

By: Representatives Waldo, Blackmon,
Holloway (27th), McCarty, Stepp, Thompson,
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To: Insurance;
Appropriations A

HOUSE BILL NO. 1367

1 AN ACT TO AMEND SECTION 25-15-9, MISSISSIPPI CODE OF 1972, TO
2 PROVIDE THAT THE STATE AND SCHOOL EMPLOYEES' LIFE AND HEALTH
3 INSURANCE PLAN SHALL PROVIDE THAT, REGARDLESS OF THE TYPE OF
4 COVERAGE AN EMPLOYEE HAS, AN EMPLOYEE SHALL ONLY BE REQUIRED TO
5 PAY A CO-PAYMENT OF THIRTY FIVE DOLLARS OR LESS, WHICH SHALL NOT
6 BE SUBJECT TO THAT EMPLOYEE'S DEDUCTIBLE, AT AN INITIAL VISIT WITH
7 ANY TYPE OF IN NETWORK DOCTOR, SPECIALIST OR OTHER TYPE OF VISIT
8 OTHER THAN A PRIMARY CARE DOCTOR, A TELEHEALTH MINOR CARE MEDICAL
9 VISIT OR A TELEHEALTH DIETICIAN SERVICES VISIT; AND FOR RELATED
10 PURPOSES.

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

12 **SECTION 1.** Section 25-15-9, Mississippi Code of 1972, is
13 amended as follows:

14 25-15-9. (1) (a) The board shall design a plan of health
15 insurance for state employees that provides benefits for
16 semiprivate rooms in addition to other incidental coverages that
17 the board deems necessary. The amount of the coverages shall be
18 in such reasonable amount as may be determined by the board to be
19 adequate, after due consideration of current health costs in
20 Mississippi. The plan shall also include major medical benefits
21 in such amounts as the board determines. The plan shall provide
22 for coverage for telemedicine services as provided in Section



23 83-9-351. The plan shall provide that, regardless of the type of
24 coverage an employee has, an employee shall only be required to
25 pay a co-payment of Thirty-five Dollars (\$35.00) or less, which
26 shall not be subject to that employee's deductible, at an initial
27 visit with any type of in-network doctor, specialist or other type
28 of visit other than a primary care doctor, a telehealth minor care
29 medical visit or a telehealth dietician services visit. The board
30 is also authorized to accept bids for such alternate coverage and
31 optional benefits as the board deems proper. The board is
32 authorized to accept bids for surgical services that include
33 assistance in locating a surgeon, setting up initial consultation,
34 travel, a negotiated single case rate bundle and payment for
35 orthopedic, spine, bariatric, cardiovascular and general
36 surgeries. The surgical services may only utilize surgeons and
37 facilities located in the State of Mississippi unless otherwise
38 provided by the board. Any contract for alternative coverage and
39 optional benefits shall be awarded by the board after it has
40 carefully studied and evaluated the bids and selected the best and
41 most cost-effective bid. The board may reject all of the bids;
42 however, the board shall notify all bidders of the rejection and
43 shall actively solicit new bids if all bids are rejected. The
44 board may employ or contract for such consulting or actuarial
45 services as may be necessary to formulate the plan, and to assist
46 the board in the preparation of specifications and in the process
47 of advertising for the bids for the plan. Those contracts shall



48 be solicited and entered into in accordance with Section 25-15-5.
49 The board shall keep a record of all persons, agents and
50 corporations who contract with or assist the board in preparing
51 and developing the plan. The board in a timely manner shall
52 provide copies of this record to the members of the advisory
53 council created in this section and those legislators, or their
54 designees, who may attend meetings of the advisory council. The
55 board shall provide copies of this record in the solicitation of
56 bids for the administration or servicing of the self-insured
57 program. Each person, agent or corporation that, during the
58 previous fiscal year, has assisted in the development of the plan
59 or employed or compensated any person who assisted in the
60 development of the plan, and that bids on the administration or
61 servicing of the plan, shall submit to the board a statement
62 accompanying the bid explaining in detail its participation with
63 the development of the plan. This statement shall include the
64 amount of compensation paid by the bidder to any such employee
65 during the previous fiscal year. The board shall make all such
66 information available to the members of the advisory council and
67 those legislators, or their designees, who may attend meetings of
68 the advisory council before any action is taken by the board on
69 the bids submitted. The failure of any bidder to fully and
70 accurately comply with this paragraph shall result in the
71 rejection of any bid submitted by that bidder or the cancellation
72 of any contract executed when the failure is discovered after the



73 acceptance of that bid. The board is authorized to promulgate
74 rules and regulations to implement the provisions of this
75 subsection.

