

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2331

1 AN ACT TO AMEND SECTION 25-17-9, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE
3 MANAGEMENT BOARD SHALL CHOOSE THE PROVIDERS IT DEEMS ACCEPTABLE TO
4 PROVIDE BENEFITS OR SERVICES RELATED TO CAFETERIA PLANS OF STATE
5 AGENCIES; AND FOR RELATED PURPOSES.

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

7 **SECTION 1.** Section 25-17-9, Mississippi Code of 1972, is
8 amended as follows:

9 25-17-9. (1) For the purpose of this section, "provider"
10 means any insurance company, corporation, person or other entity
11 which provides benefits included in, or administrative services
12 related to, cafeteria plans.

13 (2) The State and School Employees Health Insurance
14 Management Board shall choose the providers it deems acceptable to
15 provide benefits or services related to a cafeteria plan or any
16 supplemental insurance plan of state agencies. The board shall
17 spread upon its minutes its choice of provider and its reasons for
18 selecting the provider. A state agency shall promptly notify the
19 State and School Employees Health Insurance Management Board of
20 any complaint that it has against the provider.

21 (3) (a) The State Auditor shall compile a list of providers
22 of cafeteria plans which shall contain those providers he deems
23 acceptable to provide benefits or services related to a cafeteria
24 plan of a * * * local governmental entity. To be deemed
25 acceptable, a provider shall:

26 (i) Be authorized to do business in this state or
27 be a corporation organized or existing under the laws of this
28 state;

29 (ii) Maintain an office in this state with
30 sufficient staff and equipment to render the contracted services
31 for plans which are subject to this chapter as required by the
32 State Auditor;

33 (iii) Obtain and maintain a comprehensive
34 dishonesty, destruction and disappearance bond in the amount
35 designated by the State Auditor (a copy of which shall be
36 maintained on file at all times in the Office of the State
37 Auditor, who shall be promptly notified by the surety on such bond
38 of any change in or cancellation of such bond) unless the provider
39 uses the type of administration which does not require the
40 accumulation or escrow of employees' or employers' monies for
41 reimbursement purposes; and

42 (iv) Comply with the guidelines established by the
43 State Auditor pertaining to * * * local governmental entities'
44 cafeteria plans.

45 (b) The State Auditor shall revise the list annually
46 unless an earlier revision is necessary to remove a provider who
47 does not satisfy the requirements set forth in subparagraphs (i)
48 through (iv) of paragraph (a).

49 (c) Only providers who appear on the most recent list
50 compiled by the State Auditor shall, directly or indirectly,
51 provide benefits included in or administrative services related to
52 cafeteria plans of a * * * local governmental entity. * * *

53 (d) A * * * local governmental entity shall promptly
54 notify the State Auditor of any complaint that it has against a
55 provider.

56 (4) All cafeteria plans authorized in Section 25-17-3,
57 Mississippi Code of 1972, shall be in compliance with current
58 Internal Revenue Service requirements promulgated in Sections 89
59 and 125 of the Internal Revenue Code. Documentation of such
60 compliance by cafeteria plans of state agencies shall be on file
61 with the State and School Employees Health Insurance Management

62 Board. Documentation of such compliance by cafeteria plans of
63 local governmental entities shall be on file in the Office of the
64 State Auditor.

65 (5) The State and School Employees Health Insurance
66 Management Board may promulgate rules and regulations necessary to
67 implement the provisions of this section pertaining to cafeteria
68 plans of state agencies. The State Auditor may promulgate rules
69 and regulations necessary to implement the provisions of this
70 section pertaining to cafeteria plans of local governmental
71 entities.

72 **SECTION 2.** This act shall take effect and be in force from
73 and after January 1, 2006.