



General Assembly

Substitute Bill No. 5536

February Session, 2008

* HB05536PD 041808 *

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	January 1, 2009	New section
Sec. 5	from passage	New section
Sec. 6	January 1, 2009	New section
Sec. 7	from passage	New section

LAB *Joint Favorable Subst. C/R* APP

APP *Joint Favorable Subst.*

INS *Joint Favorable*

PD *Joint Favorable*