

By: Representatives Formby,  
Chism

To: Insurance;  
Appropriations

HOUSE BILL NO. 20

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; TO AMEND SECTION 25-15-9,  
9 MISSISSIPPI CODE OF 1972, TO REQUIRE THAT EMPLOYEES MUST HAVE BEEN  
10 PARTICIPANTS IN THE STATE AND SCHOOL EMPLOYEES HEALTH INSURANCE  
11 PLAN FOR A CERTAIN NUMBER OF YEARS TO BE ELIGIBLE TO PARTICIPATE  
12 IN THE PLAN UPON THEIR RETIREMENT; AND FOR RELATED PURPOSES.

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

14 SECTION 1. Section 25-15-15, Mississippi Code of 1972, is  
15 amended as follows:

16 [Through June 30 of the year in which Section 25-11-143  
17 becomes effective as provided in subsection (1) of Section  
18 25-11-143, this section shall read as follows:]

19 25-15-15. (1) The board is authorized to determine the  
20 manner in which premiums and contributions by the state agencies,  
21 local school districts, colleges, universities, community/junior  
22 colleges and public libraries shall be collected to provide the  
23 self-insured health insurance program for employees as provided  
24 under this article. The state shall provide fifty percent (50%)  
25 of the cost of the above life insurance plan and one hundred  
26 percent (100%) of the cost of a basic level of health  
27 insurance \* \* \* for all active full-time employees. The employees  
28 may pay additional amounts to purchase additional benefits or  
29 levels of coverage offered under the plan. The employees shall be  
30 given the opportunity to purchase coverage for their eligible  
31 dependents with the premiums for such dependent coverage, as well  
32 as the employee's fifty percent (50%) share for his life insurance

33 coverage and additional premium amounts for his health insurance  
34 coverage, to be deductible from the employee's salary by the  
35 agency, department or institution head, which deductions, together  
36 with the fifty percent (50%) share of such life insurance premiums  
37 of such employing agency, department or institution head from  
38 funds appropriated to or authorized to be expended by such  
39 employing agency, department or institution head, shall be  
40 deposited directly into a depository bank or special fund in the  
41 State Treasury, as determined by the board. These funds and  
42 interest earned on these funds may be used for the disbursement of  
43 claims and shall be exempt from the appropriation process.

44 (2) The state shall provide annually, by line item in the  
45 Mississippi Library Commission appropriation bill, such funds to  
46 pay one hundred percent (100%) of the cost of a basic level of  
47 health insurance under the State and School Employees Health  
48 Insurance Plan for all full-time library staff members in each  
49 public library in Mississippi. The employees may pay additional  
50 amounts to purchase additional benefits or levels of coverage  
51 offered under the plan. The commission shall allot to each public  
52 library a sufficient amount of those funds appropriated to pay the  
53 costs of insurance for eligible employees. Any funds so  
54 appropriated by line item which are not expended during the fiscal  
55 year for which such funds were appropriated shall be carried  
56 forward for the same purposes during the next succeeding fiscal  
57 year. If any premiums for the health insurance and/or late  
58 charges and interest penalties are not paid by a public library in  
59 a timely manner, as defined by the board, the Mississippi Library  
60 Commission, upon notice by the board, shall immediately withhold  
61 all subsequent disbursements of funds to that public library.

62 (3) The state shall annually provide one hundred percent  
63 (100%) of the cost of a basic level of health insurance \* \* \* for  
64 all public school district employees who work no less than twenty  
65 (20) hours during each week and regular nonstudent school bus

66 drivers. The employees may pay additional amounts to purchase  
67 additional benefits or levels of coverage offered under the plan.  
68 Where federal funding is allowable to defray, in full or in part,  
69 the cost of participation in the program by district employees who  
70 work no less than twenty (20) hours during the week and regular  
71 nonstudent bus drivers, whose salaries are paid, in full or in  
72 part, by federal funds, the allowance under this section shall be  
73 reduced to the extent of such federal funding. Where the use of  
74 federal funds is allowable but not available, it is the intent of  
75 the Legislature that school districts contribute the cost of  
76 participation for such employees from local funds, except that  
77 parent fees for child nutrition programs shall not be increased to  
78 cover such cost.

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

86 (5) When the use of federal funding is allowable to defray,  
87 in full or in part, the cost of participation in the insurance  
88 plan by community/junior college district employees who work no  
89 less than twenty (20) hours during each week, whose salaries are  
90 paid, in full or in part, by federal funds, the allowance under  
91 this section shall be reduced to the extent of the federal  
92 funding. Where the use of federal funds is allowable but not  
93 available, it is the intent of the Legislature that  
94 community/junior college districts contribute the cost of  
95 participation for such employees from local funds.

