

By: Senator(s) Wilemon

To: Insurance;
Appropriations

SENATE BILL NO. 2088

1 AN ACT TO AMEND SECTION 25-15-3, 25-15-15 AND 25-15-101,
 2 MISSISSIPPI CODE OF 1972, TO ALLOW ACTIVE LOCAL SCHOOL BOARD
 3 MEMBERS TO PARTICIPATE IN THE HEALTH INSURANCE PROGRAM OF THE
 4 STATE AND SCHOOL EMPLOYEES LIFE AND HEALTH INSURANCE PLAN; TO
 5 PROVIDE THAT THE STATE SHALL NOT SHARE IN THE COST OF HEALTH
 6 INSURANCE FOR THE SCHOOL BOARD MEMBERS; TO PROVIDE THAT THE
 7 PARTICIPATING SCHOOL BOARD MEMBER SHALL PAY ONE HUNDRED PERCENT OF
 8 THE COST OF HEALTH INSURANCE COVERAGE UNDER THE PLAN; AND FOR
 9 RELATED PURPOSES.

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

11 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is
 12 amended as follows:

13 25-15-3. For the purposes of this article, the words and
 14 phrases used herein shall have the following meanings:

15 (a) "Employee" means a person who works full time for
 16 the State of Mississippi and receives his compensation in a direct
 17 payment from a department, agency or institution of the state
 18 government and any person who works full time for any school
 19 district, community/junior college, public library or
 20 university-based program authorized under Section 37-23-31 for
 21 deaf, aphasic and emotionally disturbed children or any regular



22 nonstudent bus driver. This shall include legislators, employees
23 of the legislative branch and the judicial branch of the state and
24 "employees" shall include full-time salaried judges and full-time
25 district attorneys and their staff and full-time compulsory school
26 attendance officers. For the purposes of this article, any
27 "employee" making contributions to the State of Mississippi
28 retirement plan shall be considered a full-time employee. For the
29 purposes of participation in the health insurance plan, the term
30 "employee" also means any active member of a local school board,
31 but the term shall not include such persons for the purposes of
32 participation in the life insurance program of the plan.

33 (b) "Department" means the Department of Finance and
34 Administration.

35 (c) "Plan" means the State and School Employees Life
36 and Health Insurance Plan created under this article.

37 (d) "Fund" means the State and School Employees
38 Insurance Fund set up under this article.

39 (e) "Retiree" means any employee retired under the
40 Public Employees' Retirement System of Mississippi or the Highway
41 Safety Patrol Retirement System and is receiving a
42 retirement * * * allowance from either system.

43 (f) "Board" means the State and School Employees Health
44 Insurance Management Board created under Section 25-15-303.

45 **SECTION 2.** Section 25-15-15, Mississippi Code of 1972, is
46 amended as follows:



47 25-15-15. (1) The board is authorized to determine the
48 manner in which premiums and contributions by the state agencies,
49 local school districts, colleges, universities, community/junior
50 colleges and public libraries shall be collected to provide the
51 self-insured health insurance program for employees as provided
52 under this article. The state shall provide fifty percent (50%)
53 of the cost of the above life insurance plan for all active
54 full-time employees. The state shall provide one hundred percent
55 (100%) of the cost of the health insurance plan for active
56 full-time employees initially employed before January 1, 2006,
57 except as otherwise provided in this section. The state shall not
58 share in the cost of the health insurance for active local school
59 board members. For active full-time employees initially employed
60 on or after January 1, 2006, the state shall provide one hundred
61 percent (100%) of the cost of a basic level of health insurance,
62 except as otherwise provided in this section, and the employees
63 may pay additional amounts to purchase additional benefits or
64 levels of coverage offered under the plan. The board, if
65 determined to be necessary, may assess active full-time employees
66 a portion of the active employee premium in an amount not to
67 exceed Twenty Dollars (\$20.00) per month, notwithstanding any
68 language in this section to the contrary. The state shall not
69 share in the cost of the health insurance for active local school
70 board members. All active full-time employees shall be given the
71 opportunity to purchase coverage for their eligible dependents



72 with the premiums for such dependent coverage, as well as the
73 employee's fifty percent (50%) share for his life insurance
74 coverage, to be deductible from the employee's salary by the
75 agency, department or institution head, which deductions, together
76 with the fifty percent (50%) share of such life insurance premiums
77 of such employing agency, department or institution head from
78 funds appropriated to or authorized to be expended by the
79 employing agency, department or institution head, shall be
80 deposited directly into a depository bank or special fund in the
81 State Treasury, as determined by the board. These funds and
82 interest earned on these funds may be used for the disbursement of
83 claims and shall be exempt from the appropriation process.

