



General Assembly

February Session, 2012

Raised Bill No. 5013

LCO No. 184

00184_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

**AN ACT CONCERNING THE BOARD MEMBERS OF THE
CONNECTICUT HEALTH INSURANCE EXCHANGE.**

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

1 Section 1. Subsections (a) to (c), inclusive, of section 38a-1081 of the
2 2012 supplement to the general statutes are repealed and the following
3 is substituted in lieu thereof (*Effective from passage*):

4 (a) There is hereby created as a body politic and corporate,
5 constituting a public instrumentality and political subdivision of the
6 state created for the performance of an essential public and
7 governmental function, to be known as the Connecticut Health
8 Insurance Exchange. The Connecticut Health Insurance Exchange shall
9 not be construed to be a department, institution or agency of the state.
10 The exchange shall serve both qualified individuals and qualified
11 employers.

12 (b) (1) (A) The powers of the exchange shall be vested in and
13 exercised by a board of directors, which, until July 1, 2012, shall consist
14 of eleven voting members. The appointment of the initial board
15 members shall be as follows:

16 [(A)] (i) The Governor shall appoint two board members, one of
17 whom shall have expertise in the area of individual health insurance
18 coverage and shall serve for a term of three years and one of whom
19 shall have expertise in issues relating to small employer health
20 insurance coverage and shall serve for a term of two years;

21 [(B)] (ii) The president pro tempore of the Senate shall appoint one
22 board member who shall have expertise in the area of health care
23 finance and shall serve for a term of four years;

24 [(C)] (iii) The speaker of the House of Representatives shall appoint
25 one board member who shall have expertise in the area of health care
26 benefits plan administration and shall serve for a term of four years;

27 [(D)] (iv) The majority leader of the Senate shall appoint one board
28 member who shall have expertise in the health care delivery systems
29 and shall serve for a term of two years;

30 [(E)] (v) The majority leader of the House of Representatives shall
31 appoint one board member who shall have expertise in the area of
32 health care economics and shall serve for a term of one year;

33 [(F)] (vi) The minority leader of the Senate shall appoint one board
34 member who shall have expertise in health care access issues faced by
35 self-employed individuals and shall serve for a term of three years;

36 [(G)] (vii) The minority leader of the House of Representatives shall
37 appoint one board member who shall have expertise concerning
38 barriers to individual health care coverage and shall serve for a term of
39 two years;

40 [(H)] (viii) The Commissioner of Social Services, the Special Advisor
41 to the Governor on Healthcare Reform and the Secretary of the Office
42 of Policy and Management, or their designees, who shall serve as ex-
43 officio voting board members; and

44 [(I)] (ix) The Insurance Commissioner, the Commissioner of Public

45 Health and the Healthcare Advocate, or their designees, who shall
46 serve as ex-officio nonvoting board members.

47 (B) (i) On and after July 1, 2012, the board of directors shall consist
48 of fourteen voting members. The initial appointment of additional
49 board members shall be as follows, and such appointments shall not
50 affect the terms of the board members set forth in subparagraph (A) of
51 this subdivision:

52 (I) The president pro tempore of the Senate shall appoint one board
53 member who shall be a small employer and shall serve for a term of
54 two years; and

55 (II) The speaker of the House of Representatives shall appoint one
56 board member who shall be a consumer of specialized health care
57 services for a disability, a chronic illness or special needs, or of health
58 care services, and shall serve for a term of two years.

59 (ii) On and after July 1, 2012, the Healthcare Advocate or the
60 Healthcare Advocate's designee shall serve as an ex-officio voting
61 board member.

62 (2) (A) No appointee shall be employed by, a consultant to, a
63 member of the board of directors of, affiliated with or otherwise a
64 representative of (i) an insurer, (ii) an insurance producer or broker,
65 (iii) a health care provider, or (iv) a health care facility or health or
66 medical clinic while serving on the board or on the staff of the
67 exchange. For purposes of this subdivision, "health care provider"
68 means any person that is licensed in this state, or operates or owns a
69 facility or institution in this state, to provide health care or health care
70 professional services in this state, or an officer, employee or agent
71 thereof acting in the course and scope of such officer's, employee's or
72 agent's employment.

73 (B) No board member shall be a member, a member of the board or
74 an employee of a trade association of (i) insurers, (ii) insurance

75 producers or brokers, (iii) health care providers, or (iv) health care
76 facilities or health or medical clinics while serving on the board or on
77 the staff of the exchange.

