



General Assembly

Substitute Bill No. 7320

January Session, 2007

* _____HB07320APP____042007_____*

**AN ACT CONCERNING MUNICIPAL EMPLOYEE HEALTH
INSURANCE AND PROPERTY TAX RELIEF.**

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

1 Section 1. (NEW) (*Effective July 1, 2008*) For the purposes of this
2 section and sections 2 to 5, inclusive, of this act:

3 (1) "Eligible employee" means any employee who works at least half
4 the number of hours of a regularly scheduled full-time employee in the
5 same job classification, unless an applicable collective bargaining
6 agreement permits eligibility for fewer hours worked;

7 (2) "Covered employee" means an employee that is covered under
8 the insurance pool;

9 (3) "Employee" means any regular employee or elective officer
10 receiving pay from a municipality;

11 (4) "Municipality" means any town, city, borough, school district,
12 taxing district, fire district, district department of health, probate
13 district, housing authority, regional work force development board
14 established under section 31-3k of the general statutes, regional
15 emergency telecommunications center, regional tourism district
16 established under section 10-397 of the general statutes, flood
17 commission or authority established by special act, regional planning

18 agency, transit district formed under chapter 103a of the general
19 statutes, or the Children's Center established by number 571 of the
20 public acts of 1969;

21 (5) "Nonprofit corporation" means (A) a nonprofit corporation
22 organized under 26 USC 501 that has a contract with the state or
23 receives a portion of its funding from a municipality, the state or the
24 federal government, or (B) an organization that is tax exempt pursuant
25 to 26 USC 501(c)(5); and

26 (6) "Insurance pool" means the Connecticut Insurance Pool; and

27 (7) "Small employer" means a small employer, as defined in section
28 38a-564 of the general statutes.

29 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) The Comptroller, with the
30 approval of the Attorney General and the Insurance Commissioner,
31 shall arrange and procure a group hospitalization and medical and
32 surgical insurance plan or plans for eligible employees. The coverage
33 provided under such plan or plans shall be known as the Connecticut
34 Insurance Pool. Such insurance pool shall provide the same coverage
35 provided to state employees pursuant to section 5-259 of the general
36 statutes and any collective bargaining agreement affecting state
37 employee hospitalization and medical and surgical insurance
38 coverage.

39 (b) Each eligible employee shall be enrolled in the insurance pool by
40 the employing municipality. Nothing in this section or section 3 of this
41 act shall prohibit a municipality from negotiating additional
42 hospitalization and medical and surgical insurance coverage for any
43 employee or group of employees of the municipality with an employee
44 organization, as defined in section 7-467 of the general statutes.

45 (c) No eligible employee or group of eligible employees shall be
46 refused entry into the insurance pool by reason of past or future health
47 care costs or claim experience.

48 (d) No municipality shall reduce the hours an employee is
49 permitted to work in a position or change a full-time position to
50 multiple part-time positions to prevent a municipal employee from
51 being eligible for coverage under the insurance pool.

52 (e) Notwithstanding any provision of part V of chapter 700c of the
53 general statutes, the coverage provided under the insurance pool shall
54 be offered on a risk-pooled basis. The Comptroller may contract with
55 an administrative services organization to provide administrative
56 services for the insurance pool.

57 (f) The Comptroller shall adopt regulations, in accordance with
58 chapter 54 of the general statutes, to implement the provisions of this
59 section.

60 Sec. 3. (NEW) (*Effective from passage*) (a) On or before July 1, 2008,
61 the Comptroller shall submit to the Secretary of the Office of Policy
62 and Management and to each municipality the total amount due for
63 each such municipality for coverage under the insurance pool for the
64 following categories: (1) Single employees, (2) employees with one
65 other insured, and (3) family coverage. The amount due for each
66 municipality shall be determined by multiplying the number of
67 employees in the insurance pool in each category by the number of
68 covered employees employed by the municipality in each category.
69 Such amount due shall include a proportionate share of the cost of the
70 administration of the insurance pool, as determined by the
71 Comptroller on the basis of the number of covered employees of such
72 municipality and such employees' beneficiaries. Notwithstanding any
73 provision of the general statutes, charter, special act or ordinance, each
74 municipality shall include such amount, less any amount contributed
75 by employees under subsection (b) of this section, in its municipal
76 budget for the succeeding fiscal year.

77 (b) Each municipality shall pay monthly the amount determined by
78 the Comptroller pursuant to subsection (a) of this section. A
79 municipality may require each covered employee to contribute a

80 portion of the cost of such employee's coverage under the insurance
81 pool. If any payment due under this subsection is not paid two months
82 after the date due, interest shall be added to such payment at the
83 prevailing rate of interest as determined by the Comptroller. Such
84 interest shall be paid by the municipality.

