

By: Senator(s) Kirby

To: Insurance

SENATE BILL NO. 2338

1 AN ACT TO CREATE A NEW SECTION TO ALLOW ANY STATE AGENCY,
2 UNIVERSITY, SCHOOL DISTRICT, COMMUNITY COLLEGE, PUBLIC LIBRARY, OR
3 UNIVERSITY-BASED PROGRAM FOR DEAF, APHASIC AND EMOTIONALLY
4 DISTURBED CHILDREN TO CHOOSE A POLICY OR POLICIES OF GROUP LIFE
5 INSURANCE WITH AN INSURANCE COMPANY LICENSED BY THE DEPARTMENT OF
6 INSURANCE; TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, BY
7 DELETING THE PROVISIONS RELATING TO THE STATE AND SCHOOL EMPLOYEES
8 LIFE INSURANCE PLAN; AND FOR RELATED PURPOSES.

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

10 **SECTION 1.** On or after January 1, 2006, any state agency,
11 university, school district, community/junior college district,
12 public library, or university-based program authorized under
13 Section 37-23-31 for deaf, aphasic and emotionally disturbed
14 children shall contract for a policy or policies of group term
15 life insurance with an insurance company licensed by the
16 Department of Insurance. The state shall contribute fifty percent
17 (50%) of the active employee's premium for such group term life
18 insurance, but in no event shall the state's contribution exceed
19 Twelve Dollars (\$12.00) per month per employee.

20 **SECTION 2.** Section 25-15-9, Mississippi Code of 1972, is
21 amended as follows:

22 **[Through June 30 of the year in which Section 25-11-143**
23 **becomes effective as provided in subsection (1) of Section**
24 **25-11-143, this section shall read as follows:]**

25 25-15-9. (1) (a) The board shall design a plan of health
26 insurance for state employees which provides benefits for
27 semiprivate rooms in addition to other incidental coverages which
28 the board deems necessary. The amount of the coverages shall be
29 in such reasonable amount as may be determined by the board to be
30 adequate, after due consideration of current health costs in

31 Mississippi. The plan shall also include major medical benefits
32 in such amounts as the board shall determine. The board is also
33 authorized to accept bids for such alternate coverage and optional
34 benefits as the board shall deem proper. Any contract for
35 alternative coverage and optional benefits shall be awarded by the
36 board after it has carefully studied and evaluated the bids and
37 selected the best and most cost-effective bid. The board may
38 reject all such bids; however, the board shall notify all bidders
39 of the rejection and shall actively solicit new bids if all bids
40 are rejected. The board may employ or contract for such
41 consulting or actuarial services as may be necessary to formulate
42 the plan, and to assist the board in the preparation of
43 specifications and in the process of advertising for the bids for
44 the plan. Such contracts shall be solicited and entered into in
45 accordance with Section 25-15-5. The board shall keep a record of
46 all persons, agents and corporations who contract with or assist
47 the board in preparing and developing the plan. The board in a
48 timely manner shall provide copies of this record to the members
49 of the advisory council created in this section and those
50 legislators, or their designees, who may attend meetings of the
51 advisory council. The board shall provide copies of this record
52 in the solicitation of bids for the administration or servicing of
53 the self-insured program. Each person, agent or corporation
54 which, during the previous fiscal year, has assisted in the
55 development of the plan or employed or compensated any person who
56 assisted in the development of the plan, and which bids on the
57 administration or servicing of the plan, shall submit to the board
58 a statement accompanying the bid explaining in detail its
59 participation with the development of the plan. This statement
60 shall include the amount of compensation paid by the bidder to any
61 such employee during the previous fiscal year. The board shall
62 make all such information available to the members of the advisory
63 council and those legislators, or their designees, who may attend

64 meetings of the advisory council before any action is taken by the
65 board on the bids submitted. The failure of any bidder to fully
66 and accurately comply with this paragraph shall result in the
67 rejection of any bid submitted by that bidder or the cancellation
68 of any contract executed when the failure is discovered after the
69 acceptance of that bid. The board is authorized to promulgate
70 rules and regulations to implement the provisions of this
71 subsection.

