



General Assembly

**Substitute Bill No. 6582**

January Session, 2009

\*          HB06582PD          040609          \*

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

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

1       Section 1. Section 5-259 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3       (a) The Comptroller, with the approval of the Attorney General and  
4 of the Insurance Commissioner, shall arrange and procure a group  
5 hospitalization and medical and surgical insurance plan or plans for  
6 (1) state employees, (2) members of the General Assembly who elect  
7 coverage under such plan or plans, (3) participants in an alternate  
8 retirement program who meet the service requirements of section  
9 5-162 or subsection (a) of section 5-166, (4) anyone receiving benefits  
10 under section 5-144 or from any state-sponsored retirement system,  
11 except the teachers' retirement system and the municipal employees  
12 retirement system, (5) judges of probate and Probate Court employees,  
13 (6) the surviving spouse [,] and any dependent children [until they  
14 reach the age of eighteen,] of a state police officer, a member of an  
15 organized local police department, a firefighter or a constable who  
16 performs criminal law enforcement duties who dies before, on or after  
17 June 26, 2003, as the result of injuries received while acting within the  
18 scope of such officer's or firefighter's or constable's employment and  
19 not as the result of illness or natural causes, and whose surviving

20 spouse and dependent children are not otherwise eligible for a group  
21 hospitalization and medical and surgical insurance plan, (7) employees  
22 of the Capital City Economic Development Authority established by  
23 section 32-601, and (8) the surviving spouse and dependent children of  
24 any employee of a municipality who dies on or after October 1, 2000,  
25 as the result of injuries received while acting within the scope of such  
26 employee's employment and not as the result of illness or natural  
27 causes, and whose surviving spouse and dependent children are not  
28 otherwise eligible for a group hospitalization and medical and surgical  
29 insurance plan. For purposes of this subdivision, "employee" means  
30 any regular employee or [elective] elected officer receiving pay from a  
31 municipality, "municipality" means any town, city, borough, school  
32 district, taxing district, fire district, district department of health,  
33 probate district, housing authority, regional work force development  
34 board established under section 31-3k, flood commission or authority  
35 established by special act or regional planning agency. For purposes of  
36 subdivision (6) of this subsection, "firefighter" means any person who  
37 is regularly employed and paid by any municipality for the purpose of  
38 performing firefighting duties for a municipality on average of not less  
39 than thirty-five hours per week. The minimum benefits to be provided  
40 by such plan or plans shall be substantially equal in value to the  
41 benefits that each such employee or member of the General Assembly  
42 could secure in such plan or plans on an individual basis on the  
43 preceding first day of July. The state shall pay for each such employee  
44 and each member of the General Assembly covered by such plan or  
45 plans the portion of the premium charged for such member's or  
46 employee's individual coverage and seventy per cent of the additional  
47 cost of the form of coverage and such amount shall be credited to the  
48 total premiums owed by such employee or member of the General  
49 Assembly for the form of such member's or employee's coverage under  
50 such plan or plans. On and after January 1, 1989, the state shall pay for  
51 anyone receiving benefits from any such state-sponsored retirement  
52 system one hundred per cent of the portion of the premium charged  
53 for such member's or employee's individual coverage and one  
54 hundred per cent of any additional cost for the form of coverage. The

55 balance of any premiums payable by an individual employee or by a  
56 member of the General Assembly for the form of coverage shall be  
57 deducted from the payroll by the State Comptroller. The total  
58 premiums payable shall be remitted by the Comptroller to the  
59 insurance company or companies or nonprofit organization or  
60 organizations providing the coverage. The amount of the state's  
61 contribution per employee for a health maintenance organization  
62 option shall be equal, in terms of dollars and cents, to the largest  
63 amount of the contribution per employee paid for any other option  
64 that is available to all eligible state employees included in the health  
65 benefits plan, but shall not be required to exceed the amount of the  
66 health maintenance organization premium.

67 (b) The insurance coverage procured under subsection (a) of this  
68 section for active state employees, employees of the Connecticut  
69 Institute for Municipal Studies, anyone receiving benefits from any  
70 such state-sponsored retirement system and members of the General  
71 Assembly, who are over sixty-five years of age, may be modified to  
72 reflect benefits available to such employees or members pursuant to  
73 Social Security and medical benefits programs administered by the  
74 federal government, provided any payments required to secure such  
75 benefits administered by the federal government shall be paid by the  
76 Comptroller either directly to the employee or members or to the  
77 agency of the federal government authorized to collect such payments.

78 (c) On October 1, 1972, the Comptroller shall continue to afford  
79 payroll deduction services for employees participating in existing  
80 authorized plans covering state employees until such time as the  
81 employee elects in writing to be covered by the plan authorized by  
82 subsection (a) of this section.

