



General Assembly

Substitute Bill No. 7060

January Session, 2007

* HB07060INS 030207 *

AN ACT EXPANDING AFFORDABLE HEALTH CARE OPPORTUNITIES FOR SMALL BUSINESSES.

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

1 Section 1. Section 12-202a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2007, and*
3 *applicable to income years commencing on or after January 1, 2007*):

4 (a) Each health care center, as defined in section 38a-175, that is
5 governed by sections 38a-175 to 38a-192, inclusive, shall pay a tax to
6 the Commissioner of Revenue Services for the calendar year
7 commencing on January 1, 1995, and annually thereafter, at the rate of
8 one and three-quarters per cent of the total net direct subscriber
9 charges received by such health care center during each such calendar
10 year on any new or renewal contract or policy approved by the
11 Insurance Commissioner under section 38a-183. Such payment shall be
12 in addition to any other payment required under section 38a-48.

13 (b) Notwithstanding the provisions of subsection (a) of this section,
14 the tax shall not apply to:

15 (1) Any new or renewal contract or policy entered into with the state
16 on or after July 1, 1997, to provide health care coverage to state
17 employees, retirees and their dependents;

18 (2) Any subscriber charges received from the federal government to
19 provide coverage for Medicare patients;

20 (3) Any subscriber charges received under a contract or policy
21 entered into with the state to provide health care coverage to Medicaid
22 recipients under the Medicaid managed care program established
23 pursuant to section 17b-28, which charges are attributable to a period
24 on or after January 1, 1998;

25 (4) Any new or renewal contract or policy entered into with the state
26 on or after April 1, 1998, to provide health care coverage to eligible
27 beneficiaries under the HUSKY Medicaid Plan Part A, HUSKY Part B,
28 or the HUSKY Plus programs, each as defined in section 17b-290;

29 (5) Any new or renewal contract or policy entered into with the state
30 on or after April 1, 1998, to provide health care coverage to recipients
31 of state-administered general assistance pursuant to section 17b-192;

32 (6) Any new or renewal contract or policy entered into with the state
33 on or after February 1, 2000, to provide health care coverage to retired
34 teachers, spouses or surviving spouses covered by plans offered by the
35 state teachers' retirement system;

36 (7) Any new or renewal contract or policy entered into on or after
37 July 1, 2001, to provide health care coverage to employees of a
38 municipality and their dependents under a plan procured pursuant to
39 section 5-259;

40 (8) Any new or renewal contract or policy entered into on or after
41 July 1, 2001, to provide health care coverage to employees of nonprofit
42 organizations and their dependents under a plan procured pursuant to
43 section 5-259;

44 (9) Any new or renewal contract or policy entered into on or after
45 July 1, 2003, to provide health care coverage to individuals eligible for
46 a health coverage tax credit and their dependents under a plan
47 procured pursuant to section 5-259;

48 (10) Any new or renewal contract or policy entered into on or after
49 July 1, 2005, to provide health care coverage to employees of
50 community action agencies and their dependents under a plan
51 procured pursuant to section 5-259; [or]

52 (11) Any new or renewal contract or policy entered into on or after
53 July 1, 2005, to provide health care coverage to retired members and
54 their dependents under a plan procured pursuant to section 5-259; or

55 (12) Any new or renewal contract or policy entered into on or after
56 July 1, 2007, to provide health care coverage to small employers under
57 a plan procured pursuant to section 38a-567, as amended by this act.

58 (c) The provisions of this chapter pertaining to the filing of returns,
59 declarations, installment payments, assessments and collection of
60 taxes, penalties, administrative hearings and appeals imposed on
61 domestic insurance companies shall apply with respect to the charge
62 imposed under this section.

63 Sec. 2. Subdivision (22) of section 38a-567 of the general statutes is
64 repealed and the following is substituted in lieu thereof (*Effective from*
65 *passage*):

66 (22) With respect to plans or arrangements issued pursuant to
67 subsection (i) of section 5-259, or by an association group plan, at the
68 option of the Comptroller or the administrator of the association group
69 plan, the premium rates charged or offered to small employers
70 purchasing health insurance shall not be subject to this section,
71 provided (A) the plan or plans offered or issued cover such small
72 employers as a single entity and cover not less than [ten] seven
73 thousand five hundred eligible individuals [on the date issued]
74 regardless of the date on which such small employers became a
75 participant in the plan or plans, (B) each small employer is charged or
76 offered the same effective premium rate with respect to each eligible
77 individual and dependent, and (C) the plan or plans are written on a
78 guaranteed issue basis. For purposes of this subdivision, the term

79 "effective premium rate" means that the premium rate charged may be
80 adjusted based upon the date the small employer becomes a
81 participant in the plan or plans.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2007, and applicable to income years commencing on or after January 1, 2007</i>	12-202a
Sec. 2	<i>from passage</i>	38a-567(22)