

By: Senator(s) DeBar

To: Insurance

SENATE BILL NO. 2784

1 AN ACT TO BRING FORWARD SECTIONS 25-15-3, 25-15-5, 25-15-7,  
 2 25-15-9, 25-15-11, 25-15-13, 25-15-14, 25-15-15, 25-15-16,  
 3 25-15-17, 25-15-19, 25-15-23, 25-15-101, 25-15-103, 25-15-105,  
 4 25-15-301 AND 25-15-303, MISSISSIPPI CODE OF 1972, WHICH PROVIDE  
 5 FOR THE STATE EMPLOYEES LIFE AND HEALTH INSURANCE PLAN AND OTHER  
 6 GROUP INSURANCE PLANS FOR GOVERNMENT EMPLOYEES, FOR THE PURPOSE OF  
 7 POSSIBLE AMENDMENT; AND FOR RELATED PURPOSES.

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

9 **SECTION 1.** Section 25-15-3, Mississippi Code of 1972, is  
 10 brought forward as follows:

11 25-15-3. For the purposes of this article, the words and  
 12 phrases used herein shall have the following meanings:

13 (a) "Employee" means a person who works full time for  
 14 the State of Mississippi and receives his compensation in a direct  
 15 payment from a department, agency or institution of the state  
 16 government and any person who works full time for any school  
 17 district, community/junior college, public library or  
 18 university-based program authorized under Section 37-23-31 for  
 19 deaf, aphasic and emotionally disturbed children or any regular  
 20 nonstudent bus driver. This shall include legislators, employees



21 of the legislative branch and the judicial branch of the state and  
22 "employees" shall include full-time salaried judges and full-time  
23 district attorneys and their staff and full-time compulsory school  
24 attendance officers. For the purposes of this article, any  
25 "employee" making contributions to the State of Mississippi  
26 retirement plan shall be considered a full-time employee. For  
27 purposes of this article, "employee" shall not mean contract  
28 personnel.

29 (b) "Department" means the Department of Finance and  
30 Administration.

31 (c) "Plan" means the State and School Employees Life  
32 and Health Insurance Plan created under this article.

33 (d) "Fund" means the State and School Employees  
34 Insurance Fund set up under this article.

35 (e) "Retiree" means any employee retired under the  
36 Mississippi retirement plan.

37 (f) "Board" means the State and School Employees Health  
38 Insurance Management Board created under Section 25-15-303.

39 **SECTION 2.** Section 25-15-5, Mississippi Code of 1972, is  
40 brought forward as follows:

41 25-15-5. (1) The board shall administer the plan and is  
42 authorized to adopt and promulgate rules and regulations for its  
43 administration, subject to the terms and limitations contained in  
44 this article.



45           (2) The board shall develop a five-year strategic plan for  
46 the insurance plan established by Section 25-15-3 et seq. The  
47 strategic plan shall address, but not be limited to:

48                 (a) Changing trends in the health care industry, and  
49 how they effect delivery of services to members of the plan.

50                 (b) Alternative service delivery systems.

51                 (c) Any foreseeable problems with the present system of  
52 delivering and administering health care benefits in Mississippi.

53                 (d) The development of options and recommendations for  
54 changes in the plan.

55           (3) To carry out the requirements of subsection (2) of this  
56 section, the board may conduct formal research, including  
57 questionnaires and attitudinal surveys of members' needs and  
58 preferences with respect to service delivery.

59           (4) After the board has complied with all provisions of  
60 Section 25-15-9 regarding the establishment of the plan, it shall  
61 be responsible for fully disclosing to plan members the provisions  
62 of the plan. Such disclosure shall consist of the dissemination  
63 of educational material on the plan and any proposed changes  
64 thereto. The board shall provide members with complete  
65 educational materials at least thirty (30) days before the date  
66 upon which the plan's members must select a plan option for health  
67 care services. The board shall further use the resources of the  
68 Mississippi Authority for Educational Television or other state  
69 agency, university or college to provide information on proposed



70 changes. The board may also use other state-owned media, as well  
71 as public service announcements on private media to disseminate  
72 information regarding proposed changes in the plan.

73 (5) The board shall develop and make available for public  
74 review at its offices a comprehensive plan document which  
75 documents all benefits for which members of the plan created by  
76 Section 25-15-3 et seq. are eligible. This document shall be  
77 typed and maintained also at the offices of any administrator  
78 contracted with in accordance with Section 25-15-301.

79 (6) (a) The board may enter into contracts with  
80 accountants, actuaries and other persons from the private sector  
81 whose skills are necessary to carry out the purposes of Section  
82 25-15-3 et seq.

83 (b) Before the board enters into any contract for  
84 services as provided in paragraph (a) of this subsection, the  
85 board shall first determine that the services are required, and  
86 that the staff of the board and personnel of other state agencies  
87 are not sufficiently experienced to provide the services.

88 (c) If the service is to be rendered for a period of in  
89 excess of six (6) months, the board shall seek and obtain bids for  
90 the service in a manner identical to that provided for in Section  
91 25-15-301, subsection (1)(a) and (b) except for those provisions  
92 which specifically state criteria which are applicable only to  
93 third-party administrators contracted with in accordance with  
94 Section 25-15-3 et seq.



95 (d) The board is also authorized to procure legal  
96 services if it deems these services to be necessary to carry out  
97 its responsibilities under Section 25-15-3 et seq.

98 **SECTION 3.** Section 25-15-7, Mississippi Code of 1972, is  
99 brought forward as follows:

100 25-15-7. Such health insurance shall not include expense  
101 incurred by or on account of an individual prior to July 1, 1972,  
102 as to him; dental care and treatment, except dental surgery and  
103 appliances to the extent necessary for the correction of damage  
104 caused by accidental injury while covered by the plan, or as a  
105 direct result of disease covered by the plan; eyeglasses, hearing  
106 aids for individuals over the age of twenty-one (21) years, and  
107 examinations for the prescription or fitting thereof; cosmetic  
108 surgery or treatment, except to the extent necessary for  
109 correction of damage by accidental injury while covered by the  
110 plan or as a direct result of disease covered by the plan;  
111 services received in a hospital owned or operated by the United  
112 States government for which no charge is made; services received  
113 for injury or sickness due to war or any act of war, whether  
114 declared or undeclared, which war or act of war shall have  
115 occurred after July 1, 1972; expense for which the individual is  
116 not required to make payment; expenses to the extent of benefits  
117 provided under any employer group plan other than this plan, in  
118 which the state participates in the cost thereof; and such other  
119 expenses as may be excluded by regulations of the board.



120           **SECTION 4.** Section 25-15-9, Mississippi Code of 1972, is  
121 brought forward as follows:

122           25-15-9. (1) (a) The board shall design a plan of health  
123 insurance for state employees that provides benefits for  
124 semiprivate rooms in addition to other incidental coverages that  
125 the board deems necessary. The amount of the coverages shall be  
126 in such reasonable amount as may be determined by the board to be  
127 adequate, after due consideration of current health costs in  
128 Mississippi. The plan shall also include major medical benefits  
129 in such amounts as the board determines. The plan shall provide  
130 for coverage for telemedicine services as provided in Section  
131 83-9-351. The board is also authorized to accept bids for such  
132 alternate coverage and optional benefits as the board deems  
133 proper. The board is authorized to accept bids for surgical  
134 services that include assistance in locating a surgeon, setting up  
135 initial consultation, travel, a negotiated single case rate bundle  
136 and payment for orthopedic, spine, bariatric, cardiovascular and  
137 general surgeries. The surgical services may only utilize  
138 surgeons and facilities located in the State of Mississippi unless  
139 otherwise provided by the board. Any contract for alternative  
140 coverage and optional benefits shall be awarded by the board after  
141 it has carefully studied and evaluated the bids and selected the  
142 best and most cost-effective bid. The board may reject all of the  
143 bids; however, the board shall notify all bidders of the rejection  
144 and shall actively solicit new bids if all bids are rejected. The



