



Substitute House Bill No. 6582

Public Act No. 09-147

AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP.

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

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 Section 5-259 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(a) The Comptroller, with the approval of the Attorney General and of the Insurance Commissioner, shall arrange and procure a group hospitalization and medical and surgical insurance plan or plans for (1) state employees, (2) members of the General Assembly who elect coverage under such plan or plans, (3) participants in an alternate retirement program who meet the service requirements of section 5-162 or subsection (a) of section 5-166, (4) anyone receiving benefits under section 5-144 or from any state-sponsored retirement system, except the teachers' retirement system and the municipal employees retirement system, (5) judges of probate and Probate Court employees, (6) the surviving spouse [] and any dependent children [until they reach the age of eighteen,] of a state police officer, a member of an organized local police department, a firefighter or a constable who performs criminal law enforcement duties who dies before, on or after June 26, 2003, as the result of injuries received while acting within the scope of such officer's or firefighter's or constable's employment and

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

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system one hundred per cent of the portion of the premium charged for such member's or employee's individual coverage and one hundred per cent of any additional cost for the form of coverage. The balance of any premiums payable by an individual employee or by a member of the General Assembly for the form of coverage shall be deducted from the payroll by the State Comptroller. The total premiums payable shall be remitted by the Comptroller to the insurance company or companies or nonprofit organization or organizations providing the coverage. The amount of the state's contribution per employee for a health maintenance organization option shall be equal, in terms of dollars and cents, to the largest amount of the contribution per employee paid for any other option that is available to all eligible state employees included in the health benefits plan, but shall not be required to exceed the amount of the health maintenance organization premium.

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

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

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(d) Notwithstanding the provisions of subsection (a) of this section, the state shall pay for a member of any such state-sponsored retirement system, or a participant in an alternate retirement program who meets the service requirements of section 5-162 or subsection (a) of section 5-166, and who begins receiving benefits from such system or program on or after November 1, 1989, eighty per cent of the portion of the premium charged for his individual coverage and eighty per cent of any additional cost for his form of coverage. Upon the death of any such member, any surviving spouse of such member who begins receiving benefits from such system shall be eligible for coverage under this section and the state shall pay for any such spouse eighty per cent of the portion of the premium charged for his individual coverage and eighty per cent of any additional cost for his form of coverage.

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

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(f) The Comptroller, with the approval of the Attorney General and of the Insurance Commissioner, shall arrange and procure a group hospitalization and medical and surgical insurance plan or plans for any person who adopts a child from the state foster care system, any person who has been a foster parent for the Department of Children and Families for six months or more, a parent in a permanent family residence for six months or more, and any dependent of such adoptive parent, foster parent or parent in a permanent family residence who elects coverage under such plan or plans. The Comptroller may also arrange for inclusion of such person and any such dependent in an existing group hospitalization and medical and surgical insurance plan offered by the state. Any adoptive parent, foster parent or a parent in a permanent family residence and any dependent who elects coverage shall pay one hundred per cent of the premium charged for such coverage directly to the insurer, provided such adoptive parent, foster parent or parent and all such dependents shall be included in such group hospitalization and medical and surgical insurance plan. A person and his dependents electing coverage pursuant to this subsection shall be eligible for such coverage until no longer an adoptive parent, a foster parent or a parent in a permanent family residence. [An adoptive parent shall be eligible for such coverage until the adopted child reaches the age of eighteen or, if the child has not completed a secondary education program, until such child reaches the age of twenty-one.] As used in this section "dependent" means a spouse or natural or adopted child if such child is wholly or partially dependent for support upon the adoptive parent, foster parent or parent in a permanent family residence.

(g) Notwithstanding the provisions of subsection (a) of this section, the Probate Court Administration Fund established in accordance with section 45a-82, shall pay for each probate judge and Probate Court employee not more than one hundred per cent of the portion of the premium charged for his or her individual coverage and not more than

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fifty per cent of any additional cost for his or her form of coverage. The remainder of the premium for such coverage shall be paid by the probate judge or Probate Court employee to the State Treasurer. Payment shall be credited by the State Treasurer to the fund established by section 45a-82. The total premiums payable shall be remitted by the Probate Court Administrator directly to the insurance company or companies or nonprofit organization or organizations providing the coverage. The Probate Court Administrator shall issue regulations governing group hospitalization and medical and surgical insurance pursuant to subdivision (1) of subsection (b) of section 45a-77.

