purchase
32 coverage for their eligible dependents with the premiums for such
33 dependent coverage, as well as the employee's fifty percent (50%)
34 share for his life insurance coverage, to be deductible from the
35 employee's salary by the agency, department or institution head,
36 which deductions, together with the fifty percent (50%) share of
37 such life insurance premiums of such employing agency, department
38 or institution head from funds appropriated to or authorized to be
39 expended by the employing agency, department or institution head,
40 shall be deposited directly into a depository bank or special fund
41 in the State Treasury, as determined by the board. These funds
42 and interest earned on these funds may be used for the
43 disbursement of claims and shall be exempt from the appropriation
44 process.

45 (2) The state shall provide annually, by line item in the
46 Mississippi Library Commission appropriation bill, such funds to
47 pay one hundred percent (100%) of the cost of health insurance
48 under the State and School Employees Health Insurance Plan for
49 full-time library staff members in each public library in
50 Mississippi initially employed before January 1, 2006. For
51 full-time library staff members initially employed on or after
52 January 1, 2006, the state shall provide one hundred percent
53 (100%) of the cost of a basic level of health insurance under the
54 State and School Employees Health Insurance Plan and the employees
55 may pay additional amounts to purchase additional benefits or
56 levels of coverage offered under the plan. The commission shall
57 allot to each public library a sufficient amount of those funds
58 appropriated to pay the costs of insurance for eligible employees.
59 Any funds so appropriated by line item which are not expended
60 during the fiscal year for which such funds were appropriated
61 shall be carried forward for the same purposes during the next
62 succeeding fiscal year. If any premiums for the health insurance
63 and/or late charges and interest penalties are not paid by a



64 public library in a timely manner, as defined by the board, the
65 Mississippi Library Commission, upon notice by the board, shall
66 immediately withhold all subsequent disbursements of funds to that
67 public library.

68 (3) The state shall annually provide one hundred percent
69 (100%) of the cost of the health insurance plan for public school
70 district employees who work no less than twenty (20) hours during
71 each week and regular nonstudent school bus drivers, if such
72 employees and school bus drivers were initially employed before
73 January 1, 2006. For such employees and school bus drivers
74 initially employed on or after January 1, 2006, the state shall
75 provide one hundred percent (100%) of the cost of a basic level of
76 health insurance under the State and School Employees Health
77 Insurance Plan and the employees may pay additional amounts to
78 purchase additional benefits or levels of coverage offered under
79 the plan. Where federal funding is allowable to defray, in full
80 or in part, the cost of participation in the program by district
81 employees who work no less than twenty (20) hours during the week
82 and regular nonstudent bus drivers, whose salaries are paid, in
83 full or in part, by federal funds, the allowance under this
84 section shall be reduced to the extent of such federal funding.
85 Where the use of federal funds is allowable but not available, it
86 is the intent of the Legislature that school districts contribute
87 the cost of participation for such employees from local funds,
88 except that parent fees for child nutrition programs shall not be
89 increased to cover such cost.

90 (4) The state shall provide annually, by line item in the
91 community/junior college appropriation bill, such funds to pay one
92 hundred percent (100%) of the cost of the health insurance plan
93 for community/junior college district employees initially employed
94 before January 1, 2006, who work no less than twenty (20) hours
95 during each week. For such employees initially employed on or
96 after January 1, 2006, the state shall provide one hundred percent



97 (100%) of the cost of a basic level of health insurance under the
98 State and School Employees Health Insurance Plan and the employees
99 may pay additional amounts to purchase additional benefits or
100 levels of coverage offered under the plan.

101 (5) When the use of federal funding is allowable to defray,
102 in full or in part, the cost of participation in the insurance
103 plan by community/junior college district employees who work no
104 less than twenty (20) hours during each week, whose salaries are
105 paid, in full or in part, by federal funds, the allowance under
106 this section shall be reduced to the extent of the federal
107 funding. Where the use of federal funds is allowable but not
108 available, it is the intent of the Legislature that
109 community/junior college districts contribute the cost of
110 participation for such employees from local funds.

111 (6) Any community/junior college district may contribute to
112 the cost of coverage for any district employee from local
113 community/junior college district funds, and any public school
114 district may contribute to the cost of coverage for any district
115 employee from nonminimum program funds. Any part of the cost of
116 such coverage for participating employees of public school
117 districts and public community/junior college districts that is
118 not paid by the state shall be paid by the participating
119 employees, which shall be deducted from the salaries of the
120 employees in a manner determined by the board.

121 (7) Any funds appropriated for the cost of insurance by line
122 item in the community/junior colleges appropriation bill which are
123 not expended during the fiscal year for which such funds were
124 appropriated shall be carried forward for the same purposes during
125 the next succeeding fiscal year.

