



General Assembly

Amendment

February Session, 2012

LCO No. 3847

HB0501303847HDO

Offered by:

REP. MEGNA, 97th Dist.

SEN. CRISCO, 17th Dist.

To: Subst. House Bill No. 5013

File No. 5

Cal. No. 46

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

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

3 "Section 1. Subsections (a) to (c), inclusive, of section 38a-1081 of the
4 2012 supplement to the general statutes are repealed and the following
5 is substituted in lieu thereof (*Effective from passage*):

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

14 (b) (1) (A) The powers of the exchange shall be vested in and
15 exercised by a board of directors, which, until the effective date of this
16 section, shall consist of eleven voting members. The appointment of
17 the initial board members shall be as follows:

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

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

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

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

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

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

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

43 [(H)] (viii) The Commissioner of Social Services, the Special Advisor

44 to the Governor on Healthcare Reform and the Secretary of the Office
45 of Policy and Management, or their designees, who shall serve as ex-
46 officio voting board members; and

47 [(I)] (ix) The Insurance Commissioner, the Commissioner of Public
48 Health and the Healthcare Advocate, or their designees, who shall
49 serve as ex-officio nonvoting board members.

50 (B) (i) On and after the effective date of this section, the board of
51 directors shall consist of sixteen voting members. The initial
52 appointment of additional board members shall be as follows, and
53 such appointments shall not affect the terms or appointments of the
54 board members set forth in subparagraph (A) of this subdivision:

55 (I) The president pro tempore of the Senate shall appoint one board
56 member who shall be a small employer and shall serve for a term of
57 three years;

58 (II) The speaker of the House of Representatives shall appoint one
59 board member who shall be an individual consumer of health care
60 services and shall serve for a term of three years. No individual
61 consumer appointed pursuant to this subparagraph shall be a small
62 employer;

63 (III) The majority leader of the Senate and the majority leader of the
64 House of Representatives shall jointly appoint one board member who
65 shall be an individual consumer of health care services and shall serve
66 for a term of two years; and

67 (IV) The minority leader of the Senate and the minority leader of the
68 House of Representatives shall jointly appoint one board member who
69 shall be a small employer and shall serve for a term of two years.

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

73 (2) (A) No [appointee] board member shall be employed by, a

74 consultant to, a member of the board of directors of, affiliated with or
75 otherwise a representative of (i) an insurer, (ii) an insurance producer
76 or broker, (iii) a health care provider, or (iv) a health care facility or
77 health or medical clinic while serving on the board [or on the staff] of
78 the exchange. For purposes of this subdivision, "health care provider"
79 means any person that is licensed in this state, or operates or owns a
80 facility or institution in this state, to provide health care or health care
81 professional services in this state, or an officer, employee or agent
82 thereof acting in the course and scope of such officer's, employee's or
83 agent's employment.

84 (B) No board member shall be a member of, a member of the board
85 of, a consultant to or an employee of a trade association of (i) insurers,
86 (ii) insurance producers or brokers, (iii) health care providers, or (iv)
87 health care facilities or health or medical clinics while serving on the
88 board [or on the staff] of the exchange.

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

93 (c) (1) All initial appointments of the board members set forth in
94 subparagraph (A) of subdivision (1) of subsection (b) of this section
95 shall be made not later than July 1, 2011. All initial appointments of the
96 board members set forth in subparagraph (B)(i) of subdivision (1) of
97 subsection (b) of this section shall be made not later than thirty days
98 after the effective date of this section. Following the expiration of such
99 initial terms, subsequent board [members] member terms shall be for
100 four years. Any vacancy shall be filled by the appointing authority for
101 the balance of the unexpired term. If an appointing authority fails to
102 make an initial appointment, or an appointment to fill a vacancy
103 within ninety days of the date of such vacancy, the appointed board
104 members may make such appointment by a majority vote. Any board
105 member previously appointed to the board or appointed to fill a
106 vacancy may be reappointed in accordance with this section. Any

107 board member may be removed for misfeasance, malfeasance or wilful
108 neglect of duty at the sole direction of the appointing authority.

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

114 (3) Appointed board members may not designate a representative to
115 perform in their absence their respective duties under sections 38a-
116 1080 to 38a-1090, inclusive. The Governor shall select a chairperson
117 from among the board members and the board members shall
118 annually elect a vice-chairperson. The chairperson shall schedule the
119 first meeting of the board, which shall be held not later than August 1,
120 2011. Meetings of the board of directors shall be held at such times as
121 shall be specified in the bylaws adopted by the board and at such other
122 time or times as the chairperson deems necessary. Any board member
123 who fails to attend more than fifty per cent of all meetings held during
124 any calendar year shall be deemed to have resigned from the board.

