

REPORT OF CONFERENCE COMMITTEE

MR. SPEAKER AND MR. PRESIDENT:

We, the undersigned conferees, have had under consideration the amendments to the following entitled BILL:

H. B. No. 1647: Commissioner of Insurance; authorize to implement a state insurance exchange, authorize income tax deductions and insurance premium tax credit.

We, therefore, respectfully submit the following report and recommendation:

1. That the Senate recede from its Amendment No. 1.
2. That the House and Senate adopt the following amendment:

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

22 **SECTION 1.** For the purposes of this act, the following words
23 and phrases shall have the meanings as defined in this section
24 unless the context clearly indicates otherwise:

25 (a) "Exchange" means a state, federal, or partnership
26 exchange or marketplace operating in Mississippi pursuant to
27 Section 1311 of the Federal Patient Protection and Affordable Care
28 Act (Public Law 111-148), as amended by the federal Health Care
29 and Education Reconciliation Act of 2010 (Public Law 111-152), and
30 regulations and guidance issued under those acts.

31 (b) "Comprehensive Health Insurance Risk Pool
32 Association" means the mechanism as established in Sections
33 83-9-201 through 83-9-223.



34 (c) "Comprehensive Health Insurance Risk Pool Board"
35 shall have the same meaning as provided in Section 83-9-205(b).

36 **SECTION 2.** The Commissioner of Insurance shall have the
37 authority to:

38 (a) Establish any program, promulgate any rule, policy,
39 guideline, or plan; or change any program, rule, policy or
40 guideline to implement, establish, create, administer, or
41 otherwise operate an exchange;

42 (b) Apply for, accept or expend federal monies related
43 to the creation, implementation or operation of an exchange;

44 (c) Establish any advisory board or committee the
45 Commissioner deems necessary for providing recommendations on the
46 creation, implementation or operation of an exchange; and

47 (d) Use the services and funds of the Comprehensive
48 Health Insurance Risk Pool Association and the Comprehensive
49 Health Insurance Risk Pool Board to fulfill the purposes of this
50 section.

51 The Commissioner of Insurance may, immediately after the
52 effective date of this act, begin action to carry out the
53 authority provided for in this section.

54 **SECTION 3.** Section 83-5-72, Mississippi Code of 1972, is
55 amended as follows:

56 83-5-72. All life, health and accident insurance companies
57 and health maintenance organizations doing business in this state
58 shall contribute annually, at such times as the Insurance



59 Commissioner shall determine, in proportion to their gross
60 premiums collected within the State of Mississippi during the
61 preceding year, to a special fund in the State Treasury to be
62 known as the "Health Insurance * * * State Exchange Fund" to be
63 expended by the Insurance Commissioner in the payment of the
64 expenses * * * incurred in the creation, implementation or
65 operation of an exchange. The commissioner is hereby authorized
66 to employ such actuarial and other assistance as shall be
67 necessary to carry out the duties of the department; and the
68 employees shall be under the authority and direction of the
69 Insurance Commissioner. The amount to be contributed annually to
70 the fund shall be fixed each year by the Insurance Commissioner at
71 a percentage of the gross premiums so collected during the
72 preceding year. However, a minimum assessment of One Hundred
73 Dollars (\$100.00) shall be charged each licensed life, health and
74 accident insurance company regardless of the gross premium amount
75 collected during the preceding year.

76 The total contributions collected for the Health
77 Insurance * * * State Exchange Fund shall not exceed the sum
78 of * * * One Million Five Hundred Thousand Dollars (\$1,500,000.00)
79 in each fiscal year.

