

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.