



General Assembly

February Session, 2014

Raised Bill No. 5451

LCO No. 1898



Referred to Committee on LABOR AND PUBLIC EMPLOYEES

Introduced by:
(LAB)

AN ACT CONCERNING HEALTH CARE POOLING.

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

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) Not later than October 1,
2 2015, and annually thereafter, each municipality that sponsors a group
3 health policy or plan for its active employees, early retirees and
4 retirees that provides coverage of the type specified in subdivisions (1),
5 (2), (4), (11), (12) and (16) of section 38a-469 of the general statutes shall
6 submit electronically to the State Comptroller, in a form prescribed by
7 the Comptroller, the following information for the policy or plan year
8 immediately preceding:

9 (1) A list of each type of group health policy or plan offered to the
10 municipality's employees, early retirees and retirees and specific
11 details for each such policy or plan, including, but not limited to:

12 (A) Covered benefits and any limits on such benefits;

13 (B) (i) The total premium costs or if applicable premium equivalent
14 costs for each policy or plan, organized by coverage tier, including, but

15 not limited to, single, two-person and family including dependents for
16 active employees, early retirees and retirees, and (ii) the employee
17 share, the early retiree share and the retiree share of each such total
18 premium cost;

19 (C) Employee, early retiree and retiree cost-sharing requirements
20 such as coinsurance, copayments, deductibles and other out-of-pocket
21 expenses associated with in-network and out-of-network providers;
22 and

23 (D) If a municipality sponsors a prescription drug plan, the value of
24 any rebates or cost reductions provided to such municipality for such
25 plan;

26 (2) A list of the total number of employees, early retirees and
27 retirees in each policy or plan, organized by (A) municipal department,
28 (B) collective bargaining unit, if applicable, (C) coverage tier,
29 including, but not limited to, single, two-person and family including
30 dependents, and (D) active employee, early retiree or retiree status;
31 and

32 (3) For the two policy or plan years immediately preceding, the
33 percentage increase or decrease in the policy or plan costs, calculated
34 as the total premium costs, inclusive of any premiums or contributions
35 paid by active employees, early retirees and retirees, divided by the
36 total number of active employees, early retirees and retirees covered
37 by such policy or plan.

38 (b) No municipality submitting information pursuant to
39 subsection (a) of this section shall include health information in such
40 information.

41 Sec. 2. Section 38a-513f of the general statutes is repealed and the
42 following is substituted in lieu thereof (*Effective July 1, 2014*):

43 (a) As used in this section:

44 (1) "Claims paid" means the amounts paid for the covered
45 employees of an employer by an insurer, health care center, hospital
46 service corporation, medical service corporation or other entity as
47 specified in subsection (b) of this section for medical services and
48 supplies and for prescriptions filled, but does not include expenses for
49 stop-loss coverage, reinsurance, enrollee educational programs or
50 other cost containment programs or features, administrative costs or
51 profit.

52 (2) "Employer" means any town, city, borough, school district,
53 taxing district or fire district employing more than fifty employees.

54 (3) "Utilization data" means (A) the aggregate number of procedures
55 or services performed for the covered employees of the employer, by
56 practice type and by service category, or (B) the aggregate number of
57 prescriptions filled for the covered employees of the employer, by
58 prescription drug name.

59 (b) (1) Each insurer, health care center, hospital service corporation,
60 medical service corporation or other entity delivering, issuing for
61 delivery, renewing, amending or continuing in this state any group
62 health insurance policy providing coverage of the type specified in
63 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 shall:

64 [(1)] (A) Not later than October first, annually, provide to an
65 employer sponsoring such policy, free of charge, the following
66 information for the most recent thirty-six-month period or for the
67 entire period of coverage, whichever is shorter, ending not more than
68 sixty days prior to the date of the request, in a format as set forth in
69 [subdivision (3)] subparagraph (C) of this [subsection] subdivision:

70 [(A)] (i) Complete and accurate medical, dental and pharmaceutical
71 utilization data, as applicable;

72 [(B)] (ii) Claims paid by year, aggregated by practice type and by
73 service category, each reported separately for in-network and out-of-

74 network providers, and the total number of claims paid;

75 [(C)] (iii) Premiums paid by such employer by month; and

76 [(D)] (iv) The number of insureds by coverage tier, including, but
77 not limited to, single, two-person and family including dependents, by
78 month;

