

## Senate Amendments to House Bill No. 191

TO THE CLERK OF THE HOUSE:

THIS IS TO INFORM YOU THAT THE SENATE HAS ADOPTED THE AMENDMENTS SET OUT BELOW:

### AMENDMENT NO. 1

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

21        **SECTION 1.** From and after January 1, 2006, any state agency,  
22 university, school district, community/junior college district,  
23 public library, or university-based program authorized under  
24 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
25 children shall contract for a policy or policies of group term  
26 life insurance with an insurance company licensed by the  
27 Department of Insurance. The state shall contribute fifty percent  
28 (50%) of the active employee's premium for such group term life  
29 insurance, but in no event shall the state's contribution per  
30 employee exceed Twelve Cents (12¢) per One Thousand Dollars  
31 (\$1,000.00) in benefits or Twelve Dollars (\$12.00) per month,  
32 whichever is less.

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

35        **[Through June 30 of the year in which Section 25-11-143**  
36 **becomes effective as provided in subsection (1) of Section**  
37 **25-11-143, this section shall read as follows:]**

38        25-15-9. (1) (a) The board shall design a plan of health  
39 insurance for state employees which provides benefits for  
40 semiprivate rooms in addition to other incidental coverages which  
41 the board deems necessary. The amount of the coverages shall be  
42 in such reasonable amount as may be determined by the board to be  
43 adequate, after due consideration of current health costs in  
44 Mississippi. The plan shall also include major medical benefits  
45 in such amounts as the board shall determine. The board is also  
46 authorized to accept bids for such alternate coverage and optional

47 benefits as the board shall deem proper. Any contract for  
48 alternative coverage and optional benefits shall be awarded by the  
49 board after it has carefully studied and evaluated the bids and  
50 selected the best and most cost-effective bid. The board may  
51 reject all such bids; however, the board shall notify all bidders  
52 of the rejection and shall actively solicit new bids if all bids  
53 are rejected. The board may employ or contract for such  
54 consulting or actuarial services as may be necessary to formulate  
55 the plan, and to assist the board in the preparation of  
56 specifications and in the process of advertising for the bids for  
57 the plan. Such contracts shall be solicited and entered into in  
58 accordance with Section 25-15-5. The board shall keep a record of  
59 all persons, agents and corporations who contract with or assist  
60 the board in preparing and developing the plan. The board in a  
61 timely manner shall provide copies of this record to the members  
62 of the advisory council created in this section and those  
63 legislators, or their designees, who may attend meetings of the  
64 advisory council. The board shall provide copies of this record  
65 in the solicitation of bids for the administration or servicing of  
66 the self-insured program. Each person, agent or corporation  
67 which, during the previous fiscal year, has assisted in the  
68 development of the plan or employed or compensated any person who  
69 assisted in the development of the plan, and which bids on the  
70 administration or servicing of the plan, shall submit to the board  
71 a statement accompanying the bid explaining in detail its  
72 participation with the development of the plan. This statement  
73 shall include the amount of compensation paid by the bidder to any  
74 such employee during the previous fiscal year. The board shall  
75 make all such information available to the members of the advisory  
76 council and those legislators, or their designees, who may attend  
77 meetings of the advisory council before any action is taken by the  
78 board on the bids submitted. The failure of any bidder to fully  
79 and accurately comply with this paragraph shall result in the  
80 rejection of any bid submitted by that bidder or the cancellation  
81 of any contract executed when the failure is discovered after the

82 acceptance of that bid. The board is authorized to promulgate  
83 rules and regulations to implement the provisions of this  
84 subsection.

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

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

101 (b) There is created an advisory council to advise the  
102 board in the formulation of the State and School Employees Health  
103 Insurance Plan. The council shall be composed of the State  
104 Insurance Commissioner or his designee, an employee-representative  
105 of the institutions of higher learning appointed by the board of  
106 trustees thereof, an employee-representative of the Department of  
107 Transportation appointed by the director thereof, an  
108 employee-representative of the State Tax Commission appointed by  
109 the Commissioner of Revenue, an employee-representative of the  
110 Mississippi Department of Health appointed by the State Health  
111 Officer, an employee-representative of the Mississippi Department  
112 of Corrections appointed by the Commissioner of Corrections, and  
113 an employee-representative of the Department of Human Services  
114 appointed by the Executive Director of Human Services, two (2)  
115 certificated public school administrators appointed by the State  
116 Board of Education, two (2) certificated classroom teachers

117 appointed by the State Board of Education, a noncertificated  
118 school employee appointed by the State Board of Education and a  
119 community/junior college employee appointed by the State Board for  
120 Community and Junior Colleges.

