



General Assembly

February Session, 2008

**Raised Bill No. 473**

LCO No. 2272

\*02272\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

**AN ACT CONCERNING BUSINESS FEES FOR HEALTH CARE INSURANCE.**

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

1 Section 1. (NEW) (*Effective January 1, 2009*) As used in sections 2 to 4,  
2 inclusive, of this act:

3 (1) "Covered employee" means any person engaged in service to an  
4 employer in a business of the employer and who has performed work  
5 for compensation for such employer for not less than ninety days.  
6 "Covered employee" shall not include (A) any supervisory or  
7 confidential employee who earns greater than seventy-two thousand  
8 four hundred fifty dollars annually in 2008, and for subsequent years,  
9 the amount as set forth by the Labor Commissioner, (B) any person  
10 who is eligible to receive Medicare, TriCare or CHAMPUS benefits, (C)  
11 any person who is a contractor or subcontractor of the employer or an  
12 employee of such contractor or subcontractor, (D) any person who is  
13 employed by a nonprofit corporation for up to one year as a trainee in  
14 a bona fide training program consistent with federal law, where such  
15 training program enables the trainee to advance into a permanent  
16 position and provided that such trainee does not replace, displace or

17 lower the wage or benefits of any existing position or employee, or (E)  
18 any person whose employer verifies that such person is receiving  
19 health care services through another entity or source, provided the  
20 employer obtains from such person a voluntary written waiver of the  
21 health care expenditure requirements of sections 2 to 4, inclusive, of  
22 this act and discloses to such person that such waiver is revocable by  
23 such person at any time.

24 (2) "Covered employer" means any person, firm, corporation,  
25 limited liability company, partnership or association actively engaged  
26 in business who has more than twenty full-time employees in the state.

27 (3) "Health Access program" means a Department of Public Health  
28 program to provide health care uninsured Connecticut residents.

29 (4) "Health Access program participant" means an uninsured  
30 Connecticut resident, regardless of employment or immigration status  
31 or preexisting condition, who enrolls in the Health Access program as  
32 an individual or through such resident's employer under the terms  
33 established by the Commissioner of Public Health.

34 (5) "Health care expenditure" means any amount paid by a covered  
35 employer to its covered employees or to a third party on behalf of its  
36 covered employees for the purpose of providing health care services  
37 for covered employees or reimbursing the cost of such services for its  
38 covered employees, including, but not limited to, (A) contributions by  
39 such employer on behalf of its covered employees to a health savings  
40 account, as defined under section 223 of the United States Internal  
41 Revenue Code, of the Internal Revenue Code of 1986, or any  
42 subsequent corresponding internal revenue code of the United States,  
43 as from time to time amended, or to any other account having  
44 substantially the same purpose or effect without regard to whether  
45 such contributions qualify for a tax deduction or are excludable from  
46 employee income, (B) reimbursement by such covered employer to its  
47 covered employees for expenses incurred in the purchase of health  
48 care services, (C) payments by a covered employer to a third party for

49 the purpose of providing health care services for covered employees,  
50 and (D) costs incurred by a covered employer in the direct delivery of  
51 health care services to its covered employees. Notwithstanding any  
52 other provision of this subdivision, "health care expenditure" shall not  
53 include any payment made directly or indirectly for workers'  
54 compensation or Medicare benefits.

55 (6) "Health care expenditure rate" means the amount of health care  
56 expenditure a covered employer shall be required to make for each  
57 hour paid for each of its covered employees each quarter. On or after  
58 January 1, 2009, such rate shall be one dollar and twenty-five cents.

59 (7) "Health care services" means medical care, services or goods that  
60 may qualify as tax deductible medical care expenses under Section 213  
61 of the Internal Revenue Code of 1986, or any subsequent  
62 corresponding internal revenue code of the United States, as amended  
63 from time to time, or such medical care, services or goods having  
64 substantially the same purpose or effect as such deductible expenses.

65 (8) "Hour paid" or "hours paid" means a work hour or work hours  
66 for which a person is paid wages or is entitled to be paid wages for  
67 work performed, including paid vacation hours and paid sick leave  
68 hours, but not to exceed one hundred seventy-two hours in a single  
69 month. For salaried persons, "hours paid" shall be calculated based on  
70 a forty-hour work week for a full-time employee.

71 (9) "Person" means any natural person, corporation, sole  
72 proprietorship, partnership, association, joint venture, limited liability  
73 company or other legal entity.

74 (10) "Required health care expenditure" means the total health care  
75 expenditure that a covered employer is required to make every quarter  
76 for all its covered employees.

