



Substitute Senate Bill No. 913

Public Act No. 15-93

AN ACT CONCERNING THE ENROLLMENT OF NONSTATE PUBLIC EMPLOYEES IN THE STATE EMPLOYEE HEALTH PLAN.

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

Section 1. (NEW) (*Effective from passage*) As used in this section and sections 2 to 5, inclusive, of this act:

(1) "Health Care Costs Containment Committee" means the committee established in accordance with the ratified agreement between the state and the State Employees Bargaining Agent Coalition pursuant to subsection (f) of section 5-278 of the general statutes.

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

(3) "Nonstate public employer" means a municipality or other political subdivision of the state, including a board of education, quasi-public agency or public library. A municipality and a board of education may be considered separate employers.

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

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Sec. 2. (NEW) (*Effective October 1, 2015*) (a) Notwithstanding any provision of title 38a of the general statutes, the Comptroller shall offer to nonstate public employers and their nonstate public employees, and their retirees, if applicable, coverage under the state employee plan. Such nonstate public employees, or retirees, if applicable, shall be pooled with the state employee plan, provided the Comptroller receives an application from a nonstate public employer and the application is approved in accordance with this section or section 3 of this act. Premium payments for such coverage shall be remitted by the nonstate public employer to the Comptroller and shall be the same as those paid by the state inclusive of any premiums paid by state employees, except as otherwise provided in this section or section 4 of this act. The Comptroller may charge each nonstate public employer participating in the state employee plan an administrative fee calculated on a per member, per month basis.

(b) (1) The Comptroller shall offer participation in such plan for not less than three-year intervals. A nonstate public employer may apply for renewal prior to the expiration of each interval.

(2) The Comptroller shall develop procedures by which nonstate public employers receiving coverage for nonstate public employees pursuant to the state employee plan may (A) apply for renewal, or (B) withdraw from such coverage, including, but not limited to, the terms and conditions under which such nonstate public employers may withdraw prior to the expiration of the interval and the procedure by which any premium payments such nonstate public employers may be entitled to or premium equivalent payments made in excess of incurred claims shall be refunded to such nonstate public employer. Any such procedures shall provide that nonstate public employees covered by collective bargaining shall withdraw from such coverage in accordance with chapters 68, 113 and 166 of the general statutes.

(c) Nothing in sections 1 to 5, inclusive, of this act shall (1) require

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the Comptroller to offer coverage to every nonstate public employer seeking coverage under the state employee plan, or (2) prevent the Comptroller from procuring coverage for nonstate public employees from vendors other than those providing coverage to state employees.

(d) The Comptroller shall create applications for coverage under and for renewal of the state employee plan. Such applications shall require a nonstate public employer to disclose whether such nonstate public employer shall offer any other health care benefits plan to the nonstate public employees who are offered the state employee plan.

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

(f) (1) A nonstate public employer may submit an application to the Comptroller to provide coverage under the state employee plan for nonstate public employees employed by such nonstate public employer.

(2) If a nonstate public employer submits an application for coverage of all of its nonstate public employees, the Comptroller shall provide such coverage not later than the first day of the third calendar month following such application.

(3) (A) Except as provided in subsection (g) of this section, if a nonstate public employer submits an application for coverage for fewer than all of its nonstate public employees, or indicates in the application that the nonstate public employer shall offer other health plans to nonstate public employees who are offered the state health plan, the Comptroller shall forward such application to the Health

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Care Cost Containment Committee not later than five business days after receiving such application. Said committee may, not later than thirty days after receiving such application, certify to the Comptroller that the application will shift a significantly disproportional part of a nonstate public employer's medical risks to the state employee plan.

(B) If the Health Care Cost Containment Committee certifies to the Comptroller that the application will shift a significantly disproportional part of a nonstate public employer's medical risks to the state employee plan, the Comptroller shall not provide coverage to such nonstate public employer. If the Health Care Cost Containment Committee does not certify to the Comptroller that the application will shift a significantly disproportional part of a nonstate public employer's medical risks to the state employee plan, the Comptroller shall provide coverage not later than the first day of the third calendar month following the deadline for receiving the certification.

