



General Assembly

Substitute Bill No. 5536

February Session, 2008

* HB05536LABAPP031308 *

AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP.

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in sections 1 to
2 8, inclusive, of this act:

3 (1) "Labor organization" means any organization that exists and is
4 constituted for the purpose, in whole or in part, of collective
5 bargaining or of dealing with employers concerning grievances, terms
6 or conditions of employment, or other mutual aid or protection.

7 (2) "Nonstate public employer" means a municipality or other
8 political subdivision of the state, including an employee of a board of
9 education or any employee of a quasi-public agency or public library.

10 (3) "Nonstate public employee" means any regular employee or
11 elected officer of a nonstate public employer.

12 (4) "Municipal-related employer" means any property management
13 business, food service business or school transportation business that
14 is a party to a contract with a nonstate public employer.

15 (5) "Municipal-related employee" means any employee of a
16 municipal-related employer performing services in connection with a
17 nonpublic contract.

18 (6) "Nonstate public collective bargaining agreement" means the

19 collective bargaining agreement in effect between any collective
20 bargaining agent of any nonstate public employees and their
21 employer.

22 (7) "Small employer" means any person, firm, corporation, limited
23 liability company, partnership or association actively engaged in
24 business or self-employed for at least three consecutive months who,
25 on at least fifty per cent of its working days during the preceding
26 twelve months, employed no more than fifty eligible employees, as
27 described in subsection (b) of this section, the majority of whom were
28 employed within this state. "Small employer" does not include any
29 nonstate public employer.

30 (8) "Nonprofit employer" means a nonprofit corporation, as
31 described in section 33-1002 of the general statutes. Nonprofit
32 employer does not include a nonstate public employer.

33 (9) "State employee plan" or "plan" means the plan offered to state
34 employees and retirees pursuant to section 5-259 of the general
35 statutes.

36 (10) "Health Care Costs Containment Committee" means the
37 committee established pursuant to the ratified agreement between the
38 state and state employees' Bargaining Agent Coalition pursuant to
39 subsection (f) of section 5-278 of the general statutes.

40 (b) For purposes of sections 1 to 8, inclusive, of this act, "eligible
41 employees" does not include employees covered through the employer
42 by health insurance plans or insurance arrangements issued to or in
43 accordance with a trust established pursuant to collective bargaining
44 subject to the federal Labor Management Relations Act. In determining
45 the number of eligible employees, companies which are affiliates, as
46 defined in section 33-840 of the general statutes, or which are eligible
47 to file a combined tax return under chapter 208 of the general statutes
48 shall be considered one employer.

49 Sec. 2. (NEW) (*Effective January 1, 2009*) (a) Notwithstanding any

50 provision of title 38a of the general statutes, the Comptroller shall offer
51 coverage under the state employee plan to nonstate public employees,
52 municipal-related employees, employees of small employers and
53 employees of nonprofit employers and shall pool such employees with
54 the state employee plan for experience rating purposes. Premium
55 payments for such coverage shall be remitted by the employer to the
56 Comptroller and shall be the same as those paid by the state, except as
57 otherwise provided in this section or section 4 of this act. The
58 Comptroller shall offer participation in such plan for no shorter than
59 three-year intervals and at the end of any interval, an employer may
60 apply for coverage for an additional interval.

61 (b) Nonstate public employees may join the plan in accordance with
62 this subsection.

63 (1) Upon receipt of an application from an employer to cover, under
64 the state employee plan, all employees of a municipality or all
65 employees of a school board, or all employees of any other nonstate
66 public employer, the Comptroller shall provide such coverage no later
67 than the first day of the second calendar month following such
68 application.

69 (2) Upon receipt of an application from an employer to cover, under
70 the state employee plan, some employees of such employer, the
71 Comptroller shall provide such coverage no later than the first day of
72 the second calendar month following such application provided such
73 coverage may be delayed by the Comptroller until all employees of the
74 employer are seeking coverage, to the extent that the Health Care
75 Costs Containment Committee certifies to the Comptroller that the
76 delay is necessary to prevent a nonstate public employer from shifting
77 a significantly disproportional part of its medical risks to the state
78 employee plan.

79 (c) Employees of small employers may join the plan in accordance
80 with this subsection.