121         The Lieutenant Governor may designate the Secretary of the  
122 Senate, the Chairman of the Senate Appropriations Committee, the  
123 Chairman of the Senate Education Committee and the Chairman of the  
124 Senate Insurance Committee, and the Speaker of the House of  
125 Representatives may designate the Clerk of the House, the Chairman  
126 of the House Appropriations Committee, the Chairman of the House  
127 Education Committee and the Chairman of the House Insurance  
128 Committee, to attend any meeting of the State and School Employees  
129 Insurance Advisory Council. The appointing authorities may  
130 designate an alternate member from their respective houses to  
131 serve when the regular designee is unable to attend such meetings  
132 of the council. Such designees shall have no jurisdiction or vote  
133 on any matter within the jurisdiction of the council. For  
134 attending meetings of the council, such legislators shall receive  
135 per diem and expenses which shall be paid from the contingent  
136 expense funds of their respective houses in the same amounts as  
137 provided for committee meetings when the Legislature is not in  
138 session; however, no per diem and expenses for attending meetings  
139 of the council will be paid while the Legislature is in session.  
140 No per diem and expenses will be paid except for attending  
141 meetings of the council without prior approval of the proper  
142 committee in their respective houses.

143         (c) No change in the terms of the State and School  
144 Employees Health Insurance Plan may be made effective unless the  
145 board, or its designee, has provided notice to the State and  
146 School Employees Health Insurance Advisory Council and has called  
147 a meeting of the council at least fifteen (15) days before the  
148 effective date of such change. In the event that the State and  
149 School Employees Health Insurance Advisory Council does not meet  
150 to advise the board on the proposed changes, the changes to the

151 plan shall become effective at such time as the board has informed  
152 the council that the changes shall become effective.

153           (d) **Medical benefits for retired employees and**  
154 **dependents under age sixty-five (65) years and not eligible for**  
155 **Medicare benefits.** For employees who retire before January 1,  
156 2006, the same health insurance coverage as for all other active  
157 employees and their dependents shall be available to retired  
158 employees and all dependents under age sixty-five (65) years who  
159 are not eligible for Medicare benefits, the level of benefits to  
160 be the same level as for all other active participants. For  
161 employees who retire on or after January 1, 2006, the same health  
162 insurance coverage as for all other active employees and their  
163 dependents shall be available to such retiring employees and all  
164 dependents under age sixty-five (65) years who are not eligible  
165 for Medicare benefits only if the retiring employees were  
166 participants in the State and School Employees Health Insurance  
167 Plan for four (4) years or more before their retirement, the level  
168 of benefits to be the same level as for all other active  
169 participants. This section will apply to those employees who  
170 retire due to one hundred percent (100%) medical disability as  
171 well as those employees electing early retirement.

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

186 dependents over age sixty-five (65) years or otherwise eligible  
187 for Medicare benefits. Benefits shall be reduced by Medicare  
188 benefits as though such Medicare benefits were the base plan.

189 All covered individuals shall be assumed to have full  
190 Medicare coverage, Parts A and B; and any Medicare payments under  
191 both Parts A and B shall be computed to reduce benefits payable  
192 under this plan.

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

198 Benefits for hospital or surgical or medical benefits shall  
199 be reduced by any similar benefits payable in accordance with  
200 Title XIX of the Social Security Act or under any amendments  
201 thereto, or any implementing legislation.

202 Benefits for hospital or surgical or medical benefits shall  
203 be reduced by any similar benefits payable by workers'  
204 compensation.

