



General Assembly

February Session, 2008

**Amendment**

LCO No. 4748

\*HB0553604748HDO\*

Offered by:  
REP. DONOVAN, 84<sup>th</sup> Dist.

To: Subst. House Bill No. 5536      File No. 486      Cal. No. 288

**"AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP."**

1      Strike everything after the enacting clause and substitute the  
2      following in lieu thereof:

3      "Section 1. (NEW) (*Effective from passage*) (a) As used in sections 1 to  
4      7, inclusive, of this act:

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

9      (2) "Nonstate public employer" means a municipality or other  
10     political subdivision of the state, including a board of education, quasi-  
11     public agency or public library.

12     (3) "Nonstate public employee" means any employee or elected  
13     officer of a nonstate public employer.

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

17 (5) "Municipal-related employee" means any employee of a  
18 municipal-related employer performing services in connection with a  
19 contract with a nonstate public employer.

20 (6) "Nonstate public collective bargaining agreement" means the  
21 collective bargaining agreement in effect between any collective  
22 bargaining agent of any nonstate public employees and their  
23 employer.

24 (7) "Small employer" means any person, firm, corporation, limited  
25 liability company, partnership or association actively engaged in  
26 business or self-employed for at least three consecutive months who,  
27 on at least fifty per cent of its working days during the preceding  
28 twelve months, employed no more than fifty employees, as described  
29 in subsection (b) of this section, the majority of whom were employed  
30 within this state. "Small employer" does not include any nonstate  
31 public employer. In determining the number of eligible employees,  
32 companies which are affiliates, as defined in section 33-840 of the  
33 general statutes, or which are eligible to file a combined tax return  
34 under chapter 208 of the general statutes shall be considered one  
35 employer.

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

39 (9) "State employee plan" or "state plan" means the group  
40 hospitalization, medical, pharmacy and surgical insurance plan offered  
41 to state employees and retirees pursuant to section 5-259 of the general  
42 statutes.

43 (10) "Health Care Costs Containment Committee" means the  
44 committee established pursuant to the ratified agreement between the

45 state and state employees' Bargaining Agent Coalition pursuant to  
46 subsection (f) of section 5-278 of the general statutes.

47 (b) No employee shall be enrolled in the state plan if such employee  
48 is covered through such employee's employer by health insurance  
49 plans or insurance arrangements issued to or in accordance with a  
50 trust established pursuant to collective bargaining subject to the  
51 federal Labor Management Relations Act.

52 Sec. 2. (NEW) (*Effective September 1, 2008*) (a) Notwithstanding any  
53 provision of title 38a of the general statutes, the Comptroller shall offer  
54 coverage under the state employee plan to nonstate public employees,  
55 municipal-related employees, employees of small employers and  
56 employees of nonprofit employers and shall pool such employees with  
57 the state employee plan, provided the Comptroller receives an  
58 application from an employer of any such employees and the  
59 application is approved in accordance with sections 1 to 7, inclusive, of  
60 this act. Premium payments for such coverage shall be remitted by the  
61 employer to the Comptroller and shall be the same as those paid by the  
62 state inclusive of any premiums paid by state employees, except as  
63 otherwise provided in this section or section 4 of this act. The  
64 Comptroller may charge each employer participating in the plan  
65 pursuant to sections 1 to 7, inclusive, of this act an administrative fee  
66 calculated on a per member per month basis. The Comptroller shall  
67 offer participation in such plan for no shorter than three-year intervals  
68 and, at the end of any interval, an employer may apply for coverage  
69 for an additional interval. The Comptroller shall develop procedures  
70 by which employers receiving coverage for their employees pursuant  
71 to the plan may withdraw from such coverage. Any such procedures  
72 shall provide that nonstate public employees covered by collective  
73 bargaining shall withdraw from such coverage in accordance with  
74 chapters 68, 113 and 166 of the general statutes. Nothing in sections 1  
75 to 7, inclusive, of this act shall (1) require the Comptroller to offer  
76 coverage to every employer seeking coverage under sections 1 to 7,  
77 inclusive, of this act from every vendor providing coverage under the  
78 state employee plan, or (2) prevent the Comptroller from procuring

79 coverage for nonstate employees from vendors other than those  
80 providing coverage to state employees. The Comptroller shall create  
81 applications for the purposes of this act. Such applications shall require  
82 an employer to disclose whether the employer will offer any other  
83 health plan to the employees who are offered the state plan.

