

By: Representatives Formby, Stringer

To: Insurance;
Appropriations

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 191

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 REQUIRE THAT EMPLOYEES MUST HAVE BEEN PARTICIPANTS IN THE STATE
3 AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN FOR TWO YEARS OR MORE
4 TO BE ELIGIBLE TO PARTICIPATE IN THE PLAN UPON THEIR RETIREMENT;
5 TO DELETE THE PROVISIONS RELATING TO THE STATE AND SCHOOL
6 EMPLOYEES LIFE INSURANCE PLAN; AND FOR 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 **[Through June 30 of the year in which Section 25-11-143**
11 **becomes effective as provided in subsection (1) of Section**
12 **25-11-143, this section shall read as follows:]**

13 25-15-9. (1) (a) The board shall design a plan of health
14 insurance for state employees which provides benefits for
15 semiprivate rooms in addition to other incidental coverages which
16 the board deems necessary. The amount of the coverages shall be
17 in such reasonable amount as may be determined by the board to be
18 adequate, after due consideration of current health costs in
19 Mississippi. The plan shall also include major medical benefits
20 in such amounts as the board shall determine. The board is also
21 authorized to accept bids for such alternate coverage and optional
22 benefits as the board shall deem proper. Any contract for
23 alternative coverage and optional benefits shall be awarded by the
24 board after it has carefully studied and evaluated the bids and
25 selected the best and most cost-effective bid. The board may
26 reject all such bids; however, the board shall notify all bidders
27 of the rejection and shall actively solicit new bids if all bids
28 are rejected. The board may employ or contract for such
29 consulting or actuarial services as may be necessary to formulate

30 the plan, and to assist the board in the preparation of
31 specifications and in the process of advertising for the bids for
32 the plan. Such contracts shall be solicited and entered into in
33 accordance with Section 25-15-5. The board shall keep a record of
34 all persons, agents and corporations who contract with or assist
35 the board in preparing and developing the plan. The board in a
36 timely manner shall provide copies of this record to the members
37 of the advisory council created in this section and those
38 legislators, or their designees, who may attend meetings of the
39 advisory council. The board shall provide copies of this record
40 in the solicitation of bids for the administration or servicing of
41 the self-insured program. Each person, agent or corporation
42 which, during the previous fiscal year, has assisted in the
43 development of the plan or employed or compensated any person who
44 assisted in the development of the plan, and which bids on the
45 administration or servicing of the plan, shall submit to the board
46 a statement accompanying the bid explaining in detail its
47 participation with the development of the plan. This statement
48 shall include the amount of compensation paid by the bidder to any
49 such employee during the previous fiscal year. The board shall
50 make all such information available to the members of the advisory
51 council and those legislators, or their designees, who may attend
52 meetings of the advisory council before any action is taken by the
53 board on the bids submitted. The failure of any bidder to fully
54 and accurately comply with this paragraph shall result in the
55 rejection of any bid submitted by that bidder or the cancellation
56 of any contract executed when the failure is discovered after the
57 acceptance of that bid. The board is authorized to promulgate
58 rules and regulations to implement the provisions of this
59 subsection.

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

63 Any corporation, association, company or individual that
64 contracts with the board for the third-party claims administration
65 of the self-insured plan shall prepare and keep on file an
66 explanation of benefits for each claim processed. The explanation
67 of benefits shall contain such information relative to each
68 processed claim which the board deems necessary, and, at a
69 minimum, each explanation shall provide the claimant's name, claim
70 number, provider number, provider name, service dates, type of
71 services, amount of charges, amount allowed to the claimant and
72 reason codes. The information contained in the explanation of
73 benefits shall be available for inspection upon request by the
74 board. The board shall have access to all claims information
75 utilized in the issuance of payments to employees and providers.

76 (b) There is created an advisory council to advise the
77 board in the formulation of the State and School Employees Health
78 Insurance Plan. The council shall be composed of the State
79 Insurance Commissioner or his designee, an employee-representative
80 of the institutions of higher learning appointed by the board of
81 trustees thereof, an employee-representative of the Department of
82 Transportation appointed by the director thereof, an
83 employee-representative of the State Tax Commission appointed by
84 the Commissioner of Revenue, an employee-representative of the
85 Mississippi Department of Health appointed by the State Health
86 Officer, an employee-representative of the Mississippi Department
87 of Corrections appointed by the Commissioner of Corrections, and
88 an employee-representative of the Department of Human Services
89 appointed by the Executive Director of Human Services, two (2)
90 certificated public school administrators appointed by the State
91 Board of Education, two (2) certificated classroom teachers
92 appointed by the State Board of Education, a noncertificated
93 school employee appointed by the State Board of Education and a
94 community/junior college employee appointed by the State Board for
95 Community and Junior Colleges.