96 (6) Any community/junior college district may contribute to  
97 the cost of coverage for any district employee from local  
98 community/junior college district funds, and any public school

99 district may contribute to the cost of coverage for any district  
100 employee from nonminimum program funds. Any part of the cost of  
101 such coverage for participating employees of public school  
102 districts and public community/junior college districts that is  
103 not paid by the state shall be paid by the participating  
104 employees, which shall be deducted from the salaries of the  
105 employees in a manner determined by the board.

106 (7) Any funds appropriated for the cost of insurance by line  
107 item in the community/junior colleges appropriation bill which are  
108 not expended during the fiscal year for which such funds were  
109 appropriated shall be carried forward for the same purposes during  
110 the next succeeding fiscal year.

111 (8) The board may establish and enforce late charges and  
112 interest penalties or other penalties for the purpose of requiring  
113 the prompt payment of all premiums for life and health insurance  
114 permitted under Chapter 15 of Title 25. All funds in excess of  
115 the amount needed for disbursement of claims shall be deposited in  
116 a special fund in the State Treasury to be known as the State and  
117 School Employees Insurance Fund. The State Treasurer shall invest  
118 all funds in the State and School Employees Insurance Fund and all  
119 interest earned shall be credited to the State and School  
120 Employees Insurance Fund. Such funds shall be placed with one or  
121 more depositories of the state and invested on the first day such  
122 funds are available for investment in certificates of deposit,  
123 repurchase agreements or in United States Treasury bills or as  
124 otherwise authorized by law for the investment of Public  
125 Employees' Retirement System funds, as long as such investment is  
126 made from competitive offering and at the highest and best market  
127 rate obtainable consistent with any available investment  
128 alternatives; however, such investments shall not be made in  
129 shares of stock, common or preferred, or in any other investments  
130 which would mature more than one (1) year from the date of  
131 investment. The board shall have the authority to draw from this

132 fund periodically such funds as are necessary to operate the  
133 self-insurance plan or to pay to the insurance carrier the cost of  
134 operation of this plan, it being the purpose to limit the amount  
135 of participation by the state to fifty percent (50%) of the cost  
136 of the life insurance program and not to limit the contracting for  
137 additional benefits where the cost will be paid in full by the  
138 employee. The state shall not share in the cost of coverage for  
139 retired employees.

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

144 (10) Any retired employee electing to purchase retired life  
145 and health insurance will have the full cost of such insurance  
146 deducted monthly from his State of Mississippi retirement plan  
147 check or direct billed for the cost of the premium if the  
148 retirement check is insufficient to pay for the premium. If the  
149 board determines actuarially that the premium paid by the  
150 participating retirees adversely affects the overall cost of the  
151 plan to the state, then the board may impose a premium  
152 surcharge \* \* \* upon such participating retired employees who are  
153 under the age for Medicare eligibility.

154 **[From and after July 1 of the year in which Section 25-11-143**  
155 **becomes effective as provided in subsection (1) of Section**  
156 **25-11-143, this section shall read as follows:]**

157 25-15-15. (1) The board may determine the manner in which  
158 premiums and contributions by the state agencies, local school  
159 districts, colleges, universities, community/junior colleges and  
160 public libraries will be collected to provide the self-insured  
161 health insurance program for employees as provided under this  
162 article. The state shall provide fifty percent (50%) of the cost  
163 of the above life insurance plan and one hundred percent (100%) of  
164 the cost of a basic level of health insurance \* \* \* for all active

165 full-time employees. The employees may pay additional amounts to  
166 purchase additional benefits or levels of coverage offered under  
167 the plan. The employees shall be given the opportunity to  
168 purchase coverage for their eligible dependents with the premiums  
169 for the dependent coverage, as well as the employee's fifty  
170 percent (50%) share for his life insurance coverage and additional  
171 premium amounts for his health insurance coverage, to be  
172 deductible from the employee's salary by the agency, department or  
173 institution head. Those deductions, together with the fifty  
174 percent (50%) share of the life insurance premiums of the  
175 employing agency, department or institution head from funds  
176 appropriated to or authorized to be expended by the employing  
177 agency, department or institution head, shall be deposited  
178 directly into a depository bank or special fund in the State  
179 Treasury, as determined by the board. These funds and interest  
180 earned on these funds may be used for the disbursement of claims  
181 and shall be exempt from the appropriation process.

182 (2) The state shall provide annually, by line item in the  
183 Mississippi Library Commission appropriation bill, the funds to  
184 pay one hundred percent (100%) of the cost of a basic level of  
185 health insurance under the State and School Employees Health  
186 Insurance Plan for all full-time library staff members in each  
187 public library in Mississippi. The employees may pay additional  
188 amounts to purchase additional benefits or levels of coverage  
189 offered under the plan. The commission shall allot to each public  
190 library a sufficient amount of those funds appropriated to pay the  
191 costs of insurance for eligible employees. Any funds so  
192 appropriated by line item that are not expended during the fiscal  
193 year for which the funds were appropriated shall be carried  
194 forward for the same purposes during the next succeeding fiscal  
195 year. If any premiums for the health insurance and/or late  
196 charges and interest penalties are not paid by a public library in  
197 a timely manner, as defined by the board, the Mississippi Library

198 Commission, upon notice by the board, shall immediately withhold  
199 all subsequent disbursements of funds to that public library.