205 \* \* \*

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

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

214 \* \* \*

215 **[From and after July 1 of the year in which Section 25-11-143**  
216 **becomes effective as provided in subsection (1) of Section**  
217 **25-11-143, this section shall read as follows:]**

218 25-15-9. (1) (a) The board shall design a plan of health  
219 insurance for state employees that provides benefits for  
220 semiprivate rooms in addition to other incidental coverages that

221 the board deems necessary. The amount of the coverages shall be  
222 in such reasonable amount as may be determined by the board to be  
223 adequate, after due consideration of current health costs in  
224 Mississippi. The plan shall also include major medical benefits  
225 in such amounts as the board shall determine. The board is also  
226 authorized to accept bids for such alternate coverage and optional  
227 benefits as the board deems proper. Any contract for alternative  
228 coverage and optional benefits shall be awarded by the board after  
229 it has carefully studied and evaluated the bids and selected the  
230 best and most cost-effective bid. The board may reject all such  
231 bids; however, the board shall notify all bidders of the rejection  
232 and shall actively solicit new bids if all bids are rejected. The  
233 board may employ or contract for such consulting or actuarial  
234 services as may be necessary to formulate the plan, and to assist  
235 the board in the preparation of specifications and in the process  
236 of advertising for the bids for the plan. Those contracts shall  
237 be solicited and entered into in accordance with Section 25-15-5.  
238 The board shall keep a record of all persons, agents and  
239 corporations who contract with or assist the board in preparing  
240 and developing the plan. The board in a timely manner shall  
241 provide copies of this record to the members of the advisory  
242 council created in this section and those legislators, or their  
243 designees, who may attend meetings of the advisory council. The  
244 board shall provide copies of this record in the solicitation of  
245 bids for the administration or servicing of the self-insured  
246 program. Each person, agent or corporation that, during the  
247 previous fiscal year, has assisted in the development of the plan  
248 or employed or compensated any person who assisted in the  
249 development of the plan, and that bids on the administration or  
250 servicing of the plan, shall submit to the board a statement  
251 accompanying the bid explaining in detail its participation with  
252 the development of the plan. This statement shall include the  
253 amount of compensation paid by the bidder to any such employee  
254 during the previous fiscal year. The board shall make all such  
255 information available to the members of the advisory council and

256 those legislators, or their designees, who may attend meetings of  
257 the advisory council before any action is taken by the board on  
258 the bids submitted. The failure of any bidder to fully and  
259 accurately comply with this paragraph shall result in the  
260 rejection of any bid submitted by that bidder or the cancellation  
261 of any contract executed when the failure is discovered after the  
262 acceptance of that bid. The board is authorized to promulgate  
263 rules and regulations to implement the provisions of this  
264 subsection.

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

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

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



291 appointed by the State Health Officer, an employee-representative  
292 of the Mississippi Department of Corrections appointed by the  
293 Commissioner of Corrections, and an employee-representative of the  
294 Mississippi Department of Human Services appointed by the  
295 Executive Director of Human Services, two (2) certificated public  
296 school administrators appointed by the State Board of Education,  
297 two (2) certificated classroom teachers appointed by the State  
298 Board of Education, a noncertificated school employee appointed by  
299 the State Board of Education and a community/junior college  
300 employee appointed by the State Board for Community and Junior  
301 Colleges.

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

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

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

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

339 Benefits for hospital or surgical or medical benefits shall  
340 be reduced by any similar benefits payable in accordance with  
341 Title XIX of the Social Security Act or under any amendments  
342 thereto, or any implementing legislation.

343 Benefits for hospital or surgical or medical benefits shall  
344 be reduced by any similar benefits payable by workers'  
345 compensation.

346 \* \* \*

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

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

355 \* \* \*

356 **SECTION 3.** Section 25-15-15, Mississippi Code of 1972, is  
357 amended as follows:

358 **[Through June 30 of the year in which Section 25-11-143**  
359 **becomes effective as provided in subsection (1) of Section**  
360 **25-11-143, this section shall read as follows:]**

361           25-15-15. (1) The board is authorized to determine the  
362 manner in which premiums and contributions by the state agencies,  
363 local school districts, colleges, universities, community/junior  
364 colleges and public libraries shall be collected to provide the  
365 self-insured health insurance program for employees as provided  
366 under this article. The state shall provide fifty percent (50%)  
367 of the cost of the above life insurance plan and one hundred  
368 percent (100%) of the cost of a basic level of health  
369 insurance \* \* \* for all active full-time employees. The employees  
370 may pay additional amounts to purchase additional benefits or  
371 levels of coverage offered under the plan. The employees shall be  
372 given the opportunity to purchase coverage for their eligible  
373 dependents with the premiums for such dependent coverage, as well  
374 as the employee's fifty percent (50%) share for his life insurance  
375 coverage and additional premium amounts for his health insurance  
376 coverage, to be deductible from the employee's salary by the  
377 agency, department or institution head, which deductions, together  
378 with the fifty percent (50%) share of such life insurance premiums  
379 of such employing agency, department or institution head from  
380 funds appropriated to or authorized to be expended by such  
381 employing agency, department or institution head, shall be  
382 deposited directly into a depository bank or special fund in the  
383 State Treasury, as determined by the board. These funds and  
384 interest earned on these funds may be used for the disbursement of  
385 claims and shall be exempt from the appropriation process.

