

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2184

1 AN ACT TO AMEND SECTION 25-15-15, MISSISSIPPI CODE OF 1972,
2 TO AUTHORIZE THE STATE OF MISSISSIPPI TO PAY FOR 100% OF THE COST
3 OF A BASIC LEVEL OF HEALTH INSURANCE FOR STATE AND SCHOOL
4 EMPLOYEES; TO AUTHORIZE SUCH EMPLOYEES TO PAY ADDITIONAL AMOUNTS
5 TO PURCHASE ADDITIONAL BENEFITS OR LEVELS OF COVERAGE; TO DELETE
6 THE MAXIMUM AMOUNT OF PREMIUM SURCHARGE WHICH MAY BE IMPOSED UPON
7 CERTAIN PARTICIPATING RETIREES IF THE OVERALL COST OF THE PLAN TO
8 THE STATE IS ADVERSELY AFFECTED; AND FOR RELATED PURPOSES.

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

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

12 [Through June 30 of the year in which Section 25-11-143
13 becomes effective as provided in subsection (1) of Section
14 25-11-143, this section shall read as follows:]

15 25-15-15. (1) The board is authorized to determine the
16 manner in which premiums and contributions by the state agencies,
17 local school districts, colleges, universities, community/junior
18 colleges and public libraries shall be collected to provide the
19 self-insured health insurance program for employees as provided
20 under this article. The state shall provide fifty percent (50%)
21 of the cost of the above life insurance plan and one hundred
22 percent (100%) of the cost of a basic level of health
23 insurance * * * for all active full-time employees. The employees
24 may pay additional amounts to purchase additional benefits or
25 levels of coverage offered under the plan. The employees shall be
26 given the opportunity to purchase coverage for their eligible
27 dependents with the premiums for such dependent coverage, as well
28 as the employee's fifty percent (50%) share for his life insurance
29 coverage and additional premium amounts for his health insurance
30 coverage, to be deductible from the employee's salary by the

31 agency, department or institution head, which deductions, together
32 with the fifty percent (50%) share of such life insurance premiums
33 of such employing agency, department or institution head from
34 funds appropriated to or authorized to be expended by such
35 employing agency, department or institution head, shall be
36 deposited directly into a depository bank or special fund in the
37 State Treasury, as determined by the board. These funds and
38 interest earned on these funds may be used for the disbursement of
39 claims and shall be exempt from the appropriation process.

40 (2) The state shall provide annually, by line item in the
41 Mississippi Library Commission appropriation bill, such funds to
42 pay one hundred percent (100%) of the cost of a basic level of
43 health insurance under the State and School Employees Health
44 Insurance Plan for all full-time library staff members in each
45 public library in Mississippi. The employees may pay additional
46 amounts to purchase additional benefits or levels of coverage
47 offered under the plan. The commission shall allot to each public
48 library a sufficient amount of those funds appropriated to pay the
49 costs of insurance for eligible employees. Any funds so
50 appropriated by line item which are not expended during the fiscal
51 year for which such funds were appropriated shall be carried
52 forward for the same purposes during the next succeeding fiscal
53 year. If any premiums for the health insurance and/or late
54 charges and interest penalties are not paid by a public library in
55 a timely manner, as defined by the board, the Mississippi Library
56 Commission, upon notice by the board, shall immediately withhold
57 all subsequent disbursements of funds to that public library.

58 (3) The state shall annually provide one hundred percent
59 (100%) of the cost of a basic level of health insurance * * * for
60 all public school district employees who work no less than twenty
61 (20) hours during each week and regular nonstudent school bus
62 drivers. The employees may pay additional amounts to purchase
63 additional benefits or levels of coverage offered under the plan.

64 Where federal funding is allowable to defray, in full or in part,
65 the cost of participation in the program by district employees who
66 work no less than twenty (20) hours during the week and regular
67 nonstudent bus drivers, whose salaries are paid, in full or in
68 part, by federal funds, the allowance under this section shall be
69 reduced to the extent of such federal funding. Where the use of
70 federal funds is allowable but not available, it is the intent of
71 the Legislature that school districts contribute the cost of
72 participation for such employees from local funds, except that
73 parent fees for child nutrition programs shall not be increased to
74 cover such cost.

75 (4) The state shall provide annually, by line item in the
76 community/junior college appropriation bill, such funds to pay one
77 hundred percent (100%) of the cost of a basic level of health
78 insurance * * * for all community/junior college district
79 employees who work no less than twenty (20) hours during each
80 week. The employees may pay additional amounts to purchase
81 additional benefits or levels of coverage offered under the plan.