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

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

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



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

113 The Lieutenant Governor may designate the Secretary of the
114 Senate, the Chairman of the Senate Appropriations Committee, the
115 Chairman of the Senate Education Committee and the Chairman of the
116 Senate Insurance Committee, and the Speaker of the House of
117 Representatives may designate the Clerk of the House, the Chairman
118 of the House Appropriations Committee, the Chairman of the House
119 Education Committee and the Chairman of the House Insurance
120 Committee, to attend any meeting of the State and School Employees
121 Insurance Advisory Council. The appointing authorities may
122 designate an alternate member from their respective houses to



123 serve when the regular designee is unable to attend the meetings
124 of the council. Those designees shall have no jurisdiction or
125 vote on any matter within the jurisdiction of the council. For
126 attending meetings of the council, the legislators shall receive
127 per diem and expenses, which shall be paid from the contingent
128 expense funds of their respective houses in the same amounts as
129 provided for committee meetings when the Legislature is not in
130 session; however, no per diem and expenses for attending meetings
131 of the council will be paid while the Legislature is in session.
132 No per diem and expenses will be paid except for attending
133 meetings of the council without prior approval of the proper
134 committee in their respective houses.

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

145 (d) **Medical benefits for retired employees and**
146 **dependents under age sixty-five (65) years and not eligible for**
147 **Medicare benefits.** For employees who retire before July 1, 2005,



148 and for employees retiring due to work-related disability under
149 the Public Employees' Retirement System, the same health insurance
150 coverage as for all other active employees and their dependents
151 shall be available to retired employees and all dependents under
152 age sixty-five (65) years who are not eligible for Medicare
153 benefits, the level of benefits to be the same level as for all
154 other active participants. For employees who retire on or after
155 July 1, 2005, and not retiring due to work-related disability
156 under the Public Employees' Retirement System, the same health
157 insurance coverage as for all other active employees and their
158 dependents shall be available to those retiring employees and all
159 dependents under age sixty-five (65) years who are not eligible
160 for Medicare benefits only if the retiring employees were
161 participants in the State and School Employees Health Insurance
162 Plan for four (4) years or more before their retirement, the level
163 of benefits to be the same level as for all other active
164 participants. This section will apply to those employees who
165 retire due to one hundred percent (100%) medical disability as
166 well as those employees electing early retirement.

167 (e) **Medical benefits for retired employees and**
168 **dependents over age sixty-five (65) years or otherwise eligible**
169 **for Medicare benefits.** For employees who retire before July 1,
170 2005, and for employees retiring due to work-related disability
171 under the Public Employees' Retirement System, the health
172 insurance coverage available to retired employees over age



173 sixty-five (65) years or otherwise eligible for Medicare benefits,
174 and all dependents over age sixty-five (65) years or otherwise
175 eligible for Medicare benefits, shall be the major medical
176 coverage. For employees retiring on or after July 1, 2005, and
177 not retiring due to work-related disability under the Public
178 Employees' Retirement System, the health insurance coverage
179 described in this paragraph (e) shall be available to those
180 retiring employees only if they were participants in the State and
181 School Employees Health Insurance Plan for four (4) years or more
182 and are over age sixty-five (65) years or otherwise eligible for
183 Medicare benefits, and to all dependents over age sixty-five (65)
184 years or otherwise eligible for Medicare benefits. Benefits shall
185 be reduced by Medicare benefits as though the Medicare benefits
186 were the base plan.

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

191 (f) Lifetime maximum: The lifetime maximum amount of
192 benefits payable under the health insurance plan for each
193 participant is Two Million Dollars (\$2,000,000.00).

194 (2) Nonduplication of benefits – reduction of benefits by
195 Title XIX benefits: When benefits would be payable under more
196 than one (1) group plan, benefits under those plans will be



197 coordinated to the extent that the total benefits under all plans
198 will not exceed the total expenses incurred.

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

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

206 No health care benefits under the state plan shall restrict
207 coverage for medically appropriate treatment prescribed by a
208 physician and agreed to by a fully informed insured, or if the
209 insured lacks legal capacity to consent by a person who has legal
210 authority to consent on his or her behalf, based on an insured's
211 diagnosis with a terminal condition. As used in this paragraph,
212 "terminal condition" means any aggressive malignancy, chronic
213 end-stage cardiovascular or cerebral vascular disease, or any
214 other disease, illness or condition which physician diagnoses as
215 terminal.

216 Not later than January 1, 2016, the state health plan shall
217 not require a higher co-payment, deductible or coinsurance amount
218 for patient-administered anti-cancer medications, including, but
219 not limited to, those orally administered or self-injected, than
220 it requires for anti-cancer medications that are injected or
221 intravenously administered by a health care provider, regardless



222 of the formulation or benefit category determination by the plan.
223 For the purposes of this paragraph, the term "anti-cancer
224 medications" has the meaning as defined in Section 83-9-24.

225 (3) (a) Schedule of life insurance benefits – group term:
226 The amount of term life insurance for each active employee of a
227 department, agency or institution of the state government shall
228 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or
229 twice the amount of the employee's annual wage to the next highest
230 One Thousand Dollars (\$1,000.00), whichever may be less, but in no
231 case less than Thirty Thousand Dollars (\$30,000.00), with a like
232 amount for accidental death and dismemberment on a
233 twenty-four-hour basis. The plan will further contain a premium
234 waiver provision if a covered employee becomes totally and
235 permanently disabled before age sixty-five (65) years. Employees
236 retiring after June 30, 1999, shall be eligible to continue life
237 insurance coverage in an amount of Five Thousand Dollars
238 (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand
239 Dollars (\$20,000.00) into retirement.