145 board may employ or contract for such consulting or actuarial  
146 services as may be necessary to formulate the plan, and to assist  
147 the board in the preparation of specifications and in the process  
148 of advertising for the bids for the plan. Those contracts shall  
149 be solicited and entered into in accordance with Section 25-15-5.  
150 The board shall keep a record of all persons, agents and  
151 corporations who contract with or assist the board in preparing  
152 and developing the plan. The board in a timely manner shall  
153 provide copies of this record to the members of the advisory  
154 council created in this section and those legislators, or their  
155 designees, who may attend meetings of the advisory council. The  
156 board shall provide copies of this record in the solicitation of  
157 bids for the administration or servicing of the self-insured  
158 program. Each person, agent or corporation that, during the  
159 previous fiscal year, has assisted in the development of the plan  
160 or employed or compensated any person who assisted in the  
161 development of the plan, and that bids on the administration or  
162 servicing of the plan, shall submit to the board a statement  
163 accompanying the bid explaining in detail its participation with  
164 the development of the plan. This statement shall include the  
165 amount of compensation paid by the bidder to any such employee  
166 during the previous fiscal year. The board shall make all such  
167 information available to the members of the advisory council and  
168 those legislators, or their designees, who may attend meetings of  
169 the advisory council before any action is taken by the board on



170 the bids submitted. The failure of any bidder to fully and  
171 accurately comply with this paragraph shall result in the  
172 rejection of any bid submitted by that bidder or the cancellation  
173 of any contract executed when the failure is discovered after the  
174 acceptance of that bid. The board is authorized to promulgate  
175 rules and regulations to implement the provisions of this  
176 subsection.

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

180 Any corporation, association, company or individual that  
181 contracts with the board for the third-party claims administration  
182 of the self-insured plan shall prepare and keep on file an  
183 explanation of benefits for each claim processed. The explanation  
184 of benefits shall contain such information relative to each  
185 processed claim that the board deems necessary, and, at a minimum,  
186 each explanation shall provide the claimant's name, claim number,  
187 provider number, provider name, service dates, type of services,  
188 amount of charges, amount allowed to the claimant and reason  
189 codes. The information contained in the explanation of benefits  
190 shall be available for inspection upon request by the board. The  
191 board shall have access to all claims information utilized in the  
192 issuance of payments to employees and providers.

193 (b) There is created an advisory council to advise the  
194 board in the formulation of the State and School Employees Health





195 Insurance Plan. The council shall be composed of the State  
196 Insurance Commissioner, or his designee, an  
197 employee-representative of the institutions of higher learning  
198 appointed by the board of trustees thereof, an  
199 employee-representative of the Department of Transportation  
200 appointed by the director thereof, an employee-representative of  
201 the Department of Revenue appointed by the Commissioner of  
202 Revenue, an employee-representative of the Mississippi Department  
203 of Health appointed by the State Health Officer, an  
204 employee-representative of the Mississippi Department of  
205 Corrections appointed by the Commissioner of Corrections, and an  
206 employee-representative of the Department of Human Services  
207 appointed by the Executive Director of Human Services, two (2)  
208 certificated public school administrators appointed by the State  
209 Board of Education, two (2) certificated classroom teachers  
210 appointed by the State Board of Education, a noncertificated  
211 school employee appointed by the State Board of Education and a  
212 community/junior college employee appointed by the Mississippi  
213 Community College Board.

214 The Lieutenant Governor may designate the Secretary of the  
215 Senate, the Chairman of the Senate Appropriations Committee, the  
216 Chairman of the Senate Education Committee and the Chairman of the  
217 Senate Insurance Committee, and the Speaker of the House of  
218 Representatives may designate the Clerk of the House, the Chairman  
219 of the House Appropriations Committee, the Chairman of the House



220 Education Committee and the Chairman of the House Insurance  
221 Committee, to attend any meeting of the State and School Employees  
222 Insurance Advisory Council. The appointing authorities may  
223 designate an alternate member from their respective houses to  
224 serve when the regular designee is unable to attend the meetings  
225 of the council. Those designees shall have no jurisdiction or  
226 vote on any matter within the jurisdiction of the council. For  
227 attending meetings of the council, the legislators shall receive  
228 per diem and expenses, which shall be paid from the contingent  
229 expense funds of their respective houses in the same amounts as  
230 provided for committee meetings when the Legislature is not in  
231 session; however, no per diem and expenses for attending meetings  
232 of the council will be paid while the Legislature is in session.  
233 No per diem and expenses will be paid except for attending  
234 meetings of the council without prior approval of the proper  
235 committee in their respective houses.

236 (c) No change in the terms of the State and School  
237 Employees Health Insurance Plan may be made effective unless the  
238 board, or its designee, has provided notice to the State and  
239 School Employees Health Insurance Advisory Council and has called  
240 a meeting of the council at least fifteen (15) days before the  
241 effective date of the change. If the State and School Employees  
242 Health Insurance Advisory Council does not meet to advise the  
243 board on the proposed changes, the changes to the plan shall



244 become effective at such time as the board has informed the  
245 council that the changes shall become effective.

246 (d) **Medical benefits for retired employees and**  
247 **dependents under age sixty-five (65) years and not eligible for**  
248 **Medicare benefits.** For employees who retire before July 1, 2005,  
249 and for employees retiring due to work-related disability under  
250 the Public Employees' Retirement System, the same health insurance  
251 coverage as for all other active employees and their dependents  
252 shall be available to retired employees and all dependents under  
253 age sixty-five (65) years who are not eligible for Medicare  
254 benefits, the level of benefits to be the same level as for all  
255 other active participants. For employees who retire on or after  
256 July 1, 2005, and not retiring due to work-related disability  
257 under the Public Employees' Retirement System, the same health  
258 insurance coverage as for all other active employees and their  
259 dependents shall be available to those retiring employees and all  
260 dependents under age sixty-five (65) years who are not eligible  
261 for Medicare benefits only if the retiring employees were  
262 participants in the State and School Employees Health Insurance  
263 Plan for four (4) years or more before their retirement, the level  
264 of benefits to be the same level as for all other active  
265 participants. This section will apply to those employees who  
266 retire due to one hundred percent (100%) medical disability as  
267 well as those employees electing early retirement.



268           (e) **Medical benefits for retired employees and**  
269 **dependents over age sixty-five (65) years or otherwise eligible**  
270 **for Medicare benefits.** For employees who retire before July 1,  
271 2005, and for employees retiring due to work-related disability  
272 under the Public Employees' Retirement System, the health  
273 insurance coverage available to retired employees over age  
274 sixty-five (65) years or otherwise eligible for Medicare benefits,  
275 and all dependents over age sixty-five (65) years or otherwise  
276 eligible for Medicare benefits, shall be the major medical  
277 coverage. For employees retiring on or after July 1, 2005, and  
278 not retiring due to work-related disability under the Public  
279 Employees' Retirement System, the health insurance coverage  
280 described in this paragraph (e) shall be available to those  
281 retiring employees only if they were participants in the State and  
282 School Employees Health Insurance Plan for four (4) years or more  
283 and are over age sixty-five (65) years or otherwise eligible for  
284 Medicare benefits, and to all dependents over age sixty-five (65)  
285 years or otherwise eligible for Medicare benefits. Benefits shall  
286 be reduced by Medicare benefits as though the Medicare benefits  
287 were the base plan.

288           All covered individuals shall be assumed to have full  
289 Medicare coverage, Parts A and B; and any Medicare payments under  
290 both Parts A and B shall be computed to reduce benefits payable  
291 under this plan.