126 (8) The board may establish and enforce late charges and
127 interest penalties or other penalties for the purpose of requiring
128 the prompt payment of all premiums for life and health insurance
129 permitted under Chapter 15 of Title 25. All funds in excess of



130 the amount needed for disbursement of claims shall be deposited in
131 a special fund in the State Treasury to be known as the State and
132 School Employees Insurance Fund. The State Treasurer shall invest
133 all funds in the State and School Employees Insurance Fund and all
134 interest earned shall be credited to the State and School
135 Employees Insurance Fund. Such funds shall be placed with one or
136 more depositories of the state and invested on the first day such
137 funds are available for investment in certificates of deposit,
138 repurchase agreements or in United States Treasury bills or as
139 otherwise authorized by law for the investment of Public
140 Employees' Retirement System funds, as long as such investment is
141 made from competitive offering and at the highest and best market
142 rate obtainable consistent with any available investment
143 alternatives; however, such investments shall not be made in
144 shares of stock, common or preferred, or in any other investments
145 which would mature more than one (1) year from the date of
146 investment. The board shall have the authority to draw from this
147 fund periodically such funds as are necessary to operate the
148 self-insurance plan or to pay to the insurance carrier the cost of
149 operation of this plan, it being the purpose to limit the amount
150 of participation by the state to fifty percent (50%) of the cost
151 of the life insurance program and not to limit the contracting for
152 additional benefits where the cost will be paid in full by the
153 employee. The state shall not share in the cost of coverage for
154 retired employees.

155 (9) The board shall have the authority to impose a premium
156 differential to participants in the health insurance plan based on
157 the risk factors associated with smoking, as defined in Section
158 29-5-161. The amount of any premium differential shall not be
159 paid by the state for any active employee, but shall be paid by
160 the participant.

161 (10) The board shall also provide for the creation of an
162 Insurance Reserve Fund and funds therein shall be invested by the



163 State Treasurer with all interest earned credited to the State and
164 School Employees Insurance Fund.

165 (11) Any retired employee electing to purchase retired life
166 and health insurance will have the full cost of such insurance
167 deducted monthly from his State of Mississippi retirement plan
168 check or direct billed for the cost of the premium if the
169 retirement check is insufficient to pay for the premium. If the
170 board determines actuarially that the premium paid by the
171 participating retirees adversely affects the overall cost of the
172 plan to the state, then the board may impose a premium surcharge,
173 not to exceed fifteen percent (15%), upon such participating
174 retired employees who are under the age for Medicare eligibility
175 and who were initially employed before January 1, 2006. For
176 participating retired employees who are under the age for Medicare
177 eligibility and who were initially employed on or after January 1,
178 2006, the board may impose a premium surcharge in an amount the
179 board determines actuarially to cover the full cost of insurance.

180 **[From and after July 1 of the year in which Section 25-11-143**
181 **becomes effective as provided in subsection (1) of Section**
182 **25-11-143, this section shall read as follows:]**

183 25-15-15. (1) The board may determine the manner in which
184 premiums and contributions by the state agencies, local school
185 districts, colleges, universities, community/junior colleges and
186 public libraries will be collected to provide the self-insured
187 health insurance program for employees as provided under this
188 article. The state shall provide fifty percent (50%) of the cost
189 of the above life insurance plan for all active full-time
190 employees. The state shall provide one hundred percent (100%) of
191 the cost of the health insurance plan for active full-time
192 employees initially employed before January 1, 2006. For active
193 full-time employees initially employed on or after January 1,
194 2006, the state shall provide one hundred percent (100%) of the
195 cost of a basic level of health insurance and the employees may



196 pay additional amounts to purchase additional benefits or levels
197 of coverage offered under the plan. All active full-time
198 employees shall be given the opportunity to purchase coverage for
199 their eligible dependents with the premiums for the dependent
200 coverage, as well as the employee's fifty percent (50%) share for
201 his life insurance coverage, to be deductible from the employee's
202 salary by the agency, department or institution head. Those
203 deductions, together with the fifty percent (50%) share of the
204 life insurance premiums of the employing agency, department or
205 institution head from funds appropriated to or authorized to be
206 expended by the employing agency, department or institution head,
207 shall be deposited directly into a depository bank or special fund
208 in the State Treasury, as determined by the board. These funds
209 and interest earned on these funds may be used for the
210 disbursement of claims and shall be exempt from the appropriation
211 process.

212 (2) The state shall provide annually, by line item in the
213 Mississippi Library Commission appropriation bill, the funds to
214 pay one hundred percent (100%) of the cost of health insurance
215 under the State and School Employees Health Insurance Plan for all
216 full-time library staff members in each public library in
217 Mississippi initially employed before January 1, 2006. For
218 full-time library staff members initially employed on or after
219 January 1, 2006, the state shall provide one hundred percent
220 (100%) of the cost of a basic level of health insurance under the
221 State and School Employees Health Insurance Plan and the employees
222 may pay additional amounts to purchase additional benefits or
223 levels of coverage offered under the plan. The commission shall
224 allot to each public library a sufficient amount of those funds
225 appropriated to pay the costs of insurance for eligible employees.
226 Any funds so appropriated by line item that are not expended
227 during the fiscal year for which the funds were appropriated shall
228 be carried forward for the same purposes during the next



229 succeeding fiscal year. If any premiums for the health insurance
230 and/or late charges and interest penalties are not paid by a
231 public library in a timely manner, as defined by the board, the
232 Mississippi Library Commission, upon notice by the board, shall
233 immediately withhold all subsequent disbursements of funds to that
234 public library.

