



General Assembly

Amendment

February Session, 2014

LCO No. 3422

SB0001103422SR0

Offered by:
SEN. KELLY, 21st Dist.

To: Subst. Senate Bill No. 11

File No. 8

Cal. No. 44

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

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsections (a) to (c), inclusive, of section 38a-1081 of the
4 2014 supplement to the general statutes are repealed and the following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 June 19, 2013, shall
16 consist of twelve voting members. The appointment of the initial board
17 members shall be as follows:

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

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

26 (iii) The speaker of the House of Representatives shall appoint one
27 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 (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 (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 two years;

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

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

42 (viii) The Commissioner of Social Services, the Special Advisor to
43 the Governor on Healthcare Reform, the Secretary of the Office of
44 Policy and Management and the Healthcare Advocate, or their

45 designees, who shall serve as ex-officio, voting board members; and

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

49 (B) On and after June 19, 2013, and prior to October 1, 2014, the
50 board of directors shall consist of eleven voting members and three
51 nonvoting members as follows: (i) The board members appointed
52 pursuant to subparagraphs (A)(i) to (A)(vii), inclusive, of this
53 subdivision; (ii) the Commissioner of Social Services, the Secretary of
54 the Office of Policy and Management and the Healthcare Advocate, or
55 their designees, who shall serve as ex-officio, voting board members;
56 and (iii) the Insurance Commissioner and the Commissioners of Public
57 Health and Mental Health and Addiction Services, or their designees,
58 who shall serve as ex-officio, nonvoting board members. The
59 provisions of this subparagraph shall not affect the terms of the board
60 members set forth in subparagraphs (A)(i) to (A)(vii), inclusive, of this
61 subdivision.

62 (C) On and after October 1, 2014, the board of directors shall consist
63 of twelve voting members and three nonvoting members as follows: (i)
64 The board members set forth in subparagraph (B) of this subdivision;
65 and (ii) an active insurance producer, who shall be a voting member
66 appointed by the Governor and shall serve a term of two years. The
67 provisions of this subparagraph shall not affect the terms of the board
68 members set forth in subparagraphs (A)(i) to (A)(vii), inclusive, of this
69 subdivision.

70 (2) (A) [No] Except for the board member specified in subparagraph
71 (C)(ii) of subdivision (1) of this subsection, no board member shall be
72 employed by, a consultant to, a member of the board of directors of,
73 affiliated with or otherwise a representative of (i) an insurer, (ii) an
74 insurance producer or broker, (iii) a health care provider, or (iv) a
75 health care facility or health or medical clinic while serving on the
76 board of the exchange. For purposes of this subdivision, "health care

77 provider" means any person that is licensed in this state, or operates or
78 owns a facility or institution in this state, to provide health care or
79 health care professional services in this state, or an officer, employee or
80 agent thereof acting in the course and scope of such officer's,
81 employee's or agent's employment.

82 (B) [No] Except for the board member specified in subparagraph
83 (C)(ii) of subdivision (1) of this subsection, no board member shall be a
84 member of, a member of the board of, a consultant to or an employee
85 of a trade association of (i) insurers, (ii) insurance producers or
86 brokers, (iii) health care providers, or (iv) health care facilities or health
87 or medical clinics while serving on the board of the exchange.

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

92 (c) (1) All initial appointments shall be made not later than July 1,
93 2011, except the initial appointment of the board member specified in
94 subparagraph (C)(ii) of subdivision (1) of subsection (b) of this section
95 shall be made not later than October 1, 2014. Following the expiration
96 of such initial terms, subsequent board member terms shall be for four
97 years. Any vacancy shall be filled by the appointing authority for the
98 balance of the unexpired term. If an appointing authority fails to make
99 an initial appointment, or an appointment to fill a vacancy within
100 ninety days of the date of such vacancy, the appointed board members
101 may make such appointment by a majority vote. Any board member
102 previously appointed to the board or appointed to fill a vacancy may
103 be reappointed in accordance with this section. Any board member
104 may be removed for misfeasance, malfeasance or wilful neglect of duty
105 at the sole direction of the appointing authority.

106 (2) As a condition of qualifying as a member of the board of
107 directors, each appointee shall, before entering upon such member's
108 duties, take and subscribe the oath or affirmation required under

109 section 1 of article eleventh of the Constitution of the state. A record of
110 each such oath shall be filed in the office of the Secretary of the State.

111 (3) Appointed board members may not designate a representative to
112 perform in their absence their respective duties under sections 38a-
113 1080 to 38a-1091, inclusive. The Governor shall select a chairperson
114 from among the board members and the board members shall
115 annually elect a vice-chairperson. Meetings of the board of directors
116 shall be held at such times as shall be specified in the bylaws adopted
117 by the board and at such other time or times as the chairperson deems
118 necessary. Any board member who fails to attend more than fifty per
119 cent of all meetings held during any calendar year shall be deemed to
120 have resigned from the board.

121 (4) ~~[Six] Prior to October 1, 2014, six~~ board members shall constitute
122 a quorum for the transaction of any business or the exercise of any
123 power of the exchange. On and after October 1, 2014, seven board
124 members shall constitute a quorum for the transaction of any business
125 or the exercise of any power of the exchange. For the transaction of any
126 business or the exercise of any power of the exchange, the exchange
127 may act by a majority of the board members present at any meeting at
128 which a quorum is in attendance. No vacancy in the membership of
129 the board of directors shall impair the right of such board members to
130 exercise all the rights and perform all the duties of the board. Except as
131 otherwise provided, any action taken by the board under the
132 provisions of sections 38a-1080 to 38a-1091, inclusive, may be
133 authorized by resolution approved by a majority of the board
134 members present at any regular or special meeting, which resolution
135 shall take effect immediately unless otherwise provided in the
136 resolution.

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

140 (6) Subject to the provisions of subdivision (2) of subsection (b) of

141 this section, board members may engage in private employment or in a
 142 profession or business, subject to any applicable laws, rules and
 143 regulations of the state or federal government regarding official ethics
 144 or conflicts of interest.

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

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

162 (9) No board member of the exchange shall, for one year after the
 163 end of such member's service on the board, accept employment with
 164 any health carrier that offers a qualified health benefit plan through
 165 the exchange."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>from passage</i>	38a-1081(a) to (c)