



General Assembly

February Session, 2012

Raised Bill No. 259

LCO No. 1292

01292_____LAB

Referred to Committee on Labor and Public Employees

Introduced by:
(LAB)

AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP.

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

1 Section 1. (NEW) (*Effective from passage*) (a) As used in sections 1 to
2 7, inclusive, of this act:

3 (1) "Labor organization" means any organization that exists and is
4 constituted for the purpose, in whole or in part, of collective
5 bargaining or of dealing with employers concerning grievances, terms
6 or conditions of employment, or other mutual aid or protection.

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

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

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

15 (5) "Municipal-related employee" means any employee of a
16 municipal-related employer performing services in connection with a
17 contract with a nonstate public employer.

18 (6) "Nonstate public collective bargaining agreement" means the
19 collective bargaining agreement in effect between any collective
20 bargaining agent of any nonstate public employees and their
21 employer.

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

34 (8) "Nonprofit employer" means a nonprofit corporation, as
35 described in section 33-1002 of the general statutes. Nonprofit
36 employer does not include a nonstate public employer.

37 (9) "State employee plan" or "state plan" means the group
38 hospitalization, medical, pharmacy and surgical insurance plan offered
39 to state employees and retirees pursuant to section 5-259 of the general
40 statutes.

41 (10) "Health Care Costs Containment Committee" means the
42 committee established pursuant to the ratified agreement between the
43 state and state employees' Bargaining Agent Coalition pursuant to
44 subsection (f) of section 5-278 of the general statutes.

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

50 Sec. 2. (NEW) (*Effective September 1, 2012*) (a) Notwithstanding any
51 provision of title 38a of the general statutes, the Comptroller shall offer
52 coverage under the state employee plan to nonstate public employees,
53 municipal-related employees, employees of small employers and
54 employees of nonprofit employers and shall pool such employees with
55 the state employee plan, provided the Comptroller receives an
56 application from an employer of any such employees and the
57 application is approved in accordance with sections 1 to 7, inclusive, of
58 this act. Premium payments for such coverage shall be remitted by the
59 employer to the Comptroller and shall be the same as those paid by the
60 state inclusive of any premiums paid by state employees, except as
61 otherwise provided in this section or section 4 of this act. The
62 Comptroller may charge each employer participating in the plan
63 pursuant to sections 1 to 7, inclusive, of this act an administrative fee
64 calculated on a per member per month basis. The Comptroller shall
65 offer participation in such plan for no shorter than three-year intervals
66 and, at the end of any interval, an employer may apply for coverage
67 for an additional interval. The Comptroller shall develop procedures
68 by which employers receiving coverage for their employees pursuant
69 to the plan may withdraw from such coverage. Any such procedures
70 shall provide that nonstate public employees covered by collective
71 bargaining shall withdraw from such coverage in accordance with
72 chapters 68, 113 and 166 of the general statutes. Nothing in sections 1
73 to 7, inclusive, of this act shall (1) require the Comptroller to offer
74 coverage to every employer seeking coverage under sections 1 to 7,
75 inclusive, of this act from every vendor providing coverage under the
76 state employee plan, or (2) prevent the Comptroller from procuring
77 coverage for nonstate employees from vendors other than those
78 providing coverage to state employees. The Comptroller shall create

79 applications for the purposes of this act. Such applications shall require
80 an employer to disclose whether the employer will offer any other
81 health plan to the employees who are offered the state plan.

82 (b) Nonstate public employees may receive coverage under the state
83 plan in accordance with this subsection.

84 (1) A nonstate public employer may submit an application to the
85 Comptroller for coverage under the state plan of such employer's
86 employees.

87 (2) If a nonstate public employer submits an application for
88 coverage of all of its employees, the Comptroller shall provide such
89 coverage no later than the first day of the third calendar month
90 following such application. A board of education and a municipality
91 shall be considered separate employers for purposes of this act.

92 (3) If a nonstate public employer submits an application for less
93 than all of its employees, or indicates in the application the employer
94 will offer other health plans to employees who are offered the state
95 health plan, the Comptroller shall forward such application to the
96 Health Care Cost Containment Committee not later than five business
97 days after receiving such application. Said committee may, not later
98 than thirty days after receiving such application, certify to the
99 Comptroller that the application will shift a significantly
100 disproportional part of a nonstate public employer's medical risks to
101 the state employee plan. If the Comptroller receives such certification,
102 the Comptroller shall not provide coverage to such employer. If the
103 Comptroller does not receive such certification, the Comptroller shall
104 provide coverage no later than the first day of the third calendar
105 month following the deadline for receiving the certification.