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

295 (2) Nonduplication of benefits – reduction of benefits by  
296 Title XIX benefits: When benefits would be payable under more  
297 than one (1) group plan, benefits under those plans will be  
298 coordinated to the extent that the total benefits under all plans  
299 will not exceed the total expenses incurred.

300 Benefits for hospital or surgical or medical benefits shall  
301 be reduced by any similar benefits payable in accordance with  
302 Title XIX of the Social Security Act or under any amendments  
303 thereto, or any implementing legislation.

304 Benefits for hospital or surgical or medical benefits shall  
305 be reduced by any similar benefits payable by workers'  
306 compensation.

307 No health care benefits under the state plan shall restrict  
308 coverage for medically appropriate treatment prescribed by a  
309 physician and agreed to by a fully informed insured, or if the  
310 insured lacks legal capacity to consent by a person who has legal  
311 authority to consent on his or her behalf, based on an insured's  
312 diagnosis with a terminal condition. As used in this paragraph,  
313 "terminal condition" means any aggressive malignancy, chronic  
314 end-stage cardiovascular or cerebral vascular disease, or any  
315 other disease, illness or condition which physician diagnoses as  
316 terminal.



317 Not later than January 1, 2016, the state health plan shall  
318 not require a higher co-payment, deductible or coinsurance amount  
319 for patient-administered anti-cancer medications, including, but  
320 not limited to, those orally administered or self-injected, than  
321 it requires for anti-cancer medications that are injected or  
322 intravenously administered by a health care provider, regardless  
323 of the formulation or benefit category determination by the plan.  
324 For the purposes of this paragraph, the term "anti-cancer  
325 medications" has the meaning as defined in Section 83-9-24.

326 (3) (a) Schedule of life insurance benefits – group term:  
327 The amount of term life insurance for each active employee of a  
328 department, agency or institution of the state government shall  
329 not be in excess of One Hundred Thousand Dollars (\$100,000.00), or  
330 twice the amount of the employee's annual wage to the next highest  
331 One Thousand Dollars (\$1,000.00), whichever may be less, but in no  
332 case less than Thirty Thousand Dollars (\$30,000.00), with a like  
333 amount for accidental death and dismemberment on a  
334 twenty-four-hour basis. The plan will further contain a premium  
335 waiver provision if a covered employee becomes totally and  
336 permanently disabled before age sixty-five (65) years. Employees  
337 retiring after June 30, 1999, shall be eligible to continue life  
338 insurance coverage in an amount of Five Thousand Dollars  
339 (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or Twenty Thousand  
340 Dollars (\$20,000.00) into retirement.



341 (b) Effective October 1, 1999, schedule of life  
342 insurance benefits – group term: The amount of term life  
343 insurance for each active employee of any school district,  
344 community/junior college, public library or university-based  
345 program authorized under Section 37-23-31 for deaf, aphasic and  
346 emotionally disturbed children or any regular nonstudent bus  
347 driver shall not be in excess of One Hundred Thousand Dollars  
348 (\$100,000.00), or twice the amount of the employee's annual wage  
349 to the next highest One Thousand Dollars (\$1,000.00), whichever  
350 may be less, but in no case less than Thirty Thousand Dollars  
351 (\$30,000.00), with a like amount for accidental death and  
352 dismemberment on a twenty-four-hour basis. The plan will further  
353 contain a premium waiver provision if a covered employee of any  
354 school district, community/junior college, public library or  
355 university-based program authorized under Section 37-23-31 for  
356 deaf, aphasic and emotionally disturbed children or any regular  
357 nonstudent bus driver becomes totally and permanently disabled  
358 before age sixty-five (65) years. Employees of any school  
359 district, community/junior college, public library or  
360 university-based program authorized under Section 37-23-31 for  
361 deaf, aphasic and emotionally disturbed children or any regular  
362 nonstudent bus driver retiring after September 30, 1999, shall be  
363 eligible to continue life insurance coverage in an amount of Five  
364 Thousand Dollars (\$5,000.00), Ten Thousand Dollars (\$10,000.00) or  
365 Twenty Thousand Dollars (\$20,000.00) into retirement.



366 (4) Any eligible employee who on March 1, 1971, was  
367 participating in a group life insurance program that has  
368 provisions different from those included in this article and for  
369 which the State of Mississippi was paying a part of the premium  
370 may, at his discretion, continue to participate in that plan. The  
371 employee shall pay in full all additional costs, if any, above the  
372 minimum program established by this article. Under no  
373 circumstances shall any individual who begins employment with the  
374 state after March 1, 1971, be eligible for the provisions of this  
375 subsection.

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

378 (6) Any premium differentials, differences in coverages,  
379 discounts determined by risk or by any other factors shall be  
380 uniformly applied to all active employees participating in the  
381 insurance plan. It is the intent of the Legislature that the  
382 state contribution to the plan be the same for each employee  
383 throughout the state.

384 (7) On October 1, 1999, any school district,  
385 community/junior college district or public library may elect to  
386 remain with an existing policy or policies of group life insurance  
387 with an insurance company approved by the State and School  
388 Employees Health Insurance Management Board, in lieu of  
389 participation in the State and School Life Insurance Plan. On or  
390 after July 1, 2004, until October 1, 2004, any school district,





391 community/junior college district or public library may elect to  
392 choose a policy or policies of group life insurance existing on  
393 October 1, 1999, with an insurance company approved by the State  
394 and School Employees Health Insurance Management Board in lieu of  
395 participation in the State and School Life Insurance Plan. The  
396 state's contribution of up to fifty percent (50%) of the active  
397 employee's premium under the State and School Life Insurance Plan  
398 may be applied toward the cost of coverage for full-time employees  
399 participating in the approved life insurance company group plan.  
400 For purposes of this subsection (7), "life insurance company group  
401 plan" means a plan administered or sold by a private insurance  
402 company. After October 1, 1999, the board may assess charges in  
403 addition to the existing State and School Life Insurance Plan  
404 rates to such employees as a condition of enrollment in the State  
405 and School Life Insurance Plan. In order for any life insurance  
406 company group plan to be approved by the State and School  
407 Employees Health Insurance Management Board under this subsection  
408 (7), it shall meet the following criteria:

409 (a) The insurance company offering the group life  
410 insurance plan shall be rated "A-" or better by A.M. Best state  
411 insurance rating service and be licensed as an admitted carrier in  
412 the State of Mississippi by the Mississippi Department of  
413 Insurance.

414 (b) The insurance company group life insurance plan  
415 shall provide the same life insurance, accidental death and



416 dismemberment insurance and waiver of premium benefits as provided  
417 in the State and School Life Insurance Plan.

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

421 (d) The insurance company group life insurance plan  
422 shall have one (1) composite rate per One Thousand Dollars  
423 (\$1,000.00) of coverage for active employees regardless of age and  
424 one (1) composite rate per One Thousand Dollars (\$1,000.00) of  
425 coverage for all retirees regardless of age or type of retiree.

426 (e) The insurance company and its group life insurance  
427 plan shall comply with any administrative requirements of the  
428 State and School Employees Health Insurance Management Board. If  
429 any insurance company providing group life insurance benefits to  
430 employees under this subsection (7) fails to comply with any  
431 requirements specified in this subsection or any administrative  
432 requirements of the board, the state shall discontinue providing  
433 funding for the cost of that insurance.

