



General Assembly

Amendment

January Session, 2009

LCO No. 7518

HB0658207518HDO

Offered by:

REP. FONTANA, 87th Dist.

SEN. CRISCO, 17th Dist.

To: Subst. House Bill No. 6582

File No. 259

Cal. No. 225

"AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP."

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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 Section 5-259 of the general statutes is repealed and the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

5 (a) The Comptroller, with the approval of the Attorney General and
6 of the Insurance Commissioner, shall arrange and procure a group
7 hospitalization and medical and surgical insurance plan or plans for
8 (1) state employees, (2) members of the General Assembly who elect
9 coverage under such plan or plans, (3) participants in an alternate
10 retirement program who meet the service requirements of section
11 5-162 or subsection (a) of section 5-166, (4) anyone receiving benefits
12 under section 5-144 or from any state-sponsored retirement system,
13 except the teachers' retirement system and the municipal employees
14 retirement system, (5) judges of probate and Probate Court employees,

15 (6) the surviving spouse [,] and any dependent children [until they
16 reach the age of eighteen,] of a state police officer, a member of an
17 organized local police department, a firefighter or a constable who
18 performs criminal law enforcement duties who dies before, on or after
19 June 26, 2003, as the result of injuries received while acting within the
20 scope of such officer's or firefighter's or constable's employment and
21 not as the result of illness or natural causes, and whose surviving
22 spouse and dependent children are not otherwise eligible for a group
23 hospitalization and medical and surgical insurance plan, (7) employees
24 of the Capital City Economic Development Authority established by
25 section 32-601, and (8) the surviving spouse and dependent children of
26 any employee of a municipality who dies on or after October 1, 2000,
27 as the result of injuries received while acting within the scope of such
28 employee's employment and not as the result of illness or natural
29 causes, and whose surviving spouse and dependent children are not
30 otherwise eligible for a group hospitalization and medical and surgical
31 insurance plan. For purposes of this subdivision, "employee" means
32 any regular employee or [elective] elected officer receiving pay from a
33 municipality, "municipality" means any town, city, borough, school
34 district, taxing district, fire district, district department of health,
35 probate district, housing authority, regional work force development
36 board established under section 31-3k, flood commission or authority
37 established by special act or regional planning agency. For purposes of
38 subdivision (6) of this subsection, "firefighter" means any person who
39 is regularly employed and paid by any municipality for the purpose of
40 performing firefighting duties for a municipality on average of not less
41 than thirty-five hours per week. The minimum benefits to be provided
42 by such plan or plans shall be substantially equal in value to the
43 benefits that each such employee or member of the General Assembly
44 could secure in such plan or plans on an individual basis on the
45 preceding first day of July. The state shall pay for each such employee
46 and each member of the General Assembly covered by such plan or
47 plans the portion of the premium charged for such member's or
48 employee's individual coverage and seventy per cent of the additional
49 cost of the form of coverage and such amount shall be credited to the

50 total premiums owed by such employee or member of the General
51 Assembly for the form of such member's or employee's coverage under
52 such plan or plans. On and after January 1, 1989, the state shall pay for
53 anyone receiving benefits from any such state-sponsored retirement
54 system one hundred per cent of the portion of the premium charged
55 for such member's or employee's individual coverage and one
56 hundred per cent of any additional cost for the form of coverage. The
57 balance of any premiums payable by an individual employee or by a
58 member of the General Assembly for the form of coverage shall be
59 deducted from the payroll by the State Comptroller. The total
60 premiums payable shall be remitted by the Comptroller to the
61 insurance company or companies or nonprofit organization or
62 organizations providing the coverage. The amount of the state's
63 contribution per employee for a health maintenance organization
64 option shall be equal, in terms of dollars and cents, to the largest
65 amount of the contribution per employee paid for any other option
66 that is available to all eligible state employees included in the health
67 benefits plan, but shall not be required to exceed the amount of the
68 health maintenance organization premium.

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

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

84 subsection (a) of this section.

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

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

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

144 (g) Notwithstanding the provisions of subsection (a) of this section,
145 the Probate Court Administration Fund established in accordance with
146 section 45a-82, shall pay for each probate judge and Probate Court
147 employee not more than one hundred per cent of the portion of the
148 premium charged for his or her individual coverage and not more than
149 fifty per cent of any additional cost for his or her form of coverage. The
150 remainder of the premium for such coverage shall be paid by the

151 probate judge or Probate Court employee to the State Treasurer.
152 Payment shall be credited by the State Treasurer to the fund
153 established by section 45a-82. The total premiums payable shall be
154 remitted by the Probate Court Administrator directly to the insurance
155 company or companies or nonprofit organization or organizations
156 providing the coverage. The Probate Court Administrator shall issue
157 regulations governing group hospitalization and medical and surgical
158 insurance pursuant to subdivision (1) of subsection (b) of section 45a-
159 77.