235 (3) The state shall annually provide one hundred percent
236 (100%) of the cost of the health insurance plan for public school
237 district employees who work no less than twenty (20) hours during
238 each week and regular nonstudent school bus drivers, if such
239 employees and school bus drivers were initially employed before
240 January 1, 2006. For such employees and school bus drivers
241 initially employed on or after January 1, 2006, the state shall
242 provide one hundred percent (100%) of the cost of a basic level of
243 health insurance under the State and School Employees Health
244 Insurance Plan and the employees may pay additional amounts to
245 purchase additional benefits or levels of coverage offered under
246 the plan. Where federal funding is allowable to defray, in full
247 or in part, the cost of participation in the program by district
248 employees who work no less than twenty (20) hours during the week
249 and regular nonstudent bus drivers, whose salaries are paid, in
250 full or in part, by federal funds, the allowance under this
251 section shall be reduced to the extent of that federal funding.
252 Where the use of federal funds is allowable but not available, it
253 is the intent of the Legislature that school districts contribute
254 the cost of participation for the employees from local funds,
255 except that parent fees for child nutrition programs shall not be
256 increased to cover that cost.

257 (4) The state shall provide annually, by line item in the
258 community/junior college appropriation bill, the funds to pay one
259 hundred percent (100%) of the cost of the health insurance plan
260 for community/junior college district employees initially employed
261 before January 1, 2006, who work no less than twenty (20) hours



262 during each week. For such employees initially employed on or
263 after January 1, 2006, the state shall provide one hundred percent
264 (100%) of the cost of a basic level of health insurance under the
265 State and School Employees Health Insurance Plan and the employees
266 may pay additional amounts to purchase additional benefits or
267 levels of coverage offered under the plan.

268 (5) When the use of federal funding is allowable to defray,
269 in full or in part, the cost of participation in the insurance
270 plan by community/junior college district employees who work no
271 less than twenty (20) hours during each week, whose salaries are
272 paid, in full or in part, by federal funds, the allowance under
273 this section shall be reduced to the extent of the federal
274 funding. Where the use of federal funds is allowable but not
275 available, it is the intent of the Legislature that
276 community/junior college districts contribute the cost of
277 participation for the employees from local funds.

278 (6) Any community/junior college district may contribute to
279 the cost of coverage for any district employee from local
280 community/junior college district funds, and any public school
281 district may contribute to the cost of coverage for any district
282 employee from nonminimum program funds. Any part of the cost of
283 the coverage for participating employees of public school
284 districts and public community/junior college districts that is
285 not paid by the state shall be paid by the participating
286 employees, which shall be deducted from the salaries of the
287 employees in a manner determined by the board.

288 (7) Any funds appropriated for the cost of insurance by line
289 item in the community/junior colleges appropriation bill that are
290 not expended during the fiscal year for which the funds were
291 appropriated shall be carried forward for the same purposes during
292 the next succeeding fiscal year.

293 (8) The board may establish and enforce late charges and
294 interest penalties or other penalties for the purpose of requiring



295 the prompt payment of all premiums for life and health insurance
296 permitted under Chapter 15 of Title 25. All funds in excess of
297 the amount needed for disbursement of claims shall be deposited in
298 a special fund in the State Treasury to be known as the State and
299 School Employees Insurance Fund. The State Treasurer shall invest
300 all funds in the State and School Employees Insurance Fund and all
301 interest earned shall be credited to the State and School
302 Employees Insurance Fund. Those funds shall be placed with one or
303 more depositories of the state and invested on the first day that
304 the funds are available for investment in certificates of deposit,
305 repurchase agreements or in United States Treasury bills or as
306 otherwise authorized by law for the investment of Public
307 Employees' Retirement System funds, as long as the investment is
308 made from competitive offering and at the highest and best market
309 rate obtainable consistent with any available investment
310 alternatives. However, those investments shall not be made in
311 shares of stock, common or preferred, or in any other investments
312 that would mature more than one (1) year from the date of
313 investment. The board shall have the authority to draw from this
314 fund periodically such funds as are necessary to operate the
315 self-insurance plan or to pay to the insurance carrier the cost of
316 operation of this plan, it being the purpose to limit the amount
317 of participation by the state to fifty percent (50%) of the cost
318 of the life insurance program and not to limit the contracting for
319 additional benefits where the cost will be paid in full by the
320 employee.

321 (9) The board shall have the authority to impose a premium
322 differential to participants in the health insurance plan based on
323 risk factors including, but not limited to, tobacco use. The
324 amount of any premium differential shall not be paid by the state
325 for any active employee, but shall be paid by the participant.

326 (10) The board shall also provide for the creation of an
327 Insurance Reserve Fund, and funds in the reserve fund shall be



328 invested by the State Treasurer with all interest earned credited
329 to the State and School Employees Insurance Fund.