106 (4) Any other provisions of the general statutes notwithstanding,
107 initial participation in the state employee plan shall be a permissive
108 subject of collective bargaining and shall be subject to binding interest
109 arbitration only if the collective bargaining agent and the employer

110 mutually agree to bargain over such initial participation. Such mutual
111 agreement shall be in writing and signed by authorized
112 representatives of the collective bargaining agent and the employer.
113 Continuation in the state employee plan, after initial participation,
114 shall be a mandatory subject of bargaining, and shall be subject to
115 binding interest arbitration in accordance with the same procedures
116 and standards that apply to any other mandatory subject of bargaining
117 pursuant to chapters 68, 113 and 166 of the general statutes.

118 (c) Employees of small employers may join the plan in accordance
119 with this subsection.

120 (1) A small employer may submit an application to the Comptroller
121 for coverage under the state plan of such employer's employees.

122 (2) The Comptroller shall not grant applications for coverage under
123 the state plan if the Comptroller determines that such coverage would
124 cause the plan to be subject to the requirements of the Employee
125 Retirement Income Security Act of 1974. The Comptroller shall resume
126 granting applications for coverage under the state plan if the
127 Comptroller determines that the state plan is compliant with said act.

128 (3) Premium rates for small employers shall be the total premium
129 rate paid by the state inclusive of any premiums paid by state
130 employees for a particular health care product offered by the
131 Comptroller, except that an insurance carrier offering coverage under
132 the state plan may adjust such rate to reflect one or more of the
133 characteristics identified in subparagraph (A) of subdivision (5) of
134 section 38a-567 of the general statutes.

135 (4) If a small employer submits an application for coverage of all
136 employees of such small employer, the Comptroller shall provide such
137 coverage no later than the first day of the third calendar month
138 following such application.

139 (5) If a small employer submits an application for less than all of its

140 employees or indicates in the application the employer will offer other
141 health plans to employees who are offered the state health plan, the
142 Comptroller shall forward such application to the Health Care Cost
143 Containment Committee not later than five business days after
144 receiving such application. Said committee may, not later than thirty
145 days after receiving such application, certify to the Comptroller that
146 the application will shift a significantly disproportional part of a small
147 employer's medical risks to the state employee plan. If the Comptroller
148 receives such certification, the Comptroller shall not provide coverage
149 to such employer. If the Comptroller does not receive such
150 certification, the Comptroller shall provide coverage no later than the
151 first day of the third calendar month following the deadline for
152 receiving the certification.

153 (d) Employees of municipal-related employers, which are not small
154 employers, and the employees of nonprofit employers, which are not
155 small employers, may join the plan in accordance with this subsection.

156 (1) A municipal-related employer, which is not a small employer,
157 and a nonprofit employer, which is not a small employer may submit
158 an application to the Comptroller for coverage under the state plan of
159 such employer's employees.

160 (2) The Comptroller shall not grant applications for coverage under
161 the state plan if the Comptroller determines that such coverage would
162 cause the plan to be subject to the requirements of the Employee
163 Retirement Income Security Act of 1974. The Comptroller shall resume
164 granting applications for coverage under the state plan if the
165 Comptroller determines that the state plan is compliant with said act.

166 (3) If a municipal-related employer, which is not a small employer,
167 or a nonprofit employer, which is not a small employer, submits an
168 application for all of its employees, the Comptroller shall provide such
169 coverage no later than the first day of the third calendar month
170 following such application.

171 (4) If a municipal-related employer, which is not a small employer,
172 or a nonprofit employer, which is not a small employer, submits an
173 application for less than all of its employees, or indicates in the
174 application the employer will offer other health plans to employees
175 who are offered the state health plan, the Comptroller shall forward
176 such application to the Health Care Cost Containment Committee not
177 later than five business days after receiving such application. Said
178 committee may, not later than thirty days after receiving such
179 application, certify to the Comptroller that the application will shift a
180 significantly disproportional part of such employer's medical risks to
181 the state employee plan. If the Comptroller receives such certification,
182 the Comptroller shall not provide coverage to such employer. If the
183 Comptroller does not receive such certification, the Comptroller shall
184 provide coverage no later than the first day of the third calendar
185 month following the deadline for receiving the certification.

186 (e) The Comptroller shall not forward an employer's application for
187 coverage for review by the Health Care Cost Containment Committee,
188 pursuant to this section, due to (1) the decision by individual
189 employees to decline coverage from their employer for themselves or
190 their dependents; or (2) the employer's decision to not offer coverage
191 to temporary, part-time or durational employees.