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

163 (i) The Comptroller may provide for coverage of employees of
164 municipalities, nonprofit corporations, community action agencies and
165 small employers and individuals eligible for a health coverage tax
166 credit, retired members or members of an association for personal care
167 assistants under the plan or plans procured under subsection (a) of this
168 section, provided: (1) Participation by each municipality, nonprofit
169 corporation, community action agency, small employer, eligible
170 individual, retired member or association for personal care assistants
171 shall be on a voluntary basis; (2) where an employee organization
172 represents employees of a municipality, nonprofit corporation,
173 community action agency or small employer, participation in a plan or
174 plans to be procured under subsection (a) of this section shall be by
175 mutual agreement of the municipality, nonprofit corporation,
176 community action agency or small employer and the employee
177 organization only and neither party may submit the issue of
178 participation to binding arbitration except by mutual agreement if
179 such binding arbitration is available; (3) no group of employees shall
180 be refused entry into the plan by reason of past or future health care
181 costs or claim experience; (4) rates paid by the state for its employees
182 under subsection (a) of this section are not adversely affected by this
183 subsection; (5) administrative costs to the plan or plans provided
184 under this subsection shall not be paid by the state; (6) participation in

185 the plan or plans in an amount determined by the state shall be for the
186 duration of the period of the plan or plans, or for such other period as
187 mutually agreed by the municipality, nonprofit corporation,
188 community action agency, small employer, retired member or
189 association for personal care assistants and the Comptroller; and (7)
190 nothing in this section or section 12-202a, 38a-551, 38a-553 or 38a-556
191 shall be construed as requiring a participating insurer or health care
192 center to issue individual policies to individuals eligible for a health
193 coverage tax credit. The coverage provided under this section may be
194 referred to as the "Municipal Employee Health Insurance Plan". The
195 Comptroller may arrange and procure for the employees and eligible
196 individuals under this subsection health benefit plans that vary from
197 the plan or plans procured under subsection (a) of this section.
198 Notwithstanding any provision of part V of chapter 700c, the coverage
199 provided under this subsection may be offered on either a fully
200 underwritten or risk-pooled basis at the discretion of the Comptroller.
201 For the purposes of this subsection, (A) "municipality" means any
202 town, city, borough, school district, taxing district, fire district, district
203 department of health, probate district, housing authority, regional
204 work force development board established under section 31-3k,
205 regional emergency telecommunications center, tourism district
206 established under section 32-302, flood commission or authority
207 established by special act, regional planning agency, transit district
208 formed under chapter 103a, or the Children's Center established by
209 number 571 of the public acts of 1969; (B) "nonprofit corporation"
210 means (i) a nonprofit corporation organized under 26 USC 501 that has
211 a contract with the state or receives a portion of its funding from a
212 municipality, the state or the federal government, or (ii) an
213 organization that is tax exempt pursuant to 26 USC 501(c)(5); (C)
214 "community action agency" means a community action agency, as
215 defined in section 17b-885; (D) "small employer" means a small
216 employer, as defined in subparagraph (A) of subdivision (4) of section
217 38a-564; (E) "eligible individuals" or "individuals eligible for a health
218 coverage tax credit" means individuals who are eligible for the credit
219 for health insurance costs under Section 35 of the Internal Revenue

220 Code of 1986, or any subsequent corresponding internal revenue code
221 of the United States, as from time to time amended, in accordance with
222 the Pension Benefit Guaranty Corporation and Trade Adjustment
223 Assistance programs of the Trade Act of 2002, [(P.L. 107-210)] P.L. 107-
224 210; (F) "association for personal care assistants" means an
225 organization composed of personal care attendants who are employed
226 by recipients of service (i) under the home-care program for the elderly
227 under section 17b-342, (ii) under the personal care assistance program
228 under section 17b-605a, (iii) in an independent living center pursuant
229 to sections 17b-613 to 17b-615, inclusive, or (iv) under the program for
230 individuals with acquired brain injury as described in section 17b-
231 260a; and (G) "retired members" means individuals eligible for a
232 retirement benefit from the Connecticut municipal employees'
233 retirement system.

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

253 (k) The Comptroller shall submit annually to the General Assembly

254 a review of the coverage of employees of municipalities, nonprofit
255 corporations, community action agencies, small employers under
256 subsection (i) of this section and eligible individuals under subsection
257 (i) of this section beginning February 1, 2004.

