

By: Representative Woods

To: Public Health and Human Services; Insurance

HOUSE BILL NO. 152

1 AN ACT TO ESTABLISH A PLAN THAT PROVIDES HEALTH CARE SERVICES
2 TO WORKING LOW INCOME INDIVIDUALS ON A PREPAID BASIS AND IS NOT
3 CONSIDERED TO BE INSURANCE; TO PROVIDE ELIGIBILITY REQUIREMENTS;
4 TO PROVIDE THAT THE PLAN SHALL BE OPERATED ON A NOT-FOR-PROFIT
5 BASIS; TO PROVIDE THAT HEALTH SERVICES SHALL BE RENDERED FOR FREE
6 OR FOR A NOMINAL REIMBURSEMENT; TO REQUIRE APPROVAL OF THE PLAN BY
7 THE STATE MEDICAL ASSOCIATION; TO REQUIRE THAT CERTAIN ANNUAL
8 REPORTS SHALL BE FILED WITH THE COMMISSIONER OF INSURANCE; AND FOR
9 RELATED PURPOSES.

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

11 **SECTION 1.** The Legislature finds that there is a problem
12 with availability and affordability of health care services for
13 working lower income persons. It is the intent of this
14 Legislature to make such coverage more available and affordable by
15 authorizing the development of innovative plans to prepay such
16 coverage.

17 **SECTION 2.** A plan which provides health care services to
18 working low income individuals on a prepaid basis shall not be
19 considered to be insurance or a service plan or corporation or
20 health maintenance organization within the provisions of Section
21 83-1-1 et seq., if the plan meets the following conditions:

22 (a) Eligibility for enrollment in the plan is limited
23 to persons employed in businesses employing two hundred (200) or
24 less eligible persons and persons engaged in domestic service in
25 private households and dependents of such persons where such
26 persons earn no more than two hundred fifty percent (250%) of the
27 federal poverty level and are not covered under any other group
28 insurance arrangements. Persons who are eligible under the plan
29 and terminate employment shall remain eligible for the plan for
30 six (6) months after the employment termination date. Employers



31 employing two hundred (200) or less eligible persons may prepay
32 the clinic or health center for health services for the benefit of
33 their employees.

34 (b) The plan is operated on a not-for-profit basis
35 under the sponsorship of a not-for-profit organization.

36 (c) Covered primary care services under the plan are
37 provided to enrollees in the plan either by providers on staff of
38 the sponsoring organization or by volunteers recruited from a
39 local medical society who have, in both instances, agreed to
40 provide their services for free or for a nominal reimbursement for
41 out-of-pocket expenses or expendable supplies, or both, directly
42 related to and incurred as a result of the service provided to the
43 enrollee.

44 (d) Payments to outside contractors under the plan for
45 marketing, claims administration and similar services shall total
46 no more than ten percent (10%) of the total charges.

47 (e) The plan has received the approval and endorsement
48 of the local medical society in consultation with the Mississippi
49 State Medical Association.

50 (f) Except as provided in paragraph (c) of this
51 section, no portion of any fees or charges under the plan shall be
52 paid directly or indirectly as salary to any officer or director
53 of the sponsoring not-for-profit organization.

54 (g) The sponsoring not-for-profit corporation files an
55 annual report with the Commissioner of Insurance within ninety
56 (90) days of the close of the fiscal year of such corporation
57 which includes at a minimum the following information: number of
58 plan enrollees; total services rendered under the plan; plan
59 financial statements; administrative costs and salaries paid by
60 the plan; and such other information as may be reasonably
61 requested by the Commissioner of Insurance.

62 **SECTION 3.** This act shall take effect and be in force from
63 and after July 1, 2007.

