

By: Senator(s) Carmichael

To: Insurance

SENATE BILL NO. 2466

1 AN ACT TO REENACT AND AMEND SECTION 25-15-15, MISSISSIPPI
2 CODE OF 1972, WHICH PROVIDES FOR THE PAYMENT OF PREMIUMS FOR THE
3 STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN, AND TO EXTEND
4 THE REPEALER ON THE REENACTED SECTION; AND FOR RELATED PURPOSES.

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

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

8 25-15-15. (1) The board is authorized to determine the
9 manner in which premiums and contributions by the state agencies,
10 local school districts, colleges, universities, community/junior
11 colleges and public libraries shall be collected to provide the
12 self-insured health insurance program for employees as provided
13 under this article. The state shall provide fifty percent (50%)
14 of the cost of the above life insurance plan for all active
15 full-time employees. The state shall provide one hundred percent
16 (100%) of the cost of the health insurance plan for active
17 full-time employees initially employed before January 1, 2006,
18 except as otherwise provided in this section. For active
19 full-time employees initially employed on or after January 1,



20 2006, the state shall provide one hundred percent (100%) of the
21 cost of a basic level of health insurance, except as otherwise
22 provided in this section, and the employees may pay additional
23 amounts to purchase additional benefits or levels of coverage
24 offered under the plan. The board, if determined to be necessary,
25 may assess active full-time employees a portion of the active
26 employee premium in an amount not to exceed Twenty Dollars
27 (\$20.00) per month, notwithstanding any language in this section
28 to the contrary. All active full-time employees shall be given
29 the opportunity to purchase coverage for their eligible dependents
30 with the premiums for such dependent coverage, as well as the
31 employee's fifty percent (50%) share for his life insurance
32 coverage, to be deductible from the employee's salary by the
33 agency, department or institution head, which deductions, together
34 with the fifty percent (50%) share of such life insurance premiums
35 of such employing agency, department or institution head from
36 funds appropriated to or authorized to be expended by the
37 employing agency, department or institution head, shall be
38 deposited directly into a depository bank or special fund in the
39 State Treasury, as determined by the board. These funds and
40 interest earned on these funds may be used for the disbursement of
41 claims and shall be exempt from the appropriation process.

42 (2) The state shall provide annually, by line item in the
43 Mississippi Library Commission appropriation bill, such funds to
44 pay one hundred percent (100%) of the cost of health insurance



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

67 (3) The state shall annually provide one hundred percent
68 (100%) of the cost of the health insurance plan, or any lesser
69 percentage of the cost that is not assessed to the employees by



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

92 (4) The state shall provide annually, by line item in the
93 community/junior college appropriation bill, such funds to pay one
94 hundred percent (100%) of the cost of the health insurance plan,



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

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

116 (6) Any community/junior college district may contribute to
117 the cost of coverage for any district employee from local
118 community/junior college district funds, and any public school
119 district may contribute to the cost of coverage for any district



120 employee from nonminimum program funds. Any part of the cost of
121 such coverage for participating employees of public school
122 districts and public community/junior college districts that is
123 not paid by the state shall be paid by the participating
124 employees, which shall be deducted from the salaries of the
125 employees in a manner determined by the board.

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

131 (8) The board may establish and enforce late charges and
132 interest penalties or other penalties for the purpose of requiring
133 the prompt payment of all premiums for life and health insurance
134 permitted under this chapter. All funds in excess of the amount
135 needed for disbursement of claims shall be deposited in a special
136 fund in the State Treasury to be known as the State and School
137 Employees Insurance Fund. The State Treasurer shall invest all
138 funds in the State and School Employees Insurance Fund and all
139 interest earned shall be credited to the State and School
140 Employees Insurance Fund. Such funds shall be placed with one or
141 more depositories of the state and invested on the first day such
142 funds are available for investment in certificates of deposit,
143 repurchase agreements or in United States Treasury bills or as
144 otherwise authorized by law for the investment of Public



145 Employees' Retirement System funds, as long as such investment is
146 made from competitive offering and at the highest and best market
147 rate obtainable consistent with any available investment
148 alternatives; however, such investments shall not be made in
149 shares of stock, common or preferred, or in any other investments
150 which would mature more than one (1) year from the date of
151 investment. The board shall have the authority to draw from this
152 fund periodically such funds as are necessary to operate the
153 self-insurance plan or to pay to the insurance carrier the cost of
154 operation of this plan, it being the purpose to limit the amount
155 of participation by the state to fifty percent (50%) of the cost
156 of the life insurance program and not to limit the contracting for
157 additional benefits where the cost will be paid in full by the
158 employee. The state shall not share in the cost of coverage for
159 retired employees.

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

164 (10) Any retired employee electing to purchase retired life
165 and health insurance will have the full cost of such insurance
166 deducted monthly from his State of Mississippi retirement plan
167 check or direct billed for the cost of the premium if the
168 retirement check is insufficient to pay for the premium. If the
169 board determines actuarially that the premium paid by the



170 participating retirees adversely affects the overall cost of the
171 plan to the state, then the board may impose a premium surcharge,
172 not to exceed fifteen percent (15%), upon such participating
173 retired employees who are under the age for Medicare eligibility
174 and who were initially employed before January 1, 2006. For
175 participating retired employees who are under the age for Medicare
176 eligibility and who were initially employed on or after January 1,
177 2006, the board may impose a premium surcharge in an amount the
178 board determines actuarially to cover the full cost of insurance.

179 (11) The board may not impose a premium surcharge or any
180 other premium differential upon any class of participant of the
181 plan based on the use or nonuse of tobacco-related products.

182 (12) This section shall stand repealed on July 1, * * *
183 2022.

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