84 (b) Nonstate public employees may receive coverage under the state  
85 plan in accordance with this subsection.

86 (1) A nonstate public employer may submit an application to the  
87 Comptroller for coverage under the state plan of such employer's  
88 employees.

89 (2) If a nonstate public employer submits an application for  
90 coverage of all of its employees, the Comptroller shall provide such  
91 coverage no later than the first day of the third calendar month  
92 following such application. A board of education and a municipality  
93 shall be considered separate employers for purposes of this act.

94 (3) If a nonstate public employer submits an application for less  
95 than all of its employees, or indicates in the application the employer  
96 will offer other health plans to employees who are offered the state  
97 health plan, the Comptroller shall forward such application to the  
98 Health Care Cost Containment Committee not later than five business  
99 days after receiving such application. Said committee may, not later  
100 than thirty days after receiving such application, certify to the  
101 Comptroller that the application will shift a significantly  
102 disproportional part of a nonstate public employer's medical risks to  
103 the state employee plan. If the Comptroller receives such certification,  
104 the Comptroller shall not provide coverage to such employer. If the  
105 Comptroller does not receive such certification, the Comptroller shall  
106 provide coverage no later than the first day of the third calendar  
107 month following the deadline for receiving the certification.

108 (4) Any other provisions of the general statutes notwithstanding,  
109 initial participation in the state employee plan shall be a permissive  
110 subject of collective bargaining and shall be subject to binding interest

111 arbitration only if the collective bargaining agent and the employer  
112 mutually agree to bargain over such initial participation. Such mutual  
113 agreement shall be in writing and signed by authorized  
114 representatives of the collective bargaining agent and the employer.  
115 Continuation in the state employee plan, after initial participation,  
116 shall be a mandatory subject of bargaining, and shall be subject to  
117 binding interest arbitration in accordance with the same procedures  
118 and standards that apply to any other mandatory subject of bargaining  
119 pursuant to chapters 68, 113 and 166 of the general statutes.

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

122 (1) A small employer may submit an application to the Comptroller  
123 for coverage under the state plan of such employer's employees.

124 (2) The Comptroller shall not grant applications for coverage under  
125 the state plan if the Comptroller determines that such coverage would  
126 cause the plan to be subject to the requirements of the Employee  
127 Retirement Income Security Act of 1974. The Comptroller shall resume  
128 granting applications for coverage under the state plan if the  
129 Comptroller determines that the state plan is compliant with said act.

130 (3) Premium rates for small employers shall be the total premium  
131 rate paid by the state inclusive of any premiums paid by state  
132 employees for a particular health care product offered by the  
133 Comptroller, except that an insurance carrier offering coverage under  
134 the state plan may adjust such rate to reflect one or more of the  
135 characteristics identified in subparagraph (A) of subdivision (5) of  
136 section 38a-567 of the general statutes.

137 (4) If a small employer submits an application for coverage of all  
138 employees of such small employer, the Comptroller shall provide such  
139 coverage no later than the first day of the third calendar month  
140 following such application.

141 (5) If a small employer submits an application for less than all of its

142 employees or indicates in the application the employer will offer other  
143 health plans to employees who are offered the state health plan, the  
144 Comptroller shall forward such application to the Health Care Cost  
145 Containment Committee not later than five business days after  
146 receiving such application. Said committee may, not later than thirty  
147 days after receiving such application, certify to the Comptroller that  
148 the application will shift a significantly disproportional part of a small  
149 employer's medical risks to the state employee plan. If the Comptroller  
150 receives such certification, the Comptroller shall not provide coverage  
151 to such employer. If the Comptroller does not receive such  
152 certification, the Comptroller shall provide coverage no later than the  
153 first day of the third calendar month following the deadline for  
154 receiving the certification.

