



General Assembly

**Amendment**

February Session, 2008

LCO No. 5263

**\*HB0553605263SR0\***

Offered by:

SEN. MCKINNEY, 28<sup>th</sup> Dist.

SEN. FASANO, 34<sup>th</sup> Dist.

To: Subst. House Bill No. 5536

File No. 731

Cal. No. 480

**"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.

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

12 (4) "Nonstate public collective bargaining agreement" means the

13 collective bargaining agreement in effect between any collective  
14 bargaining agent of any nonstate public employees and their  
15 employer.

16 (5) "State employee plan" or "state plan" means the group  
17 hospitalization, medical, pharmacy and surgical insurance plan offered  
18 to state employees and retirees pursuant to section 5-259 of the general  
19 statutes.

20 (6) "Health Care Costs Containment Committee" means the  
21 committee established pursuant to the ratified agreement between the  
22 state and state employees' Bargaining Agent Coalition pursuant to  
23 subsection (f) of section 5-278 of the general statutes.

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

29 Sec. 2. (NEW) (*Effective September 1, 2008*) (a) Notwithstanding any  
30 provision of title 38a of the general statutes, for the period from  
31 September 1, 2008, to September 1, 2010, the Comptroller shall offer  
32 coverage under the state employee plan to the nonstate public  
33 employees of three nonstate public employers, one of which is a  
34 municipality with a population over one hundred thousand, one of  
35 which is a municipality with a population of at least fifty thousand but  
36 under seventy-five thousand and one of which is a municipality with a  
37 population under twenty-five thousand, and shall pool such  
38 employees with the state employee plan, provided the Comptroller  
39 receives an application from the employer of any such employees and  
40 the application is approved in accordance with sections 1 to 7,  
41 inclusive, of this act. Premium payments for such coverage shall be  
42 remitted by the employer to the Comptroller and shall be the same as  
43 those paid by the state inclusive of any premiums paid by state  
44 employees, except as otherwise provided in this section or section 4 of

45 this act. The Comptroller may charge each nonstate public employer  
46 participating in the plan pursuant to sections 1 to 7, inclusive, of this  
47 act an administrative fee calculated on a per member per month basis.  
48 The Comptroller shall offer participation in such plan for no shorter  
49 than a two-year interval. The Comptroller shall develop procedures by  
50 which employers receiving coverage for their employees pursuant to  
51 the plan may withdraw from such coverage. Any such procedures  
52 shall provide that nonstate public employees covered by collective  
53 bargaining shall withdraw from such coverage in accordance with  
54 chapters 68, 113 and 166 of the general statutes. Nothing in sections 1  
55 to 7, inclusive, of this act shall (1) require the Comptroller to offer  
56 coverage to each employer seeking coverage under sections 1 to 7,  
57 inclusive, of this act from every vendor providing coverage under the  
58 state employee plan, or (2) prevent the Comptroller from procuring  
59 coverage for nonstate employees from vendors other than those  
60 providing coverage to state employees. The Comptroller shall create  
61 applications for the purposes of this act. Such applications shall require  
62 an employer to disclose whether the employer will offer any other  
63 health plan to the employees who are offered the state plan.

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

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

69 (2) If a nonstate public employer submits an application for  
70 coverage of all of its employees, the Comptroller shall provide such  
71 coverage no later than the first day of the third calendar month  
72 following such application.

73 (3) If a nonstate public employer submits an application for less  
74 than all of its employees, or indicates in the application the employer  
75 will offer other health plans to employees who are offered the state  
76 health plan, the Comptroller shall forward such application to the

77 Health Care Cost Containment Committee not later than five business  
78 days after receiving such application. Said committee may, not later  
79 than thirty days after receiving such application, certify to the  
80 Comptroller that the application will shift a significantly  
81 disproportional part of a nonstate public employer's medical risks to  
82 the state employee plan. If the Comptroller receives such certification,  
83 the Comptroller shall not provide coverage to such employer. If the  
84 Comptroller does not receive such certification, the Comptroller shall  
85 provide coverage no later than the first day of the third calendar  
86 month following the deadline for receiving the certification.

