



General Assembly

Substitute Bill No. 7314

January Session, 2007

* _____ HB07314HS _____ 042607 _____ *

**AN ACT ESTABLISHING THE STATE HEALTH INSURANCE
PURCHASING POOL PROGRAM.**

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

1 Section 1. (NEW) (*Effective July 1, 2008*) As used in sections 1 to 16,
2 inclusive, of this act:

3 (1) "Benchmark policy" means a health insurance policy as described
4 in section 3 of this act.

5 (2) "Eligible individual" means an individual who is (A) a state
6 resident, as defined in 42 CFR 435.403, as from time to time amended,
7 (B) under sixty-five years of age, and (C) not covered by employer-
8 sponsored insurance, except that "eligible individual" does not include
9 an individual who has been a state resident for less than six months
10 and lives in a household without at least one family member who is
11 employed full-time in the state.

12 (3) "Family" means individuals who may be included on a single
13 state income tax return.

14 (4) "Program" means the State Health Insurance Purchasing Pool
15 program.

16 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) There is established, within
17 the Office of the Comptroller, the State Health Insurance Purchasing

18 Pool program to provide health insurance policies, as defined in
19 section 38a-469 of the general statutes, to ensure affordable health care
20 for eligible individuals.

21 (b) The Comptroller shall arrange and procure health insurance
22 policies for enrollees in the program. The Comptroller shall negotiate
23 and contract with insurance companies and health care centers
24 authorized to do insurance business in the state, in accordance with the
25 provisions of section 38a-41 of the general statutes, to provide health
26 insurance policies to the program. Such health insurance policies shall
27 be approved by the Comptroller in accordance with the provisions of
28 title 38a of the general statutes.

29 (c) The Comptroller shall educate state residents about the health
30 insurance policies available under the program, by means including,
31 but not limited to, preparation of educational materials; conducting
32 informational sessions or workshops; contracting with nonprofit
33 organizations and community-based organizations for outreach to
34 hard-to-reach populations and training, consulting with and
35 reimbursing licensed health insurance brokers for assistance in
36 educating residents.

37 (d) The Comptroller shall promote the use of information
38 technology by insurance companies and health care centers providing
39 health insurance policies to the program, individuals applying to,
40 enrolled in or seeking information about the program and persons
41 providing information to the program and shall arrange for the
42 provision of technical support, training and assistance to assure the
43 effective use of such information technology. The Comptroller shall
44 require each insurance company and health care center providing
45 health insurance policies to the program to operate an electronic health
46 record system not later than October 1, 2008, certified by the
47 Comptroller, that meets interoperability standards established by the
48 Comptroller, by regulations adopted in accordance with section 16 of
49 this act, for such electronic health record systems.

50 Sec. 3. (NEW) (*Effective July 1, 2008*) (a) The Comptroller shall make
51 available to each eligible individual seeking enrollment in the program
52 a choice of health insurance policies, affordable to most state residents,
53 offering a wide range of benefit options, including at least one
54 benchmark policy, as described in subsection (b) of this section. The
55 Comptroller shall survey employer-based health insurance coverage in
56 New England to determine the actuarial value of benchmark policy
57 coverage. The actuarial value shall be adjusted annually to reflect
58 necessary increases in health care.

59 (b) The benchmark policy shall:

60 (1) Have an actuarial value that is not less than the sum of (A) the
61 actuarial value of all coverage, excluding dental coverage, for average
62 New England enrollees in employer-based insurance during the
63 previous year; and (B) the actuarial value of dental coverage for
64 average New England enrollees in employer-based insurance during
65 the previous year;

66 (2) Offer benefits including, but not limited to, office visits, inpatient
67 and outpatient hospital care, mental and behavioral health care,
68 including substance abuse treatment, prescription drugs, including
69 brand name and generic drugs, maternity care, including prenatal and
70 postpartum care, oral contraceptives, durable medical equipment,
71 speech, physical and occupational therapy, home health care, hospice
72 services and extended care as alternatives to institutionalization;
73 preventive and restorative dental care, basic vision care and, as
74 prescribed by a physician, personalized nutrition and exercise plans
75 and smoking cessation services; and

76 (3) Be in compliance with the provisions of section 4 of this act.