96 The Lieutenant Governor may designate the Secretary of the
97 Senate, the Chairman of the Senate Appropriations Committee, the
98 Chairman of the Senate Education Committee and the Chairman of the
99 Senate Insurance Committee, and the Speaker of the House of
100 Representatives may designate the Clerk of the House, the Chairman
101 of the House Appropriations Committee, the Chairman of the House
102 Education Committee and the Chairman of the House Insurance
103 Committee, to attend any meeting of the State and School Employees
104 Insurance Advisory Council. The appointing authorities may
105 designate an alternate member from their respective houses to
106 serve when the regular designee is unable to attend such meetings
107 of the council. Such designees shall have no jurisdiction or vote
108 on any matter within the jurisdiction of the council. For
109 attending meetings of the council, such legislators shall receive
110 per diem and expenses which shall be paid from the contingent
111 expense funds of their respective houses in the same amounts as
112 provided for committee meetings when the Legislature is not in
113 session; however, no per diem and expenses for attending meetings
114 of the council will be paid while the Legislature is in session.
115 No per diem and expenses will be paid except for attending
116 meetings of the council without prior approval of the proper
117 committee in their respective houses.

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

128 (d) **Medical benefits for retired employees and**
129 **dependents under age sixty-five (65) years and not eligible for**
130 **Medicare benefits.** For employees who retire before June 30, 2005,
131 the same health insurance coverage as for all other active
132 employees and their dependents shall be available to retired
133 employees and all dependents under age sixty-five (65) years who
134 are not eligible for Medicare benefits, the level of benefits to
135 be the same level as for all other active participants. For
136 employees who retire after June 30, 2005, the same health
137 insurance coverage as for all other active employees and their
138 dependents shall be available to such retiring employees only if
139 they were participants in the State and School Employees Health
140 Insurance Plan for two (2) years or more before their retirement
141 and all dependents under age sixty-five (65) years who are not
142 eligible for Medicare benefits, the level of benefits to be the
143 same level as for all other active participants. This section
144 will apply to those employees who retire due to one hundred
145 percent (100%) medical disability as well as those employees
146 electing early retirement.

147 (e) **Medical benefits for retired employees and**
148 **dependents over age sixty-five (65) years or otherwise eligible**
149 **for Medicare benefits.** For employees who retire before June 30,
150 2005, the health insurance coverage available to retired employees
151 over age sixty-five (65) years or otherwise eligible for Medicare
152 benefits, and all dependents over age sixty-five (65) years or
153 otherwise eligible for Medicare benefits, shall be the major
154 medical coverage with the lifetime maximum of One Million Dollars
155 (\$1,000,000.00). For employees retiring after June 30, 2005, the
156 health insurance coverage described herein shall be available to
157 such retiring employees only if they were participants in the
158 State and School Employees Health Insurance Plan for two (2) years
159 or more and are over age sixty-five (65) years or otherwise
160 eligible for Medicare benefits, and all dependents over age

161 sixty-five (65) years or otherwise eligible for Medicare benefits.
162 Benefits shall be reduced by Medicare benefits as though such
163 Medicare benefits were the base plan.

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

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

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

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

180 * * *

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

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

189 * * *

190 **[From and after July 1 of the year in which Section 25-11-143**
191 **becomes effective as provided in subsection (1) of Section**
192 **25-11-143, this section shall read as follows:]**

193 25-15-9. (1) (a) The board shall design a plan of health
194 insurance for state employees that provides benefits for
195 semiprivate rooms in addition to other incidental coverages that
196 the board deems necessary. The amount of the coverages shall be
197 in such reasonable amount as may be determined by the board to be
198 adequate, after due consideration of current health costs in
199 Mississippi. The plan shall also include major medical benefits
200 in such amounts as the board shall determine. The board is also
201 authorized to accept bids for such alternate coverage and optional
202 benefits as the board deems proper. Any contract for alternative
203 coverage and optional benefits shall be awarded by the board after
204 it has carefully studied and evaluated the bids and selected the
205 best and most cost-effective bid. The board may reject all such
206 bids; however, the board shall notify all bidders of the rejection
207 and shall actively solicit new bids if all bids are rejected. The
208 board may employ or contract for such consulting or actuarial
209 services as may be necessary to formulate the plan, and to assist
210 the board in the preparation of specifications and in the process
211 of advertising for the bids for the plan. Those contracts shall
212 be solicited and entered into in accordance with Section 25-15-5.
213 The board shall keep a record of all persons, agents and
214 corporations who contract with or assist the board in preparing
215 and developing the plan. The board in a timely manner shall
216 provide copies of this record to the members of the advisory
217 council created in this section and those legislators, or their
218 designees, who may attend meetings of the advisory council. The
219 board shall provide copies of this record in the solicitation of
220 bids for the administration or servicing of the self-insured
221 program. Each person, agent or corporation that, during the
222 previous fiscal year, has assisted in the development of the plan
223 or employed or compensated any person who assisted in the
224 development of the plan, and that bids on the administration or
225 servicing of the plan, shall submit to the board a statement