330 **SECTION 2.** Section 25-15-9, Mississippi Code of 1972, is
331 brought forward as follows:

332 **[Through June 30 of the year in which Section 25-11-143**
333 **becomes effective as provided in subsection (1) of Section**
334 **25-11-143, this section shall read as follows:]**

335 25-15-9. (1) (a) The board shall design a plan of health
336 insurance for state employees that provides benefits for
337 semiprivate rooms in addition to other incidental coverages that
338 the board deems necessary. The amount of the coverages shall be
339 in such reasonable amount as may be determined by the board to be
340 adequate, after due consideration of current health costs in
341 Mississippi. The plan shall also include major medical benefits
342 in such amounts as the board determines. The board is also
343 authorized to accept bids for such alternate coverage and optional
344 benefits as the board deems proper. Any contract for alternative
345 coverage and optional benefits shall be awarded by the board after
346 it has carefully studied and evaluated the bids and selected the
347 best and most cost-effective bid. The board may reject all of the
348 bids; however, the board shall notify all bidders of the rejection
349 and shall actively solicit new bids if all bids are rejected. The
350 board may employ or contract for such consulting or actuarial
351 services as may be necessary to formulate the plan, and to assist
352 the board in the preparation of specifications and in the process
353 of advertising for the bids for the plan. Those contracts shall
354 be solicited and entered into in accordance with Section 25-15-5.
355 The board shall keep a record of all persons, agents and
356 corporations who contract with or assist the board in preparing
357 and developing the plan. The board in a timely manner shall
358 provide copies of this record to the members of the advisory
359 council created in this section and those legislators, or their
360 designees, who may attend meetings of the advisory council. The



361 board shall provide copies of this record in the solicitation of
362 bids for the administration or servicing of the self-insured
363 program. Each person, agent or corporation that, during the
364 previous fiscal year, has assisted in the development of the plan
365 or employed or compensated any person who assisted in the
366 development of the plan, and that bids on the administration or
367 servicing of the plan, shall submit to the board a statement
368 accompanying the bid explaining in detail its participation with
369 the development of the plan. This statement shall include the
370 amount of compensation paid by the bidder to any such employee
371 during the previous fiscal year. The board shall make all such
372 information available to the members of the advisory council and
373 those legislators, or their designees, who may attend meetings of
374 the advisory council before any action is taken by the board on
375 the bids submitted. The failure of any bidder to fully and
376 accurately comply with this paragraph shall result in the
377 rejection of any bid submitted by that bidder or the cancellation
378 of any contract executed when the failure is discovered after the
379 acceptance of that bid. The board is authorized to promulgate
380 rules and regulations to implement the provisions of this
381 subsection.

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

385 Any corporation, association, company or individual that
386 contracts with the board for the third-party claims administration
387 of the self-insured plan shall prepare and keep on file an
388 explanation of benefits for each claim processed. The explanation
389 of benefits shall contain such information relative to each
390 processed claim that the board deems necessary, and, at a minimum,
391 each explanation shall provide the claimant's name, claim number,
392 provider number, provider name, service dates, type of services,
393 amount of charges, amount allowed to the claimant and reason



394 codes. The information contained in the explanation of benefits
395 shall be available for inspection upon request by the board. The
396 board shall have access to all claims information utilized in the
397 issuance of payments to employees and providers.

398 (b) There is created an advisory council to advise the
399 board in the formulation of the State and School Employees Health
400 Insurance Plan. The council shall be composed of the State
401 Insurance Commissioner, or his designee, an
402 employee-representative of the institutions of higher learning
403 appointed by the board of trustees thereof, an
404 employee-representative of the Department of Transportation
405 appointed by the director thereof, an employee-representative of
406 the State Tax Commission appointed by the Commissioner of Revenue,
407 an employee-representative of the Mississippi Department of Health
408 appointed by the State Health Officer, an employee-representative
409 of the Mississippi Department of Corrections appointed by the
410 Commissioner of Corrections, and an employee-representative of the
411 Department of Human Services appointed by the Executive Director
412 of Human Services, two (2) certificated public school
413 administrators appointed by the State Board of Education, two (2)
414 certificated classroom teachers appointed by the State Board of
415 Education, a noncertificated school employee appointed by the
416 State Board of Education and a community/junior college employee
417 appointed by the State Board for Community and Junior Colleges.

418 The Lieutenant Governor may designate the Secretary of the
419 Senate, the Chairman of the Senate Appropriations Committee, the
420 Chairman of the Senate Education Committee and the Chairman of the
421 Senate Insurance Committee, and the Speaker of the House of
422 Representatives may designate the Clerk of the House, the Chairman
423 of the House Appropriations Committee, the Chairman of the House
424 Education Committee and the Chairman of the House Insurance
425 Committee, to attend any meeting of the State and School Employees
426 Insurance Advisory Council. The appointing authorities may



427 designate an alternate member from their respective houses to
428 serve when the regular designee is unable to attend the meetings
429 of the council. Those designees shall have no jurisdiction or
430 vote on any matter within the jurisdiction of the council. For
431 attending meetings of the council, the legislators shall receive
432 per diem and expenses, which shall be paid from the contingent
433 expense funds of their respective houses in the same amounts as
434 provided for committee meetings when the Legislature is not in
435 session; however, no per diem and expenses for attending meetings
436 of the council will be paid while the Legislature is in session.
437 No per diem and expenses will be paid except for attending
438 meetings of the council without prior approval of the proper
439 committee in their respective houses.