77 Sec. 4. (NEW) (*Effective July 1, 2008*) (a) As used in this subsection:

78 (1) "Class of coverage" means single adult coverage, two adult
79 coverage and variations of coverage with children as approved by the
80 Comptroller; and

81 (2) "Designated provider" means (A) a federally qualified health
82 center, (B) a health center determined by the Comptroller, in
83 conjunction with the Commissioner of Public Health, to be
84 substantially similar to a federally qualified health center, (C) a school-
85 based health clinic, or (D) a primary care clinic or other primary care
86 provider designated by the Department of Public Health as comprising
87 such an essential part of a local community's primary care
88 infrastructure that, if members of the community could not obtain
89 health care through such provider, such community members would
90 lack sufficient access to primary care.

91 (b) Each health insurance policy under the program shall be in
92 compliance with the provisions of chapter 700c of the general statutes,
93 and any other applicable state or federal law, and shall:

94 (1) Require payment of the same premium for each class of
95 coverage;

96 (2) Cover preexisting conditions;

97 (3) Guarantee issue;

98 (4) Cover, without cost-sharing, complete examinations for every
99 adult and child, including all screenings and immunizations that are
100 appropriate to the individual's age, gender, culture, race and ethnicity;
101 and

102 (5) Treat each designated provider as a preferred provider to which
103 the health insurance policy's lowest schedule of primary care
104 copayments or coinsurance applies, except that a health insurance
105 policy need not extend such status to a designated provider if the
106 Department of Public Health certifies that such health insurance policy
107 provides alternate arrangements for primary care that do not reduce
108 access to primary care for the policy's enrollees that live in the
109 community served by the designated provider.

110 Sec. 5. (NEW) (*Effective July 1, 2008*) (a) Any state resident may

111 purchase health insurance coverage under the program at the full cost
112 for such coverage, as determined by the Comptroller, if such resident:

113 (1) Has not been a state resident for six months or more and lives in
114 a household without at least one family member who is employed full
115 time in the state; or

116 (2) Is sixty-five years of age or older and is employed by, or whose
117 spouse is employed by, an employer that: (A) Offered employer-
118 sponsored insurance on or before October 1, 2006, but no longer offers
119 such insurance, and (B) would have qualified to participate in such
120 employer-sponsored insurance in effect on October 1, 2006.

121 (b) Any employer may purchase either full or partial coverage
122 under the program for a retired employee who is a state resident at the
123 full cost for such coverage, as determined by the Comptroller.

124 Sec. 6. (NEW) (*Effective July 1, 2008*) (a) On and after July 1, 2008, any
125 eligible individual, or individual purchasing coverage in the program
126 in accordance with the provisions of section 5 of this act, may apply to
127 the program through the Office of the Comptroller or the Department
128 of Social Services.

129 (b) The Comptroller shall establish a health consumer assistance
130 program which shall be available to counsel eligible individuals and
131 individuals purchasing coverage in the program in accordance with
132 the provisions of section 5 of this act concerning the health insurance
133 policies offered under the program and to enroll such individuals in
134 the program. The health consumer assistance program may be
135 established within the Office of the Comptroller, or the Comptroller
136 may contract with a nonprofit organization to operate such health
137 consumer assistance program, provided such nonprofit organization is
138 financially independent from all insurance companies and health care
139 centers providing health insurance policies to the program and does
140 not receive any financial benefit, direct or indirect, from an enrollee's
141 choice of any health insurance policy under the program.

142 (c) Enrollees may change health insurance policies:

143 (1) During any open enrollment period established by the
144 Comptroller, which shall occur at least once per calendar year; and

145 (2) At any other time, for good cause, consistent with regulations
146 established by the Comptroller, in accordance with section 16 of this
147 act.

148 Sec. 7. (NEW) (*Effective July 1, 2008*) (a) On and after July 1, 2008, an
149 eligible individual not yet enrolled in the program shall be enrolled by
150 default when any of the following occurs:

151 (1) Such individual's income is reported to the Department of
152 Revenue Services or the Labor Department;

153 (2) A state income tax form is filed on which such individual is
154 listed as a member of the household; or

155 (3) Such individual seeks health care.

156 (b) When an eligible individual is enrolled in the program under
157 subsection (a) of this section, a fee-for-service health insurance policy
158 shall be issued to the individual until the individual chooses a health
159 insurance policy under the program. The individual shall have a
160 reasonable period of time, not to exceed thirty days, after being
161 enrolled in the program to choose a health insurance policy. If the
162 individual does not choose a policy within such time, the Comptroller
163 shall select the benchmark policy for the individual. Such selection
164 shall take into account, but not be limited to, the following:

165 (1) Maximizing continuity of care for the individual;

166 (2) Keeping all family members within a single plan; and

167 (3) Supporting benchmark plans with the best performance as to
168 low premiums and high-quality care or positive outcomes for
169 individuals previously enrolled under subsection (a) of this section.