200 (3) The state shall annually provide one hundred percent  
201 (100%) of the cost of a basic level of health insurance \* \* \* for  
202 all public school district employees who work no less than twenty  
203 (20) hours during each week and regular nonstudent school bus  
204 drivers. The employees may pay additional amounts to purchase  
205 additional benefits or levels of coverage offered under the plan.  
206 Where federal funding is allowable to defray, in full or in part,  
207 the cost of participation in the program by district employees who  
208 work no less than twenty (20) hours during the week and regular  
209 nonstudent bus drivers, whose salaries are paid, in full or in  
210 part, by federal funds, the allowance under this section shall be  
211 reduced to the extent of that federal funding. Where the use of  
212 federal funds is allowable but not available, it is the intent of  
213 the Legislature that school districts contribute the cost of  
214 participation for the employees from local funds, except that  
215 parent fees for child nutrition programs shall not be increased to  
216 cover that cost.

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

224 (5) When the use of federal funding is allowable to defray,  
225 in full or in part, the cost of participation in the insurance  
226 plan by community/junior college district employees who work no  
227 less than twenty (20) hours during each week, whose salaries are  
228 paid, in full or in part, by federal funds, the allowance under  
229 this section shall be reduced to the extent of the federal  
230 funding. Where the use of federal funds is allowable but not

231 available, it is the intent of the Legislature that  
232 community/junior college districts contribute the cost of  
233 participation for the employees from local funds.

234 (6) Any community/junior college district may contribute to  
235 the cost of coverage for any district employee from local  
236 community/junior college district funds, and any public school  
237 district may contribute to the cost of coverage for any district  
238 employee from nonminimum program funds. Any part of the cost of  
239 the coverage for participating employees of public school  
240 districts and public community/junior college districts that is  
241 not paid by the state shall be paid by the participating  
242 employees, which shall be deducted from the salaries of the  
243 employees in a manner determined by the board.

244 (7) Any funds appropriated for the cost of insurance by line  
245 item in the community/junior colleges appropriation bill that are  
246 not expended during the fiscal year for which the funds were  
247 appropriated shall be carried forward for the same purposes during  
248 the next succeeding fiscal year.

249 (8) The board may establish and enforce late charges and  
250 interest penalties or other penalties for the purpose of requiring  
251 the prompt payment of all premiums for life and health insurance  
252 permitted under Chapter 15 of Title 25. All funds in excess of  
253 the amount needed for disbursement of claims shall be deposited in  
254 a special fund in the State Treasury to be known as the State and  
255 School Employees Insurance Fund. The State Treasurer shall invest  
256 all funds in the State and School Employees Insurance Fund and all  
257 interest earned shall be credited to the State and School  
258 Employees Insurance Fund. Those funds shall be placed with one or  
259 more depositories of the state and invested on the first day that  
260 the funds are available for investment in certificates of deposit,  
261 repurchase agreements or in United States Treasury bills or as  
262 otherwise authorized by law for the investment of Public  
263 Employees' Retirement System funds, as long as the investment is



264 made from competitive offering and at the highest and best market  
265 rate obtainable consistent with any available investment  
266 alternatives. However, those investments shall not be made in  
267 shares of stock, common or preferred, or in any other investments  
268 that would mature more than one (1) year from the date of  
269 investment. The board shall have the authority to draw from this  
270 fund periodically such funds as are necessary to operate the  
271 self-insurance plan or to pay to the insurance carrier the cost of  
272 operation of this plan, it being the purpose to limit the amount  
273 of participation by the state to fifty percent (50%) of the cost  
274 of the life insurance program and not to limit the contracting for  
275 additional benefits where the cost will be paid in full by the  
276 employee.

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

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

283 **[Through June 30 of the year in which Section 25-11-143**  
284 **becomes effective as provided in subsection (1) of Section**  
285 **25-11-143, this section shall read as follows:]**

286 25-15-9. (1) (a) The board shall design a plan of health  
287 insurance for state employees which provides benefits for  
288 semiprivate rooms in addition to other incidental coverages which  
289 the board deems necessary. The amount of the coverages shall be  
290 in such reasonable amount as may be determined by the board to be  
291 adequate, after due consideration of current health costs in  
292 Mississippi. The plan shall also include major medical benefits  
293 in such amounts as the board shall determine. The board is also  
294 authorized to accept bids for such alternate coverage and optional  
295 benefits as the board shall deem proper. Any contract for  
296 alternative coverage and optional benefits shall be awarded by the