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

158 (1) A municipal-related employer, which is not a small employer,  
159 and a nonprofit employer, which is not a small employer may submit  
160 an application to the Comptroller for coverage under the state plan of  
161 such employer's employees.

162 (2) The Comptroller shall not grant applications for coverage under  
163 the state plan if the Comptroller determines that such coverage would  
164 cause the plan to be subject to the requirements of the Employee  
165 Retirement Income Security Act of 1974. The Comptroller shall resume  
166 granting applications for coverage under the state plan if the  
167 Comptroller determines that the state plan is compliant with said act.

168 (3) If a municipal-related employer, which is not a small employer,  
169 or a nonprofit employer, which is not a small employer, submits an  
170 application for all of its employees, the Comptroller shall provide such  
171 coverage no later than the first day of the third calendar month  
172 following such application.

173 (4) If a municipal-related employer, which is not a small employer,

174 or a nonprofit employer, which is not a small employer, submits an  
175 application for less than all of its employees, or indicates in the  
176 application the employer will offer other health plans to employees  
177 who are offered the state health plan, the Comptroller shall forward  
178 such application to the Health Care Cost Containment Committee not  
179 later than five business days after receiving such application. Said  
180 committee may, not later than thirty days after receiving such  
181 application, certify to the Comptroller that the application will shift a  
182 significantly disproportional part of such employer's medical risks to  
183 the state employee plan. If the Comptroller receives such certification,  
184 the Comptroller shall not provide coverage to such employer. If the  
185 Comptroller does not receive such certification, the Comptroller shall  
186 provide coverage no later than the first day of the third calendar  
187 month following the deadline for receiving the certification.

188 (e) The Comptroller shall not forward an employer's application for  
189 coverage for review by the Health Care Cost Containment Committee,  
190 pursuant to this section, due to (1) the decision by individual  
191 employees to decline coverage from their employer for themselves or  
192 their dependents; or (2) the employer's decision to not offer coverage  
193 to temporary, part-time or durational employees.

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

198 Sec. 3. (NEW) (*Effective September 1, 2008*) (a) Employers eligible,  
199 pursuant to sections 1 to 7, inclusive, of this act, to seek coverage for  
200 their employees under the state employee plan may seek such  
201 coverage for their retirees in accordance with sections 1 to 7, inclusive,  
202 of this act. Premium payments for such coverage shall be remitted by  
203 the employer to the Comptroller and shall be the same as those paid by  
204 the state, inclusive of any premiums paid by retired state employees.

205 (b) If an employer seeks coverage for all of such employer's retirees

206 in accordance with this section and all of such employer's employees in  
207 accordance with section 2 of this act, the Comptroller shall provide  
208 coverage no later than the first day of the third calendar month  
209 following such application. If an employer seeks coverage for less than  
210 all of such employer's retirees, regardless of whether the employer is  
211 seeking coverage for all of such employer's active employees, the  
212 Comptroller shall forward such application to the Health Care Cost  
213 Containment Committee not later than five business days after  
214 receiving such application. Said committee may, not later than thirty  
215 days after receiving such application, certify to the Comptroller that,  
216 with respect to such retirees, the application will shift a significantly  
217 disproportional part of an employer's medical risks to the state  
218 employee plan. If the Comptroller receives such certification, the  
219 Comptroller shall not provide coverage to such employer's retirees. If  
220 the Comptroller does not receive such certification, the Comptroller  
221 shall provide coverage no later than the first day of the third calendar  
222 month following the deadline for receiving the certification.

