

By: Representative Fleming

To: Insurance;  
Appropriations

HOUSE BILL NO. 52

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,  
2 TO PROVIDE THAT CERTAIN INCREASES IN PREMIUMS TO COVER THE COST OF  
3 THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN SHALL BE  
4 DRAWN FROM FUNDS AVAILABLE AS A RESULT OF THE TOBACCO SETTLEMENT;  
5 TO AMEND SECTION 43-13-407, MISSISSIPPI CODE OF 1972, IN  
6 CONFORMITY THERETO; AND FOR RELATED PURPOSES.

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

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

10 25-15-15. (1) The board is authorized to determine the  
11 manner in which premiums and contributions by the state agencies,  
12 local school districts, colleges, universities, community/junior  
13 colleges and public libraries shall be collected to provide the  
14 self-insured health insurance program for employees as provided  
15 under this article. The state shall provide fifty percent (50%)  
16 of the cost of the above life insurance plan and one hundred  
17 percent (100%) of the cost of the above health insurance plan for  
18 all active full-time employees, and the employees shall be given  
19 the opportunity to purchase coverage for their eligible dependents  
20 with the premiums for such dependent coverage as well as the  
21 employee's fifty percent (50%) share for his life insurance  
22 coverage to be deductible from the employee's salary by the  
23 agency, department or institution head, which deductions, together  
24 with the fifty percent (50%) share of such life insurance premiums  
25 of such employing agency, department or institution head from  
26 funds appropriated to or authorized to be expended by such  
27 employing agency, department or institution head, shall be  
28 deposited directly into a depository bank or special fund in the  
29 State Treasury, as determined by the board. These funds and



30 interest earned on these funds may be used for the disbursement of  
31 claims and shall be exempt from the appropriation process.

32 (2) The state shall provide annually, by line item in the  
33 Mississippi Library Commission appropriation bill, such funds to  
34 pay one hundred percent (100%) of the cost of health insurance  
35 under the State and School Employees Health Insurance Plan for all  
36 full-time library staff members in each public library in  
37 Mississippi. The commission shall allot to each public library a  
38 sufficient amount of those funds appropriated to pay the costs of  
39 insurance for eligible employees. Any funds so appropriated by  
40 line item which are not expended during the fiscal year for which  
41 such funds were appropriated shall be carried forward for the same  
42 purposes during the next succeeding fiscal year. If any premiums  
43 for the health insurance and/or late charges and interest  
44 penalties are not paid by a public library in a timely manner, as  
45 defined by the board, the Mississippi Library Commission, upon  
46 notice by the board, shall immediately withhold all subsequent  
47 disbursements of funds to that public library.

48 (3) The state shall annually provide one hundred percent  
49 (100%) of the cost of the health insurance plan for all public  
50 school district employees who work no less than twenty (20) hours  
51 during each week and regular nonstudent school bus drivers. Where  
52 federal funding is allowable to defray, in full or in part, the  
53 cost of participation in the program by district employees who  
54 work no less than twenty (20) hours during the week and regular  
55 nonstudent bus drivers, whose salaries are paid, in full or in  
56 part, by federal funds, the allowance under this section shall be  
57 reduced to the extent of such federal funding. Where the use of  
58 federal funds is allowable but not available, it is the intent of  
59 the Legislature that school districts contribute the cost of  
60 participation for such employees from local funds, except that  
61 parent fees for child nutrition programs shall not be increased to  
62 cover such cost.



63 (4) The state shall provide annually, by line item in the  
64 community/junior college appropriation bill, such funds to pay one  
65 hundred percent (100%) of the cost of the health insurance plan  
66 for all community/junior college district employees who work no  
67 less than twenty (20) hours during each week.

68 (5) When the use of federal funding is allowable to defray,  
69 in full or in part, the cost of participation in the insurance  
70 plan by community/junior college district employees who work no  
71 less than twenty (20) hours during each week, whose salaries are  
72 paid, in full or in part, by federal funds, the allowance under  
73 this section shall be reduced to the extent of the federal  
74 funding. Where the use of federal funds is allowable but not  
75 available, it is the intent of the Legislature that  
76 community/junior college districts contribute the cost of  
77 participation for such employees from local funds.

78 (6) Any community/junior college district may contribute to  
79 the cost of coverage for any district employee from local  
80 community/junior college district funds, and any public school  
81 district may contribute to the cost of coverage for any district  
82 employee from nonminimum program funds. Any part of the cost of  
83 such coverage for participating employees of public school  
84 districts and public community/junior college districts that is  
85 not paid by the state shall be paid by the participating  
86 employees, which shall be deducted from the salaries of the  
87 employees in a manner determined by the board.

