



General Assembly

**Substitute Bill No. 508**

February Session, 2004

\* SB00508LAB\_\_031604\_\_ \*

**AN ACT CONCERNING THE MUNICIPAL EMPLOYEES' HEALTH INSURANCE 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 03-149, section 2 of public act 03-  
3 254, section 31 of public act 03-3 of the June 30 special session and  
4 sections 63 and 64 of public act 03-6 of the June 30 special session, is  
5 repealed and the following is substituted in lieu thereof (*Effective from*  
6 *passage*):

7 (i) The Comptroller may provide for coverage of employees of  
8 municipalities, nonprofit corporations, community action agencies and  
9 small employers and individuals eligible for a health coverage tax  
10 credit or members of an association for personal care assistants under  
11 the plan or plans procured under subsection (a) of this section,  
12 provided: (1) Participation by each municipality, nonprofit  
13 corporation, community action agency or small employer or eligible  
14 individual or association for personal care assistants shall be on a  
15 voluntary basis; (2) where an employee organization represents  
16 employees of a municipality, nonprofit corporation, community action  
17 agency or small employer, participation in a plan or plans to be  
18 procured under subsection (a) of this section shall be by mutual

19 agreement of the municipality, nonprofit corporation, community  
20 action agency or small employer and the employee organization only  
21 and neither party may submit the issue of participation to binding  
22 arbitration except by mutual agreement if such binding arbitration is  
23 available; (3) no eligible individual or group of employees shall be  
24 refused entry into the plan by reason of past or future health care costs  
25 or claim experience; (4) rates paid by the state for its employees under  
26 subsection (a) of this section are not adversely affected by this  
27 subsection; (5) administrative costs to the plan or plans provided  
28 under this subsection shall not be paid by the state; (6) participation in  
29 the plan or plans in an amount determined by the state shall be for the  
30 duration of the period of the plan or plans, or for such other period as  
31 mutually agreed by the municipality, nonprofit corporation,  
32 community action agency, small employer, eligible individual or  
33 association for personal care assistants and the Comptroller; and (7)  
34 nothing in [public act 03-6 of the June 30 special session\*] this section,  
35 section 12-202a, as amended, section 38a-551, as amended, section 38a-  
36 553, as amended, or section 38a-556, as amended, shall be construed as  
37 requiring a participating insurer or health care center to issue  
38 individual policies to individuals eligible for a health coverage tax  
39 credit. The Comptroller may arrange and procure for the employees  
40 and eligible individuals under this subsection health benefit plans that  
41 vary from the plan or plans procured under subsection (a) of this  
42 section. Notwithstanding any provision of law the coverage provided  
43 under this subsection may be offered to employees and eligible  
44 individuals under this subsection on either a fully underwritten or  
45 risk-pooled basis at the discretion of the Comptroller, [except that]  
46 provided if the Comptroller elects to fully underwrite coverage offered  
47 to small employers, such coverage shall be fully underwritten in  
48 accordance with part V of chapter 700c. For the purposes of this  
49 subsection, (A) "municipality" means any town, city, borough, school  
50 district, taxing district, fire district, district department of health,  
51 probate district, housing authority, regional work force development  
52 board established under section 31-3k, regional emergency  
53 telecommunications center, tourism district established under section

54 32-302, as amended, flood commission or authority established by  
55 special act, regional planning agency, transit district formed under  
56 chapter 103a, or the Children's Center established by number 571 of  
57 the public acts of 1969; (B) "nonprofit corporation" means a nonprofit  
58 corporation organized under 26 USC 501(c)(3) that has a contract with  
59 the state; (C) "community action agency" means a community action  
60 agency, as defined in section 17b-885; (D) "small employer" means a  
61 small employer, as defined in subparagraph (A) of subdivision (4) of  
62 section 38a-564, as amended by this act; (E) "eligible individuals" or  
63 "individuals eligible for a health coverage tax credit" means persons  
64 who are eligible for the credit for health insurance costs under Section  
65 35 of the Internal Revenue Code of 1986, or any subsequent  
66 corresponding internal revenue code of the United States, as from time  
67 to time amended, in accordance with the Pension Benefit Guaranty  
68 Corporation and Trade Adjustment Assistance programs of the Trade  
69 Act of 2002 (P.L. 107-210); and (F) "association for personal care  
70 assistants" means an organization composed of personal care  
71 attendants who are employed by recipients of service (i) under the  
72 home-care program for the elderly under section 17b-342, (ii) under the  
73 personal care assistance program under section 17b-605a, (iii) in an  
74 independent living center pursuant to sections 17b-613 to 17b-615,  
75 inclusive, or (iv) under the program for individuals with acquired  
76 brain injury as described in section 17b-260a.

77 Sec. 2. Subdivision (4) of section 38a-564 of the general statutes, as  
78 amended by section 32 of public act 03-3 of the June 30 special session,  
79 is repealed and the following is substituted in lieu thereof (*Effective*  
80 *from passage*):

81 (4) (A) "Small employer" means any person, firm, corporation,  
82 limited liability company, partnership or association actively engaged  
83 in business or self-employed for at least three consecutive months  
84 who, on at least fifty per cent of its working days during the preceding  
85 twelve months, employed no more than fifty eligible employees, the  
86 majority of whom were employed within the state of Connecticut.  
87 "Small employer" includes a self-employed individual. In determining

88 the number of eligible employees, companies which are affiliated  
 89 companies, as defined in section 33-840, or which are eligible to file a  
 90 combined tax return for purposes of taxation under chapter 208 shall  
 91 be considered one employer. Eligible employees shall not include  
 92 employees covered through the employer by health insurance plans or  
 93 insurance arrangements issued to or in accordance with a trust  
 94 established pursuant to collective bargaining subject to the federal  
 95 Labor Management Relations Act. Except as otherwise specifically  
 96 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to  
 97 38a-572, inclusive, as amended, which apply to a small employer shall  
 98 continue to apply until the plan anniversary following the date the  
 99 employer no longer meets the requirements of this definition.

100 (B) "Small employer" does not include [(A)] (i) a municipality  
 101 procuring health insurance pursuant to section 5-259, as amended by  
 102 this act, [(B)] (ii) a private school in this state procuring health  
 103 insurance through a health insurance plan or an insurance  
 104 arrangement sponsored by an association of such private schools, [(C)]  
 105 (iii) a nonprofit organization procuring health insurance pursuant to  
 106 section 5-259, as amended by this act, unless the Secretary of the Office  
 107 of Policy and Management and the State Comptroller make a request  
 108 in writing to the Insurance Commissioner that such nonprofit  
 109 organization be deemed a small employer for the purposes of this  
 110 chapter, [or (D)] (iv) an association for personal care assistants  
 111 procuring health insurance pursuant to section 5-259, as amended by  
 112 this act, (v) a community action agency procuring health insurance  
 113 pursuant to section 5-259, as amended by this act, (vi) individuals  
 114 eligible for a health coverage tax credit procuring health insurance  
 115 pursuant to section 5-259, as amended by this act, or (vii) a small  
 116 employer procuring health insurance on a risk-pooled basis pursuant  
 117 to section 5-259, as amended by this act.

This act shall take effect as follows:	
Section 1	<i>from passage</i>
Sec. 2	<i>from passage</i>

**LAB**      *Joint Favorable Subst.*