



General Assembly

**Substitute Bill No. 5536**

February Session, 2008

\*        HB05536APP        040108        \*

**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       7, 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 a board of education, quasi-  
9       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 7, 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. Premium payments for such coverage shall be  
55 remitted by the employer to the Comptroller and shall be the same as  
56 those paid by the state, except as otherwise provided in this section or  
57 section 4 of this act. The Comptroller may charge each employer  
58 participating in the plan pursuant to this act an administrative fee that  
59 is based on a per member plan per month basis. The Comptroller shall  
60 offer participation in such plan for no shorter than three-year intervals  
61 and at the end of any interval, an employer may apply for coverage for  
62 an additional interval. Nothing in this act shall require the Comptroller  
63 to offer coverage under sections 1 to 7, inclusive, of this act from every  
64 vendor participating in the state employee plan.

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

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

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

82 employee plan.

83 (c) Employees of small employers may join the plan in accordance  
84 with this subsection, provided no such employees may join upon the  
85 Comptroller's determination that such participation would cause the  
86 plan to be subject to the requirements of the Employee Retirement  
87 Income Security Act of 1974 until the Comptroller determines that the  
88 state plan is compliant with said act.

89 (1) Premium rates for small employers shall be the total premium  
90 rate paid by the state and a state employee for a particular health care  
91 product offered by the Comptroller, except that an insurance carrier  
92 may adjust the rate paid by the state and a state employee for a  
93 particular health care product offered by the Comptroller to reflect one  
94 or more of the characteristics identified in subparagraph (A) of  
95 subdivision (5) of section 38a-567 of the general statutes.

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

100 (3) Upon receipt of an application from an employer to cover, under  
101 the state employee plan, some employees of such an employer, the  
102 Comptroller shall provide such coverage no later than the first day of  
103 the second calendar month following such application provided such  
104 coverage may be delayed by the Comptroller until all employees of the  
105 employer are seeking coverage, to the extent that the Health Care  
106 Costs Containment Committee certifies to the Comptroller that the  
107 delay is necessary to prevent the employer from shifting a significantly  
108 disproportional part of its medical risks to the state employee plan.

109 (d) Employees of municipal-related employers, which are not small  
110 employers, and the employees of nonprofit employers, which are not  
111 small employers, may join the plan in accordance with this subsection,  
112 provided no such employees may join upon the Comptroller's  
113 determination that such participation would cause the plan to be

114 subject to the requirements of the Employee Retirement Income  
115 Security Act of 1974 until the Comptroller determines that the state  
116 plan is compliant with said act.

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

121 (2) Upon receipt of an application from an employer to cover, under  
122 the state employee plan, some employees of such an employer, the  
123 Comptroller shall provide such coverage no later than the first day of  
124 the second calendar month following such application provided such  
125 coverage may be delayed by the Comptroller until all employees of the  
126 employer are seeking coverage, to the extent that the Health Care  
127 Costs Containment Committee certifies to the Comptroller that the  
128 delay is necessary to prevent the employer from shifting a significantly  
129 disproportional part of its medical risks to the state employee plan.

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

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

138 Sec. 3. (NEW) (*Effective January 1, 2009*) (a) Employers eligible,  
139 pursuant to sections 1 to 7, inclusive, of this act, to seek coverage for  
140 their employees under the state employee plan may seek such  
141 coverage for their retirees in accordance with this section.

142 (b) Upon receipt of an application to cover, under the state  
143 employee plan, such retirees, the Comptroller shall provide such  
144 coverage no later than the first day of the second calendar month

145 following such application, provided such coverage may be denied by  
146 the Comptroller to the extent that the Health Care Costs Containment  
147 Committee certifies to the Comptroller that the denial is necessary to  
148 prevent the employer from shifting a significantly disproportional part  
149 of its medical risks to the state employee plan.

150       Sec. 4. (NEW) (*Effective January 1, 2009*) (a) Each employer shall pay  
151 monthly the amount determined by the Comptroller pursuant to this  
152 section for coverage of its employees under the state employee plan.  
153 An employer may require each covered employee to contribute a  
154 portion of the cost of such employee's coverage under the plan, subject  
155 to any collective bargaining obligation applicable to such employer. If  
156 any payment due under this subsection is not paid after the date due,  
157 interest shall be added to such payment at the prevailing rate of  
158 interest, as determined by the Comptroller. Such interest shall be paid  
159 by the employer.

160       (b) There is established, within the General Fund, a separate,  
161 nonlapsing account to be known as the state plan premium account.  
162 All premiums paid by employers and employees pursuant to sections  
163 1 to 7, inclusive, of this act shall be deposited into said account. The  
164 account shall be administered by the Comptroller, in conjunction with  
165 the Health Care Costs Containment Committee, for payment of  
166 insurance premiums.