170 Sec. 8. (NEW) (*Effective July 1, 2008*) (a) The Department of Social
171 Services shall screen each eligible individual, or individual purchasing
172 coverage in the program in accordance with the provisions of section 5
173 of this act, at the time such individual applies for the program for
174 eligibility under Title XIX or Title XXI of the Social Security Act. Such
175 screening shall also determine income for purposes of establishing the
176 amount of premium payments under the program for each such
177 individual. Individuals shall be enrolled in the appropriate state
178 Medicaid program or the HUSKY Plan, unless the individual objects to
179 such enrollment. To the maximum extent feasible, relevant information
180 shall be obtained through state-maintained or state-accessible data and
181 through the self-attestation of individuals.

182 (b) Notwithstanding any provision of the general statutes, the
183 following information shall be made available to the Department of
184 Social Services and the Comptroller for the purposes of determining
185 eligibility under Title XIX or Title XXI of the Social Security Act and for
186 establishing premium payments under the program:

187 (1) Eligibility and enrollment information for individuals enrolled in
188 means tested assistance programs, other than the HUSKY Plan;

189 (2) New hire information and quarterly reports provided to the
190 Labor Department;

191 (3) Information showing United States citizenship of individuals,
192 including, but not limited to, information obtained from birth
193 certificates and other vital records; and

194 (4) Federal information about new hires, quarterly earnings, Social
195 Security numbers, immigration status and other data pertinent to
196 income or other components of eligibility for Title XIX or XXI of the
197 Social Security Act.

198 (c) The Comptroller and the Commissioner of Social Services shall
199 enter into agreements with other state agencies providing or receiving
200 information for the program. Such agreements shall require that:

201 (1) Such information be used only to verify or establish income or
202 eligibility for matching funds under Titles XIX or XXI of the Social
203 Security Act; and

204 (2) Each state agency providing information to the program train
205 and monitor all staff and contractors who have access to such
206 information and inform such staff and contractors of all applicable
207 state and federal privacy and data security requirements.

208 (d) Within available appropriations, the Commissioner of Social
209 Services shall develop and operate the information infrastructure
210 required to conduct the screening described in subsection (a) of this
211 section and shall take all feasible steps to maximize the use of federal
212 funds for developing and operating such infrastructure. The
213 Comptroller, in consultation with data privacy and security experts,
214 shall develop and implement policies and procedures that maintain
215 data security and prevent inadvertent, improper and unauthorized
216 access to or disclosure, inspection, use or modification of information.

217 (e) Any individual about whom information is provided to the
218 program shall have the right to (1) obtain, at no cost to the individual,
219 a copy of all such information, which shall identify the agency from
220 which the information was obtained, and (2) correct any
221 misinformation or complete any incomplete information. If any breach
222 of an individual's privacy occurs, such individual shall be promptly
223 informed of such breach and of any rights and remedies available to
224 the individual as a result of such breach.

225 Sec. 9. (NEW) (*Effective July 1, 2008*) (a) On or before July 1, 2009, the
226 Commissioner of Social Services shall submit to the federal Centers for
227 Medicare and Medicaid Services an amendment to the state Medicaid
228 plan required by Title XIX of the Social Security Act to extend coverage
229 to all parents, guardians and caretaker relatives with incomes at or
230 below three hundred per cent of the federal poverty level, as well as to
231 any other individuals with incomes below such level who are nineteen
232 to sixty-four years of age, inclusive, and who may be covered, at state

233 option, through the state plan amendment.

234 (b) If needed to access all federal funds allotted to the state under
235 Title XIX of the Social Security Act, the Commissioner of Social
236 Services shall cover individuals over eighteen years of age, including,
237 but not limited to, pregnant women, whether or not such individuals
238 are eligible for coverage under Title XIX of the Social Security Act.

239 (c) (1) On or before July 1, 2009, the Commissioner of Social Services
240 shall submit an application for a waiver under Section 1115 of the
241 Social Security Act, in accordance with section 17b-8 of the general
242 statutes, to authorize the use of funds received under Title XIX of the
243 Social Security Act for individuals nineteen to sixty-four years of age,
244 inclusive, with incomes at or below one hundred eighty-five per cent
245 of the federal poverty level who do not otherwise qualify under Title
246 XIX of the Social Security Act, either under mandatory eligibility or at
247 state option through state plan amendment. Federal budget neutrality
248 requirements for such waiver may be met through unused
249 uncompensated care payments to hospitals or by taking other
250 measures, provided such measures do not result in any of the
251 following for individuals who would have qualified for coverage
252 under the Medicaid program, the HUSKY Plan or state-administered
253 general assistance:

254 (A) Any reduction in covered services or access to care;

255 (B) Any increase in deductibles, premiums or other out-of-pocket
256 costs; or

257 (C) Any reduction in enforceable, individual guarantees of coverage
258 or services.

