

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MADAM PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 191: State and School Employees Health Insurance Plan; require certain prior participation and delete provisions covering life insurance.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

Amend by striking all after the enacting clause and inserting in lieu thereof the following:

13 **SECTION 1.** From and after January 1, 2006, any state agency,
14 university, school district, community/junior college district,
15 public library, or university-based program authorized under
16 Section 37-23-31 for deaf, aphasic and emotionally disturbed
17 children shall contract for a policy or policies of group term
18 life insurance with an insurance company licensed by the
19 Department of Insurance. The state shall contribute fifty percent
20 (50%) of the active employee's premium for such group term life
21 insurance, but in no event shall the state's contribution per
22 employee exceed Twelve Cents (12¢) per One Thousand Dollars
23 (\$1,000.00) in benefits or Twelve Dollars (\$12.00) per month,
24 whichever is less.

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

27 **[Through June 30 of the year in which Section 25-11-143**
28 **becomes effective as provided in subsection (1) of Section**
29 **25-11-143, this section shall read as follows:]**

30 25-15-9. (1) (a) The board shall design a plan of health
31 insurance for state employees which provides benefits for
32 semiprivate rooms in addition to other incidental coverages which
33 the board deems necessary. The amount of the coverages shall be

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

66 such employee during the previous fiscal year. The board shall
67 make all such information available to the members of the advisory
68 council and those legislators, or their designees, who may attend
69 meetings of the advisory council before any action is taken by the
70 board on the bids submitted. The failure of any bidder to fully
71 and accurately comply with this paragraph shall result in the
72 rejection of any bid submitted by that bidder or the cancellation
73 of any contract executed when the failure is discovered after the
74 acceptance of that bid. The board is authorized to promulgate
75 rules and regulations to implement the provisions of this
76 subsection.

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

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

93 (b) There is created an advisory council to advise the
94 board in the formulation of the State and School Employees Health
95 Insurance Plan. The council shall be composed of the State
96 Insurance Commissioner or his designee, an employee-representative
97 of the institutions of higher learning appointed by the board of

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

113 The Lieutenant Governor may designate the Secretary of the
114 Senate, the Chairman of the Senate Appropriations Committee, the
115 Chairman of the Senate Education Committee and the Chairman of the
116 Senate Insurance Committee, and the Speaker of the House of
117 Representatives may designate the Clerk of the House, the Chairman
118 of the House Appropriations Committee, the Chairman of the House
119 Education Committee and the Chairman of the House Insurance
120 Committee, to attend any meeting of the State and School Employees
121 Insurance Advisory Council. The appointing authorities may
122 designate an alternate member from their respective houses to
123 serve when the regular designee is unable to attend such meetings
124 of the council. Such designees shall have no jurisdiction or vote
125 on any matter within the jurisdiction of the council. For
126 attending meetings of the council, such legislators shall receive
127 per diem and expenses which shall be paid from the contingent
128 expense funds of their respective houses in the same amounts as
129 provided for committee meetings when the Legislature is not in

130 session; however, no per diem and expenses for attending meetings
131 of the council will be paid while the Legislature is in session.
132 No per diem and expenses will be paid except for attending
133 meetings of the council without prior approval of the proper
134 committee in their respective houses.

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

145 (d) **Medical benefits for retired employees and**
146 **dependents under age sixty-five (65) years and not eligible for**
147 **Medicare benefits.** For employees who retire before January 1,
148 2006, and for employees retiring due to work-related disability
149 under the Public Employees Retirement System, the same health
150 insurance coverage as for all other active employees and their
151 dependents shall be available to retired employees and all
152 dependents under age sixty-five (65) years who are not eligible
153 for Medicare benefits, the level of benefits to be the same level
154 as for all other active participants. For employees who retire on
155 or after January 1, 2006, the same health insurance coverage as
156 for all other active employees and their dependents shall be
157 available to such retiring employees and all dependents under age
158 sixty-five (65) years who are not eligible for Medicare benefits
159 only if the retiring employees were participants in the State and
160 School Employees Health Insurance Plan for four (4) years or more
161 before their retirement, the level of benefits to be the same

162 level as for all other active participants. This section will
163 apply to those employees who retire due to one hundred percent
164 (100%) medical disability as well as those employees electing
165 early retirement.

