



General Assembly

Substitute Bill No. 5013

February Session, 2012

* _____HB05013INS__022112_____*

**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2 2012 supplement to the general statutes are repealed and the following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 the effective date of this
14 section, shall consist of eleven voting members. The appointment of
15 the initial board 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 the effective date of this section, the board of

48 directors shall consist of fourteen voting members. The initial
49 appointment of additional board members shall be as follows, and
50 such appointments shall not affect the terms of the board members set
51 forth in subparagraph (A) of 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 an individual consumer of specialized
57 health care services for a disability, a chronic illness or special needs,
58 or of health care services, and shall serve for a term of two years. Such
59 individual consumer shall not be a small employer.

60 (ii) On and after the effective date of this section, the Healthcare
61 Advocate or the Healthcare Advocate's designee shall serve as an ex-
62 officio voting board member.

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

74 (B) No board member shall be a member, a member of the board or
75 an employee of a trade association of (i) insurers, (ii) insurance
76 producers or brokers, (iii) health care providers, or (iv) health care
77 facilities or health or medical clinics while serving on the board or on
78 the staff of the exchange.

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

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

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

104 (3) Appointed board members may not designate a representative to
105 perform in their absence their respective duties under sections 38a-
106 1080 to 38a-1090, inclusive. The Governor shall select a chairperson
107 from among the board members and the board members shall
108 annually elect a vice-chairperson. The chairperson shall schedule the
109 first meeting of the board, which shall be held not later than August 1,
110 2011. Meetings of the board of directors shall be held at such times as
111 shall be specified in the bylaws adopted by the board and at such other

112 time or times as the chairperson deems necessary. Any board member
113 who fails to attend more than fifty per cent of all meetings held during
114 any calendar year shall be deemed to have resigned from the board.

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

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

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

139 (7) Notwithstanding any provision of the general statutes, it shall
140 not constitute a conflict of interest for a trustee, director, partner or
141 officer of any person, firm or corporation, or any individual having a
142 financial interest in a person, firm or corporation, to serve as a board
143 member of the exchange, provided such trustee, director, partner,

144 officer or individual shall abstain from deliberation, action or vote by
145 the exchange in specific request to such person, firm or corporation.

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

156 (9) No board member of the exchange shall, for one year after the
157 end of such member's service on the board, accept employment with
158 any health carrier that offers a qualified health benefit plan through
159 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)

INS *Joint Favorable Subst.*