386           (2) The state shall provide annually, by line item in the  
387 Mississippi Library Commission appropriation bill, such funds to  
388 pay one hundred percent (100%) of the cost of a basic level of  
389 health insurance under the State and School Employees Health  
390 Insurance Plan for all full-time library staff members in each  
391 public library in Mississippi. The employees may pay additional  
392 amounts to purchase additional benefits or levels of coverage  
393 offered under the plan. The commission shall allot to each public  
394 library a sufficient amount of those funds appropriated to pay the  
395 costs of insurance for eligible employees. Any funds so

396 appropriated by line item which are not expended during the fiscal  
397 year for which such funds were appropriated shall be carried  
398 forward for the same purposes during the next succeeding fiscal  
399 year. If any premiums for the health insurance and/or late  
400 charges and interest penalties are not paid by a public library in  
401 a timely manner, as defined by the board, the Mississippi Library  
402 Commission, upon notice by the board, shall immediately withhold  
403 all subsequent disbursements of funds to that public library.

404 (3) The state shall annually provide one hundred percent  
405 (100%) of the cost of a basic level of health insurance \* \* \* for  
406 all public school district employees who work no less than twenty  
407 (20) hours during each week and regular nonstudent school bus  
408 drivers. The employees may pay additional amounts to purchase  
409 additional benefits or levels of coverage offered under the plan.  
410 Where federal funding is allowable to defray, in full or in part,  
411 the cost of participation in the program by district employees who  
412 work no less than twenty (20) hours during the week and regular  
413 nonstudent bus drivers, whose salaries are paid, in full or in  
414 part, by federal funds, the allowance under this section shall be  
415 reduced to the extent of such federal funding. Where the use of  
416 federal funds is allowable but not available, it is the intent of  
417 the Legislature that school districts contribute the cost of  
418 participation for such employees from local funds, except that  
419 parent fees for child nutrition programs shall not be increased to  
420 cover such cost.

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

428 (5) When the use of federal funding is allowable to defray,  
429 in full or in part, the cost of participation in the insurance  
430 plan by community/junior college district employees who work no

431 less than twenty (20) hours during each week, whose salaries are  
432 paid, in full or in part, by federal funds, the allowance under  
433 this section shall be reduced to the extent of the federal  
434 funding. Where the use of federal funds is allowable but not  
435 available, it is the intent of the Legislature that  
436 community/junior college districts contribute the cost of  
437 participation for such employees from local funds.

438 (6) Any community/junior college district may contribute to  
439 the cost of coverage for any district employee from local  
440 community/junior college district funds, and any public school  
441 district may contribute to the cost of coverage for any district  
442 employee from nonminimum program funds. Any part of the cost of  
443 such coverage for participating employees of public school  
444 districts and public community/junior college districts that is  
445 not paid by the state shall be paid by the participating  
446 employees, which shall be deducted from the salaries of the  
447 employees in a manner determined by the board.

448 (7) Any funds appropriated for the cost of insurance by line  
449 item in the community/junior colleges appropriation bill which are  
450 not expended during the fiscal year for which such funds were  
451 appropriated shall be carried forward for the same purposes during  
452 the next succeeding fiscal year.

453 (8) The board may establish and enforce late charges and  
454 interest penalties or other penalties for the purpose of requiring  
455 the prompt payment of all premiums for life and health insurance  
456 permitted under Chapter 15 of Title 25. All funds in excess of  
457 the amount needed for disbursement of claims shall be deposited in  
458 a special fund in the State Treasury to be known as the State and  
459 School Employees Insurance Fund. The State Treasurer shall invest  
460 all funds in the State and School Employees Insurance Fund and all  
461 interest earned shall be credited to the State and School  
462 Employees Insurance Fund. Such funds shall be placed with one or  
463 more depositories of the state and invested on the first day such  
464 funds are available for investment in certificates of deposit,  
465 repurchase agreements or in United States Treasury bills or as