240 (b) Effective October 1, 1999, schedule of life
241 insurance benefits – group term: The amount of term life
242 insurance for each active employee of any school district,
243 community/junior college, public library or university-based
244 program authorized under Section 37-23-31 for deaf, aphasic and
245 emotionally disturbed children or any regular nonstudent bus
246 driver shall not be in excess of One Hundred Thousand Dollars



247 (\$100,000.00), or twice the amount of the employee's annual wage
248 to the next highest One Thousand Dollars (\$1,000.00), whichever
249 may be less, but in no case less than Thirty Thousand Dollars
250 (\$30,000.00), with a like amount for accidental death and
251 dismemberment on a twenty-four-hour basis. The plan will further
252 contain a premium waiver provision if a covered employee of any
253 school district, community/junior college, public library or
254 university-based program authorized under Section 37-23-31 for
255 deaf, aphasic and emotionally disturbed children or any regular
256 nonstudent bus driver becomes totally and permanently disabled
257 before age sixty-five (65) years. Employees of any school
258 district, community/junior college, public library or
259 university-based program authorized under Section 37-23-31 for
260 deaf, aphasic and emotionally disturbed children or any regular
261 nonstudent bus driver retiring after September 30, 1999, shall be
262 eligible to continue life insurance coverage in an amount of Five
263 Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or
264 Twenty Thousand Dollars (\$20,000.00) into retirement.

265 (4) Any eligible employee who on March 1, 1971, was
266 participating in a group life insurance program that has
267 provisions different from those included in this article and for
268 which the State of Mississippi was paying a part of the premium
269 may, at his discretion, continue to participate in that plan. The
270 employee shall pay in full all additional costs, if any, above the
271 minimum program established by this article. Under no



272 circumstances shall any individual who begins employment with the
273 state after March 1, 1971, be eligible for the provisions of this
274 subsection.

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

277 (6) Any premium differentials, differences in coverages,
278 discounts determined by risk or by any other factors shall be
279 uniformly applied to all active employees participating in the
280 insurance plan. It is the intent of the Legislature that the
281 state contribution to the plan be the same for each employee
282 throughout the state.

283 (7) On October 1, 1999, any school district,
284 community/junior college district or public library may elect to
285 remain with an existing policy or policies of group life insurance
286 with an insurance company approved by the State and School
287 Employees Health Insurance Management Board, in lieu of
288 participation in the State and School Life Insurance Plan. On or
289 after July 1, 2004, until October 1, 2004, any school district,
290 community/junior college district or public library may elect to
291 choose a policy or policies of group life insurance existing on
292 October 1, 1999, with an insurance company approved by the State
293 and School Employees Health Insurance Management Board in lieu of
294 participation in the State and School Life Insurance Plan. The
295 state's contribution of up to fifty percent (50%) of the active
296 employee's premium under the State and School Life Insurance Plan



297 may be applied toward the cost of coverage for full-time employees
298 participating in the approved life insurance company group plan.
299 For purposes of this subsection (7), "life insurance company group
300 plan" means a plan administered or sold by a private insurance
301 company. After October 1, 1999, the board may assess charges in
302 addition to the existing State and School Life Insurance Plan
303 rates to such employees as a condition of enrollment in the State
304 and School Life Insurance Plan. In order for any life insurance
305 company group plan to be approved by the State and School
306 Employees Health Insurance Management Board under this subsection
307 (7), it shall meet the following criteria:

308 (a) The insurance company offering the group life
309 insurance plan shall be rated "A-" or better by A.M. Best state
310 insurance rating service and be licensed as an admitted carrier in
311 the State of Mississippi by the Mississippi Department of
312 Insurance.

313 (b) The insurance company group life insurance plan
314 shall provide the same life insurance, accidental death and
315 dismemberment insurance and waiver of premium benefits as provided
316 in the State and School Life Insurance Plan.

317 (c) The insurance company group life insurance plan
318 shall be fully insured, and no form of self-funding life insurance
319 by the company shall be approved.

320 (d) The insurance company group life insurance plan
321 shall have one (1) composite rate per One Thousand Dollars



322 (\$1,000.00) of coverage for active employees regardless of age and
323 one (1) composite rate per One Thousand Dollars (\$1,000.00) of
324 coverage for all retirees regardless of age or type of retiree.

325 (e) The insurance company and its group life insurance
326 plan shall comply with any administrative requirements of the
327 State and School Employees Health Insurance Management Board. If
328 any insurance company providing group life insurance benefits to
329 employees under this subsection (7) fails to comply with any
330 requirements specified in this subsection or any administrative
331 requirements of the board, the state shall discontinue providing
332 funding for the cost of that insurance.

333 **SECTION 2.** This act shall take effect and be in force from
334 and after July 1, 2024.