77 Sec. 2. (NEW) (*Effective January 1, 2009*) (a) The Department of Public  
78 Health shall administer the Health Access program. Under said

79 program, uninsured Connecticut residents may obtain health care  
80 from a network of hospitals, clinics and other community nonprofit  
81 and private health care providers that meet the program's quality and  
82 other criteria for participation. The Health Access program is not an  
83 insurance plan for program participants.

84 (b) The Commissioner of Public Health shall adopt regulations, in  
85 accordance with chapter 54 of the general statutes, to establish  
86 eligibility criteria to determine the benefits of and administer the  
87 operation of the Health Access program. The regulations shall also  
88 establish procedures for (1) covered employers to maintain accurate  
89 records of health care expenditures and required health care  
90 expenditures, (2) providing notice to covered employers that they may  
91 have violated provisions of this section and sections 3 and 4 of this act,  
92 a right to respond to the notice, a procedure for notification of the final  
93 determination of a violation, an appeal procedure before a hearing  
94 officer appointed by the Commissioner of Public Health, and a means  
95 of review of the hearing officer's decision, and (3) the amounts of  
96 penalties and fines for violations of this section and sections 3 and 4 of  
97 this act. Said commissioner shall have the authority to enter into a  
98 contract with a third party vendor to administer program operations,  
99 including, but not limited to, basis customer services, enrollment,  
100 tracking service utilization, billing and communication with  
101 participants.

102 (c) The Health Access program shall be open to uninsured  
103 Connecticut residents, regardless of employment status. No person  
104 shall be excluded from said program based on a preexisting condition.  
105 Participants may enroll themselves as individuals, pursuant to the  
106 terms of section 4 of this act.

107 (d) The Health Access program may be funded from a variety of  
108 sources, including, but not limited to, from covered employers  
109 pursuant to section 3 of this act, from individuals and from the state.  
110 Funding from the state shall prioritize services for low and moderate

111 income persons, with costs based on the Health Access program  
112 participant's ability to pay.

113 (e) Health Access program participants shall be assigned to a  
114 primary care physician, nurse practitioner or physician assistant. The  
115 Health Access program shall use a "medical home" model in which  
116 such primary care physician, nurse practitioner or physician assistant  
117 shall develop and direct a plan of care for each program participant,  
118 coordinate referrals for testing and specialty services and monitor  
119 management of chronic conditions and diseases.

120 (f) The Health Access program shall provide medical services with  
121 an emphasis on wellness, preventive care and innovative service  
122 delivery. Said program shall provide medical services for the  
123 prevention, diagnosis and treatment of medical conditions, excluding  
124 vision, dental, infertility and cosmetic services. The services offered by  
125 the program shall include, but not be limited to: (1) Professional  
126 medical services by physicians, nurse practitioners, physician  
127 assistants and other licensed health care providers such as preventive,  
128 primary, diagnostic and specialty services; (2) inpatient and outpatient  
129 hospital services, including, but not limited to, acute inpatient mental  
130 health services; (3) diagnostic and laboratory services, including, but  
131 not limited to, therapeutic radiological services; (4) prescription drugs,  
132 excluding drugs for excluded services; (5) home health care; and (6)  
133 emergency care provided in the state by contracted providers,  
134 including emergency medical transportation if needed.

135 (g) The Commissioner of Public Health shall be authorized to use  
136 payments made by covered employers to satisfy their health care  
137 expenditures as provided in section 3 of this act to establish and  
138 maintain reimbursement accounts from which covered employees may  
139 obtain reimbursement of health care expenditures.

140 (h) There is established a "Health Access program account", which  
141 shall be a separate, nonlapsing account within the General Fund. The  
142 account shall contain any moneys required by law to be deposited in

143 the account, and the State Treasurer shall administer said account. Use  
144 of such moneys deposited in said account shall be limited to paying  
145 the expenditures of the Health Access program or to the establishment  
146 and maintenance of reimbursement accounts from which covered  
147 employees may obtain reimbursement of health care expenditures. If a  
148 covered employee fails to enroll in the Health Access program or to  
149 establish a reimbursement account with the Department of Public  
150 Health within a reasonable time, as determined by the Commissioner  
151 of Public Health, the State Treasurer may use the funds paid to the  
152 account on behalf of such covered employee for the benefit of the  
153 health care programs created by this section and sections 3 and 4 of  
154 this act.