80 * * *

81 **SECTION 4.** Section 83-9-203, Mississippi Code of 1972, is
82 amended as follows:



83 83-9-203. It is the purpose of the Legislature to establish
84 a mechanism to allow the availability of a health insurance
85 program and to allow the availability of health and accident
86 insurance coverage to those citizens of this state who (a) because
87 of health conditions cannot secure such coverage, or (b) desire to
88 obtain or continue health insurance coverage under any state or
89 federal program designed to enable persons to obtain or maintain
90 health insurance coverage. It is further the purpose of the
91 Legislature to establish a mechanism to assist the Commissioner of
92 Insurance with the creation, implementation or operation of an
93 exchange.

94 **SECTION 5.** Section 83-9-205, Mississippi Code of 1972, is
95 amended as follows:

96 83-9-205. As used in Sections 83-9-201 through 83-9-222, the
97 following words shall have the meaning ascribed herein unless the
98 context clearly requires otherwise:

99 (a) "Association" means the Comprehensive Health
100 Insurance Risk Pool Association.

101 (b) "Board" means the board of directors of the
102 association.

103 (c) "Church plan" has the meaning given such term under
104 Section 3(33) of the Employee Retirement Income Security Act of
105 1974.

106 (d) "Commissioner" means the Commissioner of Insurance
107 of this state.



108 (e) "Creditable coverage" has the meaning set forth in
109 the federal Health Insurance Portability and Accountability Act of
110 1996 (26 USCS Section 9801(c)(1)). A period of credible
111 coverage shall not be counted, with respect to the enrollment of
112 an individual who seeks coverage under the plan, if, after such
113 period and before the enrollment date, the individual experiences
114 a significant break in coverage.

115 (f) "Dependent" means a resident spouse or resident
116 unmarried child under the age of nineteen (19) years, a child who
117 is a student under the age of twenty-three (23) years and who is
118 financially dependent upon the parent or a child of any age who is
119 disabled and dependent upon the parent.

120 (g) "Excess or stoploss coverage" means an arrangement
121 whereby an insurer insures against the risk that any one (1) claim
122 will exceed a specific dollar amount or that the entire loss of a
123 self-insurance plan will exceed a specific amount.

124 (h) "Federally defined eligible individual" means an
125 individual:

126 (i) For whom, as of the date on which the
127 individual seeks coverage under the plan, the aggregate of the
128 periods of credible coverage is eighteen (18) or more months;

129 (ii) Whose most recent prior credible coverage
130 was under a group health plan, governmental plan, church plan or
131 health insurance coverage offered in connection with such a plan;



132 (iii) Who is not eligible for coverage under a
133 group health plan, Part A or Part B of Title XVIII of the Social
134 Security Act (Medicare), or a state plan under Title XIX of the
135 act (Medicaid) or any successor program, and who does not have
136 other health insurance coverage;

137 (iv) With respect to whom the most recent coverage
138 within the period of aggregate creditable coverage was not
139 terminated based on a factor relating to nonpayment of premiums or
140 fraud;

141 (v) Who, if offered the option of continuation
142 coverage under a COBRA continuation provision or under a similar
143 state program, elected this coverage; and

144 (vi) Who has exhausted continuation coverage under
145 this provision or program, if the individual elected the
146 continuation coverage described in subparagraph (v).

147 (i) "Governmental plan" has the meaning given such term
148 under Section 3(32) of the Employee Retirement Income Security Act
149 of 1974 and any federal governmental plan.

150 (j) "Group health plan" means an employee welfare
151 benefit plan as defined in Section 3(1) of the Employee Retirement
152 Income Security Act of 1974 to the extent that the plan provides
153 medical care to employees or their dependents as defined under the
154 terms of the plan directly or through insurance, reimbursement or
155 otherwise.



156 (k) "Health insurance coverage" means any hospital and
157 medical expense incurred policy, nonprofit health care services
158 plan contract, health maintenance organization subscriber contract
159 or any other health care plan or arrangement that pays for or
160 furnishes medical or health care services whether by insurance or
161 otherwise.

