



General Assembly

Substitute Bill No. 5642

February Session, 2002

**AN ACT CONCERNING COVERAGE FOR SMALL EMPLOYERS
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, as
2 amended by section 1 of public act 01-30, is repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2002*):

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

21 additional cost to the state; and (6) participation in the plan or plans in
22 an amount determined by the state shall be for the duration of the
23 period of the plan or plans, or for such other period as mutually
24 agreed by the municipality, [or] nonprofit corporation or small
25 employer and the Comptroller. The Comptroller, with the approval of
26 the Secretary of the Office of Policy and Management, may arrange
27 and procure for the employees under this subsection health benefit
28 plans that vary from the plan or plans procured under subsection (a) of
29 this section. Such alternate plans may be offered to municipal
30 employees on a fully underwritten basis only. Notwithstanding any
31 provision of law, such alternate plan may be offered to employees of
32 nonprofit corporations on either a fully underwritten or risk-pooled
33 basis at the discretion of the Comptroller. With respect to any plan
34 offered to a small employer, such plan shall be a plan issued pursuant
35 to part V of chapter 700c. For the purposes of this subsection, (A)
36 "municipality" means any town, city, borough, school district, taxing
37 district, fire district, district department of health, probate district,
38 housing authority, regional work force development board established
39 under section 31-3k, as amended, flood commission or authority
40 established by special act, regional planning agency, transit district
41 formed under chapter 103a, or the Children's Center established by
42 number 571 of the public acts of 1969; [and] (B) "nonprofit corporation"
43 means a nonprofit corporation organized under 26 USC 501(c)(3) that
44 has a contract with the state; and (C) "small employer" means a small
45 employer, as defined in subdivision (4) of section 38a-564, as amended.

This act shall take effect as follows:	
Section 1	July 1, 2002

INS *Joint Favorable Subst.*