440 (c) No change in the terms of the State and School
441 Employees Health Insurance Plan may be made effective unless the
442 board, or its designee, has provided notice to the State and
443 School Employees Health Insurance Advisory Council and has called
444 a meeting of the council at least fifteen (15) days before the
445 effective date of the change. If the State and School Employees
446 Health Insurance Advisory Council does not meet to advise the
447 board on the proposed changes, the changes to the plan shall
448 become effective at such time as the board has informed the
449 council that the changes shall become effective.

450 (d) **Medical benefits for retired employees and**
451 **dependents under age sixty-five (65) years and not eligible for**
452 **Medicare benefits.** For employees who retire before July 1, 2005,
453 and for employees retiring due to work-related disability under
454 the Public Employees' Retirement System, the same health insurance
455 coverage as for all other active employees and their dependents
456 shall be available to retired employees and all dependents under
457 age sixty-five (65) years who are not eligible for Medicare
458 benefits, the level of benefits to be the same level as for all
459 other active participants. For employees who retire on or after



460 July 1, 2005, and not retiring due to work-related disability
461 under the Public Employees' Retirement System, the same health
462 insurance coverage as for all other active employees and their
463 dependents shall be available to those retiring employees and all
464 dependents under age sixty-five (65) years who are not eligible
465 for Medicare benefits only if the retiring employees were
466 participants in the State and School Employees Health Insurance
467 Plan for four (4) years or more before their retirement, the level
468 of benefits to be the same level as for all other active
469 participants. This section will apply to those employees who
470 retire due to one hundred percent (100%) medical disability as
471 well as those employees electing early retirement.

472 (e) **Medical benefits for retired employees and**
473 **dependents over age sixty-five (65) years or otherwise eligible**
474 **for Medicare benefits.** For employees who retire before July 1,
475 2005, and for employees retiring due to work-related disability
476 under the Public Employees' Retirement System, the health
477 insurance coverage available to retired employees over age
478 sixty-five (65) years or otherwise eligible for Medicare benefits,
479 and all dependents over age sixty-five (65) years or otherwise
480 eligible for Medicare benefits, shall be the major medical
481 coverage. For employees retiring on or after July 1, 2005, and
482 not retiring due to work-related disability under the Public
483 Employees' Retirement System, the health insurance coverage
484 described in this paragraph (e) shall be available to those
485 retiring employees only if they were participants in the State and
486 School Employees Health Insurance Plan for four (4) years or more
487 and are over age sixty-five (65) years or otherwise eligible for
488 Medicare benefits, and to all dependents over age sixty-five (65)
489 years or otherwise eligible for Medicare benefits. Benefits shall
490 be reduced by Medicare benefits as though the Medicare benefits
491 were the base plan.



492 All covered individuals shall be assumed to have full
493 Medicare coverage, Parts A and B; and any Medicare payments under
494 both Parts A and B shall be computed to reduce benefits payable
495 under this plan.

496 (f) Lifetime maximum: The lifetime maximum amount of
497 benefits payable under the health insurance plan for each
498 participant is Two Million Dollars (\$2,000,000.00).

499 (2) Nonduplication of benefits--reduction of benefits by
500 Title XIX benefits: When benefits would be payable under more
501 than one (1) group plan, benefits under those plans will be
502 coordinated to the extent that the total benefits under all plans
503 will not exceed the total expenses incurred.

504 Benefits for hospital or surgical or medical benefits shall
505 be reduced by any similar benefits payable in accordance with
506 Title XIX of the Social Security Act or under any amendments
507 thereto, or any implementing legislation.

508 Benefits for hospital or surgical or medical benefits shall
509 be reduced by any similar benefits payable by workers'
510 compensation.

511 (3) (a) Schedule of life insurance benefits--group term:
512 The amount of term life insurance for each active employee of a
513 department, agency or institution of the state government shall
514 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
515 twice the amount of the employee's annual wage to the next highest
516 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
517 case less than Thirty Thousand Dollars (\$30,000.00), with a like
518 amount for accidental death and dismemberment on a
519 twenty-four-hour basis. The plan will further contain a premium
520 waiver provision if a covered employee becomes totally and
521 permanently disabled before age sixty-five (65) years. Employees
522 retiring after June 30, 1999, shall be eligible to continue life
523 insurance coverage in an amount of Five Thousand Dollars



524 (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand
525 Dollars (\$20,000.00) into retirement.