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

(i) The Comptroller may provide for coverage of employees of municipalities, nonprofit corporations, community action agencies and small employers and individuals eligible for a health coverage tax credit, retired members or members of an association for personal care assistants under the plan or plans procured under subsection (a) of this section, provided: (1) Participation by each municipality, nonprofit corporation, community action agency, small employer, eligible individual, retired member or association for personal care assistants shall be on a voluntary basis; (2) where an employee organization represents employees of a municipality, nonprofit corporation, community action agency or small employer, participation in a plan or plans to be procured under subsection (a) of this section shall be by mutual agreement of the municipality, nonprofit corporation, community action agency or small employer and the employee organization only and neither party may submit the issue of participation to binding arbitration except by mutual agreement if such binding arbitration is available; (3) no group of employees shall

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be refused entry into the plan by reason of past or future health care costs or claim experience; (4) rates paid by the state for its employees under subsection (a) of this section are not adversely affected by this subsection; (5) administrative costs to the plan or plans provided under this subsection shall not be paid by the state; (6) participation in the plan or plans in an amount determined by the state shall be for the duration of the period of the plan or plans, or for such other period as mutually agreed by the municipality, nonprofit corporation, community action agency, small employer, retired member or association for personal care assistants and the Comptroller; and (7) nothing in this section or section 12-202a, 38a-551, 38a-553 or 38a-556 shall be construed as requiring a participating insurer or health care center to issue individual policies to individuals eligible for a health coverage tax credit. The coverage provided under this section may be referred to as the "Municipal Employee Health Insurance Plan". The Comptroller may arrange and procure for the employees and eligible individuals under this subsection health benefit plans that vary from the plan or plans procured under subsection (a) of this section. Notwithstanding any provision of part V of chapter 700c, the coverage provided under this subsection may be offered on either a fully underwritten or risk-pooled basis at the discretion of the Comptroller. For the purposes of this subsection, (A) "municipality" means any town, city, borough, school district, taxing district, fire district, district department of health, probate district, housing authority, regional work force development board established under section 31-3k, regional emergency telecommunications center, tourism district established under section 32-302, flood commission or authority established by special act, regional planning agency, transit district formed under chapter 103a, or the Children's Center established by number 571 of the public acts of 1969; (B) "nonprofit corporation" means (i) a nonprofit corporation organized under 26 USC 501 that has a contract with the state or receives a portion of its funding from a municipality, the state or the federal government, or (ii) an

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organization that is tax exempt pursuant to 26 USC 501(c)(5); (C) "community action agency" means a community action agency, as defined in section 17b-885; (D) "small employer" means a small employer, as defined in subparagraph (A) of subdivision (4) of section 38a-564; (E) "eligible individuals" or "individuals eligible for a health coverage tax credit" means individuals who are eligible for the credit for health insurance costs under Section 35 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, in accordance with the Pension Benefit Guaranty Corporation and Trade Adjustment Assistance programs of the Trade Act of 2002, [(P.L. 107-210)] P.L. 107-210; (F) "association for personal care assistants" means an organization composed of personal care attendants who are employed by recipients of service (i) under the home-care program for the elderly under section 17b-342, (ii) under the personal care assistance program under section 17b-605a, (iii) in an independent living center pursuant to sections 17b-613 to 17b-615, inclusive, or (iv) under the program for individuals with acquired brain injury as described in section 17b-260a; and (G) "retired members" means individuals eligible for a retirement benefit from the Connecticut municipal employees' retirement system.

(j) (1) Notwithstanding any provision of law, [to the contrary,] the existing rights and obligations of state employee organizations and the state employer under current law and contract shall not be impaired by the provisions of this section. (2) Other conditions of entry for any group into the plan or plans procured under subsection (a) of this section shall be determined by the Comptroller upon the recommendation of a coalition committee established pursuant to subsection (f) of section 5-278, except for such conditions referenced in subsection (g) of this section. (3) Additional determinations by the Comptroller on (A) issues generated by any group's actual or contemplated participation in the plan or plans, (B) modifications to

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the terms and conditions of any group's continued participation, (C) related matters shall be made upon the recommendation of such committee. (4) Notwithstanding any provision of law to the contrary, a municipal employer and an employee organization may upon mutual agreement reopen a collective bargaining agreement for the exclusive purpose of negotiating on the participation by such municipal employer or employee organization in the plan or plans offered under the provisions of this section.

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

(l) (1) Effective July 1, 1996, any deputies or special deputies appointed pursuant to section 6-37 of the general statutes, revision of 1958, revised to 1999, or section 6-43, shall be allowed to participate in the plan or plans procured by the Comptroller pursuant to subsection (a) of this section. Such participation shall be voluntary and the participant shall pay the full cost of the coverage under such plan.