434 **SECTION 5.** Section 25-15-11, Mississippi Code of 1972, is  
435 brought forward as follows:

436 25-15-11. (1) The board is authorized to execute a contract  
437 or contracts to provide the benefits under the plan. Such  
438 contract or contracts may be executed with one or more  
439 corporations or associations licensed to transact life and  
440 accident and health insurance business in this state; however, no



441 such contract shall be executed with any corporation, association  
442 or company domiciled in any other state except that such  
443 corporation, association or company shall meet the conditions and  
444 terms for a like contract established by the state of the domicile  
445 of such corporation, association or company for a Mississippi  
446 corporation, association or company. No corporation, association  
447 or company with less than five (5) years' experience in the life  
448 and health field may bid. All of the benefits to be provided  
449 under the plan may be included in one or more similar contracts,  
450 or the benefits may be classified into different types with each  
451 type included under one or more similar contracts issued by the  
452 same or different companies.

453 The board shall supply the statistical information upon which  
454 a quotation is to be calculated, upon request, to all carriers  
455 licensed in the state. Bids may be accepted at the discretion of  
456 the board, and the board shall have the right to adjust rates on  
457 an annual basis if the board shall deem such adjustment necessary.  
458 The plan for active employees shall be on retention accounting  
459 basis, and a separate retention accounting basis shall be used for  
460 retired employees. Any additional written information the carrier  
461 wishes to submit, supporting the proposed benefits and premium  
462 rate, may accompany the proposal. After receiving the proposals,  
463 the board shall determine whether to contract with the carrier  
464 which has been determined to have submitted the lowest and best  
465 bid, or to reject all such bids and receive new proposals.



466           The board shall authorize any corporation licensed to  
467 transact accident and health insurance business in this state  
468 issuing any such contract to reinsure portions of such contract  
469 with any other such corporation which elected to be a reinsurer  
470 and is legally competent to enter into a reinsurance agreement.  
471 The board may designate one or more of such corporations as the  
472 administering corporation or corporations. Each employee who is  
473 covered under any such contract or contracts shall receive a  
474 certificate setting forth the benefits to which the employee is  
475 entitled thereunder, to whom such benefits shall be payable, to  
476 whom claims should be submitted, and summarizing the provisions of  
477 the contract principally affecting the employee. Such certificate  
478 shall be in lieu of the certificate which the corporation or  
479 corporations issuing such contract or contracts would otherwise  
480 issue.

481           The board may, as of the end of any contract year,  
482 discontinue any contract or contracts it has executed with any  
483 corporation or corporations and replace it or them with a contract  
484 or contracts in any other corporation or corporations meeting the  
485 requirements of this section.

486           The board may reject any and all bids and contracts under  
487 this section and may elect for the state to become a self-insurer;  
488 however, administration and service of any such self-insured  
489 program may be contracted to a third party by the board.



490 Any contract with a third party to administer the plan shall  
491 be bid and entered into in accordance with the procedures provided  
492 in Section 25-15-301.

493 (2) By September 30 of each year, the board shall report to  
494 the Joint Legislative Budget Committee, Senate Insurance  
495 Committee, House Insurance Committee, Senate Education Committee,  
496 House Education Committee and Joint Legislative Committee on  
497 Performance Evaluation and Expenditure Review the condition of the  
498 State and School Employees Life and Health Insurance Plan. Such  
499 report shall contain for the most recently completed fiscal year,  
500 but not be limited to, the following:

501 (a) The plan's financial condition at the close of the  
502 fiscal year.

503 (b) The history of yearly claims paid and premiums  
504 received for each premium class, including, but not limited to,  
505 active employees, dependents and retirees.

506 (c) The history of loss ratios for the active  
507 employees, dependents and retirees premium classes as well as  
508 historical trend of such ratios. For the purposes of this  
509 section, the term "loss ratios" means claims paid by the plan for  
510 each premium class divided by premiums received by the plan for  
511 insurance coverage of the members in that premium class.

512 (d) Budgetary information, including:

513 (i) A detailed breakdown of all expenditures of  
514 the plan, administrative and otherwise, for the most recently



515 completed fiscal year and projected expenditures, administrative  
516 and otherwise, for the current and next fiscal year;

517 (ii) A schedule of all contracts, administrative  
518 and otherwise, executed for the benefit of the plan during the  
519 most recent completed fiscal year and those executed and  
520 anticipated for the current fiscal year; and

521 (iii) A description of the processes used by the  
522 board to procure all contracts, administrative and otherwise, as  
523 well as a description of the scope of services to be provided by  
524 each contractor.

525 Budgetary information shall be provided in a format  
526 designated by the Joint Legislative Budget Committee.

527 The Joint Legislative Budget Committee, Senate Insurance  
528 Committee, House Insurance Committee, Senate Education Committee,  
529 House Education Committee and Joint Legislative Committee on  
530 Performance Evaluation and Expenditure Review may request  
531 additional information or reports from the board on an as-needed  
532 basis.

533 (3) Annually, the board shall request, and the Department of  
534 Audit shall conduct, a comprehensive audit of the State and School  
535 Employees Life and Health Insurance Plan. For purposes of this  
536 section, the audit required herein shall be separate and distinct  
537 from any audit prepared in conjunction with the development of the  
538 Comprehensive Annual Financial Report (CAFR).



539           **SECTION 6.** Section 25-15-13, Mississippi Code of 1972, is  
540 brought forward as follows:

541           25-15-13. Each eligible employee may participate in the  
542 plan by signing up for the plan at the time of employment. Each  
543 eligible employee who declines coverage under the plan must sign a  
544 waiver of coverage. After acceptance in the plan, the employee  
545 may cease his or her participation by filing a specific disclaimer  
546 with the board. Forms for this purpose shall be prescribed and  
547 issued by the board. All eligible employees will be eligible to  
548 participate in the plan on the effective date of the plan or on  
549 the date on which they are employed by the state, whichever is  
550 later, provided they make the necessary contributions as provided  
551 in this article. Spouses of employees, unmarried dependent  
552 children from birth to age nineteen (19) years, unmarried  
553 dependent children who are full-time students up to age  
554 twenty-five (25) years, and physically or mentally handicapped  
555 children, regardless of age, are eligible under the plan as of the  
556 date the employee becomes eligible. If both spouses are eligible  
557 employees who participate in the plan, the benefits shall apply  
558 individually to each spouse by virtue of his or her participation  
559 in the plan. If those spouses also have one or more eligible  
560 dependents participating in the plan, the cost of their dependents  
561 shall be calculated at a special family plan rate. The cost for  
562 participation by the dependents shall be paid by the spouse who  
563 elects to carry such dependents under his or her coverage.



564           **SECTION 7.** Section 25-15-14, Mississippi Code of 1972, is  
565 brought forward as follows:

566           25-15-14. Any elected state or district official who does  
567 not run for reelection or who is defeated before being entitled to  
568 receive a retirement allowance shall be eligible to continue to  
569 participate in the State and School Employees Health Insurance  
570 Plan under the same conditions and coverages for retired  
571 employees.

572           **SECTION 8.** Section 25-15-15, Mississippi Code of 1972, is  
573 brought forward as follows:

574           25-15-15. (1) The board is authorized to determine the  
575 manner in which premiums and contributions by the state agencies,  
576 local school districts, colleges, universities, community/junior  
577 colleges and public libraries shall be collected to provide the  
578 self-insured health insurance program for employees as provided  
579 under this article. The state shall provide fifty percent (50%)  
580 of the cost of the above life insurance plan for all active  
581 full-time employees. The state shall provide one hundred percent  
582 (100%) of the cost of the health insurance plan for active  
583 full-time employees initially employed before January 1, 2006,  
584 except as otherwise provided in this section. For active  
585 full-time employees initially employed on or after January 1,  
586 2006, the state shall provide one hundred percent (100%) of the  
587 cost of a basic level of health insurance, except as otherwise  
588 provided in this section, and the employees may pay additional





589 amounts to purchase additional benefits or levels of coverage  
590 offered under the plan. The board, if determined to be necessary,  
591 may assess active full-time employees a portion of the active  
592 employee premium in an amount not to exceed Twenty Dollars  
593 (\$20.00) per month, notwithstanding any language in this section  
594 to the contrary. All active full-time employees shall be given  
595 the opportunity to purchase coverage for their eligible dependents  
596 with the premiums for such dependent coverage, as well as the  
597 employee's fifty percent (50%) share for his life insurance  
598 coverage, to be deductible from the employee's salary by the  
599 agency, department or institution head, which deductions, together  
600 with the fifty percent (50%) share of such life insurance premiums  
601 of such employing agency, department or institution head from  
602 funds appropriated to or authorized to be expended by the  
603 employing agency, department or institution head, shall be  
604 deposited directly into a depository bank or special fund in the  
605 State Treasury, as determined by the board. These funds and  
606 interest earned on these funds may be used for the disbursement of  
607 claims and shall be exempt from the appropriation process.