84 (2) The state shall provide annually, by line item in the
85 Mississippi Library Commission appropriation bill, such funds to
86 pay one hundred percent (100%) of the cost of health insurance
87 under the State and School Employees Health Insurance Plan, or any
88 lesser percentage of the cost that is not assessed to the
89 employees by the board, for full-time library staff members in
90 each public library in Mississippi initially employed before
91 January 1, 2006. For full-time library staff members initially
92 employed on or after January 1, 2006, the state shall provide one
93 hundred percent (100%) of the cost of a basic level of health
94 insurance under the State and School Employees Health Insurance
95 Plan, or any lesser percentage of the cost that is not assessed to
96 the employees by the board, and the employees may pay additional



97 amounts to purchase additional benefits or levels of coverage
98 offered under the plan. The commission shall allot to each public
99 library a sufficient amount of those funds appropriated to pay the
100 costs of insurance for eligible employees. Any funds so
101 appropriated by line item which are not expended during the fiscal
102 year for which such funds were appropriated shall be carried
103 forward for the same purposes during the next succeeding fiscal
104 year. If any premiums for the health insurance and/or late
105 charges and interest penalties are not paid by a public library in
106 a timely manner, as defined by the board, the Mississippi Library
107 Commission, upon notice by the board, shall immediately withhold
108 all subsequent disbursements of funds to that public library.

109 (3) The state shall annually provide one hundred percent
110 (100%) of the cost of the health insurance plan, or any lesser
111 percentage of the cost that is not assessed to the employees by
112 the board, for public school district employees who work no less
113 than twenty (20) hours during each week and regular nonstudent
114 school bus drivers, if such employees and school bus drivers were
115 initially employed before January 1, 2006. For such employees and
116 school bus drivers initially employed on or after January 1, 2006,
117 the state shall provide one hundred percent (100%) of the cost of
118 a basic level of health insurance under the State and School
119 Employees Health Insurance Plan, or any lesser percentage of the
120 cost that is not assessed to the employees by the board, and the
121 employees may pay additional amounts to purchase additional



122 benefits or levels of coverage offered under the plan. Where
123 federal funding is allowable to defray, in full or in part, the
124 cost of participation in the program by district employees who
125 work no less than twenty (20) hours during the week and regular
126 nonstudent bus drivers, whose salaries are paid, in full or in
127 part, by federal funds, the allowance under this section shall be
128 reduced to the extent of such federal funding. Where the use of
129 federal funds is allowable but not available, it is the intent of
130 the Legislature that school districts contribute the cost of
131 participation for such employees from local funds, except that
132 parent fees for child nutrition programs shall not be increased to
133 cover such cost.

134 (4) The state shall provide annually, by line item in the
135 community/junior college appropriation bill, such funds to pay one
136 hundred percent (100%) of the cost of the health insurance plan,
137 or any lesser percentage of the cost that is not assessed to the
138 employees by the board, for community/junior college district
139 employees initially employed before January 1, 2006, who work no
140 less than twenty (20) hours during each week. For such employees
141 initially employed on or after January 1, 2006, the state shall
142 provide one hundred percent (100%) of the cost of a basic level of
143 health insurance under the State and School Employees Health
144 Insurance Plan, or any lesser percentage of the cost that is not
145 assessed to the employees by the board, and the employees may pay



146 additional amounts to purchase additional benefits or levels of
147 coverage offered under the plan.

148 (5) When the use of federal funding is allowable to defray,
149 in full or in part, the cost of participation in the insurance
150 plan by community/junior college district employees who work no
151 less than twenty (20) hours during each week, whose salaries are
152 paid, in full or in part, by federal funds, the allowance under
153 this section shall be reduced to the extent of the federal
154 funding. Where the use of federal funds is allowable but not
155 available, it is the intent of the Legislature that
156 community/junior college districts contribute the cost of
157 participation for such employees from local funds.

158 (6) Any community/junior college district may contribute to
159 the cost of coverage for any district employee from local
160 community/junior college district funds, and any public school
161 district may contribute to the cost of coverage for any district
162 employee from nonminimum program funds. Any part of the cost of
163 such coverage for participating employees of public school
164 districts and public community/junior college districts that is
165 not paid by the state shall be paid by the participating
166 employees, which shall be deducted from the salaries of the
167 employees in a manner determined by the board.