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

(3) Effective December 1, 2000, any judicial marshal shall be allowed to participate in the plan or plans procured by the Comptroller pursuant to subsection (a) of this section. Such participation shall be voluntary and the participant shall pay the full cost of the coverage under such plan unless and until the judicial marshals participate in the plan or plans procured by the Comptroller under this section [5-

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259] through collective bargaining negotiations pursuant to subsection (f) of section 5-278.

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

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

(3) The Comptroller may enter into contracts with third-party administrators to provide administrative services only for the self-insured plans set forth in subdivision (1) of this subsection. Any such third-party administrator shall be required under such contract to charge such third-party administrator's lowest available rate for such services.

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

(1) "Health Care Cost Containment Committee" means the committee established in accordance with the ratified agreement between the state and state employees' Bargaining Agent Coalition pursuant to subsection (f) of section 5-278 of the general statutes.

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

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

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

(5) "Nonprofit employer" means a nonprofit corporation, as defined in subparagraph (B) of subdivision (7) of subsection (i) of section 5-259 of the general statutes, as amended by this act.

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

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

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

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

(10) "State employee plan" or "state plan" means a self-insured group health care benefits plan established under subsection (m) of

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section 5-259 of the general statutes, as amended by this act.

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

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

(b) (1) The Comptroller shall offer participation in such plan to nonstate public employers, municipal-related employers, small employers and nonprofit employers for not less than two-year intervals. An employer may apply for renewal prior to the expiration of each interval.

(2) The Comptroller shall develop procedures by which:

(A) Such employers may apply to participate in the state plan, including procedures for nonstate public employers that are currently self-insured and procedures for nonstate public employers that are currently fully-insured; and

(B) Employers receiving coverage for their employees pursuant to the state plan may (i) apply for renewal, or (ii) withdraw from such coverage, including, but not limited to, the terms and conditions under which such employers may withdraw prior to the expiration of the interval and the procedure by which any premium payments such employers may be entitled to shall be refunded. Any such procedures

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shall provide that nonstate public employees covered by collective bargaining shall withdraw from such coverage in accordance with chapters 113 and 166 of the general statutes.

(c) (1) The initial open enrollment for nonstate public employers shall be for coverage beginning January 1, 2010. Thereafter, open enrollment for nonstate public employers shall be for coverage periods beginning July first.

(2) Open enrollment for municipal-related employers, small employers and nonprofit employers shall be for coverage periods beginning January first and July first.

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

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

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

(g) If the Comptroller determines that granting coverage to an employer under the state employee plan will affect such plan's status as a governmental plan under the Employee Retirement Income Security Act of 1974, as amended from time to time, the Comptroller shall not grant coverage to such employer and shall stop accepting

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applications for coverage from municipal-related employers, nonprofit employers and small employers. The Comptroller shall resume accepting applications for coverage under the state employee plan from such employers if the Comptroller determines that granting coverage to such employers will not affect such plan's status as a governmental plan under the Employee Retirement Income Security Act of 1974, as amended from time to time. The Comptroller shall make a public announcement of the Comptroller's decision to stop or resume accepting applications for coverage under the state employee plan.

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

(1) Notwithstanding any provision of the general statutes, initial participation in the state employee plan by a nonstate public employer shall be a permissive subject of collective bargaining and shall be subject to binding interest arbitration only if the collective bargaining agent and the employer mutually agree to bargain over such initial participation. Such mutual agreement shall be in writing and signed by authorized representatives of the collective bargaining agent and the employer. Continuation in the state employee plan, after initial participation, shall be a mandatory subject of bargaining and shall be subject to binding interest arbitration in accordance with the same procedures and standards that apply to any other mandatory subject of bargaining pursuant to chapters 68, 113 and 166 of the general statutes. For purposes of this section, a board of education and a municipality shall be considered separate employers and shall submit separate applications.

(2) (A) If a nonstate public employer submits an application in accordance with this subsection for all of its employees, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of

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

(B) If a nonstate public employer submits an application for less than all of its employees, or indicates in the application the employer will offer other health plans to employees who are offered the state health plan, the Comptroller shall forward such application to a health care actuary not later than five business days after receiving such application. Such actuary may, not later than sixty days after receiving such application, certify to the Comptroller that the application will shift a significantly disproportional part of such employer's employees' medical risks to the state employee plan, and shall provide in writing the specific reasons for its finding, including a summary of all information relied upon in making such a finding. If the Comptroller receives such certification, the Comptroller shall not provide coverage to such employer and shall provide written notification and the specific reasons for such denial to such employer and the Health Care Cost Containment Committee. If the Comptroller does not receive such certification, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of such acceptance and the date on which such coverage shall begin.