466 otherwise authorized by law for the investment of Public  
467 Employees' Retirement System funds, as long as such investment is  
468 made from competitive offering and at the highest and best market  
469 rate obtainable consistent with any available investment  
470 alternatives; however, such investments shall not be made in  
471 shares of stock, common or preferred, or in any other investments  
472 which would mature more than one (1) year from the date of  
473 investment. The board shall have the authority to draw from this  
474 fund periodically such funds as are necessary to operate the  
475 self-insurance plan or to pay to the insurance carrier the cost of  
476 operation of this plan, it being the purpose to limit the amount  
477 of participation by the state to fifty percent (50%) of the cost  
478 of the life insurance program and not to limit the contracting for  
479 additional benefits where the cost will be paid in full by the  
480 employee. The state shall not share in the cost of coverage for  
481 retired employees.

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

486 (10) Any retired employee electing to purchase retired life  
487 and health insurance will have the full cost of such insurance  
488 deducted monthly from his State of Mississippi retirement plan  
489 check or direct billed for the cost of the premium if the  
490 retirement check is insufficient to pay for the premium. If the  
491 board determines actuarially that the premium paid by the  
492 participating retirees adversely affects the overall cost of the  
493 plan to the state, then the board may impose a premium  
494 surcharge \* \* \* upon such participating retired employees who are  
495 under the age for Medicare eligibility.

496 **[From and after July 1 of the year in which Section 25-11-143**  
497 **becomes effective as provided in subsection (1) of Section**  
498 **25-11-143, this section shall read as follows:]**

499 25-15-15. (1) The board may determine the manner in which  
500 premiums and contributions by the state agencies, local school

501 districts, colleges, universities, community/junior colleges and  
502 public libraries will be collected to provide the self-insured  
503 health insurance program for employees as provided under this  
504 article. The state shall provide fifty percent (50%) of the cost  
505 of the above life insurance plan and one hundred percent (100%) of  
506 the cost of a basic level of health insurance \* \* \* for all active  
507 full-time employees. The employees may pay additional amounts to  
508 purchase additional benefits or levels of coverage offered under  
509 the plan. The employees shall be given the opportunity to  
510 purchase coverage for their eligible dependents with the premiums  
511 for the dependent coverage, as well as the employee's fifty  
512 percent (50%) share for his life insurance coverage and additional  
513 premium amounts for his health insurance coverage, to be  
514 deductible from the employee's salary by the agency, department or  
515 institution head. Those deductions, together with the fifty  
516 percent (50%) share of the life insurance premiums of the  
517 employing agency, department or institution head from funds  
518 appropriated to or authorized to be expended by the employing  
519 agency, department or institution head, shall be deposited  
520 directly into a depository bank or special fund in the State  
521 Treasury, as determined by the board. These funds and interest  
522 earned on these funds may be used for the disbursement of claims  
523 and shall be exempt from the appropriation process.

524 (2) The state shall provide annually, by line item in the  
525 Mississippi Library Commission appropriation bill, the funds to  
526 pay one hundred percent (100%) of the cost of a basic level of  
527 health insurance under the State and School Employees Health  
528 Insurance Plan for all full-time library staff members in each  
529 public library in Mississippi. The employees may pay additional  
530 amounts to purchase additional benefits or levels of coverage  
531 offered under the plan. The commission shall allot to each public  
532 library a sufficient amount of those funds appropriated to pay the  
533 costs of insurance for eligible employees. Any funds so  
534 appropriated by line item that are not expended during the fiscal  
535 year for which the funds were appropriated shall be carried

536 forward for the same purposes during the next succeeding fiscal  
537 year. If any premiums for the health insurance and/or late  
538 charges and interest penalties are not paid by a public library in  
539 a timely manner, as defined by the board, the Mississippi Library  
540 Commission, upon notice by the board, shall immediately withhold  
541 all subsequent disbursements of funds to that public library.

542 (3) The state shall annually provide one hundred percent  
543 (100%) of the cost of a basic level of health insurance \* \* \* for  
544 all public school district employees who work no less than twenty  
545 (20) hours during each week and regular nonstudent school bus  
546 drivers. The employees may pay additional amounts to purchase  
547 additional benefits or levels of coverage offered under the plan.  
548 Where federal funding is allowable to defray, in full or in part,  
549 the cost of participation in the program by district employees who  
550 work no less than twenty (20) hours during the week and regular  
551 nonstudent bus drivers, whose salaries are paid, in full or in  
552 part, by federal funds, the allowance under this section shall be  
553 reduced to the extent of that federal funding. Where the use of  
554 federal funds is allowable but not available, it is the intent of  
555 the Legislature that school districts contribute the cost of  
556 participation for the employees from local funds, except that  
557 parent fees for child nutrition programs shall not be increased to  
558 cover that cost.