167       (c) In the event a municipal employer fails to make premium  
168 payments, the Comptroller may direct the State Treasurer, or any other  
169 officer of the state that is the custodian of any moneys made available  
170 by reason of any grant, allocation or appropriation by the state or  
171 agencies thereof payable to a municipality at any time subsequent to  
172 the failure of such municipality, to pay such premiums and interest to  
173 withhold the payment of such moneys in accordance with this  
174 subsection. Such moneys shall be withheld until the amount of the  
175 premium or interest then due and unpaid has been paid to the state, or  
176 until the Treasurer or such officers determine that arrangements,  
177 satisfactory to the Treasurer, have been made for the payment of such

178 premium and interest, except that such moneys shall not be withheld if  
179 such withholding will adversely affect the receipt of any federal grant  
180 or aid in connection with such moneys. In the event that a municipal-  
181 related employer, small employer or nonprofit employer fails to make  
182 premium payments, the Comptroller may terminate employee  
183 participation in the state employee plan and request the Attorney  
184 General to recover any premium and interest costs.

185       Sec. 5. (NEW) (*Effective from passage*) No coverage under the state  
186 employee plan shall be offered to any additional employees made  
187 eligible for coverage under sections 1 to 7, inclusive, until the State  
188 Employees' Bargaining Agent Coalition has provided its consent to the  
189 clerks of both houses of the General Assembly.

190       Sec. 6. (NEW) (*Effective January 1, 2009*) No later than January 1,  
191 2010, the Comptroller, shall report to the General Assembly, in  
192 accordance with section 11-4a of the general statutes,  
193 recommendations for the terms and conditions under which access to  
194 the state employee plan may be provided to those not authorized  
195 access pursuant to sections 1 to 7, inclusive, of this act.

196       Sec. 7. (NEW) (*Effective from passage*) (a) There is established a  
197 Municipal Health Care Advisory Committee. The committee shall  
198 make advisory recommendations concerning health care coverage of  
199 municipal employees to the Health Care Costs Containment  
200 Committee. The committee shall consist of participating municipal  
201 employers and employees and shall include the following members  
202 appointed by a method to be determined by the Comptroller: (1) Three  
203 municipal employer representatives, one of whom represents towns  
204 with populations of one hundred thousand or more, one of whom  
205 represents towns with populations of at least fifty thousand but under  
206 one hundred thousand, and one of whom represents towns with  
207 populations under fifty thousand; (2) three municipal employee  
208 representatives, one of whom represents employees in towns with  
209 populations of one hundred thousand or more, one of whom  
210 represents employees in towns with populations of at least fifty

211 thousand but under one hundred thousand, and one of whom  
 212 represents employees in towns with populations under fifty thousand;  
 213 (3) three board of education employers, one of whom represents towns  
 214 with populations of one hundred thousand or more, one of whom  
 215 represents towns with populations of at least fifty thousand but under  
 216 one hundred thousand, and one of whom represents towns with  
 217 populations under fifty thousand; (4) three board of education  
 218 employee representatives, one of whom represents towns with  
 219 populations of one hundred thousand or more, one of whom  
 220 represents towns with populations at least fifty thousand but under  
 221 one hundred thousand and one of whom represents towns with  
 222 populations under one hundred thousand; and (5) one neutral  
 223 chairperson, who shall be a member of the National Academy of  
 224 Arbitrators or an arbitrator authorized by the American Arbitration  
 225 Association or the Federal Mediation and Conciliation Service to serve  
 226 as a neutral arbitrator in labor relations cases.

227 (b) There is established a Private Sector Health Care Advisory  
 228 Committee. The committee shall make advisory recommendations  
 229 concerning health care coverage of employees to the Health Care Costs  
 230 Containment Committee, as defined in section 1 of this act. The  
 231 committee shall consist of the following members appointed by a  
 232 method to be determined by the Comptroller: (1) Five private sector  
 233 employer representatives; (2) five private sector employee  
 234 representatives; and (3) one neutral chairperson, who shall be a  
 235 member of the National Academy of Arbitrators or an arbitrator  
 236 authorized by the American Arbitration Association or the Federal  
 237 Mediation and Conciliation Service to serve as a neutral arbitrator in  
 238 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>from passage</i>	New section
Sec. 6	<i>January 1, 2009</i>	New section
Sec. 7	<i>from passage</i>	New section

**LAB**      *Joint Favorable Subst. C/R*                          APP

**APP**      *Joint Favorable Subst.*