608 (2) The state shall provide annually, by line item in the  
609 Mississippi Library Commission appropriation bill, such funds to  
610 pay one hundred percent (100%) of the cost of health insurance  
611 under the State and School Employees Health Insurance Plan, or any  
612 lesser percentage of the cost that is not assessed to the  
613 employees by the board, for full-time library staff members in



614 each public library in Mississippi initially employed before  
615 January 1, 2006. For full-time library staff members initially  
616 employed on or after January 1, 2006, the state shall provide one  
617 hundred percent (100%) of the cost of a basic level of health  
618 insurance under the State and School Employees Health Insurance  
619 Plan, or any lesser percentage of the cost that is not assessed to  
620 the employees by the board, and the employees may pay additional  
621 amounts to purchase additional benefits or levels of coverage  
622 offered under the plan. The commission shall allot to each public  
623 library a sufficient amount of those funds appropriated to pay the  
624 costs of insurance for eligible employees. Any funds so  
625 appropriated by line item which are not expended during the fiscal  
626 year for which such funds were appropriated shall be carried  
627 forward for the same purposes during the next succeeding fiscal  
628 year. If any premiums for the health insurance and/or late  
629 charges and interest penalties are not paid by a public library in  
630 a timely manner, as defined by the board, the Mississippi Library  
631 Commission, upon notice by the board, shall immediately withhold  
632 all subsequent disbursements of funds to that public library.

633 (3) The state shall annually provide one hundred percent  
634 (100%) of the cost of the health insurance plan, or any lesser  
635 percentage of the cost that is not assessed to the employees by  
636 the board, for public school district employees who work no less  
637 than twenty (20) hours during each week and regular nonstudent  
638 school bus drivers, if such employees and school bus drivers were



639 initially employed before January 1, 2006. For such employees and  
640 school bus drivers initially employed on or after January 1, 2006,  
641 the state shall provide one hundred percent (100%) of the cost of  
642 a basic level of health insurance under the State and School  
643 Employees Health Insurance Plan, or any lesser percentage of the  
644 cost that is not assessed to the employees by the board, and the  
645 employees may pay additional amounts to purchase additional  
646 benefits or levels of coverage offered under the plan. Where  
647 federal funding is allowable to defray, in full or in part, the  
648 cost of participation in the program by district employees who  
649 work no less than twenty (20) hours during the week and regular  
650 nonstudent bus drivers, whose salaries are paid, in full or in  
651 part, by federal funds, the allowance under this section shall be  
652 reduced to the extent of such federal funding. Where the use of  
653 federal funds is allowable but not available, it is the intent of  
654 the Legislature that school districts contribute the cost of  
655 participation for such employees from local funds, except that  
656 parent fees for child nutrition programs shall not be increased to  
657 cover such cost.

658 (4) The state shall provide annually, by line item in the  
659 community/junior college appropriation bill, such funds to pay one  
660 hundred percent (100%) of the cost of the health insurance plan,  
661 or any lesser percentage of the cost that is not assessed to the  
662 employees by the board, for community/junior college district  
663 employees initially employed before January 1, 2006, who work no



664 less than twenty (20) hours during each week. For such employees  
665 initially employed on or after January 1, 2006, the state shall  
666 provide one hundred percent (100%) of the cost of a basic level of  
667 health insurance under the State and School Employees Health  
668 Insurance Plan, or any lesser percentage of the cost that is not  
669 assessed to the employees by the board, and the employees may pay  
670 additional amounts to purchase additional benefits or levels of  
671 coverage offered under the plan.

672 (5) When the use of federal funding is allowable to defray,  
673 in full or in part, the cost of participation in the insurance  
674 plan by community/junior college district employees who work no  
675 less than twenty (20) hours during each week, whose salaries are  
676 paid, in full or in part, by federal funds, the allowance under  
677 this section shall be reduced to the extent of the federal  
678 funding. Where the use of federal funds is allowable but not  
679 available, it is the intent of the Legislature that  
680 community/junior college districts contribute the cost of  
681 participation for such employees from local funds.

682 (6) Any community/junior college district may contribute to  
683 the cost of coverage for any district employee from local  
684 community/junior college district funds, and any public school  
685 district may contribute to the cost of coverage for any district  
686 employee from nonminimum program funds. Any part of the cost of  
687 such coverage for participating employees of public school  
688 districts and public community/junior college districts that is



689 not paid by the state shall be paid by the participating  
690 employees, which shall be deducted from the salaries of the  
691 employees in a manner determined by the board.

692 (7) Any funds appropriated for the cost of insurance by line  
693 item in the community/junior colleges appropriation bill which are  
694 not expended during the fiscal year for which such funds were  
695 appropriated shall be carried forward for the same purposes during  
696 the next succeeding fiscal year.

697 (8) The board may establish and enforce late charges and  
698 interest penalties or other penalties for the purpose of requiring  
699 the prompt payment of all premiums for life and health insurance  
700 permitted under this chapter. All funds in excess of the amount  
701 needed for disbursement of claims shall be deposited in a special  
702 fund in the State Treasury to be known as the State and School  
703 Employees Insurance Fund. The State Treasurer shall invest all  
704 funds in the State and School Employees Insurance Fund and all  
705 interest earned shall be credited to the State and School  
706 Employees Insurance Fund. Such funds shall be placed with one or  
707 more depositories of the state and invested on the first day such  
708 funds are available for investment in certificates of deposit,  
709 repurchase agreements or in United States Treasury bills or as  
710 otherwise authorized by law for the investment of Public  
711 Employees' Retirement System funds, as long as such investment is  
712 made from competitive offering and at the highest and best market  
713 rate obtainable consistent with any available investment



714 alternatives; however, such investments shall not be made in  
715 shares of stock, common or preferred, or in any other investments  
716 which would mature more than one (1) year from the date of  
717 investment. The board shall have the authority to draw from this  
718 fund periodically such funds as are necessary to operate the  
719 self-insurance plan or to pay to the insurance carrier the cost of  
720 operation of this plan, it being the purpose to limit the amount  
721 of participation by the state to fifty percent (50%) of the cost  
722 of the life insurance program and not to limit the contracting for  
723 additional benefits where the cost will be paid in full by the  
724 employee. The state shall not share in the cost of coverage for  
725 retired employees.

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

730 (10) Any retired employee electing to purchase retired life  
731 and health insurance will have the full cost of such insurance  
732 deducted monthly from his State of Mississippi retirement plan  
733 check or direct billed for the cost of the premium if the  
734 retirement check is insufficient to pay for the premium. If the  
735 board determines actuarially that the premium paid by the  
736 participating retirees adversely affects the overall cost of the  
737 plan to the state, then the board may impose a premium surcharge,  
738 not to exceed fifteen percent (15%), upon such participating



739 retired employees who are under the age for Medicare eligibility  
740 and who were initially employed before January 1, 2006. For  
741 participating retired employees who are under the age for Medicare  
742 eligibility and who were initially employed on or after January 1,  
743 2006, the board may impose a premium surcharge in an amount the  
744 board determines actuarially to cover the full cost of insurance.

