

By: Representative Banks

To: Insurance;
Appropriations

HOUSE BILL NO. 663

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT LEGISLATORS MAY OBTAIN TERM LIFE INSURANCE IN AN
3 AMOUNT UP TO \$100,000.00 THROUGH THE STATE LIFE INSURANCE PLAN; TO
4 PROVIDE THAT RETIRING LEGISLATORS MAY CONTINUE THEIR TERM LIFE
5 INSURANCE UPON CONTINUING TO PAY THE NECESSARY PREMIUMS; AND FOR
6 RELATED PURPOSES.

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

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

10 25-15-9. (1) (a) The board shall design a plan of health
11 insurance for state employees that provides benefits for
12 semiprivate rooms in addition to other incidental coverages that
13 the board deems necessary. The amount of the coverages shall be
14 in such reasonable amount as may be determined by the board to be
15 adequate, after due consideration of current health costs in
16 Mississippi. The plan shall also include major medical benefits
17 in such amounts as the board determines. The plan shall provide
18 for coverage for telemedicine services as provided in Section
19 83-9-351. The board is also authorized to accept bids for such
20 alternate coverage and optional benefits as the board deems



21 proper. The board is authorized to accept bids for surgical
22 services that include assistance in locating a surgeon, setting up
23 initial consultation, travel, a negotiated single case rate bundle
24 and payment for orthopedic, spine, bariatric, cardiovascular and
25 general surgeries. The surgical services may only utilize
26 surgeons and facilities located in the State of Mississippi unless
27 otherwise provided by the board. Any contract for alternative
28 coverage and optional benefits shall be awarded by the board after
29 it has carefully studied and evaluated the bids and selected the
30 best and most cost-effective bid. The board may reject all of the
31 bids; however, the board shall notify all bidders of the rejection
32 and shall actively solicit new bids if all bids are rejected. The
33 board may employ or contract for such consulting or actuarial
34 services as may be necessary to formulate the plan, and to assist
35 the board in the preparation of specifications and in the process
36 of advertising for the bids for the plan. Those contracts shall
37 be solicited and entered into in accordance with Section 25-15-5.
38 The board shall keep a record of all persons, agents and
39 corporations who contract with or assist the board in preparing
40 and developing the plan. The board in a timely manner shall
41 provide copies of this record to the members of the advisory
42 council created in this section and those legislators, or their
43 designees, who may attend meetings of the advisory council. The
44 board shall provide copies of this record in the solicitation of
45 bids for the administration or servicing of the self-insured



46 program. Each person, agent or corporation that, during the
47 previous fiscal year, has assisted in the development of the plan
48 or employed or compensated any person who assisted in the
49 development of the plan, and that bids on the administration or
50 servicing of the plan, shall submit to the board a statement
51 accompanying the bid explaining in detail its participation with
52 the development of the plan. This statement shall include the
53 amount of compensation paid by the bidder to any such employee
54 during the previous fiscal year. The board shall make all such
55 information available to the members of the advisory council and
56 those legislators, or their designees, who may attend meetings of
57 the advisory council before any action is taken by the board on
58 the bids submitted. The failure of any bidder to fully and
59 accurately comply with this paragraph shall result in the
60 rejection of any bid submitted by that bidder or the cancellation
61 of any contract executed when the failure is discovered after the
62 acceptance of that bid. The board is authorized to promulgate
63 rules and regulations to implement the provisions of this
64 subsection.

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

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



71 explanation of benefits for each claim processed. The explanation
72 of benefits shall contain such information relative to each
73 processed claim that the board deems necessary, and, at a minimum,
74 each explanation shall provide the claimant's name, claim number,
75 provider number, provider name, service dates, type of services,
76 amount of charges, amount allowed to the claimant and reason
77 codes. The information contained in the explanation of benefits
78 shall be available for inspection upon request by the board. The
79 board shall have access to all claims information utilized in the
80 issuance of payments to employees and providers.

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



96 certificated public school administrators appointed by the State
97 Board of Education, two (2) certificated classroom teachers
98 appointed by the State Board of Education, a noncertificated
99 school employee appointed by the State Board of Education and a
100 community/junior college employee appointed by the Mississippi
101 Community College Board.

102 The Lieutenant Governor may designate the Secretary of the
103 Senate, the Chairman of the Senate Appropriations Committee, the
104 Chairman of the Senate Education Committee and the Chairman of the
105 Senate Insurance Committee, and the Speaker of the House of
106 Representatives may designate the Clerk of the House, the Chairman
107 of the House Appropriations Committee, the Chairman of the House
108 Education Committee and the Chairman of the House Insurance
109 Committee, to attend any meeting of the State and School Employees
110 Insurance Advisory Council. The appointing authorities may
111 designate an alternate member from their respective houses to
112 serve when the regular designee is unable to attend the meetings
113 of the council. Those designees shall have no jurisdiction or
114 vote on any matter within the jurisdiction of the council. For
115 attending meetings of the council, the legislators shall receive
116 per diem and expenses, which shall be paid from the contingent
117 expense funds of their respective houses in the same amounts as
118 provided for committee meetings when the Legislature is not in
119 session; however, no per diem and expenses for attending meetings
120 of the council will be paid while the Legislature is in session.



No per diem and expenses will be paid except for attending meetings of the council without prior approval of the proper committee in their respective houses.