168 (7) Any funds appropriated for the cost of insurance by line
169 item in the community/junior colleges appropriation bill which are
170 not expended during the fiscal year for which such funds were



171 appropriated shall be carried forward for the same purposes during
172 the next succeeding fiscal year.

173 (8) For any active member of a local school board, the
174 participating school board member shall pay one hundred percent
175 (100%) of the cost of health insurance coverage under the plan.

176 (* * *9) The board may establish and enforce late charges
177 and interest penalties or other penalties for the purpose of
178 requiring the prompt payment of all premiums for life and health
179 insurance permitted under this chapter. All funds in excess of
180 the amount needed for disbursement of claims shall be deposited in
181 a special fund in the State Treasury to be known as the State and
182 School Employees Insurance Fund. The State Treasurer shall invest
183 all funds in the State and School Employees Insurance Fund and all
184 interest earned shall be credited to the State and School
185 Employees Insurance Fund. Such funds shall be placed with one or
186 more depositories of the state and invested on the first day such
187 funds are available for investment in certificates of deposit,
188 repurchase agreements or in United States Treasury bills or as
189 otherwise authorized by law for the investment of Public
190 Employees' Retirement System funds, as long as such investment is
191 made from competitive offering and at the highest and best market
192 rate obtainable consistent with any available investment
193 alternatives; however, such investments shall not be made in
194 shares of stock, common or preferred, or in any other investments
195 which would mature more than one (1) year from the date of



196 investment. The board shall have the authority to draw from this
197 fund periodically such funds as are necessary to operate the
198 self-insurance plan or to pay to the insurance carrier the cost of
199 operation of this plan, it being the purpose to limit the amount
200 of participation by the state to fifty percent (50%) of the cost
201 of the life insurance program and not to limit the contracting for
202 additional benefits where the cost will be paid in full by the
203 employee. The state shall not share in the cost of coverage for
204 retired employees.

205 (* * * 10) The board shall also provide for the creation of
206 an Insurance Reserve Fund and funds therein shall be invested by
207 the State Treasurer with all interest earned credited to the State
208 and School Employees Insurance Fund.

209 (* * * 11) Any retired employee electing to purchase retired
210 life and health insurance will have the full cost of such
211 insurance deducted monthly from his State of Mississippi
212 retirement plan check or direct billed for the cost of the premium
213 if the retirement check is insufficient to pay for the premium.
214 If the board determines actuarially that the premium paid by the
215 participating retirees adversely affects the overall cost of the
216 plan to the state, then the board may impose a premium surcharge,
217 not to exceed fifteen percent (15%), upon such participating
218 retired employees who are under the age for Medicare eligibility
219 and who were initially employed before January 1, 2006. For
220 participating retired employees who are under the age for Medicare



221 eligibility and who were initially employed on or after January 1,
222 2006, the board may impose a premium surcharge in an amount the
223 board determines actuarially to cover the full cost of insurance.

224 (* * *12) The board may not impose a premium surcharge or
225 any other premium differential upon any class of participant of
226 the plan based on the use or nonuse of tobacco-related products.

227 (* * *13) This section shall stand repealed on July 1,
228 2018.

229 **SECTION 3.** Section 25-15-101, Mississippi Code of 1972, is
230 amended as follows:

231 25-15-101. The governing board of any county, municipality,
232 municipal separate school district, other school district or
233 community/junior college district, and the governing board or head
234 of any institution, department or agency of any county or
235 municipality may negotiate for and secure for all or specified
236 groups of employees and their dependents of such county or
237 municipality, or institution, department or agency of such county
238 or municipality, or municipal separate school district, other
239 school district or community/junior college district, a policy or
240 policies of group insurance covering the life, except as
241 hereinafter provided, salary protection, health, accident and
242 hospitalization, as well as a group contract or contracts covering
243 hospital and/or medical and/or surgical services or benefits
244 (including surgical costs, so-called "hospital extras," medical
245 expenses, allied coverages and major medical costs) of such of its



