



General Assembly

February Session, 2008

Raised Bill No. 311

LCO No. 1875

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Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING WELLNESS HEALTH BENEFIT PROGRAMS.

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 2 and 3
2 of this act:

3 (1) "Qualified wellness program" means a wellness program that is
4 certified by the Department of Public Health as provided in section 3
5 of this act.

6 (2) "Small employer" has the same meaning as provided in section
7 38a-564 of the 2008 supplement to the general statutes.

8 Sec. 2. (NEW) (*Effective July 1, 2008*) (a) There is established a tax
9 credit program for small employers that offer a qualified wellness
10 program to their employees. A small employer that elects to claim a
11 tax credit pursuant to this section shall submit to the Commissioner of
12 Revenue Services a copy of the certificate issued by the Commissioner
13 of Public Health, as provided in section 3 of this act, a copy of such
14 employer's qualified wellness program, proof of its premium
15 contributions and any additional information the Commissioner of

16 Revenue Services deems necessary, along with such employer's state
17 tax return filing.

18 (b) For income years commencing on or after January 1, 2009, there
19 shall be allowed a credit against the tax imposed under chapters 208
20 and 229 of the general statutes on a small employer's liability for either
21 tax. Such credit shall be in an amount equal to fifty per cent of the cost
22 of providing a qualified wellness program for such employer's
23 employees during the taxable year.

24 (c) A small employer qualifying under this section that is a limited
25 liability company, limited liability partnership, limited partnership or
26 S corporation, as defined in section 12-284b of the general statutes,
27 may distribute a credit to its members, shareholders or partners and
28 such members, shareholders or partners shall be eligible to use such
29 credit against the tax imposed under chapter 229 of the general
30 statutes. The amount of the credit a member, shareholder or partner is
31 entitled to shall be equal to the tax credit as determined in subsection
32 (b) of this section, multiplied by the percentage of the distributive
33 income of the limited liability company, limited liability partnership,
34 limited partnership or S corporation to which a member, shareholder
35 or partner is entitled.

36 (d) In the event the credit provided by this section exceeds the state
37 tax liability owed by a small employer qualified under this section,
38 such employer shall be entitled to carry forward the amount of the
39 unused credit to succeeding taxable years until such credit is fully
40 taken. Each time such credit is carried forward to a succeeding taxable
41 year, it shall be reduced by the amount that was used as a credit
42 during the year immediately preceding. In no event shall a small
43 employer be entitled to a carryback or refund of any such tax credit.

44 (e) The Commissioner of Revenue Services shall adopt regulations,
45 in accordance with the provisions of chapter 54 of the general statutes,
46 to carry out the requirements of this section.

47 (f) Not later than December 31, 2011, and not later than December
48 thirty-first of each odd-numbered year thereafter, the Commissioner of
49 Revenue Services shall report to the General Assembly, in accordance
50 with the provisions of section 11-4a of the general statutes, the number
51 of taxpayers claiming and receiving the tax credit provided by this
52 section during the preceding two calendar years, any reports of abuse
53 of such credit, and other information the Commissioner of Revenue
54 Services deems necessary concerning the use and effectiveness of such
55 credit.

56 Sec. 3. (NEW) (*Effective July 1, 2008*) (a) The Commissioner of Public
57 Health shall adopt regulations, in accordance with the provisions of
58 chapter 54 of the general statutes, to establish (1) minimum standards
59 for use by a small employer in establishing a wellness program to
60 improve the health of its employees, and (2) criteria and a process for
61 certification of a small employer's wellness program that meets such
62 minimum standards as a qualified wellness program for the purposes
63 of section 2 of this act.

64 (b) The minimum standards established under subsection (a) of this
65 section shall include a requirement that a wellness program provide
66 rewards or incentives for employee participation in a weight loss
67 program, smoking cessation program or preventive health care
68 services. Such rewards or incentives may include, but are not limited
69 to, full or partial reimbursement of the cost of participating in such
70 programs. For the purpose of this subsection, "preventive health care
71 services" shall not include services or benefits intended to treat an
72 existing illness, injury or condition.

73 (c) (1) A small employer may submit to the Commissioner of Public
74 Health for certification, in accordance with subdivision (2) of
75 subsection (a) of this section, a wellness program developed by such
76 employer.

77 (2) The Commissioner of Public Health shall review each
78 submission for certification and, based on the criteria established

79 under this section, shall make a determination of whether to certify
80 such submission as a qualified wellness program.

81 (3) If a wellness program is certified by the Commissioner of Public
82 Health, said commissioner shall provide to the small employer a
83 certificate that reflects such wellness program is a qualified wellness
84 program for the purposes of this section.

85 Sec. 4. Section 38a-825 of the general statutes is repealed and the
86 following is substituted in lieu thereof (*Effective January 1, 2009*):

87 (a) No insurance company doing business in this state, or attorney,
88 producer or any other person shall pay or allow, or offer to pay or
89 allow, as inducement to insurance, any rebate of premium payable on
90 the policy, or any special favor or advantage in the dividends or other
91 benefits to accrue thereon, or any valuable consideration or
92 inducement not specified in the policy of insurance. No person shall
93 receive or accept from any company, or attorney, producer or any
94 other person, as inducement to insurance, any such rebate of premium
95 payable on the policy, or any special favor or advantage in the
96 dividends or other benefit to accrue thereon, or any valuable
97 consideration or inducement not specified in the policy of insurance.
98 No person shall be excused from testifying or from producing any
99 books, papers, contracts, agreements or documents, at the trial of any
100 other person charged with the violation of any provision of this section
101 or of section 38a-446, on the ground that such testimony or evidence
102 may tend to incriminate him, but no person shall be prosecuted for any
103 act concerning which he is compelled to so testify or produce
104 documentary or other evidence, except for perjury committed in so
105 testifying.

106 (b) Notwithstanding subsection (a) of this section, an insurer, health
107 care center, hospital and medical service corporation or other entity
108 that delivers, issues for delivery, renews, amends or continues in this
109 state any accident or health insurance policy shall not be prohibited
110 from providing to a health insurance plan participant, enrollee or

111 certificate holder, as part of an overall plan to promote exercise and
112 wellness, full or partial reimbursement of membership dues paid by
113 such plan participant, enrollee or certificate holder to a health or
114 athletic club, health spa or gym.

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>January 1, 2009</i>	38a-825

Statement of Purpose:

To provide an incentive in the form of a tax credit to small employers to offer wellness programs to their employees, and to clarify that reimbursements by insurers for memberships at health clubs and gyms to promote employee health are not prohibited.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]