



General Assembly

Substitute Bill No. 6582

January Session, 2009

* HB06582APP 041609 *

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 Section 5-259 of the general statutes is repealed and the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*

APP *Joint Favorable*