83 (d) Notwithstanding the provisions of subsection (a) of this section,  
84 the state shall pay for a member of any such state-sponsored  
85 retirement system, or a participant in an alternate retirement program  
86 who meets the service requirements of section 5-162 or subsection (a)  
87 of section 5-166, and who begins receiving benefits from such system

88 or program on or after November 1, 1989, eighty per cent of the  
89 portion of the premium charged for his individual coverage and eighty  
90 per cent of any additional cost for his form of coverage. Upon the  
91 death of any such member, any surviving spouse of such member who  
92 begins receiving benefits from such system shall be eligible for  
93 coverage under this section and the state shall pay for any such spouse  
94 eighty per cent of the portion of the premium charged for his  
95 individual coverage and eighty per cent of any additional cost for his  
96 form of coverage.

97 (e) Notwithstanding the provisions of subsection (a) of this section,  
98 (1) vending stand operators eligible for membership in the state  
99 employee's retirement system pursuant to section 5-175a, shall be  
100 eligible for coverage under the group hospitalization and medical and  
101 surgical insurance plans procured under this section, provided the cost  
102 for such operators' insurance coverage shall be paid by the Board of  
103 Education and Services for the Blind from vending machine income  
104 pursuant to section 10-303, and (2) blind persons employed in  
105 workshops, established pursuant to section 10-298a, on December 31,  
106 2002, shall be eligible for coverage under the group hospitalization and  
107 medical and surgical insurance plans procured under this section,  
108 provided the cost for such persons' insurance coverage shall be paid by  
109 the Board of Education and Services for the Blind. General workers  
110 employed in positions by the Department of Developmental Services  
111 as self-advocates, not to exceed eleven employees, shall be eligible for  
112 sick leave, in accordance with section 5-247, vacation and personal  
113 leave, in accordance with section 5-250, and holidays, in accordance  
114 with section 5-254.

115 (f) The Comptroller, with the approval of the Attorney General and  
116 of the Insurance Commissioner, shall arrange and procure a group  
117 hospitalization and medical and surgical insurance plan or plans for  
118 any person who adopts a child from the state foster care system, any  
119 person who has been a foster parent for the Department of Children  
120 and Families for six months or more, a parent in a permanent family  
121 residence for six months or more, and any dependent of such adoptive

122 parent, foster parent or parent in a permanent family residence who  
123 elects coverage under such plan or plans. The Comptroller may also  
124 arrange for inclusion of such person and any such dependent in an  
125 existing group hospitalization and medical and surgical insurance plan  
126 offered by the state. Any adoptive parent, foster parent or a parent in a  
127 permanent family residence and any dependent who elects coverage  
128 shall pay one hundred per cent of the premium charged for such  
129 coverage directly to the insurer, provided such adoptive parent, foster  
130 parent or parent and all such dependents shall be included in such  
131 group hospitalization and medical and surgical insurance plan. A  
132 person and his dependents electing coverage pursuant to this  
133 subsection shall be eligible for such coverage until no longer an  
134 adoptive parent, a foster parent or a parent in a permanent family  
135 residence. [An adoptive parent shall be eligible for such coverage until  
136 the adopted child reaches the age of eighteen or, if the child has not  
137 completed a secondary education program, until such child reaches  
138 the age of twenty-one.] As used in this section "dependent" means a  
139 spouse or natural or adopted child if such child is wholly or partially  
140 dependent for support upon the adoptive parent, foster parent or  
141 parent in a permanent family residence.

142 (g) Notwithstanding the provisions of subsection (a) of this section,  
143 the Probate Court Administration Fund established in accordance with  
144 section 45a-82, shall pay for each probate judge and Probate Court  
145 employee not more than one hundred per cent of the portion of the  
146 premium charged for his or her individual coverage and not more than  
147 fifty per cent of any additional cost for his or her form of coverage. The  
148 remainder of the premium for such coverage shall be paid by the  
149 probate judge or Probate Court employee to the State Treasurer.  
150 Payment shall be credited by the State Treasurer to the fund  
151 established by section 45a-82. The total premiums payable shall be  
152 remitted by the Probate Court Administrator directly to the insurance  
153 company or companies or nonprofit organization or organizations  
154 providing the coverage. The Probate Court Administrator shall issue  
155 regulations governing group hospitalization and medical and surgical

156 insurance pursuant to subdivision (1) of subsection (b) of section 45a-  
157 77.

158 (h) For the purpose of subsection (g) of this section, "Probate Court  
159 employee" means a person employed by a probate court for at least  
160 twenty hours per week.