297 board after it has carefully studied and evaluated the bids and  
298 selected the best and most cost-effective bid. The board may  
299 reject all such bids; however, the board shall notify all bidders  
300 of the rejection and shall actively solicit new bids if all bids  
301 are rejected. The board may employ or contract for such  
302 consulting or actuarial services as may be necessary to formulate  
303 the plan, and to assist the board in the preparation of  
304 specifications and in the process of advertising for the bids for  
305 the plan. Such contracts shall be solicited and entered into in  
306 accordance with Section 25-15-5. The board shall keep a record of  
307 all persons, agents and corporations who contract with or assist  
308 the board in preparing and developing the plan. The board in a  
309 timely manner shall provide copies of this record to the members  
310 of the advisory council created in this section and those  
311 legislators, or their designees, who may attend meetings of the  
312 advisory council. The board shall provide copies of this record  
313 in the solicitation of bids for the administration or servicing of  
314 the self-insured program. Each person, agent or corporation  
315 which, during the previous fiscal year, has assisted in the  
316 development of the plan or employed or compensated any person who  
317 assisted in the development of the plan, and which bids on the  
318 administration or servicing of the plan, shall submit to the board  
319 a statement accompanying the bid explaining in detail its  
320 participation with the development of the plan. This statement  
321 shall include the amount of compensation paid by the bidder to any  
322 such employee during the previous fiscal year. The board shall  
323 make all such information available to the members of the advisory  
324 council and those legislators, or their designees, who may attend  
325 meetings of the advisory council before any action is taken by the  
326 board on the bids submitted. The failure of any bidder to fully  
327 and accurately comply with this paragraph shall result in the  
328 rejection of any bid submitted by that bidder or the cancellation  
329 of any contract executed when the failure is discovered after the

330 acceptance of that bid. The board is authorized to promulgate  
331 rules and regulations to implement the provisions of this  
332 subsection.

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

336 Any corporation, association, company or individual that  
337 contracts with the board for the third-party claims administration  
338 of the self-insured plan shall prepare and keep on file an  
339 explanation of benefits for each claim processed. The explanation  
340 of benefits shall contain such information relative to each  
341 processed claim which the board deems necessary, and, at a  
342 minimum, each explanation shall provide the claimant's name, claim  
343 number, provider number, provider name, service dates, type of  
344 services, amount of charges, amount allowed to the claimant and  
345 reason codes. The information contained in the explanation of  
346 benefits shall be available for inspection upon request by the  
347 board. The board shall have access to all claims information  
348 utilized in the issuance of payments to employees and providers.

349 (b) There is created an advisory council to advise the  
350 board in the formulation of the State and School Employees Health  
351 Insurance Plan. The council shall be composed of the State  
352 Insurance Commissioner or his designee, an employee-representative  
353 of the institutions of higher learning appointed by the board of  
354 trustees thereof, an employee-representative of the Department of  
355 Transportation appointed by the director thereof, an  
356 employee-representative of the State Tax Commission appointed by  
357 the Commissioner of Revenue, an employee-representative of the  
358 Mississippi Department of Health appointed by the State Health  
359 Officer, an employee-representative of the Mississippi Department  
360 of Corrections appointed by the Commissioner of Corrections, and  
361 an employee-representative of the Department of Human Services  
362 appointed by the Executive Director of Human Services, two (2)

363 certificated public school administrators appointed by the State  
364 Board of Education, two (2) certificated classroom teachers  
365 appointed by the State Board of Education, a noncertificated  
366 school employee appointed by the State Board of Education and a  
367 community/junior college employee appointed by the State Board for  
368 Community and Junior Colleges.

369         The Lieutenant Governor may designate the Secretary of the  
370 Senate, the Chairman of the Senate Appropriations Committee, the  
371 Chairman of the Senate Education Committee and the Chairman of the  
372 Senate Insurance Committee, and the Speaker of the House of  
373 Representatives may designate the Clerk of the House, the Chairman  
374 of the House Appropriations Committee, the Chairman of the House  
375 Education Committee and the Chairman of the House Insurance  
376 Committee, to attend any meeting of the State and School Employees  
377 Insurance Advisory Council. The appointing authorities may  
378 designate an alternate member from their respective houses to  
379 serve when the regular designee is unable to attend such meetings  
380 of the council. Such designees shall have no jurisdiction or vote  
381 on any matter within the jurisdiction of the council. For  
382 attending meetings of the council, such legislators shall receive  
383 per diem and expenses which shall be paid from the contingent  
384 expense funds of their respective houses in the same amounts as  
385 provided for committee meetings when the Legislature is not in  
386 session; however, no per diem and expenses for attending meetings  
387 of the council will be paid while the Legislature is in session.  
388 No per diem and expenses will be paid except for attending  
389 meetings of the council without prior approval of the proper  
390 committee in their respective houses.

391         (c) No change in the terms of the State and School  
392 Employees Health Insurance Plan may be made effective unless the  
393 board, or its designee, has provided notice to the State and  
394 School Employees Health Insurance Advisory Council and has called  
395 a meeting of the council at least fifteen (15) days before the

396 effective date of such change. In the event that the State and  
397 School Employees Health Insurance Advisory Council does not meet  
398 to advise the board on the proposed changes, the changes to the  
399 plan shall become effective at such time as the board has informed  
400 the council that the changes shall become effective.