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

75 Any corporation, association, company or individual that
76 contracts with the board for the third-party claims administration
77 of the self-insured plan shall prepare and keep on file an
78 explanation of benefits for each claim processed. The explanation
79 of benefits shall contain such information relative to each
80 processed claim which the board deems necessary, and, at a
81 minimum, each explanation shall provide the claimant's name, claim
82 number, provider number, provider name, service dates, type of
83 services, amount of charges, amount allowed to the claimant and
84 reason codes. The information contained in the explanation of
85 benefits shall be available for inspection upon request by the
86 board. The board shall have access to all claims information
87 utilized in the issuance of payments to employees and providers.

88 (b) There is created an advisory council to advise the
89 board in the formulation of the State and School Employees Health
90 Insurance Plan. The council shall be composed of the State
91 Insurance Commissioner or his designee, an employee-representative
92 of the institutions of higher learning appointed by the board of
93 trustees thereof, an employee-representative of the Department of
94 Transportation appointed by the director thereof, an
95 employee-representative of the State Tax Commission appointed by
96 the Commissioner of Revenue, an employee-representative of the

97 Mississippi Department of Health appointed by the State Health
98 Officer, an employee-representative of the Mississippi Department
99 of Corrections appointed by the Commissioner of Corrections, and
100 an employee-representative of the Department of Human Services
101 appointed by the Executive Director of Human Services, two (2)
102 certificated public school administrators appointed by the State
103 Board of Education, two (2) certificated classroom teachers
104 appointed by the State Board of Education, a noncertificated
105 school employee appointed by the State Board of Education and a
106 community/junior college employee appointed by the State Board for
107 Community and Junior Colleges.

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

130 (c) No change in the terms of the State and School
131 Employees Health Insurance Plan may be made effective unless the
132 board, or its designee, has provided notice to the State and
133 School Employees Health Insurance Advisory Council and has called
134 a meeting of the council at least fifteen (15) days before the
135 effective date of such change. In the event that the State and
136 School Employees Health Insurance Advisory Council does not meet
137 to advise the board on the proposed changes, the changes to the
138 plan shall become effective at such time as the board has informed
139 the council that the changes shall become effective.

140 (d) **Medical benefits for retired employees and**
141 **dependents under age sixty-five (65) years and not eligible for**
142 **Medicare benefits.** The same health insurance coverage as for all
143 other active employees and their dependents shall be available to
144 retired employees and all dependents under age sixty-five (65)
145 years who are not eligible for Medicare benefits, the level of
146 benefits to be the same level as for all other active
147 participants. This section will apply to those employees who
148 retire due to one hundred percent (100%) medical disability as
149 well as those employees electing early retirement.

150 (e) **Medical benefits for retired employees and**
151 **dependents over age sixty-five (65) years or otherwise eligible**
152 **for Medicare benefits.** The health insurance coverage available to
153 retired employees over age sixty-five (65) years or otherwise
154 eligible for Medicare benefits, and all dependents over age
155 sixty-five (65) years or otherwise eligible for Medicare benefits,
156 shall be the major medical coverage with the lifetime maximum of
157 One Million Dollars (\$1,000,000.00). Benefits shall be reduced by
158 Medicare benefits as though such Medicare benefits were the base
159 plan.

160 All covered individuals shall be assumed to have full
161 Medicare coverage, Parts A and B; and any Medicare payments under

162 both Parts A and B shall be computed to reduce benefits payable
163 under this plan.

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

169 Benefits for hospital or surgical or medical benefits shall
170 be reduced by any similar benefits payable in accordance with
171 Title XIX of the Social Security Act or under any amendments
172 thereto, or any implementing legislation.

173 Benefits for hospital or surgical or medical benefits shall
174 be reduced by any similar benefits payable by workers'
175 compensation.