85 (c) The Secretary of the Office of Policy and Management shall
86 determine the amount of a state subsidy to be provided to each town.
87 Such subsidy shall not be less than thirty-three and a third per cent of
88 the amount due under subsection (a) of this section.

89 (d) For the fiscal year beginning July 1, 2008, and for each
90 succeeding fiscal year thereafter, the amount of each municipality's
91 savings shall be the difference between the amount in the
92 municipality's budget as of January first of the applicable fiscal year
93 for payments, including payments due under subsection (a) of this
94 section, for health insurance coverage for all current and active
95 employees and their beneficiaries, including employees of such
96 municipality's board of education, and the subsidy provided to each
97 municipality under subsection (c) of this section.

98 (e) Not later than October 1, 2008, and each succeeding October first
99 thereafter, each municipality receiving a savings under subsection (d)
100 of this section shall reduce its mill rate by the amount necessary to
101 reduce property taxes in the municipality by the amount of such
102 savings. No municipality shall use such savings for any purpose other
103 than to reduce the mill rate set by such municipality as of October 1,
104 2007, and each succeeding fiscal year thereafter.

105 (f) For the fiscal year beginning July 1, 2007, each municipality shall
106 provide to the Comptroller census data representing the number of
107 such municipality's covered employees in the insurance pool on June
108 30, 2006. For each fiscal year thereafter, such information shall be
109 provided as of January first of such fiscal year. Each employee hired by
110 a municipality on or after the effective date of this section shall be
111 covered by the insurance pool, except that no subsidy shall be

112 provided by the state for such employee until the fiscal year following
113 the date of hire. No increase in any municipality's mill rate attributable
114 to the cost of coverage for any newly-hired employee shall be
115 permitted until the fiscal year beginning on or after eighteen months
116 after the date of hire.

117 Sec. 4. (NEW) (*Effective July 1, 2008*) The Comptroller shall establish
118 a pilot program to permit nonprofit corporations and small employers
119 to participate in the insurance pool. The purpose of the pilot program
120 shall be to determine (1) the interest by nonprofit corporations and
121 small employers in participating in the insurance pool, and (2) the
122 effect of such participation on the cost of providing and administering
123 the insurance pool. The amount payable by a participant in the pilot
124 program for the costs of coverage and administration of the insurance
125 pool shall be based on a percentage of the amount of the payroll of
126 such participant, as determined by the Comptroller. Not later than
127 January 1, 2011, the Comptroller shall report, in accordance with the
128 provisions of section 11-4a of the general statutes, to the joint standing
129 committees of the General Assembly having cognizance of matters
130 relating to insurance, labor and public employees and appropriations
131 and the budgets of state agencies the results of the pilot program and
132 any recommendations concerning further expansion of the insurance
133 pool.

134 Sec. 5. (NEW) (*Effective from passage*) (a) There is established a
135 municipal health care cost containment committee. Such committee
136 shall: (1) Make recommendations to the Comptroller on the selection of
137 a health benefits plan, (2) be responsible for requesting competitive
138 proposals for employee health and dental insurance and for cost
139 containment, (3) request bids for self-insurance, and (4) obtain
140 proposals for benefits and coverage that shall be reasonably equivalent
141 to the benefits and coverage provided to active municipal employees
142 prior to July 1, 2008.

143 (b) The municipal health care cost containment committee shall
144 consist of the following members: (1) Municipal and state

145 representatives; (2) employee representatives; and (3) one neutral
 146 chairperson. The chairperson of the committee shall be a member of
 147 the National Academy of Neutral Arbitrators or an arbitrator
 148 authorized to serve as a neutral arbitrator in labor relations cases by
 149 the American Arbitration Association or the Federal Mediation and
 150 Conciliation Service, and shall not be covered by the insurance pool.
 151 The municipal and state representatives, collectively, shall have one
 152 vote and the employee representatives, collectively, shall have one
 153 vote. The municipal health care cost containment committee shall be
 154 staffed and advised by the Comptroller, or his or her designee.

155 Sec. 6. (NEW) (*Effective July 1, 2008*) Except as provided in
 156 subsection (b) of section 2 of this act, on and after July 1, 2008, matters
 157 relating to the provision of health care or health insurance coverage
 158 shall not be subject to collective bargaining under section 7-468 of the
 159 general statutes. The provisions of this section and sections 2 to 5,
 160 inclusive, of this act shall not supersede the provisions of any
 161 collective bargaining agreement in effect on July 1, 2008, but, upon the
 162 expiration of any such agreement, the provisions of this section shall
 163 apply to subsequent collective bargaining between the parties to such
 164 agreement.

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>from passage</i>	New section
Sec. 4	<i>July 1, 2008</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>July 1, 2008</i>	New section

LAB *Joint Favorable Subst. C/R*

APP

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