745 (11) This section shall stand repealed on July 1, 2026.

746 **SECTION 9.** Section 25-15-16, Mississippi Code of 1972, is  
747 brought forward as follows:

748 25-15-16. The public school districts of the state, in their  
749 discretion, may pay with local funds one hundred percent (100%) of  
750 the cost of the health insurance premiums of the State and School  
751 Employees Health Insurance Plan for all retired members of the  
752 Public Employees' Retirement System who are employed as school bus  
753 drivers by the school districts. No state funds shall be used for  
754 payment of the health insurance premiums under the authority of  
755 this section. If a school district chooses to pay the health  
756 insurance premiums for school bus drivers under the authority of  
757 this section, the district shall be authorized to pay any amount  
758 that is one hundred percent (100%) or less of the cost of the  
759 health insurance premiums for the school bus drivers.

760 **SECTION 10.** Section 25-15-17, Mississippi Code of 1972, is  
761 brought forward as follows:

762 25-15-17. (1) Any benefits payable under the plan may be  
763 made either directly to the attending physicians, hospitals,



764 medical groups, or others furnishing the services upon which a  
765 claim is based, or to the covered employee, upon presentation of  
766 valid bills for such services, subject to subsection (3) of this  
767 section and such provisions to facilitate payment as may be made  
768 by the board. All benefits payable under this plan shall be  
769 payable directly to the covered employee unless such covered  
770 employee shall make a valid assignment in accordance with  
771 subsection (3) of this section.

772 (2) The plan may not, by its terms, limit or restrict the  
773 covered employee's ability to assign the covered employee's  
774 benefits under the policy to a licensed health care provider that  
775 provides health care services to the covered employee. Any such  
776 plan provision in violation of this subsection shall be invalid.

777 (3) If the covered employee provides the board with written  
778 direction that all or a portion of any indemnities or benefits  
779 provided by the plan be paid to a licensed health care provider  
780 rendering hospital, nursing, medical or surgical services, then  
781 the plan shall pay directly the licensed health care provider  
782 rendering such services. That payment shall be considered payment  
783 in full to the provider, who may not bill or collect from the  
784 covered employee any amount above that payment, other than the  
785 deductible, coinsurance, copayment or other charges for equipment  
786 or services requested by the covered employee that are noncovered  
787 benefits after the signing of an explanatory document about the  
788 noncovered benefit by the covered employee.





789           **SECTION 11.** Section 25-15-19, Mississippi Code of 1972, is  
790 brought forward as follows:

791           25-15-19. On or before July 1, 1972, the board shall notify  
792 all department, agency and institution heads that the employee  
793 deductions shall commence on said date.

794           **SECTION 12.** Section 25-15-23, Mississippi Code of 1972, is  
795 brought forward as follows:

796           25-15-23. No agency, board, school district,  
797 community/junior college, public library, university, institution  
798 or authority of the state shall withdraw, or authorize any agency  
799 or institution under its management and control to withdraw, from  
800 the State and School Employees Life and Health Insurance Plan  
801 established under this chapter.

802           **SECTION 13.** Section 25-15-101, Mississippi Code of 1972, is  
803 brought forward as follows:

804           25-15-101. The governing board of any county, municipality,  
805 municipal separate school district, other school district or  
806 community/junior college district, and the governing board or head  
807 of any institution, department or agency of any county or  
808 municipality may negotiate for and secure for all or specified  
809 groups of employees and their dependents of such county or  
810 municipality, or institution, department or agency of such county  
811 or municipality, or municipal separate school district, other  
812 school district or community/junior college district, a policy or  
813 policies of group insurance covering the life, except as



814 hereinafter provided, salary protection, health, accident and  
815 hospitalization, as well as a group contract or contracts covering  
816 hospital and/or medical and/or surgical services or benefits  
817 (including surgical costs, so-called "hospital extras," medical  
818 expenses, allied coverages and major medical costs) of such of its  
819 employees and their dependents as may desire such insurance and  
820 other coverage under such service or benefit contracts, and who  
821 shall authorize in writing the deduction from the salary or wages  
822 of such employees of the proportionate part of the costs thereof  
823 attributable to such employees. However, beginning with the  
824 1984-1985 school year, school districts shall provide the policies  
825 of group insurance to certificated personnel. Any employee who  
826 desires to reallocate or reduce any part of his or her salary or  
827 wages for a cafeteria fringe benefit plan in accordance with  
828 current requirements of Section 125 et seq. of the Internal  
829 Revenue Code for himself or herself and/or for his or her  
830 dependent(s) shall authorize, in writing, the deduction from the  
831 salary or wages of such employee the proportionate part of the  
832 costs thereof attributable to such employee. Any amount so  
833 deducted shall be transferred into the general fund or contingent  
834 fund of such county or municipality, or the operating fund of such  
835 institution, department or agency of the county or municipality,  
836 or the maintenance fund of such municipal separate school  
837 district, other school district or community/junior college  
838 district, as the case may be, and shall be supplemented by funds



839 from the general fund, contingent fund, maintenance fund or  
840 operating fund, as the case may be, in an amount to be determined  
841 by the governing board or head of such political subdivision,  
842 school district, community/junior college district, institution,  
843 department or agency, in their discretion, in order to pay the  
844 full costs. In no instances shall the amount of contributions by  
845 any governing board or head of a political subdivision, school  
846 district, community/junior college district, institution,  
847 department or agency hereinabove mentioned exceed an average of  
848 one hundred percent (100%) of the cost of all such group coverages  
849 for employees.

850 The governing board or head of such political subdivision,  
851 school district, community/junior college district, institution,  
852 department or agency is authorized to pay such full costs direct  
853 to the insurance company and to the hospital and/or medical and/or  
854 surgical service association from the general fund, contingent  
855 fund, or the maintenance fund of such county or municipality, or  
856 the operating fund of such institution, department, or agency of  
857 the county or municipality, or the maintenance fund of such  
858 municipal separate school district, other school district or  
859 community/junior college district, as the case may be, and to do  
860 all acts necessary and proper for the purpose of carrying out the  
861 provisions of this section and Section 25-15-103 and of  
862 effectuating the purposes hereof. The rates for any and all costs  
863 covered by the sections shall be in keeping with promulgated



864 schedules, and the rates for such costs shall be approved by the  
865 Insurance Commissioner of the State of Mississippi. This section  
866 shall not be construed to prevent changes in rates based on  
867 experience, nor the granting of dividends or rate reductions or  
868 credits.

869         The governing board or head of any political subdivision or  
870 other entity set forth in this section may elect to become a  
871 self-insurer with respect to all or any portion of group life,  
872 salary protection, health, accident and hospitalization benefits  
873 on terms and conditions deemed advisable, in its discretion. The  
874 administration and service of any such self-insurance program  
875 shall be contracted to a third party approved by the Commissioner  
876 of Insurance and benefits provided in excess of the self-insurance  
877 plan shall be covered by a policy or policies of group insurance  
878 or a group contract or contracts issued by a company licensed to  
879 do business in this state.

880         The governing board of any political subdivision or other  
881 entity set forth in this section may join with any one or more  
882 other such political subdivision or entity to pool the risks  
883 authorized to be insured or self-insured under this section or to  
884 act as a self-insurer, or to contract for a policy or policies of  
885 insurance, or to contract with a third-party administrator for a  
886 self-insurance plan.

887         Any political subdivision or other entity that provides any  
888 plan of group insurance or other coverage under this section does



889 not waive, but expressly reserves, its sovereign immunity under  
890 the laws of the State of Mississippi; and all plans and agreements  
891 executed by political subdivisions and other entities providing  
892 insurance or other coverage under this section shall contain a  
893 provision expressly limiting liability for the payment of all  
894 benefits for single or multiple claims to the extent of the  
895 insurance carried or to the extent of funds available under the  
896 self-insurance fund.