166 (e) **Medical benefits for retired employees and**
167 **dependents over age sixty-five (65) years or otherwise eligible**
168 **for Medicare benefits.** For employees who retire before January 1,
169 2006, and for employees retiring due to work-related disability
170 under the Public Employees Retirement System, the health insurance
171 coverage available to retired employees over age sixty-five (65)
172 years or otherwise eligible for Medicare benefits, and all
173 dependents over age sixty-five (65) years or otherwise eligible
174 for Medicare benefits, shall be the major medical coverage with
175 the lifetime maximum of One Million Dollars (\$1,000,000.00). For
176 employees retiring on or after January 1, 2006, the health
177 insurance coverage described herein shall be available to such
178 retiring employees only if they were participants in the State and
179 School Employees Health Insurance Plan for four (4) years or more
180 and are over age sixty-five (65) years or otherwise eligible for
181 Medicare benefits, and to all dependents over age sixty-five (65)
182 years or otherwise eligible for Medicare benefits. Benefits shall
183 be reduced by Medicare benefits as though such Medicare benefits
184 were the base plan.

185 All covered individuals shall be assumed to have full
186 Medicare coverage, Parts A and B; and any Medicare payments under
187 both Parts A and B shall be computed to reduce benefits payable
188 under this plan.

189 (2) Nonduplication of benefits--reduction of benefits by
190 Title XIX benefits: When benefits would be payable under more
191 than one (1) group plan, benefits under those plans will be
192 coordinated to the extent that the total benefits under all plans
193 will not exceed the total expenses incurred.

194 Benefits for hospital or surgical or medical benefits shall
195 be reduced by any similar benefits payable in accordance with
196 Title XIX of the Social Security Act or under any amendments
197 thereto, or any implementing legislation.

198 Benefits for hospital or surgical or medical benefits shall
199 be reduced by any similar benefits payable by workers'
200 compensation.

201 * * *

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

204 (4) Any premium differentials, differences in coverages,
205 discounts determined by risk or by any other factors shall be
206 uniformly applied to all active employees participating in the
207 insurance plan. It is the intent of the Legislature that the
208 state contribution to the plan be the same for each employee
209 throughout the state.

210 * * *

211 **[From and after July 1 of the year in which Section 25-11-143**
212 **becomes effective as provided in subsection (1) of Section**
213 **25-11-143, this section shall read as follows:]**

214 25-15-9. (1) (a) The board shall design a plan of health
215 insurance for state employees that provides benefits for
216 semiprivate rooms in addition to other incidental coverages that
217 the board deems necessary. The amount of the coverages shall be
218 in such reasonable amount as may be determined by the board to be
219 adequate, after due consideration of current health costs in
220 Mississippi. The plan shall also include major medical benefits
221 in such amounts as the board shall determine. The board is also
222 authorized to accept bids for such alternate coverage and optional
223 benefits as the board deems proper. Any contract for alternative
224 coverage and optional benefits shall be awarded by the board after
225 it has carefully studied and evaluated the bids and selected the

226 best and most cost-effective bid. The board may reject all such
227 bids; however, the board shall notify all bidders of the rejection
228 and shall actively solicit new bids if all bids are rejected. The
229 board may employ or contract for such consulting or actuarial
230 services as may be necessary to formulate the plan, and to assist
231 the board in the preparation of specifications and in the process
232 of advertising for the bids for the plan. Those contracts shall
233 be solicited and entered into in accordance with Section 25-15-5.
234 The board shall keep a record of all persons, agents and
235 corporations who contract with or assist the board in preparing
236 and developing the plan. The board in a timely manner shall
237 provide copies of this record to the members of the advisory
238 council created in this section and those legislators, or their
239 designees, who may attend meetings of the advisory council. The
240 board shall provide copies of this record in the solicitation of
241 bids for the administration or servicing of the self-insured
242 program. Each person, agent or corporation that, during the
243 previous fiscal year, has assisted in the development of the plan
244 or employed or compensated any person who assisted in the
245 development of the plan, and that bids on the administration or
246 servicing of the plan, shall submit to the board a statement
247 accompanying the bid explaining in detail its participation with
248 the development of the plan. This statement shall include the
249 amount of compensation paid by the bidder to any such employee
250 during the previous fiscal year. The board shall make all such
251 information available to the members of the advisory council and
252 those legislators, or their designees, who may attend meetings of
253 the advisory council before any action is taken by the board on
254 the bids submitted. The failure of any bidder to fully and
255 accurately comply with this paragraph shall result in the
256 rejection of any bid submitted by that bidder or the cancellation
257 of any contract executed when the failure is discovered after the

258 acceptance of that bid. The board is authorized to promulgate
259 rules and regulations to implement the provisions of this
260 subsection.

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

264 Any corporation, association, company or individual that
265 contracts with the board for the third-party claims administration
266 of the self-insured plan shall prepare and keep on file an
267 explanation of benefits for each claim processed. The explanation
268 of benefits shall contain such information relative to each
269 processed claim which the board deems necessary, and, at a
270 minimum, each explanation shall provide the claimant's name, claim
271 number, provider number, provider name, service dates, type of
272 services, amount of charges, amount allowed to the claimant and
273 reason codes. The information contained in the explanation of
274 benefits shall be available for inspection upon request by the
275 board. The board shall have access to all claims information
276 utilized in the issuance of payments to employees and providers.