258 (l) (1) Effective July 1, 1996, any deputies or special deputies
259 appointed pursuant to section 6-37 of the general statutes, revision of
260 1958, revised to 1999, or section 6-43, shall be allowed to participate in
261 the plan or plans procured by the Comptroller pursuant to subsection
262 (a) of this section. Such participation shall be voluntary and the
263 participant shall pay the full cost of the coverage under such plan.

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

269 (3) Effective December 1, 2000, any judicial marshal shall be allowed
270 to participate in the plan or plans procured by the Comptroller
271 pursuant to subsection (a) of this section. Such participation shall be
272 voluntary and the participant shall pay the full cost of the coverage
273 under such plan unless and until the judicial marshals participate in
274 the plan or plans procured by the Comptroller under this section [5-
275 259] through collective bargaining negotiations pursuant to subsection
276 (f) of section 5-278.

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

285 (2) On or after January 1, 2010, the Comptroller may merge any

286 other insurance plans procured by the Comptroller into the self-
287 insured plans established pursuant to subdivision (1) of this
288 subsection.

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

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

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

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

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

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

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

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.

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

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

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

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

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

344 (b) (1) The Comptroller shall offer participation in such plan to
345 nonstate public employers, municipal-related employers, small

346 employers and nonprofit employers for not less than two-year
347 intervals. An employer may apply for renewal prior to the expiration
348 of each interval.

349 (2) The Comptroller shall develop procedures by which:

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

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

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

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

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

374 (e) The Comptroller shall create applications for coverage for the
375 purposes of this section and sections 4 and 5 of this act. Such

376 applications shall require an employer to disclose whether the
377 employer will offer any other health plan to the employees who are
378 offered the state plan.

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

384 (g) If the Comptroller determines that granting coverage to an
385 employer under the state employee plan will affect such plan's status
386 as a governmental plan under the Employee Retirement Income
387 Security Act of 1974, as amended from time to time, the Comptroller
388 shall not grant coverage to such employer and shall stop accepting
389 applications for coverage from municipal-related employers, nonprofit
390 employers and small employers. The Comptroller shall resume
391 accepting applications for coverage under the state employee plan
392 from such employers if the Comptroller determines that granting
393 coverage to such employers will not affect such plan's status as a
394 governmental plan under the Employee Retirement Income Security
395 Act of 1974, as amended from time to time. The Comptroller shall
396 make a public announcement of the Comptroller's decision to stop or
397 resume accepting applications for coverage under the state employee
398 plan.

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

401 (1) Notwithstanding any provision of the general statutes, initial
402 participation in the state employee plan by a nonstate public employer
403 shall be a permissive subject of collective bargaining and shall be
404 subject to binding interest arbitration only if the collective bargaining
405 agent and the employer mutually agree to bargain over such initial
406 participation. Such mutual agreement shall be in writing and signed by
407 authorized representatives of the collective bargaining agent and the

408 employer. Continuation in the state employee plan, after initial
409 participation, shall be a mandatory subject of bargaining and shall be
410 subject to binding interest arbitration in accordance with the same
411 procedures and standards that apply to any other mandatory subject
412 of bargaining pursuant to chapters 68, 113 and 166 of the general
413 statutes. For purposes of this section, a board of education and a
414 municipality shall be considered separate employers and shall submit
415 separate applications.

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

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

440 (C) The Comptroller shall consult with a health care actuary who

441 shall develop actuarial standards to be used to assess the shift in
442 medical risks of an employer's employees to the state employee plan.
443 The Comptroller shall present such standards to the Health Care Cost
444 Containment Committee for its review and evaluation prior to the use
445 of such standards.

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

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

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

474 and the date on which such coverage shall begin.

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

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

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

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

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

503 (b) (1) If an employer seeks coverage for all of such employer's
504 retirees in accordance with this section and all of such employer's

505 employees in accordance with section 3 of this act, the Comptroller
506 shall accept such application for the next open enrollment. The
507 Comptroller shall provide written notification to such employer of
508 such acceptance and the date on which such coverage shall begin.

509 (2) If an employer seeks coverage for less than all of such employer's
510 retirees, regardless of whether the employer is seeking coverage for all
511 of such employer's active employees, the Comptroller shall forward
512 such application to a health care actuary not later than five business
513 days after receiving such application. Such actuary may, not later than
514 sixty days after receiving such application, certify to the Comptroller
515 that, with respect to such retirees, the application will shift a
516 significantly disproportional part of an employer's retirees' medical
517 risks to the state employee plan, and shall provide in writing the
518 specific reasons for its finding, including a summary of all information
519 relied upon in making such a finding. If the Comptroller receives such
520 certification, the Comptroller shall not provide coverage to such
521 employer for such employer's retirees and shall provide written
522 notification and the specific reasons for such denial to such employer
523 and the Health Care Cost Containment Committee. If the Comptroller
524 does not receive such certification, the Comptroller shall accept such
525 application for the next open enrollment. The Comptroller shall
526 provide written notification to such employer of such acceptance and
527 the date on which such coverage shall begin.