223 (c) Nothing in sections 1 to 8, inclusive, of this act shall diminish any  
224 right to retiree health insurance pursuant to a collective bargaining  
225 agreement or to any other provision of the general statutes.

226 Sec. 4. (NEW) (*Effective September 1, 2008*) (a) Each employer shall  
227 pay monthly the amount determined by the Comptroller, pursuant to  
228 sections 1 to 7, inclusive, of this act, for coverage of its employees or its  
229 employees and retirees, as appropriate under the state employee plan.  
230 An employer may require each covered employee to contribute a  
231 portion of the cost of such employee's coverage under the plan, subject  
232 to any collective bargaining obligation applicable to such employer. If  
233 any payment due by an employer under this subsection is not paid  
234 after the date due, interest shall be added to such payment at the  
235 prevailing rate of interest, as determined by the Comptroller. Such  
236 interest shall be paid by the employer.

237 (b) There is established, within the General Fund, a separate,  
238 nonlapsing account to be known as the state plan premium account.



239 All premiums paid by employers and employees pursuant to sections  
240 1 to 7, inclusive, of this act shall be deposited into said account. The  
241 account shall be administered by the Comptroller, with the advice of  
242 the Health Care Costs Containment Committee, for payment of  
243 insurance premiums.

244 (c) In the event a nonstate public employer fails to make premium  
245 payments, the Comptroller may direct the State Treasurer, or any other  
246 officer of the state that is the custodian of any moneys made available  
247 by reason of any grant, allocation or appropriation by the state or  
248 agencies thereof payable to a nonstate public employer at any time  
249 subsequent to the failure of such nonstate public employer, to pay such  
250 premiums and interest to withhold the payment of such moneys in  
251 accordance with this subsection. Such moneys shall be withheld until  
252 the amount of the premium or interest then due and unpaid has been  
253 paid to the state, or until the Treasurer or such officers determine that  
254 arrangements, satisfactory to the Treasurer, have been made for the  
255 payment of such premium and interest, except that such moneys shall  
256 not be withheld if such withholding will adversely affect the receipt of  
257 any federal grant or aid in connection with such moneys. In the event  
258 that a municipal-related employer, small employer or nonprofit  
259 employer fails to make premium payments, the Comptroller may  
260 terminate employee participation in the state employee plan and  
261 request the Attorney General to recover any premium and interest  
262 costs.

263 Sec. 5. (NEW) (*Effective from passage*) The Comptroller shall not offer  
264 coverage under the state employee plan pursuant to sections 1 to 7,  
265 inclusive, of this act until the State Employees' Bargaining Agent  
266 Coalition has provided its consent to the clerks of both houses of the  
267 General Assembly to incorporate the terms of sections 1 to 7, inclusive,  
268 of this act into its collective bargaining agreement.

269 Sec. 6. (NEW) (*Effective January 1, 2009*) No later than January 1,  
270 2010, the Comptroller, shall report to the General Assembly, in  
271 accordance with section 11-4a of the general statutes,

272 recommendations for the terms and conditions under which access to  
273 the state employee plan may be provided to those not authorized  
274 access pursuant to sections 1 to 8, inclusive, of this act.