277 (b) There is created an advisory council to advise the
278 board in the formulation of the State and School Employees Health
279 Insurance Plan. The council shall be composed of the State
280 Insurance Commissioner or his designee, an employee-representative
281 of the state institutions of higher learning appointed by the
282 board of trustees thereof, an employee-representative of the
283 Mississippi Department of Transportation appointed by the director
284 thereof, an employee-representative of the State Tax Commission
285 appointed by the Commissioner of Revenue, an
286 employee-representative of the State Department of Health
287 appointed by the State Health Officer, an employee-representative
288 of the Mississippi Department of Corrections appointed by the
289 Commissioner of Corrections, and an employee-representative of the

290 Mississippi Department of Human Services appointed by the
291 Executive Director of Human Services, two (2) certificated public
292 school administrators appointed by the State Board of Education,
293 two (2) certificated classroom teachers appointed by the State
294 Board of Education, a noncertificated school employee appointed by
295 the State Board of Education and a community/junior college
296 employee appointed by the State Board for Community and Junior
297 Colleges.

298 The Lieutenant Governor may designate the Secretary of the
299 Senate, the Chairman of the Senate Appropriations Committee, the
300 Chairman of the Senate Education Committee and the Chairman of the
301 Senate Insurance Committee, and the Speaker of the House of
302 Representatives may designate the Clerk of the House, the Chairman
303 of the House Appropriations Committee, the Chairman of the House
304 Education Committee and the Chairman of the House Insurance
305 Committee, to attend any meeting of the State and School Employees
306 Insurance Advisory Council. The appointing authorities may
307 designate an alternate member from their respective houses to
308 serve when the regular designee is unable to attend such meetings
309 of the council. Those designees shall have no jurisdiction or
310 vote on any matter within the jurisdiction of the council. For
311 attending meetings of the council, those legislators shall receive
312 per diem and expenses, which shall be paid from the contingent
313 expense funds of their respective houses in the same amounts as
314 provided for committee meetings when the Legislature is not in
315 session; however, no per diem and expenses for attending meetings
316 of the council will be paid while the Legislature is in session.
317 No per diem and expenses will be paid except for attending
318 meetings of the council without prior approval of the proper
319 committee in their respective houses.

320 (c) No change in the terms of the State and School
321 Employees Health Insurance Plan may be made effective unless the

322 board, or its designee, has provided notice to the State and
323 School Employees Health Insurance Advisory Council and has called
324 a meeting of the council at least fifteen (15) days before the
325 effective date of the change. If the State and School Employees
326 Health Insurance Advisory Council does not meet to advise the
327 board on the proposed changes, the changes to the plan will become
328 effective at such time as the board has informed the council that
329 the changes will become effective.

330 (2) Nonduplication of benefits--reduction of benefits by
331 Title XIX benefits: When benefits would be payable under more
332 than one (1) group plan, benefits under those plans will be
333 coordinated to the extent that the total benefits under all plans
334 will not exceed the total expenses incurred.

335 Benefits for hospital or surgical or medical benefits shall
336 be reduced by any similar benefits payable in accordance with
337 Title XIX of the Social Security Act or under any amendments
338 thereto, or any implementing legislation.

339 Benefits for hospital or surgical or medical benefits shall
340 be reduced by any similar benefits payable by workers'
341 compensation.

342 * * *

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

345 (4) Any premium differentials, differences in coverages,
346 discounts determined by risk or by any other factors shall be
347 uniformly applied to all active employees participating in the
348 insurance plan. It is the intent of the Legislature that the
349 state contribution to the plan be the same for each employee
350 throughout the state.

351 * * *

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

Further, amend by striking the title in its entirety and inserting in lieu thereof the following:

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, TO
7 REQUIRE THAT EMPLOYEES MUST HAVE BEEN PARTICIPANTS IN THE STATE
8 AND SCHOOL EMPLOYEES HEALTH INSURANCE PLAN FOR A CERTAIN NUMBER OF
9 YEARS TO BE ELIGIBLE TO PARTICIPATE IN THE PLAN UPON THEIR
10 RETIREMENT; TO DELETE THE PROVISIONS RELATING TO THE STATE AND
11 SCHOOL EMPLOYEES LIFE INSURANCE PLAN; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

X (SIGNED)
Formby

X (SIGNED)
Kirby

X (SIGNED)
Stringer

X (SIGNED)
Ross

X (SIGNED)
Brown

X (SIGNED)
Dearing