259 (2) If federal budget neutrality requirements do not permit
260 extending Title XIX coverage to the individuals described in
261 subdivision (1) of this subsection, such coverage shall extend to such
262 individuals with incomes under the highest possible percentage of
263 federal poverty level less than one hundred fifty per cent.

264 Sec. 10. (NEW) (*Effective July 1, 2008*) (a) Enrollees in the program
265 shall pay the amounts provided in subsection (b) of this section for the
266 health insurance policy under which they are insured.

267 (b) (1) For a health insurance policy with a premium less than or
268 equal to the premium charged by the benchmark policy:

269 (A) If the enrollee's family income is at or below one hundred fifty
270 per cent of the federal poverty level, the enrollee shall pay no
271 premium.

272 (B) If the enrollee's family income is above three hundred per cent of
273 the federal poverty level, the enrollee shall pay thirty per cent of the
274 premium.

275 (C) If the enrollee's family income is one hundred fifty-one per cent
276 to three hundred per cent of the federal poverty level, inclusive, the
277 enrollee shall pay a percentage of the premium that shall be greater
278 than zero per cent but less than thirty per cent of such premium
279 according to a schedule to be established by the Comptroller, by
280 regulations adopted in accordance with section 16 of this act.

281 (D) For an individual who would have qualified for Medicaid, the
282 HUSKY Plan or state-administered general assistance under state law
283 in effect on October 1, 2006, the premium shall not exceed the amount
284 permitted under such law for the applicable program, increased in
285 subsequent years based on changes in average per capita income
286 among state residents with incomes at or below three hundred per cent
287 of the federal poverty level, unless such averages cannot be
288 determined based on available data in which case, any increase in the
289 premium shall be based on changes in average per capita income for
290 all state residents.

291 (2) For a health insurance policy with a premium higher than the
292 premium charged by the benchmark policy, the enrollee shall pay the
293 amount specified in subdivision (1) of this subsection, plus the amount
294 of the difference between the premium for the health insurance policy

295 and the premium for the benchmark policy.

296 (c) Any amount paid by an enrollee to the program shall not be
297 included in the gross income of the enrollee for state or federal income
298 tax purposes, except as required under Section 125 of the Internal
299 Revenue Code of 1986, or any subsequent corresponding internal
300 revenue code of the United States, as from time to time amended. Each
301 employer in the state, whether or not such employer is subject to
302 payment responsibilities under sections 2 to 16, inclusive, of this act,
303 shall designate (1) the Comptroller to serve as such employer's plan
304 administrator, and (2) the program as such employer's employer-
305 sponsored group health plan, in accordance with Title 26 of the United
306 States Code, as from time to time amended.

307 (d) The Comptroller and the Commissioner of Revenue Services
308 shall establish a system for automated payments to the program
309 through payroll deductions. Automated payments shall be sent to the
310 Department of Revenue Services, which shall forward such payments
311 to the Comptroller. Enrollees participating in the program may opt out
312 of payroll deduction and establish with the Comptroller alternate
313 means of making payments to the program.

314 (e) The Comptroller shall adopt regulations, in accordance with
315 section 16 of this act, establishing when enrollee payments shall be
316 made to the Comptroller for subsequent transmittal to the health
317 insurance companies or health care centers providing health insurance
318 policies to the program and when such payments shall be made
319 directly to such health insurance companies or health care centers.

320 Sec. 11. (NEW) (*Effective July 1, 2008*) Each employer in the state
321 shall pay to the Comptroller a contribution in an amount equivalent to
322 eleven per cent of its payroll. Such moneys shall be deposited in
323 accordance with regulations under section 12 of this act.

324 Sec. 12. (NEW) (*Effective from passage*) Not later than July 1, 2008, the
325 Comptroller shall adopt regulations, in accordance with section 16 of
326 this act, that specify procedures and standards for the collection and

327 deposit of contributions payable to the Comptroller by employers in
328 the state.

329 Sec. 13. (NEW) (*Effective July 1, 2008*) (a) (1) Each employee, and the
330 dependents of such employee, whose employer offers employer-
331 sponsored health insurance to its employees shall be deemed to be
332 insured under such insurance.