275 Sec. 7. (NEW) (*Effective from passage*) (a) There is established a  
276 Nonstate Public Health Care Advisory Committee. The committee  
277 shall make advisory recommendations concerning health care  
278 coverage of nonstate public employees to the Health Care Costs  
279 Containment Committee. The advisory committee shall consist of  
280 nonstate public employers and employees participating in the state  
281 plan and shall include the following members appointed by a method  
282 to be determined by the Comptroller: (1) Three municipal employer  
283 representatives, one of whom represents towns with populations of  
284 one hundred thousand or more, one of whom represents towns with  
285 populations of at least fifty thousand but under one hundred  
286 thousand, and one of whom represents towns with populations under  
287 fifty thousand; (2) three municipal employee representatives, one of  
288 whom represents employees in towns with populations of one  
289 hundred thousand or more, one of whom represents employees in  
290 towns with populations of at least fifty thousand but under one  
291 hundred thousand, and one of whom represents employees in towns  
292 with populations under fifty thousand; (3) three board of education  
293 employers, one of whom represents towns with populations of one  
294 hundred thousand or more, one of whom represents towns with  
295 populations of at least fifty thousand but under one hundred  
296 thousand, and one of whom represents towns with populations under  
297 fifty thousand; (4) three board of education employee representatives,  
298 one of whom represents towns with populations of one hundred  
299 thousand or more, one of whom represents towns with populations of  
300 at least fifty thousand but under one hundred thousand, and one of  
301 whom represents towns with populations under one hundred  
302 thousand; and (5) one neutral chairperson, who shall be a member of  
303 the National Academy of Arbitrators or an arbitrator authorized by the  
304 American Arbitration Association or the Federal Mediation and  
305 Conciliation Service to serve as a neutral arbitrator in labor relations

306 cases.

307 (b) There is established a Private Sector Health Care Advisory  
308 Committee. The committee shall make advisory recommendations  
309 concerning health care coverage of employees to the Health Care Costs  
310 Containment Committee. The advisory committee shall consist of the  
311 following members appointed by a method to be determined by the  
312 Comptroller: (1) Five private sector employer representatives; (2) five  
313 private sector employee representatives; and (3) one neutral  
314 chairperson, who shall be a member of the National Academy of  
315 Arbitrators or an arbitrator authorized by the American Arbitration  
316 Association or the Federal Mediation and Conciliation Service to serve  
317 as a neutral arbitrator in labor relations cases.

318 Sec. 8. (NEW) (*Effective January 1, 2009*) Notwithstanding any  
319 provision of the general statutes, two or more municipalities may form  
320 a single group, by written agreement, for the purpose of procuring  
321 health insurance for their employees. Such written agreement shall  
322 establish the membership of such group, the duration of such health  
323 insurance coverage, requirements regarding the payment of premiums  
324 for such health insurance coverage, and the procedure for a  
325 municipality to withdraw from such group and terminate such health  
326 insurance coverage. A group established pursuant to this section shall  
327 procure such health insurance coverage on a fully underwritten basis.  
328 Such health insurance coverage shall meet the requirements set forth in  
329 chapter 700c of the general statutes. Any group established pursuant to  
330 this section shall not be deemed a fictitious group if the group is  
331 procuring health insurance coverage in accordance with this section.

332 Sec. 9. Subparagraph (B) of subdivision (4) of section 38a-564 of the  
333 2008 supplement to the general statutes is repealed and the following  
334 is substituted in lieu thereof (*Effective January 1, 2009*):

335 (B) "Small employer" does not include (i) a municipality procuring  
336 health insurance pursuant to section 5-259 of the 2008 supplement to  
337 the general statutes or section 2 of this act, (ii) a private school in this

338 state procuring health insurance through a health insurance plan or an  
 339 insurance arrangement sponsored by an association of such private  
 340 schools, (iii) a nonprofit organization procuring health insurance  
 341 pursuant to section 5-259 of the 2008 supplement to the general  
 342 statutes, unless the Secretary of the Office of Policy and Management  
 343 and the State Comptroller make a request in writing to the Insurance  
 344 Commissioner that such nonprofit organization be deemed a small  
 345 employer for the purposes of this chapter, (iv) an association for  
 346 personal care assistants procuring health insurance pursuant to section  
 347 5-259 of the 2008 supplement to the general statutes, or (v) a  
 348 community action agency procuring health insurance pursuant to  
 349 section 5-259 of the 2008 supplement to the general statutes."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>September 1, 2008</i>	New section
Sec. 3	<i>September 1, 2008</i>	New section
Sec. 4	<i>September 1, 2008</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
Sec. 8	<i>January 1, 2009</i>	New section
Sec. 9	<i>January 1, 2009</i>	38a-564(4)(B)