125 (4) [Six] Until all additional board members pursuant to
126 subparagraph (B)(i) of subdivision (1) of subsection (b) of this section
127 are appointed, six board members shall constitute a quorum for the
128 transaction of any business or the exercise of any power of the
129 exchange. On and after all such additional board members are
130 appointed, nine board members shall constitute a quorum for the
131 transaction of any business or the exercise of any power of the
132 exchange. For the transaction of any business or the exercise of any
133 power of the exchange, the exchange may act by a majority of the
134 board members present at any meeting at which a quorum is in
135 attendance. No vacancy in the membership of the board of directors
136 shall impair the right of such board members to exercise all the rights
137 and perform all the duties of the board. [Any] Except as otherwise
138 provided, any action taken by the board under the provisions of
139 sections 38a-1080 to 38a-1090, inclusive, may be authorized by

140 resolution approved by a majority of the board members present at
141 any regular or special meeting, which resolution shall take effect
142 immediately unless otherwise provided in the resolution.

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

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

151 (7) Notwithstanding any provision of the general statutes, it shall
152 not constitute a conflict of interest for a trustee, director, partner or
153 officer of any person, firm or corporation, or any individual having a
154 financial interest in a person, firm or corporation, to serve as a board
155 member of the exchange, provided such trustee, director, partner,
156 officer or individual shall abstain from deliberation, action or vote by
157 the exchange in specific request to such person, firm or corporation.

158 (8) Each board member shall execute a surety bond in the penal sum
159 of fifty thousand dollars, or, in lieu thereof, the chairperson of the
160 board shall execute a blanket position bond covering each board
161 member, the chief executive officer and the employees of the exchange,
162 each surety bond to be conditioned upon the faithful performance of
163 the duties of the office or offices covered, to be executed by a surety
164 company authorized to transact business in this state as surety and to
165 be approved by the Attorney General and filed in the office of the
166 Secretary of the State. The cost of each such bond shall be paid by the
167 exchange.

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

172 Sec. 2. Subsection (e) of section 38a-1081 of the 2012 supplement to
173 the general statutes is repealed and the following is substituted in lieu
174 thereof (*Effective from passage*):

175 (e) (1) (A) No employee of the exchange shall be employed by, a
176 consultant to, a member of the board of directors of, affiliated with or
177 otherwise a representative of (i) an insurer, (ii) an insurance producer
178 or broker, (iii) a health care provider, or (iv) a health care facility or
179 health or medical clinic while serving on the staff of the exchange. For
180 purposes of this subdivision, "health care provider" means any person
181 that is licensed in this state, or operates or owns a facility or institution
182 in this state, to provide health care or health care professional services
183 in this state, or an officer, employee or agent thereof acting in the
184 course and scope of such officer's, employee's or agent's employment.

185 (B) No employee of the exchange shall be a member of, a member of
186 the board of, a consultant to or an employee of a trade association of
187 [(A)] (i) insurers, [(B)] (ii) insurance producers or brokers, [(C)] (iii)
188 health care providers, or [(D)] (iv) health care facilities or health or
189 medical clinics while serving [on the board or] on the staff of the
190 exchange.

191 [(2)] (C) No employee of the exchange shall be a health care
192 provider unless [(A)] (i) (I) such employee receives no compensation
193 for rendering services as a health care provider, or [(ii)] (II) the chief
194 executive officer approves the hiring of such provider as an employee
195 on the basis that such provider fills an area of need of expertise for the
196 exchange, and [(B)] (ii) such employee does not have an ownership
197 interest in a professional health care practice.

198 [(3)] (2) No employee of the exchange shall, for one year after
199 terminating employment with the exchange, accept employment with
200 any health carrier that offers a qualified health benefit plan through
201 the exchange.

202 [(4)] (3) Any employee of the exchange whose primary purpose is to
203 assist individuals or small employers in selecting health insurance

204 plans offered on the exchange to purchase shall be licensed as an
205 insurance producer under chapter 701a not later than eighteen months
206 after such employee begins employment with the exchange.

207 (4) Any employee of the exchange may enroll in a group
208 hospitalization and medical and surgical insurance plan under
209 subsection (a) of section 5-259, provided the exchange reimburses the
210 appropriate state agencies for all costs incurred by such enrollment."

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-1081(a) to (c)
Sec. 2	<i>from passage</i>	38a-1081(e)