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

566 (5) When the use of federal funding is allowable to defray,  
567 in full or in part, the cost of participation in the insurance  
568 plan by community/junior college district employees who work no  
569 less than twenty (20) hours during each week, whose salaries are  
570 paid, in full or in part, by federal funds, the allowance under



571 this section shall be reduced to the extent of the federal  
572 funding. Where the use of federal funds is allowable but not  
573 available, it is the intent of the Legislature that  
574 community/junior college districts contribute the cost of  
575 participation for the employees from local funds.

576 (6) Any community/junior college district may contribute to  
577 the cost of coverage for any district employee from local  
578 community/junior college district funds, and any public school  
579 district may contribute to the cost of coverage for any district  
580 employee from nonminimum program funds. Any part of the cost of  
581 the coverage for participating employees of public school  
582 districts and public community/junior college districts that is  
583 not paid by the state shall be paid by the participating  
584 employees, which shall be deducted from the salaries of the  
585 employees in a manner determined by the board.

586 (7) Any funds appropriated for the cost of insurance by line  
587 item in the community/junior colleges appropriation bill that are  
588 not expended during the fiscal year for which the funds were  
589 appropriated shall be carried forward for the same purposes during  
590 the next succeeding fiscal year.

591 (8) The board may establish and enforce late charges and  
592 interest penalties or other penalties for the purpose of requiring  
593 the prompt payment of all premiums for life and health insurance  
594 permitted under Chapter 15 of Title 25. All funds in excess of  
595 the amount needed for disbursement of claims shall be deposited in  
596 a special fund in the State Treasury to be known as the State and  
597 School Employees Insurance Fund. The State Treasurer shall invest  
598 all funds in the State and School Employees Insurance Fund and all  
599 interest earned shall be credited to the State and School  
600 Employees Insurance Fund. Those funds shall be placed with one or  
601 more depositories of the state and invested on the first day that  
602 the funds are available for investment in certificates of deposit,  
603 repurchase agreements or in United States Treasury bills or as  
604 otherwise authorized by law for the investment of Public  
605 Employees' Retirement System funds, as long as the investment is

606 made from competitive offering and at the highest and best market  
607 rate obtainable consistent with any available investment  
608 alternatives. However, those investments shall not be made in  
609 shares of stock, common or preferred, or in any other investments  
610 that would mature more than one (1) year from the date of  
611 investment. The board shall have the authority to draw from this  
612 fund periodically such funds as are necessary to operate the  
613 self-insurance plan or to pay to the insurance carrier the cost of  
614 operation of this plan, it being the purpose to limit the amount  
615 of participation by the state to fifty percent (50%) of the cost  
616 of the life insurance program and not to limit the contracting for  
617 additional benefits where the cost will be paid in full by the  
618 employee.

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

623 **SECTION 4.** Sections 1 and 2 of this act shall take effect  
624 and be in force from and after January 1, 2006. Section 3 of this  
625 act shall take effect and be in force from and after its passage.

**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; TO AMEND SECTION 25-15-15,  
12 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE STATE OF MISSISSIPPI TO  
13 PAY FOR 100% OF THE COST OF A BASIC LEVEL OF HEALTH INSURANCE FOR  
14 STATE AND SCHOOL EMPLOYEES; TO AUTHORIZE SUCH EMPLOYEES TO PAY  
15 ADDITIONAL AMOUNTS TO PURCHASE ADDITIONAL BENEFITS OR LEVELS OF  
16 COVERAGE; TO DELETE THE MAXIMUM AMOUNT OF PREMIUM SURCHARGE WHICH  
17 MAY BE IMPOSED UPON CERTAIN PARTICIPATING RETIREES IF THE OVERALL  
18 COST OF THE PLAN TO THE STATE IS ADVERSELY AFFECTED; AND FOR  
19 RELATED PURPOSES.

SS01\HB191A.1J

John O. Gilbert  
Secretary of the Senate