192 (f) Notwithstanding any provision of the general statutes, the state
193 employee plan shall not be deemed (1) an unauthorized insurer, or (2)
194 a multiple employer welfare arrangement. Any licensed insurer in this
195 state may conduct business with the state employee plan.

196 Sec. 3. (NEW) (*Effective September 1, 2012*) (a) Employers eligible,
197 pursuant to sections 1 to 7, inclusive, of this act, to seek coverage for
198 their employees under the state employee plan may seek such
199 coverage for their retirees in accordance with sections 1 to 7, inclusive,
200 of this act. Premium payments for such coverage shall be remitted by
201 the employer to the Comptroller and shall be the same as those paid by
202 the state, inclusive of any premiums paid by retired state employees.

203 (b) If an employer seeks coverage for all of such employer's retirees
204 in accordance with this section and all of such employer's employees in
205 accordance with section 2 of this act, the Comptroller shall provide
206 coverage no later than the first day of the third calendar month
207 following such application. If an employer seeks coverage for less than
208 all of such employer's retirees, regardless of whether the employer is
209 seeking coverage for all of such employer's active employees, the
210 Comptroller shall forward such application to the Health Care Cost
211 Containment Committee not later than five business days after
212 receiving such application. Said committee may, not later than thirty
213 days after receiving such application, certify to the Comptroller that,
214 with respect to such retirees, the application will shift a significantly
215 disproportional part of an employer's medical risks to the state
216 employee plan. If the Comptroller receives such certification, the
217 Comptroller shall not provide coverage to such employer's retirees. If
218 the Comptroller does not receive such certification, the Comptroller
219 shall provide coverage no later than the first day of the third calendar
220 month following the deadline for receiving the certification.

221 (c) Nothing in sections 1 to 8, inclusive, of this act shall diminish any
222 right to retiree health insurance pursuant to a collective bargaining
223 agreement or to any other provision of the general statutes.

224 Sec. 4. (NEW) (*Effective September 1, 2012*) (a) Each employer shall
225 pay monthly the amount determined by the Comptroller, pursuant to
226 sections 1 to 7, inclusive, of this act, for coverage of its employees or its
227 employees and retirees, as appropriate under the state employee plan.
228 An employer may require each covered employee to contribute a
229 portion of the cost of such employee's coverage under the plan, subject
230 to any collective bargaining obligation applicable to such employer. If
231 any payment due by an employer under this subsection is not paid
232 after the date due, interest shall be added to such payment at the
233 prevailing rate of interest, as determined by the Comptroller. Such
234 interest shall be paid by the employer.

235 (b) There is established, within the General Fund, a separate,
236 nonlapsing account to be known as the state plan premium account.
237 All premiums paid by employers and employees pursuant to sections
238 1 to 7, inclusive, of this act shall be deposited into said account. The
239 account shall be administered by the Comptroller, with the advice of
240 the Health Care Costs Containment Committee, for payment of
241 insurance premiums.

242 (c) In the event a nonstate public employer fails to make premium
243 payments, the Comptroller may direct the State Treasurer, or any other
244 officer of the state that is the custodian of any moneys made available
245 by reason of any grant, allocation or appropriation by the state or
246 agencies thereof payable to a nonstate public employer at any time
247 subsequent to the failure of such nonstate public employer, to pay such
248 premiums and interest to withhold the payment of such moneys in
249 accordance with this subsection. Such moneys shall be withheld until
250 the amount of the premium or interest then due and unpaid has been
251 paid to the state, or until the Treasurer or such officers determine that
252 arrangements, satisfactory to the Treasurer, have been made for the
253 payment of such premium and interest, except that such moneys shall
254 not be withheld if such withholding will adversely affect the receipt of
255 any federal grant or aid in connection with such moneys. In the event
256 that a municipal-related employer, small employer or nonprofit
257 employer fails to make premium payments, the Comptroller may
258 terminate employee participation in the state employee plan and
259 request the Attorney General to recover any premium and interest
260 costs.

261 Sec. 5. (NEW) (*Effective from passage*) The Comptroller shall not offer
262 coverage under the state employee plan pursuant to sections 1 to 7,
263 inclusive, of this act until the State Employees' Bargaining Agent
264 Coalition has provided its consent to the clerks of both houses of the
265 General Assembly to incorporate the terms of sections 1 to 7, inclusive,
266 of this act into its collective bargaining agreement.

267 Sec. 6. (NEW) (*Effective January 1, 2013*) No later than January 1,
268 2014, the Comptroller, shall report to the General Assembly, in
269 accordance with section 11-4a of the general statutes,
270 recommendations for the terms and conditions under which access to
271 the state employee plan may be provided to those not authorized
272 access pursuant to sections 1 to 8, inclusive, of this act.