161 (i) The Comptroller may provide for coverage of employees of  
162 municipalities, nonprofit corporations, community action agencies and  
163 small employers and individuals eligible for a health coverage tax  
164 credit, retired members or members of an association for personal care  
165 assistants under the plan or plans procured under subsection (a) of this  
166 section, provided: (1) Participation by each municipality, nonprofit  
167 corporation, community action agency, small employer, eligible  
168 individual, retired member or association for personal care assistants  
169 shall be on a voluntary basis; (2) where an employee organization  
170 represents employees of a municipality, nonprofit corporation,  
171 community action agency or small employer, participation in a plan or  
172 plans to be procured under subsection (a) of this section shall be by  
173 mutual agreement of the municipality, nonprofit corporation,  
174 community action agency or small employer and the employee  
175 organization only and neither party may submit the issue of  
176 participation to binding arbitration except by mutual agreement if  
177 such binding arbitration is available; (3) no group of employees shall  
178 be refused entry into the plan by reason of past or future health care  
179 costs or claim experience; (4) rates paid by the state for its employees  
180 under subsection (a) of this section are not adversely affected by this  
181 subsection; (5) administrative costs to the plan or plans provided  
182 under this subsection shall not be paid by the state; (6) participation in  
183 the plan or plans in an amount determined by the state shall be for the  
184 duration of the period of the plan or plans, or for such other period as  
185 mutually agreed by the municipality, nonprofit corporation,  
186 community action agency, small employer, retired member or  
187 association for personal care assistants and the Comptroller; and (7)  
188 nothing in this section or section 12-202a, 38a-551, 38a-553 or 38a-556  
189 shall be construed as requiring a participating insurer or health care

190 center to issue individual policies to individuals eligible for a health  
191 coverage tax credit. The coverage provided under this section may be  
192 referred to as the "Municipal Employee Health Insurance Plan". The  
193 Comptroller may arrange and procure for the employees and eligible  
194 individuals under this subsection health benefit plans that vary from  
195 the plan or plans procured under subsection (a) of this section.  
196 Notwithstanding any provision of part V of chapter 700c, the coverage  
197 provided under this subsection may be offered on either a fully  
198 underwritten or risk-pooled basis at the discretion of the Comptroller.  
199 For the purposes of this subsection, (A) "municipality" means any  
200 town, city, borough, school district, taxing district, fire district, district  
201 department of health, probate district, housing authority, regional  
202 work force development board established under section 31-3k,  
203 regional emergency telecommunications center, tourism district  
204 established under section 32-302, flood commission or authority  
205 established by special act, regional planning agency, transit district  
206 formed under chapter 103a, or the Children's Center established by  
207 number 571 of the public acts of 1969; (B) "nonprofit corporation"  
208 means (i) a nonprofit corporation organized under 26 USC 501 that has  
209 a contract with the state or receives a portion of its funding from a  
210 municipality, the state or the federal government, or (ii) an  
211 organization that is tax exempt pursuant to 26 USC 501(c)(5); (C)  
212 "community action agency" means a community action agency, as  
213 defined in section 17b-885; (D) "small employer" means a small  
214 employer, as defined in subparagraph (A) of subdivision (4) of section  
215 38a-564; (E) "eligible individuals" or "individuals eligible for a health  
216 coverage tax credit" means individuals who are eligible for the credit  
217 for health insurance costs under Section 35 of the Internal Revenue  
218 Code of 1986, or any subsequent corresponding internal revenue code  
219 of the United States, as from time to time amended, in accordance with  
220 the Pension Benefit Guaranty Corporation and Trade Adjustment  
221 Assistance programs of the Trade Act of 2002, [(P.L. 107-210)] P.L. 107-  
222 210; (F) "association for personal care assistants" means an  
223 organization composed of personal care attendants who are employed  
224 by recipients of service (i) under the home-care program for the elderly

225 under section 17b-342, (ii) under the personal care assistance program  
226 under section 17b-605a, (iii) in an independent living center pursuant  
227 to sections 17b-613 to 17b-615, inclusive, or (iv) under the program for  
228 individuals with acquired brain injury as described in section 17b-  
229 260a; and (G) "retired members" means individuals eligible for a  
230 retirement benefit from the Connecticut municipal employees'  
231 retirement system.

232 (j) (1) Notwithstanding any provision of law, [to the contrary,] the  
233 existing rights and obligations of state employee organizations and the  
234 state employer under current law and contract shall not be impaired  
235 by the provisions of this section. (2) Other conditions of entry for any  
236 group into the plan or plans procured under subsection (a) of this  
237 section shall be determined by the Comptroller upon the  
238 recommendation of a coalition committee established pursuant to  
239 subsection (f) of section 5-278, except for such conditions referenced in  
240 subsection (g) of this section. (3) Additional determinations by the  
241 Comptroller on (A) issues generated by any group's actual or  
242 contemplated participation in the plan or plans, (B) modifications to  
243 the terms and conditions of any group's continued participation, (C)  
244 related matters shall be made upon the recommendation of such  
245 committee. (4) Notwithstanding any provision of law to the contrary, a  
246 municipal employer and an employee organization may upon mutual  
247 agreement reopen a collective bargaining agreement for the exclusive  
248 purpose of negotiating on the participation by such municipal  
249 employer or employee organization in the plan or plans offered under  
250 the provisions of this section.