(C) The Comptroller shall consult with a health care actuary who shall develop actuarial standards to be used to assess the shift in medical risks of an employer's employees to the state employee plan. The Comptroller shall present such standards to the Health Care Cost Containment Committee for its review and evaluation prior to the use of such standards.

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

(1) If a municipal-related employer, small employer or nonprofit

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employer submits an application for all of its employees, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of such acceptance and the date on which such coverage shall begin.

(2) If a municipal-related employer, small employer or nonprofit employer submits an application for less than all of its employees, or indicates in the application the employer will offer other health plans to employees who are offered the state health plan, the Comptroller shall forward such application to a health care actuary not later than five business days after receiving such application. Such actuary may, not later than sixty days after receiving such application, certify to the Comptroller that the application will shift a significantly disproportional part of such employer's employees' medical risks to the state employee plan, and shall provide in writing the specific reasons for its finding, including a summary of all information relied upon in making such a finding. If the Comptroller receives such certification, the Comptroller shall not provide coverage to such employer and shall provide written notification and the specific reasons for such denial to such employer and the Health Care Cost Containment Committee. If the Comptroller receives such certification, the Comptroller shall not provide coverage to such employer. If the Comptroller does not receive such certification, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of such acceptance and the date on which such coverage shall begin.

(3) The Comptroller shall consult with a health care actuary who shall develop actuarial standards to be used to assess the shift in medical risks of an employer's employees to the state employee plan. The Comptroller shall present such standards to the Health Care Cost Containment Committee for its review and evaluation prior to the use of such standards.

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(c) If an employer included less than all of its employees in its application for coverage because of (1) the decision by individual employees to decline coverage from their employer for themselves or their dependents, or (2) the employer's decision not to offer coverage to temporary, part-time or durational employees, the Comptroller shall not forward such employer's application to a health care actuary.

(d) The Comptroller may adopt regulations, in accordance with chapter 54 of the general statutes, to establish the procedures and criteria for any reviews or evaluations performed by the Health Care Cost Containment Committee pursuant to subparagraph (C) of subdivision (2) of subsection (a) of this section, subdivision (3) of subsection (b) of this section and subdivision (3) of subsection (b) of section 5 of this act.

(e) Notwithstanding any provision of the general statutes, the state employee plan shall not be deemed (1) an unauthorized insurer, or (2) a multiple employer welfare arrangement.

Sec. 5. (NEW) (*Effective July 1, 2009*) (a) Employers eligible to seek coverage for their employees under the state employee plan, pursuant to sections 3 and 4 of this act, may seek such coverage for their retirees in accordance with this section. Premium payments for such coverage shall be remitted by the employer to the Comptroller in accordance with section 6 of this act.

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

(2) If an employer seeks coverage for less than all of such employer's

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retirees, regardless of whether the employer is seeking coverage for all of such employer's active employees, the Comptroller shall forward such application to a health care actuary not later than five business days after receiving such application. Such actuary may, not later than sixty days after receiving such application, certify to the Comptroller that, with respect to such retirees, the application will shift a significantly disproportional part of an employer's retirees' medical risks to the state employee plan, and shall provide in writing the specific reasons for its finding, including a summary of all information relied upon in making such a finding. If the Comptroller receives such certification, the Comptroller shall not provide coverage to such employer for such employer's retirees and shall provide written notification and the specific reasons for such denial to such employer and the Health Care Cost Containment Committee. If the Comptroller does not receive such certification, the Comptroller shall accept such application for the next open enrollment. The Comptroller shall provide written notification to such employer of such acceptance and the date on which such coverage shall begin.

(3) The Comptroller shall consult with a health care actuary who shall develop actuarial standards to be used to assess the shift in medical risks of an employer's retirees to the state employee plan. The Comptroller shall present such standards to the Health Care Cost Containment Committee for its review and evaluation prior to the use of such standards.

(4) If an employer included less than all of its retirees in its application for coverage because of (A) the decision by individual retirees to decline health benefits or health insurance coverage from their employer for themselves or their dependents, or (B) the retiree's enrollment in Medicare, the Comptroller shall not forward such employer's application to a health care actuary.

(c) Nothing in sections 2 to 7, inclusive, of this act shall diminish any

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right to retiree health insurance pursuant to a collective bargaining agreement or any other provision of the general statutes.