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

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



insurance coverage as for all other active employees and their dependents shall be available to those retiring employees and all dependents under age sixty-five (65) years who are not eligible for Medicare benefits only if the retiring employees were participants in the State and School Employees Health Insurance Plan for four (4) years or more before their retirement, the level of benefits to be the same level as for all other active participants. This section will apply to those employees who retire due to one hundred percent (100%) medical disability as well as those employees electing early retirement.

(e) **Medical benefits for retired employees and dependents over age sixty-five (65) years or otherwise eligible for Medicare benefits.** For employees who retire before July 1, 2005, and for employees retiring due to work-related disability under the Public Employees' Retirement System, the health insurance coverage available to retired employees over age sixty-five (65) years or otherwise eligible for Medicare benefits, and all dependents over age sixty-five (65) years or otherwise eligible for Medicare benefits, shall be the major medical coverage. For employees retiring on or after July 1, 2005, and not retiring due to work-related disability under the Public Employees' Retirement System, the health insurance coverage described in this paragraph (e) shall be available to those retiring employees only if they were participants in the State and School Employees Health Insurance Plan for four (4) years or more



and are over age sixty-five (65) years or otherwise eligible for Medicare benefits, and to all dependents over age sixty-five (65) years or otherwise eligible for Medicare benefits. Benefits shall be reduced by Medicare benefits as though the Medicare benefits were the base plan.

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

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

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

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

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



195 No health care benefits under the state plan shall restrict
196 coverage for medically appropriate treatment prescribed by a
197 physician and agreed to by a fully informed insured, or if the
198 insured lacks legal capacity to consent by a person who has legal
199 authority to consent on his or her behalf, based on an insured's
200 diagnosis with a terminal condition. As used in this paragraph,
201 "terminal condition" means any aggressive malignancy, chronic
202 end-stage cardiovascular or cerebral vascular disease, or any
203 other disease, illness or condition which physician diagnoses as
204 terminal.

205 Not later than January 1, 2016, the state health plan shall
206 not require a higher co-payment, deductible or coinsurance amount
207 for patient-administered anti-cancer medications, including, but
208 not limited to, those orally administered or self-injected, than
209 it requires for anti-cancer medications that are injected or
210 intravenously administered by a health care provider, regardless
211 of the formulation or benefit category determination by the plan.
212 For the purposes of this paragraph, the term "anti-cancer
213 medications" has the meaning as defined in Section 83-9-24.

214 (3) (a) Schedule of life insurance benefits – group term:
215 The amount of term life insurance for each active employee of a
216 department, agency or institution of the state government shall
217 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
218 twice the amount of the employee's annual wage to the next highest
219 One Thousand Dollars (\$1,000.00), whichever may be less, but in no



case less than Thirty Thousand Dollars (\$30,000.00), with a like amount for accidental death and dismemberment on a twenty-four-hour basis. The plan will further contain a premium waiver provision if a covered employee becomes totally and permanently disabled before age sixty-five (65) years. Employees retiring after June 30, 1999, shall be eligible to continue life insurance coverage in an amount of Five Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand Dollars (\$20,000.00) into retirement.

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



nonstudent bus driver becomes totally and permanently disabled before age sixty-five (65) years. Employees of any school district, community/junior college, public library or university-based program authorized under Section 37-23-31 for deaf, aphasic and emotionally disturbed children or any regular nonstudent bus driver retiring after September 30, 1999, shall be eligible to continue life insurance coverage in an amount of Five Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand Dollars (\$20,000.00) into retirement.

(c) Notwithstanding paragraphs (a) and (b) of this subsection, a member of the Mississippi Legislature may have term life insurance in an amount up to One Hundred Thousand Dollars (\$100,000.00). Additionally, upon retiring from the Legislature that person may retain the term life insurance in existence at his or her retirement upon continuing to pay the necessary premiums.

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



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

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

(7) On October 1, 1999, any school district, community/junior college district or public library may elect to remain with an existing policy or policies of group life insurance with an insurance company approved by the State and School Employees Health Insurance Management Board, in lieu of participation in the State and School Life Insurance Plan. On or after July 1, 2004, until October 1, 2004, any school district, community/junior college district or public library may elect to choose a policy or policies of group life insurance existing on October 1, 1999, with an insurance company approved by the State and School Employees Health Insurance Management Board in lieu of participation in the State and School Life Insurance Plan. The state's contribution of up to fifty percent (50%) of the active employee's premium under the State and School Life Insurance Plan may be applied toward the cost of coverage for full-time employees participating in the approved life insurance company group plan. For purposes of this subsection (7), "life insurance company group



plan" means a plan administered or sold by a private insurance company. After October 1, 1999, the board may assess charges in addition to the existing State and School Life Insurance Plan rates to such employees as a condition of enrollment in the State and School Life Insurance Plan. In order for any life insurance company group plan to be approved by the State and School Employees Health Insurance Management Board under this subsection (7), it shall meet the following criteria:

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

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

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

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



320 (e) The insurance company and its group life insurance
321 plan shall comply with any administrative requirements of the
322 State and School Employees Health Insurance Management Board. If
323 any insurance company providing group life insurance benefits to
324 employees under this subsection (7) fails to comply with any
325 requirements specified in this subsection or any administrative
326 requirements of the board, the state shall discontinue providing
327 funding for the cost of that insurance.

328 **SECTION 2.** This act shall take effect and be in force from
329 and after July 1, 2018.