162 (i) "Health insurance coverage" shall not include
163 one or more, or any combination of, the following:

164 1. Coverage only for accident, or disability
165 income insurance, or any combination thereof;

166 2. Coverage issued as a supplement to
167 liability insurance;

168 3. Liability insurance, including general
169 liability insurance and automobile liability insurance;

170 4. Workers' compensation or similar
171 insurance;

172 5. Automobile medical payment insurance;

173 6. Credit-only insurance;

174 7. Coverage for on-site medical clinics; and

175 8. Other similar insurance coverage,

176 specified in federal regulations issued pursuant to Public Law
177 104-191, under which benefits for medical care are secondary or
178 incidental to other insurance benefits.

179 (ii) "Health insurance coverage" shall not include
180 the following benefits if they are provided under a separate



181 policy, certificate or contract of insurance or are otherwise not
182 an integral part of the coverage:

183 1. Limited scope dental or vision benefits;

184 2. Benefits for long-term care, nursing home
185 care, home health care, community-based care, or any combination
186 thereof; or

187 3. Other similar, limited benefits specified
188 in federal regulations issued pursuant to Public Law 104-191.

189 (iii) "Health insurance coverage" shall not
190 include the following benefits if the benefits are provided under
191 a separate policy, certificate or contract of insurance, there is
192 no coordination between the provision of the benefits and any
193 exclusion of benefits under any group health plan maintained by
194 the same plan sponsor, and the benefits are paid with respect to
195 an event without regard to whether benefits are provided with
196 respect to such an event under any group health plan maintained by
197 the same plan sponsor:

198 1. Coverage only for a specified disease or
199 illness; or

200 2. Hospital indemnity or other fixed
201 indemnity insurance.

202 (iv) "Health insurance coverage" shall not include
203 the following if offered as a separate policy, certificate or
204 contract of insurance:



205 1. Medicare supplemental health insurance as
206 defined under Section 1882(g)(1) of the Social Security Act;

207 2. Coverage supplemental to the coverage
208 provided under Chapter 55, Title 10, United States Code (Civilian
209 Health and Medical Program of the Uniformed Services (CHAMPUS));
210 or

211 3. Similar supplemental coverage provided to
212 coverage under a group health plan.

213 (1) "Health maintenance organization" means any
214 organization authorized under the Health Maintenance Organization,
215 Preferred Provider Organization and Other Prepaid Health Benefit
216 Plans Protection Act, Section 83-41-301 et seq., to operate a
217 health maintenance organization in this state.

218 (m) "Insurer" means any entity that is authorized in
219 this state to write health insurance coverage or that provides
220 health insurance coverage in this state or any third-party
221 administrator. For the purposes of Sections 83-9-201 through
222 83-9-222, insurer includes an insurance company, nonprofit health
223 care services plan, fraternal benefit society, health maintenance
224 organization, to the extent consistent with federal law any
225 self-insurance arrangement covered by the Employee Retirement
226 Income Security Act of 1974, as amended, that provides health care
227 benefits in this state, any other entity providing a plan of
228 health insurance coverage or health benefits subject to state



229 insurance regulation and any reinsurer reinsuring health insurance
230 coverage in this state.

231 (n) "Medicare" means coverage under both Parts A or B
232 of Title XVIII of the Social Security Act, 42 USC, Section 1395 et
233 seq., as amended.

234 (o) "Plan" means the health insurance plan adopted by
235 the board under Sections 83-9-201 through 83-9-222.

236 (p) "Resident" means an individual who is legally
237 located in the United States and has been legally domiciled in
238 this state for a period to be established by the board and subject
239 to the approval of the commissioner but in no event shall such
240 residency requirement be greater than one (1) year, except that
241 for a federally defined eligible individual, there shall not be a
242 prior residency requirement.

243 (q) "Agent" means a person who is licensed to sell
244 health insurance in this state or a third-party administrator.

245 (r) "Covered person" means any individual resident of
246 this state (excluding dependents) who is eligible to receive
247 benefits from any insurer.

248 (s) "Third-party administrator" means any entity who is
249 paying or processing health insurance claims for any Mississippi
250 resident.