79 [(2)] (B) Include in such information specified in [subdivision (1)]
80 subparagraph (A) of this [subsection] subdivision only health
81 information that has had identifiers removed, as set forth in 45 CFR
82 164.514, is not individually identifiable, as defined in 45 CFR 160.103,
83 and is permitted to be disclosed under the Health Insurance Portability
84 and Accountability Act of 1996, P.L. 104-191, as amended from time to
85 time, or regulations adopted thereunder; and

86 [(3)] (C) Provide such information [(A)] (i) in a written report, [(B)]
87 (ii) through an electronic file transmitted by secure electronic mail or a
88 file transfer protocol site, or [(C)] (iii) through a secure web site or web
89 site portal that is accessible by such employer.

90 [(c)] (2) Such insurer, health care center, hospital service
91 corporation, medical service corporation or other entity shall not be
92 required to provide such information to the employer more than once
93 in any twelve-month period.

94 [(d) (1)] (3) (A) Except as provided in [subdivision (2)]
95 subparagraph (B) of this [subsection] subdivision, information
96 provided to an employer pursuant to [subsection (b) of this section]
97 subdivision (1) of this subsection shall be used by such employer only
98 for the purposes of obtaining competitive quotes for group health
99 insurance or to promote wellness initiatives for the employees of such
100 employer.

101 [(2)] (B) Any employer may provide to the Comptroller upon
102 request the information disclosed to such employer pursuant to

103 subsection (b) of this section. The Comptroller shall maintain as
104 confidential any such information.

105 [(e)] (4) Any information provided to an employer in accordance
106 with [subsection (b) of this section] subdivision (1) of this subsection or
107 to the Comptroller in accordance with [subdivision (2)] subparagraph
108 (B) of [subsection (d)] subdivision (3) of this [section] subsection shall
109 not be subject to disclosure under section 1-210. An employee
110 organization, as defined in section 7-467, that is the exclusive
111 bargaining representative of the employees of such employer shall be
112 entitled to receive claim information from such employer in order to
113 fulfill its duties to bargain collectively pursuant to section 7-469.

114 [(f)] (c) If a subpoena or other similar demand related to information
115 provided pursuant to subsection (b) of this section is issued in
116 connection with a judicial proceeding to an employer that receives
117 such information, such employer shall immediately notify the insurer,
118 health care center, hospital service corporation, medical service
119 corporation or other entity that provided such information to such
120 employer of such subpoena or demand. Such insurer, health care
121 center, hospital service corporation, medical service corporation or
122 other entity shall have standing to file an application or motion with
123 the court of competent jurisdiction to quash or modify such subpoena.
124 Upon the filing of such application or motion by such insurer, health
125 care center, hospital service corporation, medical service corporation
126 or other entity, the subpoena or similar demand shall be stayed
127 without penalty to the parties, pending a hearing on such application
128 or motion and until the court enters an order sustaining, quashing or
129 modifying such subpoena or demand.

130 (d) (1) Not later than October 1, 2014, and annually thereafter, each
131 insurer, health care center, hospital service corporation, medical
132 service corporation or other entity delivering, issuing for delivery,
133 renewing, amending or continuing in this state any group health
134 insurance policy sponsored by an employer and providing either

135 administrative services only or providing coverage of the type
136 specified in subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-
137 469 shall submit to the Comptroller the information set forth in
138 subparagraphs (A)(i) and (A)(ii) of subdivision (1) of subsection (b) of
139 this section for the policy year immediately preceding for each such
140 employer.

141 (2) Such information shall be submitted electronically to the
142 Comptroller, in a form prescribed by the Comptroller, regardless of
143 whether an employer requests such information pursuant to
144 subparagraph (A) of subdivision (1) of subsection (b) of this section.
145 Disclosure of any such information to the Comptroller pursuant to this
146 subsection shall be made in compliance with subparagraph (B) of
147 subdivision (1) of subsection (b) of this section.

148 (3) The Comptroller shall maintain any information disclosed in
149 accordance with this subsection as confidential and such information
150 shall not be subject to disclosure under section 1-210.

151 (e) Not later than January 1, 2015, and annually thereafter, the
152 Comptroller shall submit a report, in accordance with section 11-4a, to
153 the joint standing committees of the General Assembly having
154 cognizance of matters relating to appropriations, insurance, labor and
155 planning and development, that provides estimated costs or savings
156 for each employer for which information was submitted pursuant to
157 subsection (c) of this section and section 1 of this act if such employer
158 was to obtain health benefits coverage of the type specified in
159 subdivisions (1), (2), (4), (11), (12) and (16) of section 38a-469 from the
160 group hospitalization and medical and surgical insurance plans
161 established under subsection (a) of section 5-259.