88 (7) Any funds appropriated for the cost of insurance by line  
89 item in the community/junior colleges appropriation bill which are  
90 not expended during the fiscal year for which such funds were  
91 appropriated shall be carried forward for the same purposes during  
92 the next succeeding fiscal year.

93 (8) The board may establish and enforce late charges and  
94 interest penalties or other penalties for the purpose of requiring  
95 the prompt payment of all premiums for life and health insurance



96 permitted under Chapter 15 of Title 25. All funds in excess of  
97 the amount needed for disbursement of claims shall be deposited in  
98 a special fund in the State Treasury to be known as the State and  
99 School Employees Insurance Fund. The State Treasurer shall invest  
100 all funds in the State and School Employees Insurance Fund and all  
101 interest earned shall be credited to the State and School  
102 Employees Insurance Fund. Such funds shall be placed with one or  
103 more depositories of the state and invested on the first day such  
104 funds are available for investment in certificates of deposit,  
105 repurchase agreements or in United States Treasury bills or as  
106 otherwise authorized by law for the investment of Public  
107 Employees' Retirement System funds, as long as such investment is  
108 made from competitive offering and at the highest and best market  
109 rate obtainable consistent with any available investment  
110 alternatives; however, such investments shall not be made in  
111 shares of stock, common or preferred, or in any other investments  
112 which would mature more than one (1) year from the date of  
113 investment. The board shall have the authority to draw from this  
114 fund periodically such funds as are necessary to operate the  
115 self-insurance plan or to pay to the insurance carrier the cost of  
116 operation of this plan, it being the purpose to limit the amount  
117 of participation by the state to fifty percent (50%) of the cost  
118 of the life insurance program and not to limit the contracting for  
119 additional benefits where the cost will be paid in full by the  
120 employee. The state shall not share in the cost of coverage for  
121 retired employees.

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

126 (10) Any retired employee electing to purchase retired life  
127 and health insurance will have the full cost of such insurance  
128 deducted monthly from his State of Mississippi retirement plan



129 check or direct billed for the cost of the premium if the  
130 retirement check is insufficient to pay for the premium. If the  
131 board determines actuarially that the premium paid by the  
132 participating retirees adversely affects the overall cost of the  
133 plan to the state, then the department may impose a premium  
134 surcharge, not to exceed fifteen percent (15%), upon such  
135 participating retired employees who are under the age for Medicare  
136 eligibility.

137 (11) Based on the premiums paid in fiscal year 2001, any  
138 increases in premiums to cover the cost of the health insurance  
139 provided herein shall be drawn from the Health Care Expendable  
140 Fund established by Section 43-13-407.

141 **SECTION 2.** Section 43-13-407, Mississippi Code of 1972, is  
142 amended as follows:

143 43-13-407. (1) In accordance with the purposes of this  
144 article, there is established in the State Treasury the Health  
145 Care Expendable Fund, into which shall be transferred from the  
146 Health Care Trust Fund the following sums:

147 (a) In fiscal year 2000, Fifty Million Dollars  
148 (\$50,000,000.00);

149 (b) In fiscal year 2001, Fifty-five Million Dollars  
150 (\$55,000,000.00);

151 (c) In fiscal year 2002, Sixty Million Five Hundred  
152 Thousand Dollars (\$60,500,000.00);

153 (d) In fiscal year 2003, Sixty-six Million Five Hundred  
154 Fifty Thousand Dollars (\$66,550,000.00);

155 (e) In fiscal year 2004 and each subsequent fiscal  
156 year, a sum equal to the average annual amount of the income from  
157 the investment of the funds in the Health Care Trust Fund since  
158 July 1, 1999.

159 (2) In any fiscal year in which interest and dividends from  
160 the investment of the funds in the Health Care Trust Fund are not  
161 sufficient to fund the full amount of the annual transfer into the



162 Health Care Expendable Fund as required in subsection (1) of this  
163 section, the State Treasurer shall transfer from tobacco  
164 settlement installment payments an amount that is sufficient to  
165 fully fund the amount of the annual transfer.

166 (3) All income from the investment of the funds in the  
167 Health Care Expendable Fund shall be credited to the account of  
168 the Health Care Expendable Fund. Any funds in the Health Care  
169 Expendable Fund at the end of a fiscal year shall not lapse into  
170 the State General Fund.

171 (4) The funds in the Health Care Expendable Fund shall be  
172 available for expenditure pursuant to specific appropriation by  
173 the Legislature beginning in fiscal year 2000, and shall be  
174 expended exclusively for health care purposes, including, but not  
175 limited to, any increases in premiums to cover the cost of the  
176 State and School Employees Health Insurance Plan as provided in  
177 Section 25-15-15(11).

178 **SECTION 3.** This act shall take effect and be in force from  
179 and after July 1, 2002.