526 (b) Effective October 1, 1999, schedule of life
527 insurance benefits--group term: The amount of term life insurance
528 for each active employee of any school district, community/junior
529 college, public library or university-based program authorized
530 under Section 37-23-31 for deaf, aphasic and emotionally disturbed
531 children or any regular nonstudent bus driver shall not be in
532 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
533 amount of the employee's annual wage to the next highest One
534 Thousand Dollars (\$1,000.00), whichever may be less, but in no
535 case less than Thirty Thousand Dollars (\$30,000.00), with a like
536 amount for accidental death and dismemberment on a
537 twenty-four-hour basis. The plan will further contain a premium
538 waiver provision if a covered employee of any school district,
539 community/junior college, public library or university-based
540 program authorized under Section 37-23-31 for deaf, aphasic and
541 emotionally disturbed children or any regular nonstudent bus
542 driver becomes totally and permanently disabled before age
543 sixty-five (65) years. Employees of any school district,
544 community/junior college, public library or university-based
545 program authorized under Section 37-23-31 for deaf, aphasic and
546 emotionally disturbed children or any regular nonstudent bus
547 driver retiring after September 30, 1999, shall be eligible to
548 continue life insurance coverage in an amount of Five Thousand
549 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty
550 Thousand Dollars (\$20,000.00) into retirement.

551 (4) Any eligible employee who on March 1, 1971, was
552 participating in a group life insurance program that has
553 provisions different from those included in this article and for
554 which the State of Mississippi was paying a part of the premium
555 may, at his discretion, continue to participate in that plan. The
556 employee shall pay in full all additional costs, if any, above the



557 minimum program established by this article. Under no
558 circumstances shall any individual who begins employment with the
559 state after March 1, 1971, be eligible for the provisions of this
560 subsection.

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

563 (6) Any premium differentials, differences in coverages,
564 discounts determined by risk or by any other factors shall be
565 uniformly applied to all active employees participating in the
566 insurance plan. It is the intent of the Legislature that the
567 state contribution to the plan be the same for each employee
568 throughout the state.

569 (7) On October 1, 1999, any school district,
570 community/junior college district or public library may elect to
571 remain with an existing policy or policies of group life insurance
572 with an insurance company approved by the State and School
573 Employees Health Insurance Management Board, in lieu of
574 participation in the State and School Life Insurance Plan. On or
575 after July 1, 2004, until October 1, 2004, any school district,
576 community/junior college district or public library may elect to
577 choose a policy or policies of group life insurance existing on
578 October 1, 1999, with an insurance company approved by the State
579 and School Employees Health Insurance Management Board in lieu of
580 participation in the State and School Life Insurance Plan. The
581 state's contribution of up to fifty percent (50%) of the active
582 employee's premium under the State and School Life Insurance Plan
583 may be applied toward the cost of coverage for full-time employees
584 participating in the approved life insurance company group plan.
585 For purposes of this subsection (7), "life insurance company group
586 plan" means a plan administered or sold by a private insurance
587 company. After October 1, 1999, the board may assess charges in
588 addition to the existing State and School Life Insurance Plan
589 rates to such employees as a condition of enrollment in the State



590 and School Life Insurance Plan. In order for any life insurance
591 company group plan to be approved by the State and School
592 Employees Health Insurance Management Board under this subsection
593 (7), it shall meet the following criteria:

594 (a) The insurance company offering the group life
595 insurance plan shall be rated "A-" or better by A.M. Best state
596 insurance rating service and be licensed as an admitted carrier in
597 the State of Mississippi by the Mississippi Department of
598 Insurance.

599 (b) The insurance company group life insurance plan
600 shall provide the same life insurance, accidental death and
601 dismemberment insurance and waiver of premium benefits as provided
602 in the State and School Life Insurance Plan.

603 (c) The insurance company group life insurance plan
604 shall be fully insured, and no form of self-funding life insurance
605 by the company shall be approved.

606 (d) The insurance company group life insurance plan
607 shall have one (1) composite rate per One Thousand Dollars
608 (\$1,000.00) of coverage for active employees regardless of age and
609 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
610 coverage for all retirees regardless of age or type of retiree.

611 (e) The insurance company and its group life insurance
612 plan shall comply with any administrative requirements of the
613 State and School Employees Health Insurance Management Board. If
614 any insurance company providing group life insurance benefits to
615 employees under this subsection (7) fails to comply with any
616 requirements specified in this subsection or any administrative
617 requirements of the board, the state shall discontinue providing
618 funding for the cost of that insurance.

619 **[From and after July 1 of the year in which Section 25-11-143**
620 **becomes effective as provided in subsection (1) of Section**
621 **25-11-143, this section shall read as follows:]**



