

By: Senator(s) Clarke

To: Insurance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2744

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 ASSESS ACTIVE FULL-TIME EMPLOYEES A PORTION OF
4 THE ACTIVE EMPLOYEE PREMIUM UNDER THE STATE AND SCHOOL EMPLOYEES
5 HEALTH INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 25-15-15, Mississippi Code of 1972, is
8 amended as follows:

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

12 25-15-15. (1) The board is authorized to determine the
13 manner in which premiums and contributions by the state agencies,
14 local school districts, colleges, universities, community/junior
15 colleges and public libraries shall be collected to provide the
16 self-insured health insurance program for employees as provided
17 under this article. The state shall provide fifty percent (50%)
18 of the cost of the above life insurance plan for all active
19 full-time employees. The state shall provide one hundred percent
20 (100%) of the cost of the health insurance plan for active
21 full-time employees initially employed before January 1, 2006,
22 except as otherwise provided in this section. For active
23 full-time employees initially employed on or after January 1,
24 2006, the state shall provide one hundred percent (100%) of the
25 cost of a basic level of health insurance, except as otherwise
26 provided in this section, and the employees may pay additional
27 amounts to purchase additional benefits or levels of coverage
28 offered under the plan. The board, if determined to be necessary,



29 may assess active full-time employees a portion of the active
30 employee premium in an amount not to exceed Twenty Dollars
31 (\$20.00) per month, notwithstanding any language in this section
32 to the contrary. All active full-time employees shall be given
33 the opportunity to purchase coverage for their eligible dependents
34 with the premiums for such dependent coverage, as well as the
35 employee's fifty percent (50%) share for his life insurance
36 coverage, to be deductible from the employee's salary by the
37 agency, department or institution head, which deductions, together
38 with the fifty percent (50%) share of such life insurance premiums
39 of such employing agency, department or institution head from
40 funds appropriated to or authorized to be expended by the
41 employing agency, department or institution head, shall be
42 deposited directly into a depository bank or special fund in the
43 State Treasury, as determined by the board. These funds and
44 interest earned on these funds may be used for the disbursement of
45 claims and shall be exempt from the appropriation process.

46 (2) The state shall provide annually, by line item in the
47 Mississippi Library Commission appropriation bill, such funds to
48 pay one hundred percent (100%) of the cost of health insurance
49 under the State and School Employees Health Insurance Plan, or any
50 lesser percentage of the cost that is not assessed to the
51 employees by the board, for full-time library staff members in
52 each public library in Mississippi initially employed before
53 January 1, 2006. For full-time library staff members initially
54 employed on or after January 1, 2006, the state shall provide one
55 hundred percent (100%) of the cost of a basic level of health
56 insurance under the State and School Employees Health Insurance
57 Plan, or any lesser percentage of the cost that is not assessed to
58 the employees by the board, and the employees may pay additional
59 amounts to purchase additional benefits or levels of coverage
60 offered under the plan. The commission shall allot to each public
61 library a sufficient amount of those funds appropriated to pay the



62 costs of insurance for eligible employees. Any funds so
63 appropriated by line item which are not expended during the fiscal
64 year for which such funds were appropriated shall be carried
65 forward for the same purposes during the next succeeding fiscal
66 year. If any premiums for the health insurance and/or late
67 charges and interest penalties are not paid by a public library in
68 a timely manner, as defined by the board, the Mississippi Library
69 Commission, upon notice by the board, shall immediately withhold
70 all subsequent disbursements of funds to that public library.

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



94 parent fees for child nutrition programs shall not be increased to
95 cover such cost.

96 (4) The state shall provide annually, by line item in the
97 community/junior college appropriation bill, such funds to pay one
98 hundred percent (100%) of the cost of the health insurance plan,
99 or any lesser percentage of the cost that is not assessed to the
100 employees by the board, for community/junior college district
101 employees initially employed before January 1, 2006, who work no
102 less than twenty (20) hours during each week. For such employees
103 initially employed on or after January 1, 2006, the state shall
104 provide one hundred percent (100%) of the cost of a basic level of
105 health insurance under the State and School Employees Health
106 Insurance Plan, or any lesser percentage of the cost that is not
107 assessed to the employees by the board, and the employees may pay
108 additional amounts to purchase additional benefits or levels of
109 coverage offered under the plan.