82 (5) When the use of federal funding is allowable to defray,
83 in full or in part, the cost of participation in the insurance
84 plan by community/junior college district employees who work no
85 less than twenty (20) hours during each week, whose salaries are
86 paid, in full or in part, by federal funds, the allowance under
87 this section shall be reduced to the extent of the federal
88 funding. Where the use of federal funds is allowable but not
89 available, it is the intent of the Legislature that
90 community/junior college districts contribute the cost of
91 participation for such employees from local funds.

92 (6) Any community/junior college district may contribute to
93 the cost of coverage for any district employee from local
94 community/junior college district funds, and any public school
95 district may contribute to the cost of coverage for any district
96 employee from nonminimum program funds. Any part of the cost of

97 such coverage for participating employees of public school
98 districts and public community/junior college districts that is
99 not paid by the state shall be paid by the participating
100 employees, which shall be deducted from the salaries of the
101 employees in a manner determined by the board.

102 (7) Any funds appropriated for the cost of insurance by line
103 item in the community/junior colleges appropriation bill which are
104 not expended during the fiscal year for which such funds were
105 appropriated shall be carried forward for the same purposes during
106 the next succeeding fiscal year.

107 (8) The board may establish and enforce late charges and
108 interest penalties or other penalties for the purpose of requiring
109 the prompt payment of all premiums for life and health insurance
110 permitted under Chapter 15 of Title 25. All funds in excess of
111 the amount needed for disbursement of claims shall be deposited in
112 a special fund in the State Treasury to be known as the State and
113 School Employees Insurance Fund. The State Treasurer shall invest
114 all funds in the State and School Employees Insurance Fund and all
115 interest earned shall be credited to the State and School
116 Employees Insurance Fund. Such funds shall be placed with one or
117 more depositories of the state and invested on the first day such
118 funds are available for investment in certificates of deposit,
119 repurchase agreements or in United States Treasury bills or as
120 otherwise authorized by law for the investment of Public
121 Employees' Retirement System funds, as long as such investment is
122 made from competitive offering and at the highest and best market
123 rate obtainable consistent with any available investment
124 alternatives; however, such investments shall not be made in
125 shares of stock, common or preferred, or in any other investments
126 which would mature more than one (1) year from the date of
127 investment. The board shall have the authority to draw from this
128 fund periodically such funds as are necessary to operate the
129 self-insurance plan or to pay to the insurance carrier the cost of

130 operation of this plan, it being the purpose to limit the amount
131 of participation by the state to fifty percent (50%) of the cost
132 of the life insurance program and not to limit the contracting for
133 additional benefits where the cost will be paid in full by the
134 employee. The state shall not share in the cost of coverage for
135 retired employees.

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

140 (10) Any retired employee electing to purchase retired life
141 and health insurance will have the full cost of such insurance
142 deducted monthly from his State of Mississippi retirement plan
143 check or direct billed for the cost of the premium if the
144 retirement check is insufficient to pay for the premium. If the
145 board determines actuarially that the premium paid by the
146 participating retirees adversely affects the overall cost of the
147 plan to the state, then the board may impose a premium
148 surcharge * * * upon such participating retired employees who are
149 under the age for Medicare eligibility.

150 **[From and after July 1 of the year in which Section 25-11-143**
151 **becomes effective as provided in subsection (1) of Section**
152 **25-11-143, this section shall read as follows:]**

153 25-15-15. (1) The board may determine the manner in which
154 premiums and contributions by the state agencies, local school
155 districts, colleges, universities, community/junior colleges and
156 public libraries will be collected to provide the self-insured
157 health insurance program for employees as provided under this
158 article. The state shall provide fifty percent (50%) of the cost
159 of the above life insurance plan and one hundred percent (100%) of
160 the cost of a basic level of health insurance * * * for all active
161 full-time employees. The employees may pay additional amounts to
162 purchase additional benefits or levels of coverage offered under

163 the plan. The employees shall be given the opportunity to
164 purchase coverage for their eligible dependents with the premiums
165 for the dependent coverage, as well as the employee's fifty
166 percent (50%) share for his life insurance coverage and additional
167 premium amounts for his health insurance coverage, to be
168 deductible from the employee's salary by the agency, department or
169 institution head. Those deductions, together with the fifty
170 percent (50%) share of the life insurance premiums of the
171 employing agency, department or institution head from funds
172 appropriated to or authorized to be expended by the employing
173 agency, department or institution head, shall be deposited
174 directly into a depository bank or special fund in the State
175 Treasury, as determined by the board. These funds and interest
176 earned on these funds may be used for the disbursement of claims
177 and shall be exempt from the appropriation process.