251 (k) The Comptroller shall submit annually to the General Assembly  
252 a review of the coverage of employees of municipalities, nonprofit  
253 corporations, community action agencies, small employers under  
254 subsection (i) of this section and eligible individuals under subsection  
255 (i) of this section beginning February 1, 2004.

256 (l) (1) Effective July 1, 1996, any deputies or special deputies  
257 appointed pursuant to section 6-37 of the general statutes, revision of



258 1958, revised to 1999, or section 6-43, shall be allowed to participate in  
259 the plan or plans procured by the Comptroller pursuant to subsection  
260 (a) of this section. Such participation shall be voluntary and the  
261 participant shall pay the full cost of the coverage under such plan.

262 (2) Effective December 1, 2000, any state marshal shall be allowed to  
263 participate in the plan or plans procured by the Comptroller pursuant  
264 to subsection (a) of this section. Such participation shall be voluntary  
265 and the participant shall pay the full cost of the coverage under such  
266 plan.

267 (3) Effective December 1, 2000, any judicial marshal shall be allowed  
268 to participate in the plan or plans procured by the Comptroller  
269 pursuant to subsection (a) of this section. Such participation shall be  
270 voluntary and the participant shall pay the full cost of the coverage  
271 under such plan unless and until the judicial marshals participate in  
272 the plan or plans procured by the Comptroller under this section [5-  
273 259] through collective bargaining negotiations pursuant to subsection  
274 (f) of section 5-278.

275 (m) (1) Notwithstanding any provision of the general statutes, the  
276 Comptroller shall begin procedures to convert the group  
277 hospitalization and medical and surgical insurance plans set forth in  
278 subsection (a) of this section, including any prescription drug plan  
279 offered in connection with or in addition to such insurance plans, to  
280 self-insured plans for benefit periods beginning on or after July 1, 2009,  
281 except that any dental plan offered in connection with or in addition to  
282 such insurance plans may be fully insured.

283 (2) On or after January 1, 2010, the Comptroller may merge any  
284 other insurance plans procured by the Comptroller into the self-  
285 insured plans established pursuant to subdivision (1) of this  
286 subsection.

287 (3) Any company that provides administrative services for the self-  
288 insured plans set forth in subdivision (1) of this subsection shall be  
289 required under its administrative services only contract to charge such

290 company's lowest available rate for such services.

291 Sec. 2. (NEW) (*Effective July 1, 2009*) As used in this section and  
292 sections 3 to 7, inclusive, of this act:

293 (1) "Health Care Costs Containment Committee" means the  
294 committee established pursuant to the ratified agreement between the  
295 state and state employees' Bargaining Agent Coalition pursuant to  
296 subsection (f) of section 5-278 of the general statutes.

297 (2) "Municipal-related employee" means any employee of a  
298 municipal-related employer.

299 (3) "Municipal-related employer" means any property management  
300 business, food service business or school transportation business that  
301 is a party to a contract with a nonstate public employer. "Municipal-  
302 related employer" does not include a nonprofit employer, a nonstate  
303 public employer or a small employer.

304 (4) "Nonprofit employee" means any employee of a nonprofit  
305 employer.

306 (5) "Nonprofit employer" means a nonprofit corporation, as defined  
307 in subparagraph (B) of subdivision (7) of subsection (i) of section 5-259  
308 of the general statutes, as amended by this act. "Nonprofit employer"  
309 does not include a municipal-related employer, a nonstate public  
310 employer or a small employer.

311 (6) "Nonstate public employee" means any employee or elected  
312 officer of a nonstate public employer.

313 (7) "Nonstate public employer" means a municipality or other  
314 political subdivision of the state, including a board of education, quasi-  
315 public agency or public library. "Nonstate public employer" does not  
316 include a municipal-related employer, a nonprofit employer or a small  
317 employer.

318 (8) "Small employer employee" means any employee of a small

319 employer.

320 (9) "Small employer" means any person, firm, corporation, limited  
321 liability company, partnership or association actively engaged in  
322 business or self-employed for at least three consecutive months that,  
323 on at least fifty per cent of its working days during the preceding  
324 twelve months, employed no more than fifty employees, the majority  
325 of whom were employed within this state. "Small employer" does not  
326 include a municipal-related employer, a nonprofit employer or a  
327 nonstate public employer. In determining the number of eligible  
328 employees, companies that are affiliates, as defined in section 33-840 of  
329 the general statutes, or that are eligible to file a combined tax return  
330 under chapter 208 of the general statutes shall be considered one  
331 employer.

332 (10) "State employee plan" or "state plan" means a self-insured  
333 group health care benefits plan established under subsection (m) of  
334 section 5-259 of the general statutes, as amended by this act.