246 employees and their dependents as may desire such insurance and
247 other coverage under such service or benefit contracts, and who
248 shall authorize in writing the deduction from the salary or wages
249 of such employees of the proportionate part of the costs thereof
250 attributable to such employees. However, beginning with the
251 1984-1985 school year, school districts shall provide the policies
252 of group insurance to certificated personnel. Any employee who
253 desires to reallocate or reduce any part of his or her salary or
254 wages for a cafeteria fringe benefit plan in accordance with
255 current requirements of Section 125 et seq. of the Internal
256 Revenue Code for himself or herself and/or for his or her
257 dependent(s) shall authorize, in writing, the deduction from the
258 salary or wages of such employee the proportionate part of the
259 costs thereof attributable to such employee. Any amount so
260 deducted shall be transferred into the general fund or contingent
261 fund of such county or municipality, or the operating fund of such
262 institution, department or agency of the county or municipality,
263 or the maintenance fund of such municipal separate school
264 district, other school district or community/junior college
265 district, as the case may be, and shall be supplemented by funds
266 from the general fund, contingent fund, maintenance fund or
267 operating fund, as the case may be, in an amount to be determined
268 by the governing board or head of such political subdivision,
269 school district, community/junior college district, institution,
270 department or agency, in their discretion, in order to pay the



271 full costs. In no instances shall the amount of contributions by
272 any governing board or head of a political subdivision, school
273 district, community/junior college district, institution,
274 department or agency hereinabove mentioned exceed an average of
275 one hundred percent (100%) of the cost of all such group coverages
276 for employees.

277 The governing board or head of such political subdivision,
278 school district, community/junior college district, institution,
279 department or agency is authorized to pay such full costs direct
280 to the insurance company and to the hospital and/or medical and/or
281 surgical service association from the general fund, contingent
282 fund, or the maintenance fund of such county or municipality, or
283 the operating fund of such institution, department, or agency of
284 the county or municipality, or the maintenance fund of such
285 municipal separate school district, other school district or
286 community/junior college district, as the case may be, and to do
287 all acts necessary and proper for the purpose of carrying out the
288 provisions of Sections 25-15-101 and 25-15-103 and of effectuating
289 the purposes hereof. For any active member of a local school
290 board participating in the health insurance program of the State
291 and School Employees Life and Health Insurance Plan, the
292 participating school board member shall pay one hundred percent
293 (100%) of the cost of coverage of health insurance under the plan.
294 The rates for any and all costs covered by the sections shall be
295 in keeping with promulgated schedules, and the rates for such



296 costs shall be approved by the Insurance Commissioner of the State
297 of Mississippi. This section shall not be construed to prevent
298 changes in rates based on experience, nor the granting of
299 dividends or rate reductions or credits.

300 The governing board or head of any political subdivision or
301 other entity set forth in this section may elect to become a
302 self-insurer with respect to all or any portion of group life,
303 salary protection, health, accident and hospitalization benefits
304 on terms and conditions deemed advisable, in its discretion. The
305 administration and service of any such self-insurance program
306 shall be contracted to a third party approved by the Commissioner
307 of Insurance and benefits provided in excess of the self-insurance
308 plan shall be covered by a policy or policies of group insurance
309 or a group contract or contracts issued by a company licensed to
310 do business in this state.

311 The governing board of any political subdivision or other
312 entity set forth in this section may join with any one or more
313 other such political subdivision or entity to pool the risks
314 authorized to be insured or self-insured under this section or to
315 act as a self-insurer, or to contract for a policy or policies of
316 insurance, or to contract with a third-party administrator for a
317 self-insurance plan.

318 Any political subdivision or other entity that provides any
319 plan of group insurance or other coverage under this section does
320 not waive, but expressly reserves, its sovereign immunity under



321 the laws of the State of Mississippi; and all plans and agreements
322 executed by political subdivisions and other entities providing
323 insurance or other coverage under this section shall contain a
324 provision expressly limiting liability for the payment of all
325 benefits for single or multiple claims to the extent of the
326 insurance carried or to the extent of funds available under the
327 self-insurance fund.

328 Nothing in Sections 25-15-101 and 25-15-103 shall be
329 construed to apply to agencies financed entirely by federally
330 granted administrative funds.

331 Any governing board or head of any political subdivision or
332 other entity that provides any plan of group insurance or other
333 coverage under this section, and any person with whom such
334 governing board, head of a political subdivision or other entity
335 contracts in the performance of any duty or authority prescribed
336 under this section, shall be liable civilly for the loss or
337 misappropriation of any public funds resulting from their failure
338 to comply with any provision of this section, such funds to be
339 recovered in the manner provided under Section 7-7-211.

340 **SECTION 4.** This act shall take effect and be in force from
341 and after July 1, 2018.