333 (2) Notwithstanding the provisions of subdivision (1) of this
334 subsection:

335 (A) If an employee or a dependent of an employee is a child who
336 qualifies for the HUSKY Plan, such child shall not be deemed to be
337 insured under employer-sponsored health insurance. Such child shall
338 be so insured only if a parent or other legal guardian of the child
339 consents to such insurance in writing.

340 (B) If an employee receives offers of employer-sponsored insurance
341 from more than one employer, such employee, or a parent or other
342 legal guardian of such employee if such employee is a child, may
343 choose which offer to accept. The Comptroller shall establish
344 guidelines, by regulations adopted in accordance with section 16 of
345 this act, to govern enrollment into employer-sponsored health
346 insurance for employees who do not accept any offer.

347 (C) Any former employee that is offered employer-sponsored health
348 insurance under the federal Consolidated Omnibus Budget
349 Reconciliation Act by the former employer shall not be deemed to be
350 insured under employer-sponsored health insurance. Such former
351 employee shall be so insured only if the former employee consents to
352 such insurance in writing.

353 (D) If an employer offered employer-sponsored health insurance to
354 its employees on or before October 1, 2006, and the amount of such
355 employer's current premium payments per insured employee are not
356 less than the amount of such employer's premium payments per
357 insured employee on or before October 1, 2006, adjusted for the

358 medical care component of the consumer price index, an employee or
359 dependent of such employee may decline an offer of employer-
360 sponsored health insurance and shall not be deemed to be insured
361 under such insurance.

362 (b) Any employee who qualifies under the Title XIX Medicaid
363 program and is enrolled in an employer-sponsored health insurance
364 policy shall receive supplemental coverage as provided in section 13 of
365 this act.

366 (c) Nothing in sections 2 to 16, inclusive, of this act shall prohibit an
367 employer or an individual from purchasing or providing health
368 insurance or health care services in addition to those provided under
369 the program.

370 Sec. 14. (NEW) (*Effective from passage*) Any enrollee in the program
371 who is eligible for supplemental coverage under Medicaid or the
372 HUSKY Plan shall receive such supplemental coverage. The
373 Comptroller, in cooperation with the Commissioner of Social Services,
374 shall develop integrated, seamless procedures to ensure that such
375 enrollees receive such coverage.

376 Sec. 15. (NEW) (*Effective from passage*) (a) The Comptroller shall
377 prospectively adjust payments for each health insurance policy under
378 the program to compensate fully for any differences between the
379 average risk levels of the policy's enrollees and the state's nonelderly
380 population.

381 (b) Within available appropriations, during the first three years of
382 implementation of the program, the Comptroller may subsidize the
383 cost of reinsurance premiums related to the program. The remainder of
384 the cost of such premiums shall be paid from payments made to the
385 program by or on behalf of enrollees.

386 (c) The Comptroller shall establish risk corridors and coinsurance
387 percentages for subsidized reinsurance based on best practices from
388 other states.

389 (d) On or before January 1, 2011, the Comptroller shall submit a
 390 report, in accordance with the provisions of section 11-4a of the general
 391 statutes, to the joint standing committee of the General Assembly
 392 having cognizance of matters relating to insurance and real estate,
 393 containing recommendations about future financing for reinsurance. If
 394 the General Assembly does not take action to the contrary before the
 395 end of the January, 2011 regular session, reinsurance premiums shall,
 396 for the third and each subsequent year, be paid entirely by payments
 397 made to the program by or on behalf of enrollees.

398 Sec. 16. (NEW) (*Effective from passage*) The Comptroller shall adopt
 399 regulations, in accordance with chapter 54 of the general statutes, to
 400 implement and administer the State Health Insurance Purchasing Pool
 401 program pursuant to sections 1 to 15, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section
Sec. 2	<i>July 1, 2008</i>	New section
Sec. 3	<i>July 1, 2008</i>	New section
Sec. 4	<i>July 1, 2008</i>	New section
Sec. 5	<i>July 1, 2008</i>	New section
Sec. 6	<i>July 1, 2008</i>	New section
Sec. 7	<i>July 1, 2008</i>	New section
Sec. 8	<i>July 1, 2008</i>	New section
Sec. 9	<i>July 1, 2008</i>	New section
Sec. 10	<i>July 1, 2008</i>	New section
Sec. 11	<i>July 1, 2008</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>July 1, 2008</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	New section

LAB *Joint Favorable Subst.*

HS *Joint Favorable*