897       Nothing in this section and Section 25-15-103 shall be  
898 construed to apply to agencies financed entirely by federally  
899 granted administrative funds.

900       Any governing board or head of any political subdivision or  
901 other entity that provides any plan of group insurance or other  
902 coverage under this section, and any person with whom such  
903 governing board, head of a political subdivision or other entity  
904 contracts in the performance of any duty or authority prescribed  
905 under this section, shall be liable civilly for the loss or  
906 misappropriation of any public funds resulting from their failure  
907 to comply with any provision of this section, such funds to be  
908 recovered in the manner provided under Section 7-7-211.

909       **SECTION 14.** Section 25-15-103, Mississippi Code of 1972, is  
910 brought forward as follows:

911       25-15-103. (1) The maximum amount of group insurance or  
912 other coverage used in determining employer's limitation of one  
913 hundred percent (100%) of such costs shall be determined by



914 regulations promulgated by the governing board or head of any  
915 political subdivision, school district, junior college district,  
916 institution, department or agency named in Section 25-15-101 and  
917 this section, but the life insurance for each employee shall not  
918 exceed Fifty Thousand Dollars (\$50,000.00), or the amount of  
919 deduction allowed by the United States Internal Revenue Service in  
920 filing a federal tax return, whichever is greater. A like amount  
921 may be for accidental death, accident, health and salary  
922 protection insurance, providing benefits not exceeding sixty  
923 percent (60%) of the employee's income, or the amount allowed by  
924 the United States Internal Revenue Service in filing a federal tax  
925 return, whichever is greater. Hospitalization benefits for room  
926 and board may not exceed the average semiprivate cost per day; and  
927 the other coverages authorized hereinabove. The limitations in  
928 this subsection on the amount of group insurance and other  
929 coverage which employers may obtain for their employees shall not  
930 be applicable to municipalities.

931 (2) Any employee who retires due to one hundred percent  
932 (100%) medical disability, or due to reaching the statutory age of  
933 retirement under the provisions of the Public Employees'  
934 Retirement Law of 1952, being Sections 25-11-101 through  
935 25-11-139, may, if he elects, remain a member of the group plan  
936 for such life insurance and other benefits as may be agreed to by  
937 the governing board or institution, department, or agency head and



938 the companies writing such insurance and other coverage, by paying  
939 the entire costs thereof.

940 (3) When any of the political subdivisions, school  
941 districts, junior college districts, institutions, departments, or  
942 agencies named in Section 25-15-101 and this section have adopted  
943 the group coverage plan authorized by said sections, any of the  
944 employees thereof participating in the plan who desire to secure  
945 additional benefits for their dependents with the company or  
946 companies providing such group coverage may do so by authorizing  
947 in writing the deduction from his or her salary or wages of the  
948 necessary amounts for the full payment of such additional  
949 coverage, and the same may be deducted and paid for such purposes,  
950 but the entire cost of such additional coverage for dependents  
951 shall be paid by the employee.

952 (4) (a) A municipality may provide group life insurance  
953 coverage for all or specified groups of its public employees and  
954 group hospitalization benefits for such public employees and their  
955 dependents, and the municipality may pay the total of the cost of  
956 all benefits under this section.

957 (b) A county may provide group life insurance coverage  
958 for all or specified groups of its public employees and group  
959 hospitalization benefits for such public employees and their  
960 dependents, and the county may pay the total of the cost of all  
961 benefits under this section. A county may make such provision, as



962 specified under this paragraph, retroactively for any existing  
963 group coverage plan previously adopted by the county.

964 (5) The board of supervisors of any county or the governing  
965 authorities of any municipality may offer supplemental  
966 compensation to its employees, or other persons otherwise eligible  
967 for the county's or municipality's group insurance, in an amount  
968 to be determined from time to time by the county or municipality  
969 if such person declines coverage under the group insurance;  
970 however, in no event shall the supplemental compensation exceed  
971 the county's or municipality's cost for such person to participate  
972 in the group insurance. Before such supplemental compensation may  
973 be provided in any year, the person shall, on an annual basis,  
974 provide verifiable proof of coverage under another permissible  
975 plan.

976 **SECTION 15.** Section 25-15-105, Mississippi Code of 1972, is  
977 brought forward as follows:

978 25-15-105. Notwithstanding the provisions of Sections  
979 25-15-101 and 25-15-103, Mississippi Code of 1972, to the  
980 contrary, the board of trustees of municipal separate school  
981 districts serving students of regular Armed Forces parents and  
982 other federally employed parents in federally impacted  
983 communities, by virtue of contiguous or nearly contiguous regular  
984 Armed Forces bases, may secure any policy or policies of group  
985 insurance or other insurance authorized by said sections when at  
986 least seventy-five percent (75%) of the employees of the school





987 district (excluding those employees eligible for medical and  
988 hospital care from hospitals operated by the United States  
989 government) shall agree in writing to participate in such group  
990 insurance coverage.

991 **SECTION 16.** Section 25-15-301, Mississippi Code of 1972, is  
992 brought forward as follows:

993 25-15-301. (1) The board may contract the administration  
994 and service of the self-insured program to a third party.

995 Whenever the board chooses to contract with an administrator for  
996 the insurance plan established by Section 25-15-3 et seq., it  
997 shall comply with the procedures set forth in this section:

998 (a) If the board determines that it should contract out  
999 the administration of the plan to an administrator, it shall cause  
1000 to be prepared a request for proposals. This request for  
1001 proposals shall be prepared for distribution to any interested  
1002 party. Notice of the board's intention to seek proposals shall be  
1003 published in a newspaper of general circulation at least one (1)  
1004 time per week for three (3) weeks before closing the period for  
1005 interested parties to respond. Additional forms of notice may  
1006 also be used. The newspaper notice shall inform the interested  
1007 parties of the service to be contracted, existence of a request  
1008 for proposals, how it can be obtained, when a proposal must be  
1009 submitted, and to whom the proposal must be submitted. All  
1010 requests for proposals shall describe clearly what service is to  
1011 be contracted, and shall fully explain the criteria upon which an



1012 evaluation of proposals shall be based. The criteria to be used  
1013 for evaluations shall, at minimum, include:

1014 (i) The administrator's proven ability to handle  
1015 large group accident and health insurance plans;

1016 (ii) The efficiency of the claims-paying  
1017 procedures;

1018 (iii) An estimate of the total charges for  
1019 administering the plan.

1020 (b) All proposals submitted by interested parties shall  
1021 be evaluated by an internal review committee which shall apply the  
1022 same criteria to all proposals when conducting an evaluation. The  
1023 committee shall consist of at least three (3) members of the  
1024 board. The results and recommendations of the evaluation shall be  
1025 presented to the board for review. All evaluations presented to  
1026 the board shall be retained by the board for at least three (3)  
1027 years. The board may accept or reject any recommendation of the  
1028 review committee, or it may conduct further inquiry into the  
1029 proposals. Any further inquiry shall be clearly documented and  
1030 all methods and recommendations shall be retained by the board and  
1031 shall spread upon its minutes its choice of administrator and its  
1032 reasons for making the choice.

1033 (c) (i) The board shall be responsible for preparing a  
1034 contract that shall be in accordance with all provisions of this  
1035 section and all other provisions of law. The contract shall also  
1036 include a requirement that the contractor shall consent to an



1037 evaluation of his performance. Such evaluation shall occur after  
1038 the first six (6) months of the contract, and shall be reviewed at  
1039 times the board determines to be necessary. The contract shall  
1040 clearly describe the standards upon which the contractor shall be  
1041 evaluated. Evaluations shall include, but not be limited to,  
1042 efficiency in claims processing, including the processing pending  
1043 claims.