226 accompanying the bid explaining in detail its participation with
227 the development of the plan. This statement shall include the
228 amount of compensation paid by the bidder to any such employee
229 during the previous fiscal year. The board shall make all such
230 information available to the members of the advisory council and
231 those legislators, or their designees, who may attend meetings of
232 the advisory council before any action is taken by the board on
233 the bids submitted. The failure of any bidder to fully and
234 accurately comply with this paragraph shall result in the
235 rejection of any bid submitted by that bidder or the cancellation
236 of any contract executed when the failure is discovered after the
237 acceptance of that bid. The board is authorized to promulgate
238 rules and regulations to implement the provisions of this
239 subsection.

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241 authorized by this section in accordance with the provisions of
242 Section 25-15-5.

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244 contracts with the board for the third-party claims administration
245 of the self-insured plan shall prepare and keep on file an
246 explanation of benefits for each claim processed. The explanation
247 of benefits shall contain such information relative to each
248 processed claim which the board deems necessary, and, at a
249 minimum, each explanation shall provide the claimant's name, claim
250 number, provider number, provider name, service dates, type of
251 services, amount of charges, amount allowed to the claimant and
252 reason codes. The information contained in the explanation of
253 benefits shall be available for inspection upon request by the
254 board. The board shall have access to all claims information
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256 (b) There is created an advisory council to advise the
257 board in the formulation of the State and School Employees Health
258 Insurance Plan. The council shall be composed of the State

259 Insurance Commissioner or his designee, an employee-representative
260 of the state institutions of higher learning appointed by the
261 board of trustees thereof, an employee-representative of the
262 Mississippi Department of Transportation appointed by the director
263 thereof, an employee-representative of the State Tax Commission
264 appointed by the Commissioner of Revenue, an
265 employee-representative of the State Department of Health
266 appointed by the State Health Officer, an employee-representative
267 of the Mississippi Department of Corrections appointed by the
268 Commissioner of Corrections, and an employee-representative of the
269 Mississippi Department of Human Services appointed by the
270 Executive Director of Human Services, two (2) certificated public
271 school administrators appointed by the State Board of Education,
272 two (2) certificated classroom teachers appointed by the State
273 Board of Education, a noncertificated school employee appointed by
274 the State Board of Education and a community/junior college
275 employee appointed by the State Board for Community and Junior
276 Colleges.

277 The Lieutenant Governor may designate the Secretary of the
278 Senate, the Chairman of the Senate Appropriations Committee, the
279 Chairman of the Senate Education Committee and the Chairman of the
280 Senate Insurance Committee, and the Speaker of the House of
281 Representatives may designate the Clerk of the House, the Chairman
282 of the House Appropriations Committee, the Chairman of the House
283 Education Committee and the Chairman of the House Insurance
284 Committee, to attend any meeting of the State and School Employees
285 Insurance Advisory Council. The appointing authorities may
286 designate an alternate member from their respective houses to
287 serve when the regular designee is unable to attend such meetings
288 of the council. Those designees shall have no jurisdiction or
289 vote on any matter within the jurisdiction of the council. For
290 attending meetings of the council, those legislators shall receive
291 per diem and expenses, which shall be paid from the contingent

292 expense funds of their respective houses in the same amounts as
293 provided for committee meetings when the Legislature is not in
294 session; however, no per diem and expenses for attending meetings
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315 be reduced by any similar benefits payable in accordance with
316 Title XIX of the Social Security Act or under any amendments
317 thereto, or any implementing legislation.

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319 be reduced by any similar benefits payable by workers'
320 compensation.

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323 in Section 71-9-3 as a plan option.

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

330 * * *

331 **SECTION 2.** This act shall take effect and be in force from
332 and after July 1, 2005.