110 (5) When the use of federal funding is allowable to defray,
111 in full or in part, the cost of participation in the insurance
112 plan by community/junior college district employees who work no
113 less than twenty (20) hours during each week, whose salaries are
114 paid, in full or in part, by federal funds, the allowance under
115 this section shall be reduced to the extent of the federal
116 funding. Where the use of federal funds is allowable but not
117 available, it is the intent of the Legislature that
118 community/junior college districts contribute the cost of
119 participation for such employees from local funds.

120 (6) Any community/junior college district may contribute to
121 the cost of coverage for any district employee from local
122 community/junior college district funds, and any public school
123 district may contribute to the cost of coverage for any district
124 employee from nonminimum program funds. Any part of the cost of
125 such coverage for participating employees of public school
126 districts and public community/junior college districts that is



127 not paid by the state shall be paid by the participating
128 employees, which shall be deducted from the salaries of the
129 employees in a manner determined by the board.

130 (7) Any funds appropriated for the cost of insurance by line
131 item in the community/junior colleges appropriation bill which are
132 not expended during the fiscal year for which such funds were
133 appropriated shall be carried forward for the same purposes during
134 the next succeeding fiscal year.

135 (8) The board may establish and enforce late charges and
136 interest penalties or other penalties for the purpose of requiring
137 the prompt payment of all premiums for life and health insurance
138 permitted under Chapter 15 of Title 25. All funds in excess of
139 the amount needed for disbursement of claims shall be deposited in
140 a special fund in the State Treasury to be known as the State and
141 School Employees Insurance Fund. The State Treasurer shall invest
142 all funds in the State and School Employees Insurance Fund and all
143 interest earned shall be credited to the State and School
144 Employees Insurance Fund. Such funds shall be placed with one or
145 more depositories of the state and invested on the first day such
146 funds are available for investment in certificates of deposit,
147 repurchase agreements or in United States Treasury bills or as
148 otherwise authorized by law for the investment of Public
149 Employees' Retirement System funds, as long as such investment is
150 made from competitive offering and at the highest and best market
151 rate obtainable consistent with any available investment
152 alternatives; however, such investments shall not be made in
153 shares of stock, common or preferred, or in any other investments
154 which would mature more than one (1) year from the date of
155 investment. The board shall have the authority to draw from this
156 fund periodically such funds as are necessary to operate the
157 self-insurance plan or to pay to the insurance carrier the cost of
158 operation of this plan, it being the purpose to limit the amount
159 of participation by the state to fifty percent (50%) of the cost



160 of the life insurance program and not to limit the contracting for
161 additional benefits where the cost will be paid in full by the
162 employee. The state shall not share in the cost of coverage for
163 retired employees.

164 (9) The board shall also provide for the creation of an
165 Insurance Reserve Fund and funds therein shall be invested by the
166 State Treasurer with all interest earned credited to the State and
167 School Employees Insurance Fund.

168 (10) Any retired employee electing to purchase retired life
169 and health insurance will have the full cost of such insurance
170 deducted monthly from his State of Mississippi retirement plan
171 check or direct billed for the cost of the premium if the
172 retirement check is insufficient to pay for the premium. If the
173 board determines actuarially that the premium paid by the
174 participating retirees adversely affects the overall cost of the
175 plan to the state, then the board may impose a premium surcharge,
176 not to exceed fifteen percent (15%), upon such participating
177 retired employees who are under the age for Medicare eligibility
178 and who were initially employed before January 1, 2006. For
179 participating retired employees who are under the age for Medicare
180 eligibility and who were initially employed on or after January 1,
181 2006, the board may impose a premium surcharge in an amount the
182 board determines actuarially to cover the full cost of insurance.

183 (11) This section shall stand repealed on July 1, 2012.