1044 (ii) The PEER Committee, at the request of the  
1045 House or Senate Appropriations Committee or the House or Senate  
1046 Insurance Committee and with funds specifically appropriated by  
1047 the Legislature for such purpose, shall contract with an  
1048 accounting firm or with other professionals to conduct a  
1049 compliance audit of any administrator responsible for  
1050 administering the insurance plan established by Section 25-15-3 et  
1051 seq. Such audit shall review the administrator's compliance with  
1052 the performance standards required for inclusion in the  
1053 administrator's contract. Such audit shall be delivered to the  
1054 Legislature no later than January 1.

1055 (2) Contracts for the administration of the insurance plan  
1056 established in Section 25-15-3 et seq. shall commence at the  
1057 beginning of the calendar year and shall end on the last day of a  
1058 calendar year. This shall not apply to contracts provided for in  
1059 subsection (3) of this section.

1060 (3) If the board determines that it is necessary to not  
1061 renew the contract of an administrator, or finds it necessary to



1062 terminate a contract with or without cause as provided for in the  
1063 contract of the administrator, the board is authorized to select  
1064 an administrator without complying with the bid requirements in  
1065 subsections (1) and (2) of this section. Such contracts shall be  
1066 for the balance of the calendar year in which the nonrenewal or  
1067 termination occurred, and may be for an additional calendar year  
1068 if the board determines that the best interests of the plan  
1069 members are served by such. Any contract negotiated on an interim  
1070 basis shall include a detailed transition plan which shall ensure  
1071 the orderly transfer of responsibilities between administrators  
1072 and shall include, but not be limited to, provisions regarding the  
1073 transfer of records, files and tapes.

1074 (4) Except for contracts executed under the authority of  
1075 subsection (3) of this section, the board shall select  
1076 administrators at least six (6) months before the expiration of  
1077 the current administrator's contract. The period between the  
1078 selection of the new administrator and the effective date of the  
1079 new contract shall be known as the transition period. Whenever  
1080 the newly selected administrator is an entity different from the  
1081 entity performing the administrator's function, it shall be the  
1082 duty of the board to prepare a detailed transition plan which  
1083 shall insure the orderly transfer of responsibilities between  
1084 administrators. This plan shall be effective during the  
1085 transition period, and shall include, but not be limited to,  
1086 provisions regarding the transfer of records, files and tapes.



1087 Further, the plan shall detail the steps necessary to transfer  
1088 records and responsibilities and set deadlines for when such steps  
1089 should be completed. The board shall include in all requests for  
1090 proposals, contracts with administrators, and all other contracts,  
1091 provisions requiring the cooperation of administrators and  
1092 contractors in any future transition of responsibilities, and  
1093 their cooperation with the board and other contractors with  
1094 respect to ongoing coordination and delivery of health plan  
1095 services. The board shall furnish the Legislature, Governor and  
1096 advisory council with copies of all transition plans and keep them  
1097 informed of progress on such plans.

1098 (5) No brokerage fees shall be paid for the securing or  
1099 executing of any contracts pertaining to the insurance plan  
1100 established by Section 25-15-3 et seq., whether fully insured or  
1101 self-insured.

1102 (6) Any corporation, association, company or individual that  
1103 contracts with the board for the administration or service of the  
1104 self-insured plan shall remit one hundred percent (100%) of all  
1105 savings or discounts resulting from any contract to the board or  
1106 participant, or both. Any corporation, association, company or  
1107 individual that contracts with the board for the administration or  
1108 service of the self-insured plan shall allow, upon notice by the  
1109 board, the board or its designee to audit records of the  
1110 corporation, association, company or individual relative to the  
1111 corporation, association, company or individual's performance



1112 under any contract with the board. The information maintained by  
1113 any corporation, association, company or individual, relating to  
1114 such contracts, shall be available for inspection upon request by  
1115 the board and such information shall be compiled in a manner that  
1116 will provide a clear audit trail.

1117 **SECTION 17.** Section 25-15-303, Mississippi Code of 1972, is  
1118 brought forward as follows:

1119 25-15-303. (1) There is created the State and School  
1120 Employees Health Insurance Management Board, which shall  
1121 administer the State and School Employees Life and Health  
1122 Insurance Plan provided for under Section 25-15-3 et seq. The  
1123 State and School Employees Health Insurance Management Board,  
1124 hereafter referred to as the "board," shall also be responsible  
1125 for administering all procedures for selecting third-party  
1126 administrators provided for in Section 25-15-301.

1127 (2) The board shall consist of the following:

1128 (a) The Chairman of the Workers' Compensation  
1129 Commission or his or her designee;

1130 (b) The State Personnel Director, or his or her  
1131 designee;

1132 (c) The Commissioner of Insurance, or his or her  
1133 designee;

1134 (d) The Commissioner of Higher Education, or his or her  
1135 designee;



1136 (e) The State Superintendent of Public Education, or  
1137 his or her designee;

1138 (f) The Executive Director of the Department of Finance  
1139 and Administration, or his or her designee;

1140 (g) The Executive Director of the Mississippi Community  
1141 College Board, or his or her designee;

1142 (h) The Executive Director of the Public Employees'  
1143 Retirement System, or his or her designee;

1144 (i) Two (2) appointees of the Governor whose terms  
1145 shall be concurrent with that of the Governor, one (1) of whom  
1146 shall have experience in providing actuarial advice to companies  
1147 that provide health insurance to large groups and one (1) of whom  
1148 shall have experience in the day-to-day management and  
1149 administration of a large self-funded health insurance group;

1150 (j) The Chairman of the Senate Insurance Committee, or  
1151 his or her designee;

1152 (k) The Chairman of the House of Representatives  
1153 Insurance Committee, or his or her designee;

1154 (l) The Chairman of the Senate Appropriations  
1155 Committee, or his or her designee; and

1156 (m) The Chairman of the House of Representatives  
1157 Appropriations Committee, or his or her designee.

1158 The legislators, or their designees, shall serve as ex  
1159 officio, nonvoting members of the board.



1160 The Executive Director of the Department of Finance and  
1161 Administration shall be the chairman of the board.

1162 (3) The board shall meet at least monthly and maintain  
1163 minutes of the meetings. A quorum shall consist of a majority of  
1164 the authorized voting membership of the board. The board shall  
1165 have the sole authority to promulgate rules and regulations  
1166 governing the operations of the insurance plans and shall be  
1167 vested with all legal authority necessary and proper to perform  
1168 this function including, but not limited to:

1169 (a) Defining the scope and coverages provided by the  
1170 insurance plan;

1171 (b) Seeking proposals for services or insurance through  
1172 competitive processes where required by law and selecting service  
1173 providers or insurers under procedures provided for by law; and

1174 (c) Developing and adopting strategic plans and budgets  
1175 for the insurance plan.

1176 The department shall employ a State Insurance Administrator,  
1177 who shall be responsible for the day-to-day management and  
1178 administration of the insurance plan. The Department of Finance  
1179 and Administration shall provide to the board on a full-time basis  
1180 personnel and technical support necessary and sufficient to  
1181 effectively and efficiently carry out the requirements of this  
1182 section.

1183 (4) Members of the board shall not receive any compensation  
1184 or per diem, but may receive travel reimbursement provided for





1185 under Section 25-3-41 except that the legislators shall receive  
1186 per diem and expenses, which shall be paid from the contingent  
1187 expense funds of their respective houses in the same amounts as  
1188 provided for committee meetings when the Legislature is not in  
1189 session; however, no per diem and expenses for attending meetings  
1190 of the board shall be paid while the Legislature is in session.

1191         **SECTION 18.** This act shall take effect and be in force from  
1192 and after July 1, 2024.