87 (4) Any other provisions of the general statutes notwithstanding,  
88 initial participation in the state employee plan shall be a permissive  
89 subject of collective bargaining and shall be subject to binding interest  
90 arbitration only if the collective bargaining agent and the employer  
91 mutually agree to bargain over such initial participation. Such mutual  
92 agreement shall be in writing and signed by authorized  
93 representatives of the collective bargaining agent and the employer.  
94 Continuation in the state employee plan, after initial participation,  
95 shall be a mandatory subject of bargaining, and shall be subject to  
96 binding interest arbitration in accordance with the same procedures  
97 and standards that apply to any other mandatory subject of bargaining  
98 pursuant to chapters 68, 113 and 166 of the general statutes.

99 (c) The Comptroller shall not forward an employer's application for  
100 coverage for review by the Health Care Cost Containment Committee,  
101 pursuant to this section, due to (1) the decision by individual  
102 employees to decline coverage from their employer for themselves or  
103 their dependents; or (2) the employer's decision to not offer coverage  
104 to temporary, part-time or durational employees.

105 (d) Notwithstanding any provision of the general statutes, the state  
106 employee plan shall not be deemed (1) an unauthorized insurer, or (2)  
107 a multiple employer welfare arrangement. Any licensed insurer in this  
108 state may conduct business with the state employee plan.

109 Sec. 3. (NEW) (*Effective September 1, 2008*) (a) Nonstate public  
110 employers eligible, pursuant to sections 1 to 7, inclusive, of this act, to  
111 seek coverage for their employees under the state employee plan may  
112 seek such coverage for their retirees in accordance with sections 1 to 7,  
113 inclusive, of this act. Premium payments for such coverage shall be  
114 remitted by the employer to the Comptroller and shall be the same as  
115 those paid by the state, inclusive of any premiums paid by retired state  
116 employees.

117 (b) If an employer seeks coverage for all of such employer's retirees  
118 in accordance with this section and all of such employer's employees in  
119 accordance with section 2 of this act, the Comptroller shall provide  
120 coverage no later than the first day of the third calendar month  
121 following such application. If an employer seeks coverage for less than  
122 all of such employer's retirees, regardless of whether the employer is  
123 seeking coverage for all of such employer's active employees, the  
124 Comptroller shall forward such application to the Health Care Cost  
125 Containment Committee not later than five business days after  
126 receiving such application. Said committee may, not later than thirty  
127 days after receiving such application, certify to the Comptroller that,  
128 with respect to such retirees, the application will shift a significantly  
129 disproportional part of an employer's medical risks to the state  
130 employee plan. If the Comptroller receives such certification, the  
131 Comptroller shall not provide coverage to such employer's retirees. If  
132 the Comptroller does not receive such certification, the Comptroller  
133 shall provide coverage no later than the first day of the third calendar  
134 month following the deadline for receiving the certification.

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

138 Sec. 4. (NEW) (*Effective September 1, 2008*) (a) Each nonstate public  
139 employer shall pay monthly the amount determined by the  
140 Comptroller, pursuant to sections 1 to 7, inclusive, of this act, for  
141 coverage of its employees or its employees and retirees, as appropriate

142 under the state employee plan. Such employer may require each  
143 covered employee to contribute a portion of the cost of such  
144 employee's coverage under the plan, subject to any collective  
145 bargaining obligation applicable to such employer. If any payment due  
146 by an employer under this subsection is not paid after the date due,  
147 interest shall be added to such payment at the prevailing rate of  
148 interest, as determined by the Comptroller. Such interest shall be paid  
149 by the employer.

150 (b) There is established, within the General Fund, a separate,  
151 nonlapsing account to be known as the state plan premium account.  
152 All premiums paid by employers and employees pursuant to sections  
153 1 to 7, inclusive, of this act shall be deposited into said account. The  
154 account shall be administered by the Comptroller, with the advice of  
155 the Health Care Costs Containment Committee, for payment of  
156 insurance premiums.

157 (c) In the event a nonstate public employer fails to make premium  
158 payments, the Comptroller may direct the State Treasurer, or any other  
159 officer of the state that is the custodian of any moneys made available  
160 by reason of any grant, allocation or appropriation by the state or  
161 agencies thereof payable to a nonstate public employer at any time  
162 subsequent to the failure of such nonstate public employer, to pay such  
163 premiums and interest to withhold the payment of such moneys in  
164 accordance with this subsection. Such moneys shall be withheld until  
165 the amount of the premium or interest then due and unpaid has been  
166 paid to the state, or until the Treasurer or such officers determine that  
167 arrangements, satisfactory to the Treasurer, have been made for the  
168 payment of such premium and interest, except that such moneys shall  
169 not be withheld if such withholding will adversely affect the receipt of  
170 any federal grant or aid in connection with such moneys.