335 Sec. 3. (NEW) (*Effective July 1, 2009*) (a) (1) Notwithstanding the  
336 provisions of title 38a of the general statutes, the Comptroller shall  
337 offer coverage under the state employee plan to nonstate public  
338 employers, municipal-related employers, small employers and  
339 nonprofit employers and their respective retirees, if applicable, in  
340 accordance with subdivision (2) of this subsection, and provided the  
341 Comptroller receives an application from any such employer and the  
342 application is approved in accordance with sections 4 and 5 of this act.

343 (2) The Comptroller shall offer coverage under the state employee  
344 plan: (A) To nonstate public employers beginning January 1, 2010; (B)  
345 to municipal-related employers and nonprofit employers beginning  
346 July 1, 2010; and (C) to small employers beginning January 1, 2011.

347 (b) The Comptroller shall offer participation in such plan to nonstate  
348 public employers, municipal-related employers, small employers and  
349 nonprofit employers for not less than two-year intervals. An employer  
350 may apply for renewal prior to the expiration of each interval. The

351 Comptroller shall develop procedures by which employers receiving  
352 coverage for their employees pursuant to the state plan may (1) apply  
353 for renewal, or (2) withdraw from such coverage, including, but not  
354 limited to, the terms and conditions under which such employers may  
355 withdraw prior to the expiration of the interval and the procedure by  
356 which any premium payments such employers may be entitled to shall  
357 be refunded. Any such procedures shall provide that nonstate public  
358 employees covered by collective bargaining shall withdraw from such  
359 coverage in accordance with chapters 68, 113 and 166 of the general  
360 statutes.

361 (c) Open enrollment for nonstate public employees, municipal-  
362 related employees, small employer employees and nonprofit  
363 employees shall be for coverage periods beginning January first and  
364 July first.

365 (d) Nothing in this section and sections 4 to 6, inclusive, of this act  
366 shall require the Comptroller to offer coverage to every employer  
367 seeking coverage under sections 4 and 5 of this act from every plan  
368 offered under the state employee plan.

369 (e) The Comptroller shall create applications for coverage for the  
370 purposes of this section and sections 4 and 5 of this act. Such  
371 applications shall require an employer to disclose whether the  
372 employer will offer any other health plan to the employees who are  
373 offered the state plan.

374 (f) No employee shall be enrolled in the state plan if such employee  
375 is covered through such employee's employer by health insurance  
376 plans or insurance arrangements issued to or in accordance with a  
377 trust established pursuant to collective bargaining subject to the  
378 federal Labor Management Relations Act.

379 Sec. 4. (NEW) (*Effective July 1, 2009*) (a) Nonstate public employers  
380 may join the state employee plan in accordance with this subsection.

381 (1) Notwithstanding any other provision of the general statutes,

382 initial participation in the state employee plan by a nonstate public  
383 employer shall be a permissive subject of collective bargaining and  
384 shall be subject to binding interest arbitration only if the collective  
385 bargaining agent and the employer mutually agree to bargain over  
386 such initial participation. Such mutual agreement shall be in writing  
387 and signed by authorized representatives of the collective bargaining  
388 agent and the employer. Continuation in the state employee plan, after  
389 initial participation, shall be a mandatory subject of bargaining and  
390 shall be subject to binding interest arbitration in accordance with the  
391 same procedures and standards that apply to any other mandatory  
392 subject of bargaining pursuant to chapters 68, 113 and 166 of the  
393 general statutes. For purposes of this section, a board of education and  
394 a municipality shall be considered separate employers and shall  
395 submit separate applications.

396 (2) (A) If a nonstate public employer submits an application in  
397 accordance with this subsection for all of its employees, the  
398 Comptroller shall accept such application for the next open enrollment.  
399 The Comptroller shall provide written notification to such employer of  
400 such acceptance and the date on which such coverage shall begin.

401 (B) If a nonstate public employer submits an application for less  
402 than all of its employees, or indicates in the application the employer  
403 will offer other health plans to employees who are offered the state  
404 health plan, the Comptroller shall forward such application to the  
405 Health Care Costs Containment Committee not later than five business  
406 days after receiving such application. Said committee may, not later  
407 than thirty days after receiving such application, certify to the  
408 Comptroller that the application will shift a significantly  
409 disproportional part of such employer's medical risks to the state  
410 employee plan, and shall provide in writing the specific reasons for its  
411 finding, including a summary of all information relied upon in  
412 making such a finding. If the Comptroller receives such certification,  
413 the Comptroller shall not provide coverage to such employer and shall  
414 provide written notification to such employer and the specific reasons  
415 for such denial. If the Comptroller does not receive such certification,

416 the Comptroller shall accept such application for the next open  
417 enrollment. The Comptroller shall provide written notification to such  
418 employer of such acceptance and the date on which such coverage  
419 shall begin.

420 (b) Municipal-related employers, small employers and nonprofit  
421 employers may join the state employee plan in accordance with this  
422 subsection.