Sec. 6. (NEW) (*Effective July 1, 2009*) (a) There is established an account to be known as the "state plan premium account", which shall be a separate, nonlapsing account within the grants and restricted accounts fund. All premiums paid by employers, employees and retirees pursuant to this section shall be deposited into said account. The account shall be administered by the Comptroller for payment of claims.

(b) Premium payments shall be remitted by the employer to the Comptroller and shall be the same as those paid by the state, inclusive of any premiums paid by state employees and retired state employees, if applicable, except as otherwise provided in this section. The Comptroller may charge each employer participating in the state plan an administrative fee calculated on a per member per month basis. In addition, the Comptroller may charge a fluctuating reserves fee the Comptroller deems necessary to ensure adequate claims reserves.

(c) The Comptroller may adjust premium rates for small employers to reflect one or more of the characteristics set forth in subparagraph (A) of subdivision (5) of section 38a-567 of the general statutes.

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

(e) If any payment due by an employer under this section is not submitted to the Comptroller by the tenth day after the date such payment is due, interest to be paid by such employer shall be added,

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retroactive to the date such payment was due, at the prevailing rate of interest as determined by the Comptroller.

(1) The Comptroller may terminate participation in the state employee plan by a municipal-related employer, small employer or nonprofit employer on the basis of nonpayment of premium, provided at least ten days' advance notice is given to such employer, which may continue the coverage and avoid the effect of the termination by remitting payment in full at any time prior to the effective date of termination.

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

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

(3) The Comptroller may request the Attorney General to bring an

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action in the superior court for the judicial district of Hartford to recover any premium and interest costs or equitable relief from a terminated employer.

Sec. 7. (NEW) (*Effective July 1, 2009*) (a) There is established a Nonstate Public Health Care Advisory Committee. The committee shall make advisory recommendations to the Health Care Cost Containment Committee concerning health care coverage for nonstate public employees. The advisory committee shall consist of nonstate public employers and employees participating in the state plan and shall include the following members appointed by the Comptroller: (1) Three municipal employer representatives, one of whom represents towns with populations of one hundred thousand or more, one of whom represents towns with populations of at least twenty thousand but under one hundred thousand, and one of whom represents towns with populations under twenty thousand; (2) three municipal employee representatives, one of whom represents employees in towns with populations of one hundred thousand or more, one of whom represents employees in towns with populations of at least twenty thousand but under one hundred thousand, and one of whom represents employees in towns with populations under twenty thousand; (3) three board of education employers, one of whom represents towns with populations of one hundred thousand or more, one of whom represents towns with populations of at least twenty thousand but under one hundred thousand, and one of whom represents towns with populations under twenty thousand; and (4) three board of education employee representatives, one of whom represents towns with populations of one hundred thousand or more, one of whom represents towns with populations of at least twenty thousand but under one hundred thousand, and one of whom represents towns with populations under twenty thousand.

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

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Committee. The committee shall make advisory recommendations to the Health Care Cost Containment Committee concerning health care coverage for private sector employees. The advisory committee shall consist of municipal-related employers, small employers and nonprofit employers and their respective employees participating in the state plan and shall include the following members appointed by the Comptroller: (1) Two municipal-related employer representatives; (2) two municipal-related employee representatives; (3) two small employer representatives; (4) two small employee representatives; (5) two nonprofit employer representatives; and (6) two nonprofit employee representatives.

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

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

Sec. 10. (NEW) (*Effective from passage*) Notwithstanding the provisions of title 38a of the general statutes, two or more municipalities may join together by written agreement as a single entity for the purpose of procuring health insurance for their employees. Any such group shall be approved by the commissioner and shall be on a fully underwritten basis. Such written agreement shall establish the membership of such group, the duration of such health insurance coverage, requirements regarding the payment of premiums for such health insurance coverage and the procedures for a municipality to withdraw from such group and terminate such health

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insurance coverage. Any group established pursuant to this section shall not be deemed a fictitious group.

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

(B) "Small employer" does not include (i) a municipality procuring health insurance pursuant to section 5-259, as amended by this act, (ii) a private school in this state procuring health insurance through a health insurance plan or an insurance arrangement sponsored by an association of such private schools, (iii) a nonprofit organization procuring health insurance pursuant to subsection (i) of section 5-259, as amended by this act, unless the Secretary of the Office of Policy and Management and the State Comptroller make a request in writing to the Insurance Commissioner that such nonprofit organization be deemed a small employer for the purposes of this chapter, (iv) an association for personal care assistants procuring health insurance pursuant to section 5-259, as amended by this act, or (v) a community action agency procuring health insurance pursuant to section 5-259, as amended by this act.

Vetoed July 8, 2009