81 (1) Premium rates for small employers shall be the total premium

82 rate paid by the state and a state employee for a particular health care
83 product offered by the Comptroller, except that an insurance carrier
84 may adjust such rates to reflect one or more of the characteristics
85 identified in subparagraph (A) of subdivision (5) of section 38a-567 of
86 the general statutes.

87 (2) Upon receipt of an application from an employer to cover, under
88 the state employee plan, all employees of such a small employer, the
89 Comptroller shall provide such coverage no later than the first day of
90 the second calendar month following such application.

91 (3) Upon receipt of an application from an employer to cover, under
92 the state employee plan, some employees of such an employer, the
93 Comptroller shall provide such coverage no later than the first day of
94 the second calendar month following such application provided such
95 coverage may be delayed by the Comptroller until all employees of the
96 employer are seeking coverage, to the extent that the Health Care
97 Costs Containment Committee certifies to the Comptroller that the
98 delay is necessary to prevent the employer from shifting a significantly
99 disproportional part of its medical risks to the state employee plan.

100 (d) Employees of municipal-related employers, which are not small
101 employers, and the employees of nonprofit employers, which are not
102 small employers, may join the plan in accordance with this subsection.

103 (1) Upon receipt of an application from an employer to cover, under
104 the state employee plan, all employees of such an employer, the
105 Comptroller shall provide such coverage no later than the first day of
106 the second calendar month following such application.

107 (2) Upon receipt of an application from an employer to cover, under
108 the state employee plan, some employees of such an employer, the
109 Comptroller shall provide such coverage no later than the first day of
110 the second calendar month following such application provided such
111 coverage may be delayed by the Comptroller until all employees of the
112 employer are seeking coverage, to the extent that the Health Care
113 Costs Containment Committee certifies to the Comptroller that the

114 delay is necessary to prevent the employer from shifting a significantly
115 disproportional part of its medical risks to the state employee plan.

116 (e) The decision by individual employees to accept or decline
117 coverage for themselves or their dependents shall have no impact on
118 whether, and on what terms, coverage is available to employers under
119 this section.

120 (f) Notwithstanding any provision of the general statutes, the state
121 employee plan shall not be deemed (1) an unauthorized insurer, or (2)
122 a multiple employer welfare arrangement. Any licensed insurer in this
123 state may conduct business with the state employee plan.

124 Sec. 3. (NEW) (*Effective January 1, 2009*) (a) Employers eligible,
125 pursuant to sections 1 to 8, inclusive, of this act, to seek coverage for
126 their employees under the state employee plan may seek such
127 coverage for their retirees in accordance with this section.

128 (b) Upon receipt of an application to cover, under the state
129 employee plan, such retirees, the Comptroller shall provide such
130 coverage no later than the first day of the second calendar month
131 following such application, provided such coverage may be denied by
132 the Comptroller to the extent that the Health Care Costs Containment
133 Committee certifies to the Comptroller that the denial is necessary to
134 prevent the employer from shifting a significantly disproportional part
135 of its medical risks to the state employee plan.

136 Sec. 4. (NEW) (*Effective January 1, 2009*) (a) Each employer shall pay
137 monthly the amount determined by the Comptroller pursuant to this
138 section for coverage of its employees under the state employee plan.
139 An employer may require each covered employee to contribute a
140 portion of the cost of such employee's coverage under the plan, subject
141 to any collective bargaining obligation applicable to such employer. If
142 any payment due under this subsection is not paid two months after
143 the date due, interest shall be added to such payment at the prevailing
144 rate of interest, as determined by the Comptroller. Such interest shall
145 be paid by the employer.

146 (b) There is established, within the General Fund, a separate,
147 nonlapsing account to be known as the state plan premium account.
148 All premiums paid by employers and employees pursuant to sections
149 1 to 8, inclusive, of this act shall be deposited into said account. The
150 account shall be administered by the Comptroller, in conjunction with
151 the Health Care Costs Containment Committee, for payment of
152 insurance premiums.