155       Sec. 3. (NEW) (*Effective January 1, 2009*) (a) Covered employers shall  
156 make required health care expenditures to or on behalf of their covered  
157 employees each quarter. The required health care expenditure for a  
158 covered employer shall be calculated by multiplying the total number  
159 of hours paid for each of its covered employees during the quarter,  
160 except that only hours starting on the first day of the calendar month  
161 following ninety calendar days after a covered employee's date of hire  
162 shall be included, by the health care expenditure rate, as specified in  
163 subdivision (6) of section 1 of this act. In determining whether a  
164 covered employer has made its required health care expenditures,  
165 payments to or on behalf of a covered employee shall not be  
166 considered if they exceed the number of hours paid for the covered  
167 employee during the quarter multiplied by the health care expenditure  
168 rate.

169       (b) A covered employer shall (1) maintain accurate records of health  
170 care expenditures, required health care expenditures and proof of such  
171 expenditures made each quarter each year, and allow the Department  
172 of Public Health or the Labor Department reasonable access to such  
173 records, provided that covered employers shall not be required to  
174 maintain such records in any particular form, and (2) provide  
175 information to said departments on an annual basis as said

176 departments may require, except that no covered employer shall be  
177 required to disclose information in violation of state or federal privacy  
178 laws. If a covered employer does not maintain or retain adequate  
179 records documenting the health expenditures made, or does not  
180 permit said departments reasonable access to such records, it shall be  
181 presumed that such employer did not make the required health care  
182 expenditure for the quarter for which records are lacking, absent clear  
183 and convincing evidence to the contrary. The State Treasurer shall  
184 have the authority to provide any and all nonfinancial information to  
185 the Commissioner of Public Health necessary to fulfill said  
186 commissioner's responsibilities under this section and sections 2 and 4  
187 of this act. All such information provided by the State Treasurer shall  
188 be subject to all applicable federal or state confidentiality laws.

189       Sec. 4. (NEW) (*Effective January 1, 2009*) (a) During implementation  
190 of this section and sections 2 and 3 of this act and on an ongoing basis  
191 thereafter, the Department of Public Health shall maintain an  
192 education and advice program to assist employers with meeting the  
193 requirements of this section and sections 2 and 3 of this act.

194       (b) Any employer that reduces the number of employees below the  
195 number that would have resulted in the employer being considered a  
196 "covered employer" shall demonstrate that such reduction was not  
197 done for the purpose of evading the obligations of this section and  
198 sections 2 and 3 of this act or shall be in violation of this section and  
199 sections 2 and 3 of this act.

200       (c) It shall be unlawful for any employer or covered employer to  
201 deprive or threaten to deprive any person of employment, take or  
202 threaten to take any reprisal or retaliatory action against any person, or  
203 directly or indirectly intimidate, threaten, coerce, command or  
204 influence or attempt to intimidate, threaten, coerce, command or  
205 influence any person because such person has cooperated or otherwise  
206 participated in an action to enforce, inquire about or inform others  
207 about the requirements of this section and sections 2 and 3 of this act.

208 Taking adverse action against a person up to ninety days after the  
209 person's exercise of rights protected under this section and sections 2  
210 and 3 of this act shall raise a rebuttable presumption of having done so  
211 in retaliation for the exercise of such rights.

212 (d) The Commissioner of Public Health shall enforce the obligations  
213 of employers and covered employers under this section and sections 2  
214 and 3 of this act. If a covered employer violates this section or section 3  
215 of this act, such employer shall be fined five hundred dollars for the  
216 first offense and an additional five hundred dollars for each month  
217 during which such employer continues such violation.

218 (e) The Commissioner of Public Health shall prepare periodic  
219 reports, in accordance with the provisions of section 11-4a of the  
220 general statutes, to the General Assembly, on the implementation of  
221 this section and sections 2 and 3 of this act, including, but not limited  
222 to, participant rates, any effect on services provided by the Department  
223 of Public Health, the cost of providing services to the Health Access  
224 program participants and the economic impact of the provisions of this  
225 section and sections 2 and 3 of this act.

226 (f) The Commissioner of Public Health may convene an advisory  
227 Health Access Working Group to provide the Department of Public  
228 Health and the Health Access program with expert consultation and  
229 direction, as appropriate. The Health Access Working Group shall be  
230 advisory in nature and shall provide the Health Access program with  
231 input on matters including, but not limited to, setting membership  
232 rates, designing the range of benefits and health care services for  
233 participants, and researching utilization, actuaries and costs.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>January 1, 2009</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
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**Statement of Purpose:**

To provide more Connecticut residents with access to health care.

*[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.]*