



House Bill No. 5295

Public Act No. 10-131

AN ACT CONCERNING THE PURCHASING OF PRESCRIPTION DRUGS BY NONSTATE PUBLIC EMPLOYERS.

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

Section 1. Subsection (m) of section 5-259 of the 2010 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(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, 2010,] except that any dental plan offered in connection with or in addition to such self-insured plans may be fully insured.

(2) 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.

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(3) (A) (i) The Comptroller shall offer nonstate public employers the option to purchase prescription drugs for their employees, employees' dependents and retirees under the purchasing authority of the state pursuant to section 1 of public act 09-206, subject to the provisions of subparagraph (E) of this subdivision.

(ii) For purposes of this subdivision, "nonstate public employer" means (I) a municipality or other political subdivision of the state, including a board of education, quasi-public agency or public library, as defined in section 11-24a, or (II) the Teachers' Retirement Board.

(B) The Comptroller shall establish procedures to determine (i) the eligibility requirements for, (ii) the enrollment procedures for, (iii) the duration of, (iv) requirements regarding payment for, and (v) the procedures for withdrawal from and termination of, the purchasing of prescription drugs for nonstate public employers under subparagraph (A) of this subdivision.

(C) The Comptroller may offer to nonstate public employers that choose to purchase prescription drugs pursuant to subparagraph (A) of this subdivision the option to purchase stop loss coverage from an insurer at a rate negotiated by the Comptroller.

(D) Two or more nonstate public employers may join together for the purpose of purchasing prescription drugs for their employees, employees' dependents and retirees. Such arrangement shall not constitute a multiple employer welfare arrangement, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended from time to time.

(E) (i) The Comptroller shall offer nonstate public employers the option to purchase prescription drugs through the plan set forth in the State Employees' Bargaining Agent Coalition's collective bargaining agreement with the state only if the Health Care Cost Containment

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Committee, established in accordance with the ratified agreement between the state and said coalition pursuant to subsection (f) of section 5-278, has indicated in writing to the Comptroller that allowing such nonstate public employers such option is consistent with said coalition's collective bargaining agreement.

(ii) Such writing shall not be required if the Comptroller establishes a separate prescription drugs purchasing plan for nonstate public employers.

(iii) Nonstate public employers that purchase prescription drugs pursuant to this subdivision shall pay the full cost of their own claims and prescription drugs.

Approved June 7, 2010