423 (1) If a municipal-related employer, small employer or nonprofit  
424 employer submits an application for all of its employees, the  
425 Comptroller shall accept such application for the next open enrollment.  
426 The Comptroller shall provide written notification to such employer of  
427 such acceptance and the date on which such coverage shall begin.

428 (2) If a municipal-related employer, small employer or nonprofit  
429 employer submits an application for less than all of its employees, or  
430 indicates in the application the employer will offer other health plans  
431 to employees who are offered the state health plan, the Comptroller  
432 shall forward such application to the Health Care Costs Containment  
433 Committee not later than five business days after receiving such  
434 application. Said committee may, not later than thirty days after  
435 receiving such application, certify to the Comptroller that the  
436 application will shift a significantly disproportional part of such  
437 employer's medical risks to the state employee plan, and shall provide  
438 in writing the specific reasons for its finding, including a summary of  
439 all information relied upon in making such a finding. If the  
440 Comptroller receives such certification, the Comptroller shall not  
441 provide coverage to such employer and shall provide written  
442 notification to such employer and the specific reasons for such denial.  
443 If the Comptroller receives such certification, the Comptroller shall not  
444 provide coverage to such employer. If the Comptroller does not  
445 receive such certification, the Comptroller shall accept such application  
446 for the next open enrollment. The Comptroller shall provide written  
447 notification to such employer of such acceptance and the date on  
448 which such coverage shall begin.

449 (c) The Comptroller shall not forward an employer's application for  
450 coverage for review by the Health Care Costs Containment  
451 Committee, pursuant to this section, if such employer included less  
452 them all of its employees in its application because of (1) the decision  
453 by individual employees to decline coverage from their employer for  
454 themselves or their dependents, or (2) the employer's decision to not  
455 offer coverage to temporary, part-time or durational employees.

456 (d) The Comptroller may adopt regulations, in accordance with  
457 chapter 54 of the general statutes, to establish the procedures and  
458 criteria for any reviews or evaluations performed by the Health Care  
459 Costs Containment Committee pursuant to subparagraph (B) of  
460 subdivision (2) of subsection (a) of this section, subdivision (2) of  
461 subsection (b) of this section and subdivision (2) of subsection (b) of  
462 section 5 of this act.

463 (e) Notwithstanding any provision of the general statutes, the state  
464 employee plan shall not be deemed (1) an unauthorized insurer, or (2)  
465 a multiple employer welfare arrangement. Any licensed insurer in this  
466 state may conduct business with the state employee plan.

467 Sec. 5. (NEW) (*Effective July 1, 2009*) (a) Employers eligible to seek  
468 coverage for their employees under the state employee plan, pursuant  
469 to sections 3 and 4 of this act, may seek such coverage for their retirees  
470 in accordance with this section, except that any retirees eligible for  
471 Medicare benefits shall not be eligible for the state plan. Premium  
472 payments for such coverage shall be remitted by the employer to the  
473 Comptroller in accordance with section 6 of this act and shall be the  
474 same as those paid by the state, inclusive of any premiums paid by  
475 retired state employees.

476 (b) (1) If an employer seeks coverage for all of such employer's  
477 retirees in accordance with this section and all of such employer's  
478 employees in accordance with section 3 of this act, the Comptroller  
479 shall accept such application for the next open enrollment. The  
480 Comptroller shall provide written notification to such employer of

481 such acceptance and the date on which such coverage shall begin.

482 (2) If an employer seeks coverage for less than all of such employer's  
483 retirees, regardless of whether the employer is seeking coverage for all  
484 of such employer's active employees, the Comptroller shall forward  
485 such application to the Health Care Costs Containment Committee not  
486 later than five business days after receiving such application. Said  
487 committee may, not later than thirty days after receiving such  
488 application, certify to the Comptroller that, with respect to such  
489 retirees, the application will shift a significantly disproportional part of  
490 an employer's medical risks to the state employee plan, and shall  
491 provide in writing the specific reasons for its finding, including a  
492 summary of all information relied upon in making such a finding. If  
493 the Comptroller receives such certification, the Comptroller shall not  
494 provide coverage to such employer for such employer's retirees and  
495 shall provide written notification to such employer and the specific  
496 reasons for such denial. If the Comptroller does not receive such  
497 certification, the Comptroller shall accept such application for the next  
498 open enrollment. The Comptroller shall provide written notification to  
499 such employer of such acceptance and the date on which such  
500 coverage shall begin.

501 (3) The Comptroller shall not forward an employer's application for  
502 coverage for review by the Health Care Costs Containment  
503 Committee, pursuant to this section, if such employer included less  
504 than all of its retirees in its application because of (1) the decision by  
505 individual retirees to decline coverage from their employer for  
506 themselves or their dependents, or (2) retirees' enrollment in Medicare.