184 **[From and after July 1 of the year in which Section 25-11-143**
185 **becomes effective as provided in subsection (1) of Section**
186 **25-11-143, this section shall read as follows:]**

187 25-15-15. (1) The board may determine the manner in which
188 premiums and contributions by the state agencies, local school
189 districts, colleges, universities, community/junior colleges and
190 public libraries will be collected to provide the self-insured
191 health insurance program for employees as provided under this
192 article. The state shall provide fifty percent (50%) of the cost



193 of the above life insurance plan for all active full-time
194 employees. The state shall provide one hundred percent (100%) of
195 the cost of the health insurance plan for active full-time
196 employees initially employed before January 1, 2006, except as
197 otherwise provided in this section. For active full-time
198 employees initially employed on or after January 1, 2006, the
199 state shall provide one hundred percent (100%) of the cost of a
200 basic level of health insurance, except as otherwise provided in
201 this section, and the employees may pay additional amounts to
202 purchase additional benefits or levels of coverage offered under
203 the plan. The board, if determined to be necessary, may assess
204 active full-time employees a portion of the active employee
205 premium in an amount not to exceed Twenty Dollars (\$20.00) per
206 month, notwithstanding any language in this section to the
207 contrary. All active full-time employees shall be given the
208 opportunity to purchase coverage for their eligible dependents
209 with the premiums for the dependent coverage, as well as the
210 employee's fifty percent (50%) share for his life insurance
211 coverage, to be deductible from the employee's salary by the
212 agency, department or institution head. Those deductions,
213 together with the fifty percent (50%) share of the life insurance
214 premiums of the employing agency, department or institution head
215 from funds appropriated to or authorized to be expended by the
216 employing agency, department or institution head, shall be
217 deposited directly into a depository bank or special fund in the
218 State Treasury, as determined by the board. These funds and
219 interest earned on these funds may be used for the disbursement of
220 claims and shall be exempt from the appropriation process.

221 (2) The state shall provide annually, by line item in the
222 Mississippi Library Commission appropriation bill, the funds to
223 pay one hundred percent (100%) of the cost of health insurance
224 under the State and School Employees Health Insurance Plan, or any
225 lesser percentage of the cost that is not assessed to the



226 employees by the board, for all full-time library staff members in
227 each public library in Mississippi initially employed before
228 January 1, 2006. For full-time library staff members initially
229 employed on or after January 1, 2006, the state shall provide one
230 hundred percent (100%) of the cost of a basic level of health
231 insurance under the State and School Employees Health Insurance
232 Plan, or any lesser percentage of the cost that is not assessed to
233 the employees by the board, and the employees may pay additional
234 amounts to purchase additional benefits or levels of coverage
235 offered under the plan. The commission shall allot to each public
236 library a sufficient amount of those funds appropriated to pay the
237 costs of insurance for eligible employees. Any funds so
238 appropriated by line item that are not expended during the fiscal
239 year for which the funds were appropriated shall be carried
240 forward for the same purposes during the next succeeding fiscal
241 year. If any premiums for the health insurance and/or late
242 charges and interest penalties are not paid by a public library in
243 a timely manner, as defined by the board, the Mississippi Library
244 Commission, upon notice by the board, shall immediately withhold
245 all subsequent disbursements of funds to that public library.

246 (3) The state shall annually provide one hundred percent
247 (100%) of the cost of the health insurance plan, or any lesser
248 percentage of the cost that is not assessed to the employees by
249 the board, for public school district employees who work no less
250 than twenty (20) hours during each week and regular nonstudent
251 school bus drivers, if such employees and school bus drivers were
252 initially employed before January 1, 2006. For such employees and
253 school bus drivers initially employed on or after January 1, 2006,
254 the state shall provide one hundred percent (100%) of the cost of
255 a basic level of health insurance under the State and School
256 Employees Health Insurance Plan, or any lesser percentage of the
257 cost that is not assessed to the employees by the board, and the
258 employees may pay additional amounts to purchase additional



259 benefits or levels of coverage offered under the plan. Where
260 federal funding is allowable to defray, in full or in part, the
261 cost of participation in the program by district employees who
262 work no less than twenty (20) hours during the week and regular
263 nonstudent bus drivers, whose salaries are paid, in full or in
264 part, by federal funds, the allowance under this section shall be
265 reduced to the extent of that federal funding. Where the use of
266 federal funds is allowable but not available, it is the intent of
267 the Legislature that school districts contribute the cost of
268 participation for the employees from local funds, except that
269 parent fees for child nutrition programs shall not be increased to
270 cover that cost.