401 (d) **Medical benefits for retired employees and**  
402 **dependents under age sixty-five (65) years and not eligible for**  
403 **Medicare benefits.** For employees who retire before January 1,  
404 2006, the same health insurance coverage as for all other active  
405 employees and their dependents shall be available to retired  
406 employees and all dependents under age sixty-five (65) years who  
407 are not eligible for Medicare benefits, the level of benefits to  
408 be the same level as for all other active participants. For  
409 employees who retire on or after January 1, 2006, the same health  
410 insurance coverage as for all other active employees and their  
411 dependents shall be available to such retiring employees and all  
412 dependents under age sixty-five (65) years who are not eligible  
413 for Medicare benefits only if the retiring employees were  
414 participants in the State and School Employees Health Insurance  
415 Plan for four (4) years or more before their retirement, the level  
416 of benefits to be the same level as for all other active  
417 participants. This section will apply to those employees who  
418 retire due to one hundred percent (100%) medical disability as  
419 well as those employees electing early retirement.

420 (e) **Medical benefits for retired employees and**  
421 **dependents over age sixty-five (65) years or otherwise eligible**  
422 **for Medicare benefits.** For employees who retire before January 1,  
423 2006, the health insurance coverage available to retired employees  
424 over age sixty-five (65) years or otherwise eligible for Medicare  
425 benefits, and all dependents over age sixty-five (65) years or  
426 otherwise eligible for Medicare benefits, shall be the major  
427 medical coverage with the lifetime maximum of One Million Dollars  
428 (\$1,000,000.00). For employees retiring on or after January 1,

429 2006, the health insurance coverage described herein shall be  
430 available to such retiring employees only if they were  
431 participants in the State and School Employees Health Insurance  
432 Plan for four (4) years or more and are over age sixty-five (65)  
433 years or otherwise eligible for Medicare benefits, and to all  
434 dependents over age sixty-five (65) years or otherwise eligible  
435 for Medicare benefits. Benefits shall be reduced by Medicare  
436 benefits as though such Medicare benefits were the base plan.

437 All covered individuals shall be assumed to have full  
438 Medicare coverage, Parts A and B; and any Medicare payments under  
439 both Parts A and B shall be computed to reduce benefits payable  
440 under this plan.

441 (2) Nonduplication of benefits--reduction of benefits by  
442 Title XIX benefits: When benefits would be payable under more  
443 than one (1) group plan, benefits under those plans will be  
444 coordinated to the extent that the total benefits under all plans  
445 will not exceed the total expenses incurred.

446 Benefits for hospital or surgical or medical benefits shall  
447 be reduced by any similar benefits payable in accordance with  
448 Title XIX of the Social Security Act or under any amendments  
449 thereto, or any implementing legislation.

450 Benefits for hospital or surgical or medical benefits shall  
451 be reduced by any similar benefits payable by workers'  
452 compensation.

453 (3) (a) Schedule of life insurance benefits--group term:  
454 The amount of term life insurance for each active employee of a  
455 department, agency or institution of the state government shall  
456 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
457 twice the amount of the employee's annual wage to the next highest  
458 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
459 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
460 amount for accidental death and dismemberment on a  
461 twenty-four-hour basis. The plan will further contain a premium

462 waiver provision if a covered employee becomes totally and  
463 permanently disabled prior to age sixty-five (65) years.  
464 Employees retiring after June 30, 1999, shall be eligible to  
465 continue life insurance coverage in an amount of Five Thousand  
466 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
467 Thousand Dollars (\$20,000.00) into retirement.

468 (b) Effective October 1, 1999, schedule of life  
469 insurance benefits--group term: The amount of term life insurance  
470 for each active employee of any school district, community/junior  
471 college, public library or university-based program authorized  
472 under Section 37-23-31 for deaf, aphasic and emotionally disturbed  
473 children or any regular nonstudent bus driver shall not be in  
474 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
475 amount of the employee's annual wage to the next highest One  
476 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
477 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
478 amount for accidental death and dismemberment on a  
479 twenty-four-hour basis. The plan will further contain a premium  
480 waiver provision if a covered employee of any school district,  
481 community/junior college, public library or university-based  
482 program authorized under Section 37-23-31 for deaf, aphasic and  
483 emotionally disturbed children or any regular nonstudent bus  
484 driver becomes totally and permanently disabled prior to age  
485 sixty-five (65) years. Employees of any school district,  
486 community/junior college, public library or university-based  
487 program authorized under Section 37-23-31 for deaf, aphasic and  
488 emotionally disturbed children or any regular nonstudent bus  
489 driver retiring after September 30, 1999, shall be eligible to  
490 continue life insurance coverage in an amount of Five Thousand  
491 Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty  
492 Thousand Dollars (\$20,000.00) into retirement.