507 (c) Nothing in sections 2 to 7, inclusive, of this act shall diminish any  
508 right to retiree health insurance pursuant to a collective bargaining  
509 agreement or any other provision of the general statutes.

510 Sec. 6. (NEW) (*Effective July 1, 2009*) (a) There is established a  
511 restricted grant fund that is a separate, nonlapsing account to be  
512 known as the state plan premium account. All premiums paid by



513 employers and employees pursuant to this section shall be deposited  
514 into said account. The account shall be administered by the  
515 Comptroller, with the advice of the Health Care Costs Containment  
516 Committee, for payment of claims.

517 (b) Premium payments shall be remitted by the employer to the  
518 Comptroller and shall be the same as those paid by the state, inclusive  
519 of any premiums paid by state employees and retired state employees,  
520 if applicable, except as otherwise provided in this section or section 5  
521 of this act. The Comptroller may charge each employer participating in  
522 the state plan an administrative fee calculated on a per member per  
523 month basis.

524 (c) Premium rates for small employers shall be the total premium  
525 rate paid by the state, inclusive of any premiums paid by state  
526 employees for a particular health care product offered by the  
527 Comptroller, except that an insurance carrier offering coverage under  
528 the state plan may adjust such rate to reflect one or more of the  
529 characteristics set forth in subparagraph (A) of subdivision (5) of  
530 section 38a-567 of the general statutes.

531 (d) Each employer shall pay monthly the amount determined by the  
532 Comptroller, pursuant to this section, for coverage of its employees or  
533 its employees and retirees, as appropriate, under the state employee  
534 plan. An employer may require each covered employee to contribute a  
535 portion of the cost of such employee's coverage under the plan, subject  
536 to any collective bargaining obligation applicable to such employer.

537 (e) If any payment due by an employer under this section is not  
538 submitted to the Comptroller by the tenth day after the date such  
539 payment is due, interest to be paid by such employer shall be added,  
540 retroactive to the date such payment was due, at the prevailing rate of  
541 interest as determined by the Comptroller.

542 (1) The Comptroller may terminate participation in the state  
543 employee plan by a municipal-related employer, small employer or  
544 nonprofit employer on the basis of nonpayment of premium, provided

545 at least ten days' advance notice is given to such employer, which may  
546 continue the coverage and avoid the effect of the termination by  
547 remitting payment in full at any time prior to the effective date of  
548 termination.

549 (2) (A) If a nonstate public employer fails to make premium  
550 payments as required by this section, the Comptroller may direct the  
551 State Treasurer, or any other officer of the state who is the custodian of  
552 any moneys made available by grant, allocation or appropriation  
553 payable to such nonstate public employer, to withhold the payment of  
554 such moneys until the amount of the premium or interest due has been  
555 paid to the Comptroller, or until the State Treasurer or such custodial  
556 officer determines that arrangements have been made, to the  
557 satisfaction of the State Treasurer, for the payment of such premium  
558 and interest. Such moneys shall not be withheld if such withholding  
559 will adversely affect the receipt of any federal grant or aid in  
560 connection with such moneys.

561 (B) If no grant, allocation or appropriation is payable to such  
562 nonstate public employer or is not withheld, pursuant to  
563 subparagraph (A) of this subdivision, the Comptroller may terminate  
564 participation in the state employee plan by a nonstate public employer  
565 on the basis of nonpayment of premium, provided at least ten days'  
566 advance notice is given to such employer, which may continue the  
567 coverage and avoid the effect of the termination by remitting payment  
568 in full at any time prior to the effective date of termination.

569 (3) The Comptroller may request the Attorney General to recover  
570 any premium and interest costs from a terminated employer.

571 Sec. 7. (NEW) (*Effective July 1, 2009*) (a) There is established a  
572 Nonstate Public Health Care Advisory Committee. The committee  
573 shall make advisory recommendations to the Health Care Costs  
574 Containment Committee concerning health care coverage for nonstate  
575 public employees. The advisory committee shall consist of nonstate  
576 public employers and employees participating in the state plan and

577 shall include the following members appointed by the Comptroller: (1)  
578 Three municipal employer representatives, one of whom represents  
579 towns with populations of one hundred thousand or more, one of  
580 whom represents towns with populations of at least twenty thousand  
581 but under one hundred thousand, and one of whom represents towns  
582 with populations under twenty thousand; (2) three municipal  
583 employee representatives, one of whom represents employees in  
584 towns with populations of one hundred thousand or more, one of  
585 whom represents employees in towns with populations of at least  
586 twenty thousand but under one hundred thousand, and one of whom  
587 represents employees in towns with populations under twenty  
588 thousand; (3) three board of education employers, one of whom  
589 represents towns with populations of one hundred thousand or more,  
590 one of whom represents towns with populations of at least twenty  
591 thousand but under one hundred thousand, and one of whom  
592 represents towns with populations under twenty thousand; (4) three  
593 board of education employee representatives, one of whom represents  
594 towns with populations of one hundred thousand or more, one of  
595 whom represents towns with populations of at least twenty thousand  
596 but under one hundred thousand, and one of whom represents towns  
597 with populations under twenty thousand; and (5) one neutral  
598 chairperson, who shall be a member of the National Academy of  
599 Arbitrators or an arbitrator authorized by the American Arbitration  
600 Association or the Federal Mediation and Conciliation Service to serve  
601 as a neutral arbitrator in labor relations cases.