176 * * *

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

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

185 * * *

186 **[From and after July 1 of the year in which Section 25-11-143**
187 **becomes effective as provided in subsection (1) of Section**
188 **25-11-143, this section shall read as follows:]**

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190 insurance for state employees that provides benefits for
191 semiprivate rooms in addition to other incidental coverages that
192 the board deems necessary. The amount of the coverages shall be
193 in such reasonable amount as may be determined by the board to be
194 adequate, after due consideration of current health costs in

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

228 the advisory council before any action is taken by the board on
229 the bids submitted. The failure of any bidder to fully and
230 accurately comply with this paragraph shall result in the
231 rejection of any bid submitted by that bidder or the cancellation
232 of any contract executed when the failure is discovered after the
233 acceptance of that bid. The board is authorized to promulgate
234 rules and regulations to implement the provisions of this
235 subsection.

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

239 Any corporation, association, company or individual that
240 contracts with the board for the third-party claims administration
241 of the self-insured plan shall prepare and keep on file an
242 explanation of benefits for each claim processed. The explanation
243 of benefits shall contain such information relative to each
244 processed claim which the board deems necessary, and, at a
245 minimum, each explanation shall provide the claimant's name, claim
246 number, provider number, provider name, service dates, type of
247 services, amount of charges, amount allowed to the claimant and
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249 benefits shall be available for inspection upon request by the
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253 board in the formulation of the State and School Employees Health
254 Insurance Plan. The council shall be composed of the State
255 Insurance Commissioner or his designee, an employee-representative
256 of the state institutions of higher learning appointed by the
257 board of trustees thereof, an employee-representative of the
258 Mississippi Department of Transportation appointed by the director
259 thereof, an employee-representative of the State Tax Commission
260 appointed by the Commissioner of Revenue, an

261 employee-representative of the State Department of Health
262 appointed by the State Health Officer, an employee-representative
263 of the Mississippi Department of Corrections appointed by the
264 Commissioner of Corrections, and an employee-representative of the
265 Mississippi Department of Human Services appointed by the
266 Executive Director of Human Services, two (2) certificated public
267 school administrators appointed by the State Board of Education,
268 two (2) certificated classroom teachers appointed by the State
269 Board of Education, a noncertificated school employee appointed by
270 the State Board of Education and a community/junior college
271 employee appointed by the State Board for Community and Junior
272 Colleges.

273 The Lieutenant Governor may designate the Secretary of the
274 Senate, the Chairman of the Senate Appropriations Committee, the
275 Chairman of the Senate Education Committee and the Chairman of the
276 Senate Insurance Committee, and the Speaker of the House of
277 Representatives may designate the Clerk of the House, the Chairman
278 of the House Appropriations Committee, the Chairman of the House
279 Education Committee and the Chairman of the House Insurance
280 Committee, to attend any meeting of the State and School Employees
281 Insurance Advisory Council. The appointing authorities may
282 designate an alternate member from their respective houses to
283 serve when the regular designee is unable to attend such meetings
284 of the council. Those designees shall have no jurisdiction or
285 vote on any matter within the jurisdiction of the council. For
286 attending meetings of the council, those legislators shall receive
287 per diem and expenses, which shall be paid from the contingent
288 expense funds of their respective houses in the same amounts as
289 provided for committee meetings when the Legislature is not in
290 session; however, no per diem and expenses for attending meetings
291 of the council will be paid while the Legislature is in session.
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293 meetings of the council without prior approval of the proper
294 committee in their respective houses.

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301 Health Insurance Advisory Council does not meet to advise the
302 board on the proposed changes, the changes to the plan will become
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306 Title XIX benefits: When benefits would be payable under more
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308 coordinated to the extent that the total benefits under all plans
309 will not exceed the total expenses incurred.

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311 be reduced by any similar benefits payable in accordance with
312 Title XIX of the Social Security Act or under any amendments
313 thereto, or any implementing legislation.

314 Benefits for hospital or surgical or medical benefits shall
315 be reduced by any similar benefits payable by workers'
316 compensation.

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

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

326 * * *

327 **SECTION 3.** This act shall take effect and be in force from
328 and after January 1, 2006.