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

534 (4) If an employer included less than all of its retirees in its
535 application for coverage because of (A) the decision by individual
536 retirees to decline health benefits or health insurance coverage from
537 their employer for themselves or their dependents, or (B) the retiree's

538 enrollment in Medicare, the Comptroller shall not forward such
539 employer's application to a health care actuary.

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

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

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

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

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

567 (e) If any payment due by an employer under this section is not
568 submitted to the Comptroller by the tenth day after the date such

569 payment is due, interest to be paid by such employer shall be added,
570 retroactive to the date such payment was due, at the prevailing rate of
571 interest as determined by the Comptroller.

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

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

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

599 (3) The Comptroller may request the Attorney General to bring an
600 action in the superior court for the judicial district of Hartford to

601 recover any premium and interest costs or equitable relief from a
602 terminated employer.

603 Sec. 7. (NEW) (*Effective July 1, 2009*) (a) There is established a
604 Nonstate Public Health Care Advisory Committee. The committee
605 shall make advisory recommendations to the Health Care Cost
606 Containment Committee concerning health care coverage for nonstate
607 public employees. The advisory committee shall consist of nonstate
608 public employers and employees participating in the state plan and
609 shall include the following members appointed by the Comptroller: (1)
610 Three municipal employer representatives, one of whom represents
611 towns with populations of one hundred thousand or more, one of
612 whom represents towns with populations of at least twenty thousand
613 but under one hundred thousand, and one of whom represents towns
614 with populations under twenty thousand; (2) three municipal
615 employee representatives, one of whom represents employees in
616 towns with populations of one hundred thousand or more, one of
617 whom represents employees in towns with populations of at least
618 twenty thousand but under one hundred thousand, and one of whom
619 represents employees in towns with populations under twenty
620 thousand; (3) three board of education employers, one of whom
621 represents towns with populations of one hundred thousand or more,
622 one of whom represents towns with populations of at least twenty
623 thousand but under one hundred thousand, and one of whom
624 represents towns with populations under twenty thousand; and (4)
625 three board of education employee representatives, one of whom
626 represents towns with populations of one hundred thousand or more,
627 one of whom represents towns with populations of at least twenty
628 thousand but under one hundred thousand, and one of whom
629 represents towns with populations under twenty thousand.

630 (b) There is established a Private Sector Health Care Advisory
631 Committee. The committee shall make advisory recommendations to
632 the Health Care Cost Containment Committee concerning health care
633 coverage for private sector employees. The advisory committee shall
634 consist of municipal-related employers, small employers and nonprofit

635 employers and their respective employees participating in the state
636 plan and shall include the following members appointed by the
637 Comptroller: (1) Two municipal-related employer representatives; (2)
638 two municipal-related employee representatives; (3) two small
639 employer representatives; (4) two small employee representatives; (5)
640 two nonprofit employer representatives; and (6) two nonprofit
641 employee representatives.

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

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

652 Sec. 10. (NEW) (*Effective from passage*) Notwithstanding the
653 provisions of title 38a of the general statutes, two or more
654 municipalities may join together by written agreement as a single
655 entity for the purpose of procuring health insurance for their
656 employees. Any such group shall be approved by the commissioner
657 and shall be on a fully underwritten basis. Such written agreement
658 shall establish the membership of such group, the duration of such
659 health insurance coverage, requirements regarding the payment of
660 premiums for such health insurance coverage and the procedures for a
661 municipality to withdraw from such group and terminate such health
662 insurance coverage. Any group established pursuant to this section
663 shall not be deemed a fictitious group.

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

667 (B) "Small employer" does not include (i) a municipality procuring
 668 health insurance pursuant to section 5-259, as amended by this act, (ii)
 669 a private school in this state procuring health insurance through a
 670 health insurance plan or an insurance arrangement sponsored by an
 671 association of such private schools, (iii) a nonprofit organization
 672 procuring health insurance pursuant to subsection (i) of section 5-259,
 673 as amended by this act, unless the Secretary of the Office of Policy and
 674 Management and the State Comptroller make a request in writing to
 675 the Insurance Commissioner that such nonprofit organization be
 676 deemed a small employer for the purposes of this chapter, (iv) an
 677 association for personal care assistants procuring health insurance
 678 pursuant to section 5-259, as amended by this act, or (v) a community
 679 action agency procuring health insurance pursuant to section 5-259, as
 680 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) |