602 (b) There is established a Private Sector Health Care Advisory  
603 Committee. The committee shall make advisory recommendations to  
604 the Health Care Costs Containment Committee concerning health care  
605 coverage for private sector employees. The advisory committee shall  
606 consist of municipal-related employers, small employers and nonprofit  
607 employers and their respective employees participating in the state  
608 plan and shall include the following members appointed by the  
609 Comptroller: (1) Two municipal-related employer representatives; (2)  
610 two municipal-related employee representatives; (3) two small

611 employer representatives; (4) two small employee representatives; (5)  
612 two nonprofit employer representatives; (6) two nonprofit employee  
613 representatives; and (7) one neutral chairperson, who shall be a  
614 member of the National Academy of Arbitrators or an arbitrator  
615 authorized by the American Arbitration Association or the Federal  
616 Mediation and Conciliation Service to serve as a neutral arbitrator in  
617 labor relations cases.

618       Sec. 8. (NEW) (*Effective July 1, 2009*) The Comptroller may adopt  
619 regulations, in accordance with chapter 54 of the general statutes, to  
620 implement the provisions of sections 2 to 7, inclusive, of this act.

621       Sec. 9. (NEW) (*Effective from passage*) The Comptroller shall not offer  
622 coverage under the state employee plan pursuant to sections 3 to 6,  
623 inclusive, of this act until the State Employees' Bargaining Agent  
624 Coalition has provided its written consent to the clerks of both houses  
625 of the General Assembly to incorporate the terms of sections 2 to 7,  
626 inclusive, of this act into its collective bargaining agreement.

627       Sec. 10. (NEW) (*Effective from passage*) Notwithstanding the  
628 provisions of title 38a of the general statutes, two or more  
629 municipalities may join together by written agreement as a single  
630 entity for the purpose of procuring health insurance for their  
631 employees. Any such group shall be approved by the commissioner  
632 and shall be on a fully underwritten basis. Such written agreement  
633 shall establish the membership of such group, the duration of such  
634 health insurance coverage, requirements regarding the payment of  
635 premiums for such health insurance coverage and the procedures for a  
636 municipality to withdraw from such group and terminate such health  
637 insurance coverage. Any group established pursuant to this section  
638 shall not be deemed a fictitious group.

639       Sec. 11. Subparagraph (B) of subdivision (4) of section 38a-564 of the  
640 general statutes is repealed and the following is substituted in lieu  
641 thereof (*Effective July 1, 2009*):

642       (B) "Small employer" does not include (i) a municipality procuring

643 health insurance or health care pursuant to section 5-259, as amended  
 644 by this act, or sections 3 to 5, inclusive, of this act, (ii) a private school  
 645 in this state procuring health insurance through a health insurance  
 646 plan or an insurance arrangement sponsored by an association of such  
 647 private schools, (iii) a nonprofit organization procuring health  
 648 insurance pursuant to section 5-259, as amended by this act, unless the  
 649 Secretary of the Office of Policy and Management and the State  
 650 Comptroller make a request in writing to the Insurance Commissioner  
 651 that such nonprofit organization be deemed a small employer for the  
 652 purposes of this chapter, (iv) an association for personal care assistants  
 653 procuring health insurance pursuant to section 5-259, as amended by  
 654 this act, or (v) a community action agency procuring health insurance  
 655 pursuant to section 5-259, as amended by this act.

|   |                     |               |
|---|---------------------|---------------|
| This act shall take effect as follows and shall amend the following sections: |                     |               |
| Section 1   | <i>from passage</i> | 5-259         |
| Sec. 2  | <i>July 1, 2009</i> | New section   |
| Sec. 3  | <i>July 1, 2009</i> | New section   |
| Sec. 4  | <i>July 1, 2009</i> | New section   |
| Sec. 5  | <i>July 1, 2009</i> | New section   |
| Sec. 6  | <i>July 1, 2009</i> | New section   |
| Sec. 7  | <i>July 1, 2009</i> | New section   |
| Sec. 8  | <i>July 1, 2009</i> | New section   |
| Sec. 9  | <i>from passage</i> | New section   |
| Sec. 10   | <i>from passage</i> | New section   |
| Sec. 11   | <i>July 1, 2009</i> | 38a-564(4)(B) |

**INS**            *Joint Favorable Subst.*

**PD**             *Joint Favorable*