493 (4) Any eligible employee who on March 1, 1971, was  
494 participating in a group life insurance program which has

495 provisions different from those included herein and for which the  
496 State of Mississippi was paying a part of the premium may, at his  
497 discretion, continue to participate in such plan. Such employee  
498 shall pay in full all additional costs, if any, above the minimum  
499 program established by this article. Under no circumstances shall  
500 any individual who begins employment with the state after March 1,  
501 1971, be eligible for the provisions of this subsection.

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

504 (6) Any premium differentials, differences in coverages,  
505 discounts determined by risk or by any other factors shall be  
506 uniformly applied to all active employees participating in the  
507 insurance plan. It is the intent of the Legislature that the  
508 state contribution to the plan be the same for each employee  
509 throughout the state.

510 (7) On October 1, 1999, any school district,  
511 community/junior college district or public library may elect to  
512 remain with an existing policy or policies of group life insurance  
513 with an insurance company approved by the State and School  
514 Employees Health Insurance Management Board, in lieu of  
515 participation in the State and School Life Insurance Plan. On or  
516 after July 1, 2004, until October 1, 2004, any school district,  
517 community/junior college district or public library may elect to  
518 choose a policy or policies of group life insurance existing on  
519 October 1, 1999, with an insurance company approved by the State  
520 and School Employees Health Insurance Management Board in lieu of  
521 participation in the State and School Life Insurance Plan. The  
522 state's contribution of up to fifty percent (50%) of the active  
523 employee's premium under the State and School Life Insurance Plan  
524 may be applied toward the cost of coverage for full-time employees  
525 participating in the approved life insurance company group plan.  
526 For purposes of this subsection (7), "life insurance company group  
527 plan" means a plan administered or sold by a private insurance



528 company. After October 1, 1999, the board may assess charges in  
529 addition to the existing State and School Life Insurance Plan  
530 rates to such employees as a condition of enrollment in the State  
531 and School Life Insurance Plan. In order for any life insurance  
532 company group plan to be approved by the State and School  
533 Employees Health Insurance Management Board under this subsection  
534 (7), it shall meet the following criteria:

535 (a) The insurance company offering the group life  
536 insurance plan shall be rated "A-" or better by A.M. Best state  
537 insurance rating service and be licensed as an admitted carrier in  
538 the State of Mississippi by the Mississippi Department of  
539 Insurance.

540 (b) The insurance company group life insurance plan  
541 shall provide the same life insurance, accidental death and  
542 dismemberment insurance and waiver of premium benefits as provided  
543 in the State and School Life Insurance Plan.

544 (c) The insurance company group life insurance plan  
545 shall be fully insured, and no form of self-funding life insurance  
546 by such company shall be approved.

547 (d) The insurance company group life insurance plan  
548 shall have one (1) composite rate per One Thousand Dollars  
549 (\$1,000.00) of coverage for active employees regardless of age and  
550 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
551 coverage for all retirees regardless of age or type of retiree.

552 (e) The insurance company and its group life insurance  
553 plan shall comply with any administrative requirements of the  
554 State and School Employees Health Insurance Management Board. In  
555 the event any insurance company providing group life insurance  
556 benefits to employees under this subsection (7) fails to comply  
557 with any requirements specified herein or any administrative  
558 requirements of the board, the state shall discontinue providing  
559 funding for the cost of such insurance.

560           **[From and after July 1 of the year in which Section 25-11-143**  
561 **becomes effective as provided in subsection (1) of Section**  
562 **25-11-143, this section shall read as follows:]**

563           25-15-9. (1) (a) The board shall design a plan of health  
564 insurance for state employees that provides benefits for  
565 semiprivate rooms in addition to other incidental coverages that  
566 the board deems necessary. The amount of the coverages shall be  
567 in such reasonable amount as may be determined by the board to be  
568 adequate, after due consideration of current health costs in  
569 Mississippi. The plan shall also include major medical benefits  
570 in such amounts as the board shall determine. The board is also  
571 authorized to accept bids for such alternate coverage and optional  
572 benefits as the board deems proper. Any contract for alternative  
573 coverage and optional benefits shall be awarded by the board after  
574 it has carefully studied and evaluated the bids and selected the  
575 best and most cost-effective bid. The board may reject all such  
576 bids; however, the board shall notify all bidders of the rejection  
577 and shall actively solicit new bids if all bids are rejected. The  
578 board may employ or contract for such consulting or actuarial  
579 services as may be necessary to formulate the plan, and to assist  
580 the board in the preparation of specifications and in the process  
581 of advertising for the bids for the plan. Those contracts shall  
582 be solicited and entered into in accordance with Section 25-15-5.  
583 The board shall keep a record of all persons, agents and  
584 corporations who contract with or assist the board in preparing  
585 and developing the plan. The board in a timely manner shall  
586 provide copies of this record to the members of the advisory  
587 council created in this section and those legislators, or their  
588 designees, who may attend meetings of the advisory council. The  
589 board shall provide copies of this record in the solicitation of  
590 bids for the administration or servicing of the self-insured  
591 program. Each person, agent or corporation that, during the  
592 previous fiscal year, has assisted in the development of the plan