251 (t) "Reinsurer" means any insurer from whom any person
252 providing health insurance coverage for any Mississippi resident



253 procures insurance for itself in the insurer, with respect to all
254 or part of the health insurance coverage risk of the person.

255 (u) "Significant break in coverage" means a period of
256 sixty-three (63) consecutive days during all of which the
257 individual does not have any creditable coverage, except that
258 neither a waiting period nor an affiliation period is taken into
259 account in determining a significant break in coverage.

260 (v) "Exchange" means a state, federal, or partnership
261 exchange or marketplace operating in Mississippi pursuant to
262 Section 1311 of the Federal Patient Protection and Affordable Care
263 Act (Public Law 111-148), as amended by the federal Health Care
264 and Education Reconciliation Act of 2010 (Public Law 111-152), and
265 regulations and guidance issued under those acts.

266 **SECTION 6.** The Comprehensive Health Insurance Risk Pool
267 Association shall have the authority to develop and fund an online
268 portal that shall be available to all Mississippians to assist
269 consumers in selection of a health plan. This program shall have
270 the capacity to aggregate information regarding providers, drug
271 coverage and pricing that would allow consumers to make informed
272 decisions in selecting a health plan.

273 **SECTION 7.** This act shall take effect and be in force from
274 and after its passage.

**Further, amend by striking the title in its entirety and
inserting in lieu thereof the following:**



1 AN ACT TO AUTHORIZE THE COMMISSIONER OF INSURANCE TO
2 ESTABLISH ANY PROGRAM OR PROMULGATE ANY RULE, POLICY, GUIDELINE,
3 OR PLAN OR CHANGE ANY PROGRAM, RULE, POLICY OR GUIDELINE TO
4 IMPLEMENT, ESTABLISH, CREATE, ADMINISTER, OR OTHERWISE OPERATE AN
5 EXCHANGE, OR TO APPLY FOR, ACCEPT OR EXPEND FEDERAL MONIES RELATED
6 TO THE CREATION, IMPLEMENTATION OR OPERATION OF AN EXCHANGE, AND
7 TO ESTABLISH ANY ADVISORY BOARD OR COMMITTEE AS NECESSARY FOR
8 PROVIDING RECOMMENDATIONS ON THE CREATION, IMPLEMENTATION OR
9 OPERATION OF AN EXCHANGE; TO AMEND SECTION 83-5-72, MISSISSIPPI
10 CODE OF 1972, TO PROVIDE THAT ALL LIFE, HEALTH AND ACCIDENT
11 INSURANCE COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS DOING
12 BUSINESS IN THIS STATE SHALL CONTRIBUTE CERTAIN AMOUNTS ANNUALLY
13 TO THE HEALTH INSURANCE STATE EXCHANGE FUND; TO PROVIDE THE
14 MAXIMUM AMOUNT OF TOTAL CONTRIBUTIONS THAT MAY BE COLLECTED; TO
15 AMEND SECTIONS 83-9-203 AND 83-9-205, MISSISSIPPI CODE OF 1972, TO
16 CONFORM TO THE PROVISIONS OF THIS ACT; TO PROVIDE THAT THE
17 COMPREHENSIVE HEALTH INSURANCE RISK POOL ASSOCIATION SHALL HAVE
18 THE AUTHORITY TO DEVELOP AND FUND AN ONLINE PORTAL THAT SHALL BE
19 AVAILABLE TO ALL MISSISSIPPIANS TO ASSIST CONSUMERS IN SELECTION
20 OF A HEALTH PLAN; AND FOR RELATED PURPOSES.

CONFEREES FOR THE HOUSE

CONFEREES FOR THE SENATE

X (SIGNED)
Lamar

X (SIGNED)
Harkins

X (SIGNED)
Steverson

X (SIGNED)
Michel

X (SIGNED)
Zuber

X (SIGNED)
Polk