78 (C) No board member shall be a health care provider unless such
79 member receives no compensation for rendering services as a health
80 care provider and does not have an ownership interest in a
81 professional health care practice.

82 (c) (1) All initial appointments of the board members set forth in
83 subparagraph (A) of subdivision (1) of subsection (a) of this section
84 shall be made not later than July 1, 2011. All initial appointments of the
85 board members set forth in subparagraph (B)(i) of subdivision (1) of
86 subsection (a) of this section shall be made not later than July 1, 2012.
87 Following the expiration of such initial terms, subsequent board
88 [members] member terms shall be for four years. Any vacancy shall be
89 filled by the appointing authority for the balance of the unexpired
90 term. If an appointing authority fails to make an initial appointment,
91 or an appointment to fill a vacancy within ninety days of the date of
92 such vacancy, the appointed board members may make such
93 appointment by a majority vote. Any board member previously
94 appointed to the board or appointed to fill a vacancy may be
95 reappointed in accordance with this section. Any board member may
96 be removed for misfeasance, malfeasance or wilful neglect of duty at
97 the sole direction of the appointing authority.

98 (2) As a condition of qualifying as a member of the board of
99 directors, each appointee shall, before entering upon such member's
100 duties, take and subscribe the oath or affirmation required under
101 section 1 of article eleventh of the Constitution of the state. A record of
102 each such oath shall be filed in the office of the Secretary of the State.

103 (3) Appointed board members may not designate a representative to
104 perform in their absence their respective duties under sections 38a-
105 1080 to 38a-1090, inclusive. The Governor shall select a chairperson
106 from among the board members and the board members shall

107 annually elect a vice-chairperson. The chairperson shall schedule the
108 first meeting of the board, which shall be held not later than August 1,
109 2011. Meetings of the board of directors shall be held at such times as
110 shall be specified in the bylaws adopted by the board and at such other
111 time or times as the chairperson deems necessary. Any board member
112 who fails to attend more than fifty per cent of all meetings held during
113 any calendar year shall be deemed to have resigned from the board.

114 (4) [Six] Until July 1, 2012, six board members shall constitute a
115 quorum for the transaction of any business or the exercise of any
116 power of the exchange. On and after July 1, 2012, eight board members
117 shall constitute a quorum for the transaction of any business or the
118 exercise of any power of the exchange. For the transaction of any
119 business or the exercise of any power of the exchange, the exchange
120 may act by a majority of the board members present at any meeting at
121 which a quorum is in attendance. No vacancy in the membership of
122 the board of directors shall impair the right of such board members to
123 exercise all the rights and perform all the duties of the board. Any
124 action taken by the board under the provisions of sections 38a-1080 to
125 38a-1090, inclusive, may be authorized by resolution approved by a
126 majority of the board members present at any regular or special
127 meeting, which resolution shall take effect immediately unless
128 otherwise provided in the resolution.

129 (5) Board members shall receive no compensation for their services
130 but shall receive actual and necessary expenses incurred in the
131 performance of their official duties.

132 (6) Subject to the provisions of subdivision (2) of subsection (b) of
133 this section, board members may engage in private employment or in a
134 profession or business, subject to any applicable laws, rules and
135 regulations of the state or federal government regarding official ethics
136 or conflicts of interest.

137 (7) Notwithstanding any provision of the general statutes, it shall
138 not constitute a conflict of interest for a trustee, director, partner or

139 officer of any person, firm or corporation, or any individual having a
140 financial interest in a person, firm or corporation, to serve as a board
141 member of the exchange, provided such trustee, director, partner,
142 officer or individual shall abstain from deliberation, action or vote by
143 the exchange in specific request to such person, firm or corporation.

144 (8) Each board member shall execute a surety bond in the penal sum
145 of fifty thousand dollars, or, in lieu thereof, the chairperson of the
146 board shall execute a blanket position bond covering each board
147 member, the chief executive officer and the employees of the exchange,
148 each surety bond to be conditioned upon the faithful performance of
149 the duties of the office or offices covered, to be executed by a surety
150 company authorized to transact business in this state as surety and to
151 be approved by the Attorney General and filed in the office of the
152 Secretary of the State. The cost of each such bond shall be paid by the
153 exchange.

154 (9) No board member of the exchange shall, for one year after the
155 end of such member's service on the board, accept employment with
156 any health carrier that offers a qualified health benefit plan through
157 the exchange.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-1081(a) to (c)

Statement of Purpose:

To increase the number of board members of the Connecticut Health Insurance Exchange and to make the Healthcare Advocate a voting board member.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]