593 or employed or compensated any person who assisted in the  
594 development of the plan, and that bids on the administration or  
595 servicing of the plan, shall submit to the board a statement  
596 accompanying the bid explaining in detail its participation with  
597 the development of the plan. This statement shall include the  
598 amount of compensation paid by the bidder to any such employee  
599 during the previous fiscal year. The board shall make all such  
600 information available to the members of the advisory council and  
601 those legislators, or their designees, who may attend meetings of  
602 the advisory council before any action is taken by the board on  
603 the bids submitted. The failure of any bidder to fully and  
604 accurately comply with this paragraph shall result in the  
605 rejection of any bid submitted by that bidder or the cancellation  
606 of any contract executed when the failure is discovered after the  
607 acceptance of that bid. The board is authorized to promulgate  
608 rules and regulations to implement the provisions of this  
609 subsection.

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

613 Any corporation, association, company or individual that  
614 contracts with the board for the third-party claims administration  
615 of the self-insured plan shall prepare and keep on file an  
616 explanation of benefits for each claim processed. The explanation  
617 of benefits shall contain such information relative to each  
618 processed claim which the board deems necessary, and, at a  
619 minimum, each explanation shall provide the claimant's name, claim  
620 number, provider number, provider name, service dates, type of  
621 services, amount of charges, amount allowed to the claimant and  
622 reason codes. The information contained in the explanation of  
623 benefits shall be available for inspection upon request by the  
624 board. The board shall have access to all claims information  
625 utilized in the issuance of payments to employees and providers.

626           (b) There is created an advisory council to advise the  
627 board in the formulation of the State and School Employees Health  
628 Insurance Plan. The council shall be composed of the State  
629 Insurance Commissioner or his designee, an employee-representative  
630 of the state institutions of higher learning appointed by the  
631 board of trustees thereof, an employee-representative of the  
632 Mississippi Department of Transportation appointed by the director  
633 thereof, an employee-representative of the State Tax Commission  
634 appointed by the Commissioner of Revenue, an  
635 employee-representative of the State Department of Health  
636 appointed by the State Health Officer, an employee-representative  
637 of the Mississippi Department of Corrections appointed by the  
638 Commissioner of Corrections, and an employee-representative of the  
639 Mississippi Department of Human Services appointed by the  
640 Executive Director of Human Services, two (2) certificated public  
641 school administrators appointed by the State Board of Education,  
642 two (2) certificated classroom teachers appointed by the State  
643 Board of Education, a noncertificated school employee appointed by  
644 the State Board of Education and a community/junior college  
645 employee appointed by the State Board for Community and Junior  
646 Colleges.

647           The Lieutenant Governor may designate the Secretary of the  
648 Senate, the Chairman of the Senate Appropriations Committee, the  
649 Chairman of the Senate Education Committee and the Chairman of the  
650 Senate Insurance Committee, and the Speaker of the House of  
651 Representatives may designate the Clerk of the House, the Chairman  
652 of the House Appropriations Committee, the Chairman of the House  
653 Education Committee and the Chairman of the House Insurance  
654 Committee, to attend any meeting of the State and School Employees  
655 Insurance Advisory Council. The appointing authorities may  
656 designate an alternate member from their respective houses to  
657 serve when the regular designee is unable to attend such meetings  
658 of the council. Those designees shall have no jurisdiction or

659 vote on any matter within the jurisdiction of the council. For  
660 attending meetings of the council, those legislators shall receive  
661 per diem and expenses, which shall be paid from the contingent  
662 expense funds of their respective houses in the same amounts as  
663 provided for committee meetings when the Legislature is not in  
664 session; however, no per diem and expenses for attending meetings  
665 of the council will be paid while the Legislature is in session.  
666 No per diem and expenses will be paid except for attending  
667 meetings of the council without prior approval of the proper  
668 committee in their respective houses.

669 (c) No change in the terms of the State and School  
670 Employees Health Insurance Plan may be made effective unless the  
671 board, or its designee, has provided notice to the State and  
672 School Employees Health Insurance Advisory Council and has called  
673 a meeting of the council at least fifteen (15) days before the  
674 effective date of the change. If the State and School Employees  
675 Health Insurance Advisory Council does not meet to advise the  
676 board on the proposed changes, the changes to the plan will become  
677 effective at such time as the board has informed the council that  
678 the changes will become effective.

679 (2) Nonduplication of benefits--reduction of benefits by  
680 Title XIX benefits: When benefits would be payable under more  
681 than one (1) group plan, benefits under those plans will be  
682 coordinated to the extent that the total benefits under all plans  
683 will not exceed the total expenses incurred.

