



General Assembly

**Substitute Bill No. 6712**

*January Session, 2001*

**AN ACT CONCERNING COVERAGE FOR NONPROFIT PROVIDERS  
AND MUNICIPAL EMPLOYEES UNDER THE STATE EMPLOYEE  
HEALTH PLAN.**

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

1 Section 1. Subsection (i) of section 5-259 of the general statutes is  
2 repealed and the following is substituted in lieu thereof:

3 (i) The Comptroller may provide for coverage of municipal  
4 employees or employees of nonprofit corporations under the plan or  
5 plans procured under subsection (a) of this section, provided: (1)  
6 Participation by each municipal employer or nonprofit corporation  
7 shall be on a voluntary basis; (2) where an employee organization  
8 represents employees in a municipality or nonprofit corporation,  
9 participation in a plan or plans to be procured under subsection (a) of  
10 this section shall be by mutual agreement of the municipal employer  
11 and the employee organization only and neither party may submit the  
12 issue of participation to binding arbitration except by mutual  
13 agreement; (3) no group of employees shall be refused entry into the  
14 plan by reason of past or future health care costs or claim experience;  
15 (4) rates paid by the state for its employees under subsection (a) of this  
16 section are not adversely affected by this subsection; (5) administrative  
17 costs to the plan or plans provided under this subsection shall be paid  
18 by the participating municipality or nonprofit corporation at no  
19 additional cost to the state; and (6) participation in the plan or plans in

20 an amount determined by the state shall be for the duration of the  
21 period of the plan or plans, or for such other period as mutually  
22 agreed by the municipality or nonprofit corporation and the  
23 Comptroller. The Comptroller, with the approval of the Secretary of  
24 the Office of Policy and Management, may arrange and procure for the  
25 employees under this subsection health benefit plans that vary from  
26 the plan or plans procured under subsection (a) of this section. Such  
27 alternate plans may be offered to municipal employees on a fully  
28 underwritten basis only. Notwithstanding any provision of law, such  
29 alternate plan may be offered to employees of nonprofit corporations  
30 on either a fully underwritten or risk-pooled basis at the discretion of  
31 the Comptroller. For the purposes of this subsection, (A)  
32 "municipality" means any town, city, borough, school district, taxing  
33 district, fire district, district department of health, probate district,  
34 housing authority, regional work force development board established  
35 under section 31-3k, flood commission or authority established by  
36 special act, regional planning agency, transit district formed under  
37 chapter 103a, or the Children's Center established by number 571 of  
38 the public acts of 1969; and (B) "nonprofit corporation" means a  
39 nonprofit corporation organized under 26 USC 501(c)(3) that has a  
40 contract with the state.

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

43 (4) "Small employer" means any person, firm, corporation, limited  
44 liability company, partnership or association actively engaged in  
45 business or self-employed for at least three consecutive months who,  
46 on at least fifty per cent of its working days during the preceding  
47 twelve months, employed no more than fifty eligible employees, the  
48 majority of whom were employed within the state of Connecticut.  
49 "Small employer" includes a self-employed individual. In determining  
50 the number of eligible employees, companies which are affiliated  
51 companies, as defined in section 33-840, or which are eligible to file a  
52 combined tax return for purposes of taxation under chapter 208 shall  
53 be considered one employer. Eligible employees shall not include

54 employees covered through the employer by health insurance plans or  
55 insurance arrangements issued to or in accordance with a trust  
56 established pursuant to collective bargaining subject to the federal  
57 Labor Management Relations Act. Except as otherwise specifically  
58 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to  
59 38a-572, inclusive, which apply to a small employer shall continue to  
60 apply until the plan anniversary following the date the employer no  
61 longer meets the requirements of this definition. "Small employer"  
62 does not include (A) a municipality procuring health insurance  
63 pursuant to section 5-259, as amended by this act, [or] (B) a private  
64 school in this state procuring health insurance through a health  
65 insurance plan or an insurance arrangement sponsored by an  
66 association of such private schools, or (C) a nonprofit organization  
67 procuring health insurance pursuant to section 5-259, as amended by  
68 this act, unless the Secretary of the Office of Policy and Management  
69 and the State Comptroller make a request in writing to the Insurance  
70 Commissioner that such nonprofit organization be deemed a small  
71 employer for the purposes of this chapter.

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

74 (b) Notwithstanding the provisions of subsection (a) of this section,  
75 the tax shall not apply to: (1) Any new or renewal contract or policy  
76 entered into with the state on or after July 1, 1997, to provide health  
77 care coverage to state employees, retirees and their dependents; (2) any  
78 subscriber charges received from the federal government to provide  
79 coverage for Medicare patients; (3) any subscriber charges received  
80 under a contract or policy entered into with the state to provide health  
81 care coverage to Medicaid recipients under the Medicaid managed  
82 care program established pursuant to section 17b-28, which charges  
83 are attributable to a period on or after January 1, 1998; (4) any new or  
84 renewal contract or policy entered into with the state on or after April  
85 1, 1998, to provide health care coverage to eligible beneficiaries under  
86 the HUSKY Medicaid Plan Part A, HUSKY Part B, or the HUSKY Plus  
87 programs, each as defined in section 17b-290; (5) any new or renewal

88 contract or policy entered into with the state on or after April 1, 1998,  
89 to provide health care coverage to recipients of state-administered  
90 general assistance pursuant to section 17b-257; [or] (6) any new or  
91 renewal contract or policy entered into with the state on or after  
92 February 1, 2000, to provide health care coverage to retired teachers,  
93 spouses or surviving spouses covered by plans offered by the state  
94 teachers' retirement system; (7) any new or renewal contract or policy  
95 entered into on or after July 1, 2001, to provide health care coverage to  
96 employees of a municipality under a plan procured pursuant to section  
97 5-259, as amended by this act; or (8) any new or renewal contract or  
98 policy entered into on or after July 1, 2001, to provide health care  
99 coverage to employees of nonprofit organizations and their  
100 dependents under a plan procured pursuant to section 5-259, as  
101 amended by this act.

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

**INS       JOINT FAVORABLE SUBST.**