178 (2) The state shall provide annually, by line item in the
179 Mississippi Library Commission appropriation bill, the funds to
180 pay one hundred percent (100%) of the cost of a basic level of
181 health insurance under the State and School Employees Health
182 Insurance Plan for all full-time library staff members in each
183 public library in Mississippi. The employees may pay additional
184 amounts to purchase additional benefits or levels of coverage
185 offered under the plan. The commission shall allot to each public
186 library a sufficient amount of those funds appropriated to pay the
187 costs of insurance for eligible employees. Any funds so
188 appropriated by line item that are not expended during the fiscal
189 year for which the funds were appropriated shall be carried
190 forward for the same purposes during the next succeeding fiscal
191 year. If any premiums for the health insurance and/or late
192 charges and interest penalties are not paid by a public library in
193 a timely manner, as defined by the board, the Mississippi Library
194 Commission, upon notice by the board, shall immediately withhold
195 all subsequent disbursements of funds to that public library.

196 (3) The state shall annually provide one hundred percent
197 (100%) of the cost of a basic level of health insurance * * * for
198 all public school district employees who work no less than twenty
199 (20) hours during each week and regular nonstudent school bus
200 drivers. The employees may pay additional amounts to purchase
201 additional benefits or levels of coverage offered under the plan.
202 Where federal funding is allowable to defray, in full or in part,
203 the cost of participation in the program by district employees who
204 work no less than twenty (20) hours during the week and regular
205 nonstudent bus drivers, whose salaries are paid, in full or in
206 part, by federal funds, the allowance under this section shall be
207 reduced to the extent of that federal funding. Where the use of
208 federal funds is allowable but not available, it is the intent of
209 the Legislature that school districts contribute the cost of
210 participation for the employees from local funds, except that
211 parent fees for child nutrition programs shall not be increased to
212 cover that cost.

213 (4) The state shall provide annually, by line item in the
214 community/junior college appropriation bill, the funds to pay one
215 hundred percent (100%) of the cost of a basic level of health
216 insurance * * * for all community/junior college district
217 employees who work no less than twenty (20) hours during each
218 week. The employees may pay additional amounts to purchase
219 additional benefits or levels of coverage offered under the plan.

220 (5) When the use of federal funding is allowable to defray,
221 in full or in part, the cost of participation in the insurance
222 plan by community/junior college district employees who work no
223 less than twenty (20) hours during each week, whose salaries are
224 paid, in full or in part, by federal funds, the allowance under
225 this section shall be reduced to the extent of the federal
226 funding. Where the use of federal funds is allowable but not
227 available, it is the intent of the Legislature that

228 community/junior college districts contribute the cost of
229 participation for the employees from local funds.

230 (6) Any community/junior college district may contribute to
231 the cost of coverage for any district employee from local
232 community/junior college district funds, and any public school
233 district may contribute to the cost of coverage for any district
234 employee from nonminimum program funds. Any part of the cost of
235 the coverage for participating employees of public school
236 districts and public community/junior college districts that is
237 not paid by the state shall be paid by the participating
238 employees, which shall be deducted from the salaries of the
239 employees in a manner determined by the board.

240 (7) Any funds appropriated for the cost of insurance by line
241 item in the community/junior colleges appropriation bill that are
242 not expended during the fiscal year for which the funds were
243 appropriated shall be carried forward for the same purposes during
244 the next succeeding fiscal year.

245 (8) The board may establish and enforce late charges and
246 interest penalties or other penalties for the purpose of requiring
247 the prompt payment of all premiums for life and health insurance
248 permitted under Chapter 15 of Title 25. All funds in excess of
249 the amount needed for disbursement of claims shall be deposited in
250 a special fund in the State Treasury to be known as the State and
251 School Employees Insurance Fund. The State Treasurer shall invest
252 all funds in the State and School Employees Insurance Fund and all
253 interest earned shall be credited to the State and School
254 Employees Insurance Fund. Those funds shall be placed with one or
255 more depositories of the state and invested on the first day that
256 the funds are available for investment in certificates of deposit,
257 repurchase agreements or in United States Treasury bills or as
258 otherwise authorized by law for the investment of Public
259 Employees' Retirement System funds, as long as the investment is
260 made from competitive offering and at the highest and best market

261 rate obtainable consistent with any available investment
262 alternatives. However, those investments shall not be made in
263 shares of stock, common or preferred, or in any other investments
264 that would mature more than one (1) year from the date of
265 investment. The board shall have the authority to draw from this
266 fund periodically such funds as are necessary to operate the
267 self-insurance plan or to pay to the insurance carrier the cost of
268 operation of this plan, it being the purpose to limit the amount
269 of participation by the state to fifty percent (50%) of the cost
270 of the life insurance program and not to limit the contracting for
271 additional benefits where the cost will be paid in full by the
272 employee.

273 (9) The board shall also provide for the creation of an
274 Insurance Reserve Fund, and funds in the reserve fund shall be
275 invested by the State Treasurer with all interest earned credited
276 to the State and School Employees Insurance Fund.

277 **SECTION 2.** This act shall take effect and be in force from
278 and after its passage.