171 Sec. 5. (NEW) (*Effective from passage*) The Comptroller shall not offer  
172 coverage under the state employee plan pursuant to sections 1 to 7,  
173 inclusive, of this act until the State Employees' Bargaining Agent  
174 Coalition has provided its consent to the clerks of both houses of the

175 General Assembly to incorporate the terms of sections 1 to 7, inclusive,  
176 of this act into its collective bargaining agreement.

177 Sec. 6. (NEW) (*Effective January 1, 2009*) No later than January 1,  
178 2010, the Comptroller, shall report to the General Assembly, in  
179 accordance with section 11-4a of the general statutes,  
180 recommendations for the terms and conditions under which access to  
181 the state employee plan may be provided to those not authorized  
182 access pursuant to sections 1 to 7, inclusive, of this act.

183 Sec. 7. (NEW) (*Effective from passage*) There is established a Nonstate  
184 Public Health Care Advisory Committee. The committee shall make  
185 advisory recommendations concerning health care coverage of  
186 nonstate public employees to the Health Care Costs Containment  
187 Committee. The advisory committee shall consist of nonstate public  
188 employers and employees participating in the state plan and shall  
189 include the following members appointed by a method to be  
190 determined by the Comptroller: (1) Three municipal employer  
191 representatives, one of whom represents towns with populations of  
192 one hundred thousand or more, one of whom represents towns with  
193 populations of at least twenty thousand but under one hundred  
194 thousand, and one of whom represents towns with populations under  
195 twenty thousand; (2) three municipal employee representatives, one of  
196 whom represents employees in towns with populations of one  
197 hundred thousand or more, one of whom represents employees in  
198 towns with populations of at least twenty thousand but under one  
199 hundred thousand, and one of whom represents employees in towns  
200 with populations under twenty thousand; (3) three board of education  
201 employers, one of whom represents towns with populations of one  
202 hundred thousand or more, one of whom represents towns with  
203 populations of at least twenty thousand but under one hundred  
204 thousand, and one of whom represents towns with populations under  
205 twenty thousand; (4) three board of education employee  
206 representatives, one of whom represents towns with populations of  
207 one hundred thousand or more, one of whom represents towns with  
208 populations of at least twenty thousand but under one hundred

209 thousand, and one of whom represents towns with populations under  
 210 twenty thousand; and (5) one neutral chairperson, who shall be a  
 211 member of the National Academy of Arbitrators or an arbitrator  
 212 authorized by the American Arbitration Association or the Federal  
 213 Mediation and Conciliation Service to serve as a neutral arbitrator in  
 214 labor relations cases.

215 Sec. 8. Subparagraph (B) of subdivision (4) of section 38a-564 of the  
 216 2008 supplement to the general statutes is repealed and the following  
 217 is substituted in lieu thereof (*Effective January 1, 2009*):

218 (B) "Small employer" does not include (i) a municipality procuring  
 219 health insurance pursuant to section 5-259 of the 2008 supplement to  
 220 the general statutes or section 2 of this act, (ii) a private school in this  
 221 state procuring health insurance through a health insurance plan or an  
 222 insurance arrangement sponsored by an association of such private  
 223 schools, (iii) a nonprofit organization procuring health insurance  
 224 pursuant to section 5-259 of the 2008 supplement to the general  
 225 statutes, unless the Secretary of the Office of Policy and Management  
 226 and the State Comptroller make a request in writing to the Insurance  
 227 Commissioner that such nonprofit organization be deemed a small  
 228 employer for the purposes of this chapter, (iv) an association for  
 229 personal care assistants procuring health insurance pursuant to section  
 230 5-259 of the 2008 supplement to the general statutes, or (v) a  
 231 community action agency procuring health insurance pursuant to  
 232 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

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Sec. 8	<i>January 1, 2009</i>	38a-564(4)(B)
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