162 *Sec. 3. (Effective July 1, 2014)* (a) With respect to the group
163 hospitalization and medical and surgical insurance plans established
164 under subsection (a) of section 5-259 of the general statutes, on and
165 after July 1, 2014, and until June 30, 2015:

166 (1) The office of the State Comptroller shall have the authority to
167 convene a working group, including, but not limited to, (A) to the
168 extent applicable, health insurance companies, health care centers,
169 hospital service corporations, medical service corporations or other
170 entities delivering, issuing for delivery, renewing, amending or
171 continuing such plans, (B) third-party administrators providing
172 administrative services only for such plans pursuant to subdivision (2)
173 of subsection (m) of section 5-259 of the general statutes, (C) health
174 care providers, (D) health care facilities, (E) the Office of Policy and
175 Management, and (F) state employees and retirees, to facilitate the
176 development and establishment of health care provider payment
177 reforms for the group hospitalization and medical and surgical
178 insurance plans established under subsection (a) of section 5-259 of the
179 general statutes, including, but not limited to, multipayer initiatives,
180 patient-centered medical homes, primary care case management,
181 value-based purchasing and bundled purchasing. Any participation by
182 such entities and individuals shall be on a voluntary basis.

183 (2) (A) The Comptroller, or the Comptroller's designee, may (i)
184 conduct a survey of the entities and individuals specified in
185 subparagraphs (A) to (D), inclusive, of subdivision (1) of this
186 subsection, concerning payment delivery reforms, and (ii) convene
187 meetings of the working group at a time and place that is convenient
188 for the entities and individuals specified in subparagraphs (A) to (F),
189 inclusive, of subdivision (i) of this subsection.

190 (B) The Comptroller, or the Comptroller's designee, shall ensure that
191 no such survey or working group participants shall solicit, share or
192 discuss pricing information.

193 (C) (i) Any survey conducted pursuant to subparagraph (A) of this
194 subdivision shall not be a violation of chapter 624 of the general
195 statutes or subject to disclosure under section 1-210 of the general
196 statutes.

197 (ii) Any meeting convened pursuant to subparagraph (A) of this
198 subdivision shall not be a violation of chapter 624 of the general
199 statutes or constitute a meeting for the purposes of chapter 14 of the
200 general statutes.

201 (3) (A) If the Comptroller determines that entering a cooperative
202 agreement with any of the entities or individuals specified in
203 subparagraphs (A) to (D), inclusive, of subdivision (1) of this
204 subsection will likely produce efficiencies and improvements in health
205 care outcomes, the Comptroller may enter into one or more such
206 agreements to (i) identify and reward high quality, low-cost health
207 care providers, (ii) create enrollee incentives to receive care from such
208 providers, and (iii) create enrollee incentives to promote personal
209 health behaviors that will prevent or effectively manage chronic
210 diseases, including, but not limited to, tobacco cessation, weight
211 control and physical activity.

212 (B) The Comptroller may establish guidelines for such cooperative
213 agreements. Any such agreement shall be consistent with federal
214 antitrust laws and regulations promulgated by the Federal Trade
215 Commission and chapter 624 of the general statutes.

216 (b) Not later than January 1, 2016, the Comptroller shall submit a
217 report, in accordance with section 11-4a of the general statutes, to the
218 joint standing committees of the General Assembly having cognizance
219 of matters relating to appropriations, labor and public health on the
220 recommendations of any working group convened by the Comptroller
221 pursuant to subsection (a) of this section. Such report shall include, but
222 not be limited to, (1) (A) any cost containment measures, and (B)
223 descriptions of any quality measurement or quality improvement
224 initiatives implemented as a result of the recommendations of such
225 working group, and (2) any cost savings or health outcome
226 improvements associated with such measures or initiatives.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	New section
Sec. 2	<i>July 1, 2014</i>	38a-513f
Sec. 3	<i>July 1, 2014</i>	New section

Statement of Purpose:

To require municipalities to submit information regarding such municipalities group health policy or plan to the State Comptroller for analysis and to allow the Comptroller to enter into cooperative health care agreements that may allow individuals to acquire low-cost, high-quality health care.

[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.]