622 25-15-9. (1) (a) The board shall design a plan of health
623 insurance for state employees that provides benefits for
624 semiprivate rooms in addition to other incidental coverages that
625 the board deems necessary. The amount of the coverages shall be
626 in such reasonable amount as may be determined by the board to be
627 adequate, after due consideration of current health costs in
628 Mississippi. The plan shall also include major medical benefits
629 in such amounts as the board determines. The board is also
630 authorized to accept bids for such alternate coverage and optional
631 benefits as the board deems proper. Any contract for alternative
632 coverage and optional benefits shall be awarded by the board after
633 it has carefully studied and evaluated the bids and selected the
634 best and most cost-effective bid. The board may reject all of the
635 bids; however, the board shall notify all bidders of the rejection
636 and shall actively solicit new bids if all bids are rejected. The
637 board may employ or contract for such consulting or actuarial
638 services as may be necessary to formulate the plan, and to assist
639 the board in the preparation of specifications and in the process
640 of advertising for the bids for the plan. Those contracts shall
641 be solicited and entered into in accordance with Section 25-15-5.
642 The board shall keep a record of all persons, agents and
643 corporations who contract with or assist the board in preparing
644 and developing the plan. The board in a timely manner shall
645 provide copies of this record to the members of the advisory
646 council created in this section and those legislators, or their
647 designees, who may attend meetings of the advisory council. The
648 board shall provide copies of this record in the solicitation of
649 bids for the administration or servicing of the self-insured
650 program. Each person, agent or corporation that, during the
651 previous fiscal year, has assisted in the development of the plan
652 or employed or compensated any person who assisted in the
653 development of the plan, and that bids on the administration or
654 servicing of the plan, shall submit to the board a statement



655 accompanying the bid explaining in detail its participation with
656 the development of the plan. This statement shall include the
657 amount of compensation paid by the bidder to any such employee
658 during the previous fiscal year. The board shall make all such
659 information available to the members of the advisory council and
660 those legislators, or their designees, who may attend meetings of
661 the advisory council before any action is taken by the board on
662 the bids submitted. The failure of any bidder to fully and
663 accurately comply with this paragraph shall result in the
664 rejection of any bid submitted by that bidder or the cancellation
665 of any contract executed when the failure is discovered after the
666 acceptance of that bid. The board is authorized to promulgate
667 rules and regulations to implement the provisions of this
668 subsection.

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

672 Any corporation, association, company or individual that
673 contracts with the board for the third-party claims administration
674 of the self-insured plan shall prepare and keep on file an
675 explanation of benefits for each claim processed. The explanation
676 of benefits shall contain such information relative to each
677 processed claim that the board deems necessary, and, at a minimum,
678 each explanation shall provide the claimant's name, claim number,
679 provider number, provider name, service dates, type of services,
680 amount of charges, amount allowed to the claimant and reason
681 codes. The information contained in the explanation of benefits
682 shall be available for inspection upon request by the board. The
683 board shall have access to all claims information utilized in the
684 issuance of payments to employees and providers.

685 (b) There is created an advisory council to advise the
686 board in the formulation of the State and School Employees Health
687 Insurance Plan. The council shall be composed of the State



688 Insurance Commissioner, or his designee, an
689 employee-representative of the state institutions of higher
690 learning appointed by the board of trustees thereof, an
691 employee-representative of the Mississippi Department of
692 Transportation appointed by the director thereof, an
693 employee-representative of the State Tax Commission appointed by
694 the Commissioner of Revenue, an employee-representative of the
695 State Department of Health appointed by the State Health Officer,
696 an employee-representative of the Mississippi Department of
697 Corrections appointed by the Commissioner of Corrections, and an
698 employee-representative of the Mississippi Department of Human
699 Services appointed by the Executive Director of Human Services,
700 two (2) certificated public school administrators appointed by the
701 State Board of Education, two (2) certificated classroom teachers
702 appointed by the State Board of Education, a noncertificated
703 school employee appointed by the State Board of Education and a
704 community/junior college employee appointed by the State Board for
705 Community and Junior Colleges.

706 The Lieutenant Governor may designate the Secretary of the
707 Senate, the Chairman of the Senate Appropriations Committee, the
708 Chairman of the Senate Education Committee and the Chairman of the
709 Senate Insurance Committee, and the Speaker of the House of
710 Representatives may designate the Clerk of the House, the Chairman
711 of the House Appropriations Committee, the Chairman of the House
712 Education Committee and the Chairman of the House Insurance
713 Committee, to attend any meeting of the State and School Employees
714 Insurance Advisory Council. The appointing authorities may
715 designate an alternate member from their respective houses to
716 serve when the regular designee is unable to attend the meetings
717 of the council. Those designees shall have no jurisdiction or
718 vote on any matter within the jurisdiction of the council. For
719 attending meetings of the council, the legislators shall receive
720 per diem and expenses, which shall be paid from the contingent



721 expense funds of their respective houses in the same amounts as
722 provided for committee meetings when the Legislature is not in
723 session; however, no per diem and expenses for attending meetings
724 of the council will be paid while the Legislature is in session.
725 No per diem and expenses will be paid except for attending
726 meetings of the council without prior approval of the proper
727 committee in their respective houses.

728 (c) No change in the terms of the State and School
729 Employees Health Insurance Plan may be made effective unless the
730 board, or its designee, has provided notice to the State and
731 School Employees Health Insurance Advisory Council and has called
732 a meeting of the council at least fifteen (15) days before the
733 effective date of the change. If the State and School Employees
734 Health Insurance Advisory Council does not meet to advise the
735 board on the proposed changes, the changes to the plan will become
736 effective at such time as the board has informed the council that
737 the changes will become effective.

738 (d) Lifetime maximum: The lifetime maximum amount of
739 benefits payable under the health insurance plan for each
740 participant is Two Million Dollars (\$2,000,000.00).

