



General Assembly

February Session, 2008

Amendment

LCO No. 4714

HB0553604714HDO

Offered by:
REP. DONOVAN, 84th 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.

203 (b) If an employer seeks coverage for all of such employer's retirees
204 in accordance with this section and all of such employer's employees in
205 accordance with section 2 of this act, the Comptroller shall provide

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

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

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

235 (b) There is established, within the General Fund, a separate,
236 nonlapsing account to be known as the state plan premium account.
237 All premiums paid by employers and employees pursuant to sections
238 1 to 7, inclusive, of this act shall be deposited into said account. The

239 account shall be administered by the Comptroller, with the advice of
240 the Health Care Costs Containment Committee, for payment of
241 insurance premiums.

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

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

267 Sec. 6. (NEW) (*Effective January 1, 2009*) No later than January 1,
268 2010, the Comptroller, shall report to the General Assembly, in
269 accordance with section 11-4a of the general statutes,
270 recommendations for the terms and conditions under which access to
271 the state employee plan may be provided to those not authorized

272 access pursuant to sections 1 to 8, inclusive, of this act.

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

305 (b) There is established a Private Sector Health Care Advisory

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

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

330 Sec. 9. Subparagraph (B) of subdivision (4) of section 38a-564 of the
331 2008 supplement to the general statutes is repealed and the following
332 is substituted in lieu thereof (*Effective January 1, 2009*):

333 (B) "Small employer" does not include (i) a municipality procuring
334 health insurance pursuant to section 5-259 of the 2008 supplement to
335 the general statutes or section 2 of this act, (ii) a private school in this
336 state procuring health insurance through a health insurance plan or an
337 insurance arrangement sponsored by an association of such private
338 schools, (iii) a nonprofit organization procuring health insurance

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