273 Sec. 7. (NEW) (*Effective from passage*) There is established a Nonstate
274 Public Health Care Advisory Committee. The committee shall make
275 advisory recommendations concerning health care coverage of
276 nonstate public employees to the Health Care Costs Containment
277 Committee. The advisory committee shall consist of nonstate public
278 employers and employees participating in the state plan and shall
279 include the following members appointed by a method to be
280 determined by the Comptroller: (1) Three municipal employer
281 representatives, one of whom represents towns with populations of
282 one hundred thousand or more, one of whom represents towns with
283 populations of at least twenty thousand but under one hundred
284 thousand, and one of whom represents towns with populations under
285 twenty thousand; (2) three municipal employee representatives, one of
286 whom represents employees in towns with populations of one
287 hundred thousand or more, one of whom represents employees in
288 towns with populations of at least twenty thousand but under one
289 hundred thousand, and one of whom represents employees in towns
290 with populations under twenty thousand; (3) three board of education
291 employers, one of whom represents towns with populations of one
292 hundred thousand or more, one of whom represents towns with
293 populations of at least twenty thousand but under one hundred
294 thousand, and one of whom represents towns with populations under
295 twenty thousand; (4) three board of education employee
296 representatives, one of whom represents towns with populations of
297 one hundred thousand or more, one of whom represents towns with
298 populations of at least twenty thousand but under one hundred
299 thousand, and one of whom represents towns with populations under
300 twenty thousand; and (5) one neutral chairperson, who shall be a

301 member of the National Academy of Arbitrators or an arbitrator
302 authorized by the American Arbitration Association or the Federal
303 Mediation and Conciliation Service to serve as a neutral arbitrator in
304 labor relations cases.

305 (b) There is established a Private Sector Health Care Advisory
306 Committee. The committee shall make advisory recommendations
307 concerning health care coverage of employees to the Health Care Costs
308 Containment Committee. The advisory committee shall consist of the
309 following members appointed by a method to be determined by the
310 Comptroller: (1) Five private sector employer representatives; (2) five
311 private sector employee representatives; and (3) one neutral
312 chairperson, who shall be a member of the National Academy of
313 Arbitrators or an arbitrator authorized by the American Arbitration
314 Association or the Federal Mediation and Conciliation Service to serve
315 as a neutral arbitrator in labor relations cases.

316 Sec. 8. (NEW) (*Effective January 1, 2013*) Notwithstanding any
317 provision of the general statutes, two or more municipalities may form
318 a single group, by written agreement, for the purpose of procuring
319 health insurance for their employees. Such written agreement shall
320 establish the membership of such group, the duration of such health
321 insurance coverage, requirements regarding the payment of premiums
322 for such health insurance coverage, and the procedure for a
323 municipality to withdraw from such group and terminate such health
324 insurance coverage. A group established pursuant to this section shall
325 procure such health insurance coverage on a fully underwritten basis.
326 Such health insurance coverage shall meet the requirements set forth in
327 chapter 700c of the general statutes. Any group established pursuant to
328 this section shall not be deemed a fictitious group if the group is
329 procuring health insurance coverage in accordance with this section.

330 Sec. 9. Subparagraph (B) of subdivision (4) of section 38a-564 of the
331 2012 supplement to the general statutes is repealed and the following
332 is substituted in lieu thereof (*Effective January 1, 2013*):

333 (B) "Small employer" does not include (i) a municipality procuring
 334 health insurance pursuant to section 5-259 or section 2 of this act, (ii) a
 335 private school in this state procuring health insurance through a health
 336 insurance plan or an insurance arrangement sponsored by an
 337 association of such private schools, (iii) a nonprofit organization
 338 procuring health insurance pursuant to section 5-259, unless the
 339 Secretary of the Office of Policy and Management and the State
 340 Comptroller make a request in writing to the Insurance Commissioner
 341 that such nonprofit organization be deemed a small employer for the
 342 purposes of this chapter, (iv) an association for personal care assistants
 343 procuring health insurance pursuant to section 5-259, or (v) a
 344 community action agency procuring health insurance pursuant to
 345 section 5-259.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>September 1, 2012</i>	New section
Sec. 3	<i>September 1, 2012</i>	New section
Sec. 4	<i>September 1, 2012</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>January 1, 2013</i>	New section
Sec. 7	<i>from passage</i>	New section
Sec. 8	<i>January 1, 2013</i>	New section
Sec. 9	<i>January 1, 2013</i>	38a-564(4)(B)

Statement of Purpose:

To open the state employee insurance pool to municipal, small and nonprofit employers.

[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.]