



General Assembly

Substitute Bill No. 812

January Session, 2013



AN ACT CONCERNING THE CONNECTICUT HEALTH INSURANCE EXCHANGE BOARD OF DIRECTORS.

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2 general statutes are repealed and the following is substituted in lieu
3 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, 2013, shall consist
14 of twelve 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 two years;

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, the Secretary of the Office of
42 Policy and Management and the Healthcare Advocate, or their
43 designees, who shall serve as ex-officio voting board members; and

44 [(I)] (ix) The Insurance Commissioner and the Commissioner of
45 Public Health, or their designees, who shall serve as ex-officio
46 nonvoting board members.

47 (B) On and after July 1, 2013, the board of directors shall consist of

48 thirteen voting members. The Governor shall appoint one board
49 member who shall be an active insurance producer and shall serve a
50 term of two years. Such appointment shall not affect the terms of the
51 board members set forth in subparagraph (A) of this subdivision.

52 (2) (A) [No] Except for the board member specified in subparagraph
53 (B) of subdivision (1) of this subsection, no board member shall be
54 employed by, a consultant to, a member of the board of directors of,
55 affiliated with or otherwise a representative of (i) an insurer, (ii) an
56 insurance producer or broker, (iii) a health care provider, or (iv) a
57 health care facility or health or medical clinic while serving on the
58 board of the exchange. For purposes of this subdivision, "health care
59 provider" means any person that is licensed in this state, or operates or
60 owns a facility or institution in this state, to provide health care or
61 health care professional services in this state, or an officer, employee or
62 agent thereof acting in the course and scope of such officer's,
63 employee's or agent's employment.

64 (B) [No] Except for the board member specified in subparagraph (B)
65 of subdivision (1) of this subsection, no board member shall be a
66 member of, a member of the board of, a consultant to or an employee
67 of a trade association of (i) insurers, (ii) insurance producers or
68 brokers, (iii) health care providers, or (iv) health care facilities or health
69 or medical clinics while serving on the board of the exchange.

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

74 (c) (1) All initial appointments of the board members set forth in
75 subparagraph (A) of subdivision (1) of subsection (b) of this section
76 shall be made not later than July 1, 2011. The initial appointment of the
77 board member set forth in subparagraph (B) of subdivision (1) of
78 subsection (b) of this section shall be made not later than July 1, 2013.
79 Following the expiration of such initial terms, subsequent board

80 member terms shall be for four years. Any vacancy shall be filled by
81 the appointing authority for the balance of the unexpired term. If an
82 appointing authority fails to make an initial appointment, or an
83 appointment to fill a vacancy within ninety days of the date of such
84 vacancy, the appointed board members may make such appointment
85 by a majority vote. Any board member previously appointed to the
86 board or appointed to fill a vacancy may be reappointed in accordance
87 with this section. Any board member may be removed for misfeasance,
88 malfeasance or wilful neglect of duty at the sole direction of the
89 appointing authority.

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

95 (3) Appointed board members may not designate a representative to
96 perform in their absence their respective duties under sections 38a-
97 1080 to 38a-1090, inclusive. The Governor shall select a chairperson
98 from among the board members and the board members shall
99 annually elect a vice-chairperson. [The chairperson shall schedule the
100 first meeting of the board, which shall be held not later than August 1,
101 2011.] Meetings of the board of directors shall be held at such times as
102 shall be specified in the bylaws adopted by the board and at such other
103 time or times as the chairperson deems necessary. Any board member
104 who fails to attend more than fifty per cent of all meetings held during
105 any calendar year shall be deemed to have resigned from the board.

106 (4) Seven board members shall constitute a quorum for the
107 transaction of any business or the exercise of any power of the
108 exchange. For the transaction of any business or the exercise of any
109 power of the exchange, the exchange may act by a majority of the
110 board members present at any meeting at which a quorum is in
111 attendance. No vacancy in the membership of the board of directors
112 shall impair the right of such board members to exercise all the rights

113 and perform all the duties of the board. Except as otherwise provided,
114 any action taken by the board under the provisions of sections 38a-
115 1080 to 38a-1090, inclusive, may be authorized by resolution approved
116 by a majority of the board members present at any regular or special
117 meeting, which resolution shall take effect immediately unless
118 otherwise provided in the resolution.

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

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

127 (7) Notwithstanding any provision of the general statutes, it shall
128 not constitute a conflict of interest for a trustee, director, partner or
129 officer of any person, firm or corporation, or any individual having a
130 financial interest in a person, firm or corporation, to serve as a board
131 member of the exchange, provided such trustee, director, partner,
132 officer or individual shall abstain from deliberation, action or vote by
133 the exchange in specific request to such person, firm or corporation.

134 (8) Each board member shall execute a surety bond in the penal sum
135 of fifty thousand dollars, or, in lieu thereof, the chairperson of the
136 board shall execute a blanket position bond covering each board
137 member, the chief executive officer and the employees of the exchange,
138 each surety bond to be conditioned upon the faithful performance of
139 the duties of the office or offices covered, to be executed by a surety
140 company authorized to transact business in this state as surety and to
141 be approved by the Attorney General and filed in the office of the
142 Secretary of the State. The cost of each such bond shall be paid by the
143 exchange.

144 (9) No board member of the exchange shall, for one year after the
145 end of such member's service on the board, accept employment with
146 any health carrier that offers a qualified health benefit plan through
147 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. -LCO*

GAE *Joint Favorable*