684 Benefits for hospital or surgical or medical benefits shall  
685 be reduced by any similar benefits payable in accordance with  
686 Title XIX of the Social Security Act or under any amendments  
687 thereto, or any implementing legislation.

688 Benefits for hospital or surgical or medical benefits shall  
689 be reduced by any similar benefits payable by workers'  
690 compensation.

691           (3) (a) Schedule of life insurance benefits--group term:  
692 The amount of term life insurance for each active employee of a  
693 department, agency or institution of the state government shall  
694 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
695 twice the amount of the employee's annual wage to the next highest  
696 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
697 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
698 amount for accidental death and dismemberment on a  
699 twenty-four-hour basis.

700           (b) Effective October 1, 1999, schedule of life  
701 insurance benefits--group term: The amount of term life insurance  
702 for each active employee of any school district, community/junior  
703 college, public library, university-based program authorized under  
704 Section 37-23-31 for deaf, aphasic and emotionally disturbed  
705 children, or any regular nonstudent bus driver shall not be in  
706 excess of One Hundred Thousand Dollars (\$100,000.00), or twice the  
707 amount of the employee's annual wage to the next highest One  
708 Thousand Dollars (\$1,000.00), whichever may be less, but in no  
709 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
710 amount for accidental death and dismemberment on a  
711 twenty-four-hour basis. The plan will further contain a premium  
712 waiver provision if a covered employee of any school district,  
713 community/junior college, public library, university-based program  
714 authorized under Section 37-23-31 for deaf, aphasic and  
715 emotionally disturbed children, or any regular nonstudent bus  
716 driver becomes totally and permanently disabled before age  
717 sixty-five (65) years.

718           (4) Any eligible employee who on March 1, 1971, was  
719 participating in a group life insurance program that has  
720 provisions different from those included in this section and for  
721 which the State of Mississippi was paying a part of the premium  
722 may, at his discretion, continue to participate in that plan. The  
723 employee shall pay in full all additional costs, if any, above the

724 minimum program established by this article. Under no  
725 circumstances shall any individual who begins employment with the  
726 state after March 1, 1971, be eligible for the provisions of this  
727 subsection.

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

730 (6) Any premium differentials, differences in coverages,  
731 discounts determined by risk or by any other factors shall be  
732 uniformly applied to all active employees participating in the  
733 insurance plan. It is the intent of the Legislature that the  
734 state contribution to the plan be the same for each employee  
735 throughout the state.

736 (7) On October 1, 1999, any school district,  
737 community/junior college district or public library may elect to  
738 remain with an existing policy or policies of group life insurance  
739 with an insurance company approved by the State and School  
740 Employees Health Insurance Management Board, in lieu of  
741 participation in the State and School Life Insurance Plan. On or  
742 after July 1, 2004, until October 1, 2004, any school district,  
743 community/junior college district or public library may elect to  
744 choose a policy or policies of group life insurance existing on  
745 October 1, 1999, with an insurance company approved by the State  
746 and School Employees Health Insurance Management Board in lieu of  
747 participation in the State and School Life Insurance Plan. The  
748 state's contribution of up to fifty percent (50%) of the active  
749 employee's premium under the State and School Life Insurance Plan  
750 may be applied toward the cost of coverage for full-time employees  
751 participating in the approved life insurance company group plan.  
752 For purposes of this subsection (7), "life insurance company group  
753 plan" means a plan administered or sold by a private insurance  
754 company. After October 1, 1999, the board may assess charges in  
755 addition to the existing State and School Life Insurance Plan  
756 rates to those employees as a condition of enrollment in the State

757 and School Life Insurance Plan. In order for any life insurance  
758 company group plan to be approved by the State and School  
759 Employees Health Insurance Management Board under this subsection  
760 (7), it shall meet the following criteria:

761 (a) The insurance company offering the group life  
762 insurance plan shall be rated "A-" or better by A.M. Best state  
763 insurance rating service and be licensed as an admitted carrier in  
764 the State of Mississippi by the Mississippi Department of  
765 Insurance.

766 (b) The insurance company group life insurance plan  
767 shall provide the same life insurance, accidental death and  
768 dismemberment insurance and waiver of premium benefits as provided  
769 in the State and School Life Insurance Plan.

770 (c) The insurance company group life insurance plan  
771 shall be fully insured, and no form of self-funding life insurance  
772 by such company shall be approved.

773 (d) The insurance company group life insurance plan  
774 shall have one (1) composite rate per One Thousand Dollars  
775 (\$1,000.00) of coverage for active employees regardless of age.

776 (e) The insurance company and its group life insurance  
777 plan shall comply with any administrative requirements of the  
778 State and School Employees Health Insurance Management Board. If  
779 any insurance company providing group life insurance benefits to  
780 employees under this subsection (7) fails to comply with any  
781 requirements specified in this subsection or any administrative  
782 requirements of the board, the state shall discontinue providing  
783 funding for the cost of that insurance.

784 **SECTION 3.** This act shall take effect and be in force from  
785 and after its passage.