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272 community/junior college appropriation bill, the funds to pay one
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274 or any lesser percentage of the cost that is not assessed to the
275 employees by the board, for community/junior college district
276 employees initially employed before January 1, 2006, who work no
277 less than twenty (20) hours during each week. For such employees
278 initially employed on or after January 1, 2006, the state shall
279 provide one hundred percent (100%) of the cost of a basic level of
280 health insurance under the State and School Employees Health
281 Insurance Plan, or any lesser percentage of the cost that is not
282 assessed to the employees by the board, and the employees may pay
283 additional amounts to purchase additional benefits or levels of
284 coverage offered under the plan.

285 (5) When the use of federal funding is allowable to defray,
286 in full or in part, the cost of participation in the insurance
287 plan by community/junior college district employees who work no
288 less than twenty (20) hours during each week, whose salaries are
289 paid, in full or in part, by federal funds, the allowance under
290 this section shall be reduced to the extent of the federal
291 funding. Where the use of federal funds is allowable but not



292 available, it is the intent of the Legislature that
293 community/junior college districts contribute the cost of
294 participation for the employees from local funds.

295 (6) Any community/junior college district may contribute to
296 the cost of coverage for any district employee from local
297 community/junior college district funds, and any public school
298 district may contribute to the cost of coverage for any district
299 employee from nonminimum program funds. Any part of the cost of
300 the coverage for participating employees of public school
301 districts and public community/junior college districts that is
302 not paid by the state shall be paid by the participating
303 employees, which shall be deducted from the salaries of the
304 employees in a manner determined by the board.

305 (7) Any funds appropriated for the cost of insurance by line
306 item in the community/junior colleges appropriation bill that are
307 not expended during the fiscal year for which the funds were
308 appropriated shall be carried forward for the same purposes during
309 the next succeeding fiscal year.

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311 interest penalties or other penalties for the purpose of requiring
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313 permitted under Chapter 15 of Title 25. All funds in excess of
314 the amount needed for disbursement of claims shall be deposited in
315 a special fund in the State Treasury to be known as the State and
316 School Employees Insurance Fund. The State Treasurer shall invest
317 all funds in the State and School Employees Insurance Fund and all
318 interest earned shall be credited to the State and School
319 Employees Insurance Fund. Those funds shall be placed with one or
320 more depositories of the state and invested on the first day that
321 the funds are available for investment in certificates of deposit,
322 repurchase agreements or in United States Treasury bills or as
323 otherwise authorized by law for the investment of Public
324 Employees' Retirement System funds, as long as the investment is



325 made from competitive offering and at the highest and best market
326 rate obtainable consistent with any available investment
327 alternatives. However, those investments shall not be made in
328 shares of stock, common or preferred, or in any other investments
329 that would mature more than one (1) year from the date of
330 investment. The board shall have the authority to draw from this
331 fund periodically such funds as are necessary to operate the
332 self-insurance plan or to pay to the insurance carrier the cost of
333 operation of this plan, it being the purpose to limit the amount
334 of participation by the state to fifty percent (50%) of the cost
335 of the life insurance program and not to limit the contracting for
336 additional benefits where the cost will be paid in full by the
337 employee.

338 (9) The board shall also provide for the creation of an
339 Insurance Reserve Fund, and funds in the reserve fund shall be
340 invested by the State Treasurer with all interest earned credited
341 to the State and School Employees Insurance Fund.

342 (10) This section shall stand repealed on July 1, 2012.

343 **SECTION 2.** This act shall take effect and be in force from
344 and after July 1, 2010.