741 (2) Nonduplication of benefits--reduction of benefits by
742 Title XIX benefits: When benefits would be payable under more
743 than one (1) group plan, benefits under those plans will be
744 coordinated to the extent that the total benefits under all plans
745 will not exceed the total expenses incurred.

746 Benefits for hospital or surgical or medical benefits shall
747 be reduced by any similar benefits payable in accordance with
748 Title XIX of the Social Security Act or under any amendments
749 thereto, or any implementing legislation.

750 Benefits for hospital or surgical or medical benefits shall
751 be reduced by any similar benefits payable by workers'
752 compensation.



753 (3) (a) Schedule of life insurance benefits--group term:
754 The amount of term life insurance for each active employee of a
755 department, agency or institution of the state government shall
756 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
757 twice the amount of the employee's annual wage to the next highest
758 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
759 case less than Thirty Thousand Dollars (\$30,000.00), with a like
760 amount for accidental death and dismemberment on a
761 twenty-four-hour basis.

762 (b) Effective October 1, 1999, schedule of life
763 insurance benefits--group term: The amount of term life insurance
764 for each active employee of any school district, community/junior
765 college, public library, university-based program authorized under
766 Section 37-23-31 for deaf, aphasic and emotionally disturbed
767 children, or any regular nonstudent bus driver shall not be in
768 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the
769 amount of the employee's annual wage to the next highest One
770 Thousand Dollars (\$1,000.00), whichever may be less, but in no
771 case less than Thirty Thousand Dollars (\$30,000.00), with a like
772 amount for accidental death and dismemberment on a
773 twenty-four-hour basis. The plan will further contain a premium
774 waiver provision if a covered employee of any school district,
775 community/junior college, public library, university-based program
776 authorized under Section 37-23-31 for deaf, aphasic and
777 emotionally disturbed children, or any regular nonstudent bus
778 driver becomes totally and permanently disabled before age
779 sixty-five (65) years.

780 (4) Any eligible employee who on March 1, 1971, was
781 participating in a group life insurance program that has
782 provisions different from those included in this article and for
783 which the State of Mississippi was paying a part of the premium
784 may, at his discretion, continue to participate in that plan. The
785 employee shall pay in full all additional costs, if any, above the



786 minimum program established by this article. Under no
787 circumstances shall any individual who begins employment with the
788 state after March 1, 1971, be eligible for the provisions of this
789 subsection.

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

792 (6) Any premium differentials, differences in coverages,
793 discounts determined by risk or by any other factors shall be
794 uniformly applied to all active employees participating in the
795 insurance plan. It is the intent of the Legislature that the
796 state contribution to the plan be the same for each employee
797 throughout the state.

798 (7) On October 1, 1999, any school district,
799 community/junior college district or public library may elect to
800 remain with an existing policy or policies of group life insurance
801 with an insurance company approved by the State and School
802 Employees Health Insurance Management Board, in lieu of
803 participation in the State and School Life Insurance Plan. On or
804 after July 1, 2004, until October 1, 2004, any school district,
805 community/junior college district or public library may elect to
806 choose a policy or policies of group life insurance existing on
807 October 1, 1999, with an insurance company approved by the State
808 and School Employees Health Insurance Management Board in lieu of
809 participation in the State and School Life Insurance Plan. The
810 state's contribution of up to fifty percent (50%) of the active
811 employee's premium under the State and School Life Insurance Plan
812 may be applied toward the cost of coverage for full-time employees
813 participating in the approved life insurance company group plan.
814 For purposes of this subsection (7), "life insurance company group
815 plan" means a plan administered or sold by a private insurance
816 company. After October 1, 1999, the board may assess charges in
817 addition to the existing State and School Life Insurance Plan
818 rates to those employees as a condition of enrollment in the State



819 and School Life Insurance Plan. In order for any life insurance
820 company group plan to be approved by the State and School
821 Employees Health Insurance Management Board under this subsection
822 (7), it shall meet the following criteria:

823 (a) The insurance company offering the group life
824 insurance plan shall be rated "A-" or better by A.M. Best state
825 insurance rating service and be licensed as an admitted carrier in
826 the State of Mississippi by the Mississippi Department of
827 Insurance.

828 (b) The insurance company group life insurance plan
829 shall provide the same life insurance, accidental death and
830 dismemberment insurance and waiver of premium benefits as provided
831 in the State and School Life Insurance Plan.

832 (c) The insurance company group life insurance plan
833 shall be fully insured, and no form of self-funding life insurance
834 by the company shall be approved.

835 (d) The insurance company group life insurance plan
836 shall have one (1) composite rate per One Thousand Dollars
837 (\$1,000.00) of coverage for active employees regardless of age.

838 (e) The insurance company and its group life insurance
839 plan shall comply with any administrative requirements of the
840 State and School Employees Health Insurance Management Board. If
841 any insurance company providing group life insurance benefits to
842 employees under this subsection (7) fails to comply with any
843 requirements specified in this subsection or any administrative
844 requirements of the board, the state shall discontinue providing
845 funding for the cost of that insurance.

846 **SECTION 3.** This act shall take effect and be in force from
847 and after July 1, 2010.

