



General Assembly

January Session, 2001

**Bill No. 6712**

LCO No. 3710

Referred to Committee on Insurance and Real Estate

Introduced by:

REP. WARD, 86<sup>th</sup> Dist.

SEN. DELUCA, 32<sup>nd</sup> Dist.

***AN ACT ESTABLISHING A HEALTH INSURANCE COALITION FOR  
NONPROFIT PROVIDERS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (a) The Comptroller, with the approval of the  
2 Secretary of the Office of Policy and Management, may arrange and  
3 procure a group hospitalization and medical and surgical insurance  
4 plan or plans for employees of private providers and their dependents  
5 who elect coverage under such plan or plans. As used in this section  
6 "private provider" means (1) any nonprofit provider of residential, day  
7 treatment or outpatient services under a contract with the Department  
8 of Mental Retardation, the Department of Mental Health and  
9 Addiction Services, the Department of Children and Families, the  
10 Department of Correction, the Judicial Department or the Board of  
11 Parole, or (2) an enrolled Medicaid provider.

12 (b) There is established an insurance procurement advisory  
13 committee which shall consist of the following members: (1) The State  
14 Comptroller or the Comptroller's designee, (2) the Secretary of the

15 Office of Policy and Management or the secretary's designee, (3) the  
16 Insurance Commissioner or the commissioner's designee, and (4) five  
17 representatives of nonprofit private providers and Medicaid providers  
18 to be jointly selected by the State Comptroller and the Secretary of the  
19 Office of Policy and Management. The committee shall be responsible  
20 for advising the Comptroller and the secretary on the determination of  
21 the benefits to be covered by any plan or plans offered under  
22 subsection (a) of this section.

23 (c) The secretary and the Comptroller, after consultation with the  
24 committee, shall select a basic health insurance benefit plan, may select  
25 additional plans with enhanced benefits, and shall issue a request for  
26 proposals on a fully insured basis.

27 (d) There shall be no cost to the state as a result of any such group  
28 health plan. All administrative costs of the state as well as the cost of  
29 the insurance shall be included in the charges to the participating  
30 private providers.

31 Sec. 2. Subdivision (4) of section 38a-564 of the general statutes is  
32 repealed and the following is substituted in lieu thereof:

33 (4) "Small employer" means any person, firm, corporation, limited  
34 liability company, partnership or association actively engaged in  
35 business or self-employed for at least three consecutive months who,  
36 on at least fifty per cent of its working days during the preceding  
37 twelve months, employed no more than fifty eligible employees, the  
38 majority of whom were employed within the state of Connecticut.  
39 "Small employer" includes a self-employed individual. In determining  
40 the number of eligible employees, companies which are affiliated  
41 companies, as defined in section 33-840, or which are eligible to file a  
42 combined tax return for purposes of taxation under chapter 208 shall  
43 be considered one employer. Eligible employees shall not include  
44 employees covered through the employer by health insurance plans or  
45 insurance arrangements issued to or in accordance with a trust  
46 established pursuant to collective bargaining subject to the federal

47 Labor Management Relations Act. Except as otherwise specifically  
48 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to  
49 38a-572, inclusive, which apply to a small employer shall continue to  
50 apply until the plan anniversary following the date the employer no  
51 longer meets the requirements of this definition. "Small employer"  
52 does not include (A) a municipality procuring health insurance  
53 pursuant to section 5-259, [or] (B) a private school in this state  
54 procuring health insurance through a health insurance plan or an  
55 insurance arrangement sponsored by an association of such private  
56 schools, or (C) a private provider procuring health insurance pursuant  
57 to section 1 of this act unless the Secretary of the Office of Policy and  
58 Management and the State Comptroller make a request, in writing, to  
59 the Insurance Commissioner that such private provider be deemed a  
60 small employer for the purposes of this chapter.

61 Sec. 3. Subsection (b) of section 12-202a of the general statutes is  
62 repealed and the following is substituted in lieu thereof:

63 (b) Notwithstanding the provisions of subsection (a) of this section,  
64 the tax shall not apply to: (1) Any new or renewal contract or policy  
65 entered into with the state on or after July 1, 1997, to provide health  
66 care coverage to state employees, retirees and their dependents; (2) any  
67 subscriber charges received from the federal government to provide  
68 coverage for Medicare patients; (3) any subscriber charges received  
69 under a contract or policy entered into with the state to provide health  
70 care coverage to Medicaid recipients under the Medicaid managed  
71 care program established pursuant to section 17b-28, which charges  
72 are attributable to a period on or after January 1, 1998; (4) any new or  
73 renewal contract or policy entered into with the state on or after April  
74 1, 1998, to provide health care coverage to eligible beneficiaries under  
75 the HUSKY Medicaid Plan Part A, HUSKY Part B, or the HUSKY Plus  
76 programs, each as defined in section 17b-290; (5) any new or renewal  
77 contract or policy entered into with the state on or after April 1, 1998,  
78 to provide health care coverage to recipients of state-administered  
79 general assistance pursuant to section 17b-257; [or] (6) any new or

80 renewal contract or policy entered into with the state on or after  
81 February 1, 2000, to provide health care coverage to retired teachers,  
82 spouses or surviving spouses covered by plans offered by the state  
83 teachers' retirement system; or (7) any new or renewal contract or  
84 policy entered into on or after July 1, 2001, to provide health care  
85 coverage to employees of private providers and their dependents  
86 under a plan procured pursuant to section 1 of this act.

87 Sec. 4. This act shall take effect July 1, 2001.

***Statement of Purpose:***

To implement the Governor's budget recommendations.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*