153 (c) In the event a municipal employer fails to make premium
154 payments for ninety days, the Comptroller may direct the State
155 Treasurer, or any other officer of the state that is the custodian of any
156 moneys made available by reason of any grant, allocation or
157 appropriation by the state or agencies thereof payable to a
158 municipality at any time subsequent to the failure of such
159 municipality, to pay such premiums and interest to withhold the
160 payment of such moneys in accordance with this subsection. Such
161 moneys shall be withheld until the amount of the premium or interest
162 then due and unpaid has been paid to the state, or until the Treasurer
163 or such officers determine that arrangements, satisfactory to the
164 Treasurer, have been made for the payment of such premium and
165 interest, except that such moneys shall not be withheld if such
166 withholding will adversely affect the receipt of any federal grant or aid
167 in connection with such moneys. In the event that a municipal-related
168 employer, small employer or nonprofit employer fails to make
169 premium payments for ninety days, the Comptroller may terminate
170 employee participation in the state employee plan and request the
171 Attorney General to recover any premium and interest costs.

172 Sec. 5. (NEW) (*Effective January 1, 2009*) The Office of the Healthcare
173 Advocate, working with the advice and consent of the Health Care
174 Costs Containment Committee, shall employ up to three
175 ombudspersons for the purpose of advising any eligible employer and
176 any collective bargaining agent of any eligible employers as to the
177 advantages or disadvantages to the employer and its employees of
178 procuring coverage under the state employee plan.

179 Sec. 6. (NEW) (*Effective from passage*) No coverage under the state
180 employee plan shall be offered to any additional employees made
181 eligible for coverage under sections 1 to 8, inclusive, until the State
182 Employees' Bargaining Agent Coalition has provided its consent to the
183 clerks of both houses of the General Assembly.

184 Sec. 7. (NEW) (*Effective January 1, 2009*) No later than January 1,
185 2010, the Comptroller, shall report to the General Assembly, in
186 accordance with section 11-4a of the general statutes,
187 recommendations for the terms and conditions under which access to
188 the state employee plan may be provided to those not authorized
189 access pursuant to sections 1 to 8, inclusive, of this act.

190 Sec. 8. (NEW) (*Effective from passage*) (a) There is established a
191 Municipal Health Care Advisory Committee. The committee shall
192 make advisory recommendations concerning health care coverage of
193 municipal employees to the Health Care Costs Containment
194 Committee. The committee shall consist of participating municipal
195 employers and employees and shall include the following members
196 appointed by a method to be determined by the Comptroller: (1) Three
197 municipal employer representatives, one of whom represents towns
198 with populations of one hundred thousand or more, one of whom
199 represents towns with populations of at least fifty thousand but under
200 one hundred thousand, and one of whom represents towns with
201 populations under fifty thousand; (2) three municipal employee
202 representatives, one of whom represents employees in towns with
203 populations of one hundred thousand or more, one of whom
204 represents employees in towns with populations of at least fifty
205 thousand but under one hundred thousand, and one of whom
206 represents employees in towns with populations under fifty thousand;
207 (3) three board of education employers, one of whom represents towns
208 with populations of one hundred thousand or more, one of whom
209 represents towns with populations of at least fifty thousand but under
210 one hundred thousand, and one of whom represents towns with
211 populations under fifty thousand; (4) three board of education
212 employee representatives, one of whom represents towns with

213 populations of one hundred thousand or more, one of whom
 214 represents towns with populations at least fifty thousand but under
 215 one hundred thousand and one of whom represents towns with
 216 populations under one hundred thousand; and (5) one neutral
 217 chairperson, who shall be a member of the National Academy of
 218 Arbitrators or an arbitrator authorized by the American Arbitration
 219 Association or the Federal Mediation and Conciliation Service to serve
 220 as a neutral arbitrator in labor relations cases.

221 (b) There is established a Private Sector Health Care Advisory
 222 Committee. The committee shall make advisory recommendations
 223 concerning health care coverage of employees to the Health Care Costs
 224 Containment Committee, as defined in section 1 of this act. The
 225 committee shall consist of the following members appointed by a
 226 method to be determined by the Comptroller: (1) Five private sector
 227 employer representatives; (2) five private sector employee
 228 representatives; and (3) one neutral chairperson, who shall be a
 229 member of the National Academy of Arbitrators or an arbitrator
 230 authorized by the American Arbitration Association or the Federal
 231 Mediation and Conciliation Service to serve as a neutral arbitrator in
 232 labor relations cases.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>January 1, 2009</i>	New section
Sec. 3	<i>January 1, 2009</i>	New section
Sec. 4	<i>January 1, 2009</i>	New section
Sec. 5	<i>January 1, 2009</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>January 1, 2009</i>	New section
Sec. 8	<i>from passage</i>	New section

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Joint Favorable Subst. C/R

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