(4) Notwithstanding any provisions of the general statutes, initial and continuing participation in the state employee plan by a nonstate public employer shall be a mandatory subject of collective bargaining and shall be subject to binding interest arbitration in accordance with the same procedures and standards that apply to any other mandatory subject of bargaining pursuant to chapters 68, 113 and 166 of the general statutes.

(g) If a nonstate public employer included fewer than all of its nonstate public employees in its application for coverage because of (1) the decision by individual nonstate public employees to decline such coverage for themselves or their dependents, or (2) the nonstate public employer's decision to not offer coverage to temporary, part-time or durational employees, the Comptroller shall not forward such nonstate public employer's application to the Health Care Cost Containment Committee pursuant to subdivision (3) of subsection (f) of this section.

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

Sec. 3. (NEW) (*Effective October 1, 2015*) (a) Any nonstate public employer that is eligible to seek coverage under the state employee plan for its nonstate public employees may seek such coverage for such nonstate public employer's retirees in accordance with this section. Premium payments for such coverage shall be remitted by the nonstate public employer to the Comptroller and shall be the same as those paid by the state, inclusive of any premiums paid by retired state employees.

(b) (1) If a nonstate public employer seeks coverage for all of its retirees in accordance with this section and all of the nonstate public employees employed by such nonstate public employer in accordance with section 2 of this act, the Comptroller shall accept such application upon the terms and conditions applicable to the state employee plan and shall provide coverage not later than the first day of the third calendar month following such application.

(2) If a nonstate public employer seeks coverage for fewer than all of its retirees, regardless of whether such nonstate public employer is seeking coverage for all of the nonstate public employees employed by such nonstate public employer, the Comptroller shall forward such application to the Health Care Cost Containment Committee not later than five business days after receiving such application. Said committee may, not later than thirty days after receiving such application, certify to the Comptroller that, with respect to such retirees, the application will shift a significantly disproportional part of such nonstate public employer's medical risks to the state employee plan.

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(3) If the Health Care Cost Containment Committee certifies to the Comptroller that the application will shift a significantly disproportional part of a nonstate public employer's medical risks to the state employee plan, the Comptroller shall not provide coverage to such nonstate public employer's retirees. If the Health Care Cost Containment Committee does not certify to the Comptroller that the application will shift a significantly disproportional part of a nonstate public employer's medical risks to the state employee plan, the Comptroller shall provide coverage not later than the first day of the third calendar month following the deadline for receiving the certification.

(c) Nothing in sections 1 to 5, inclusive, of this act shall diminish any right to retiree health insurance pursuant to a collective bargaining agreement or to any other provision of the general statutes.

Sec. 4. (NEW) (*Effective October 1, 2015*) (a) There is established an account to be known as the "state employee plan premium account", which shall be a separate, nonlapsing account within the General Fund. All premiums paid by nonstate public employers and nonstate public employees pursuant to participation in the state employee plan shall be deposited into said account. The account shall be administered by the Comptroller, with the advice of the Health Care Costs Containment Committee, for payment of claims and administrative fees to entities providing coverage or services under the state employee plan.

(b) Each nonstate public employer shall pay monthly the amount determined by the Comptroller for coverage of its nonstate public employees or its nonstate public employees and retirees, as appropriate, under the state employee plan. A nonstate public employer may require each nonstate public employee to contribute a portion of the cost of his or her coverage under the plan, subject to any collective bargaining obligation applicable to such nonstate public

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employer.

(c) If any payment due by a nonstate public employer under this subsection is not paid after the date such payment is due, interest to be paid by such nonstate public employer shall be added, retroactive to the date such payment was due, at the prevailing rate of interest as determined by the Comptroller.

(d) If a nonstate public employer fails to make premium payments, the Comptroller may direct the State Treasurer, or any other officer of the state who is the custodian of any moneys made available by grant, allocation or appropriation payable to such nonstate public employer at any time subsequent to such failure, to withhold the payment of such moneys until the amount of the premium or interest due has been paid to the Comptroller, or until the State Treasurer or such custodial officer determines that arrangements have been made, to the satisfaction of the State Treasurer, for the payment of such premium and interest. Such moneys shall not be withheld if such withholding will adversely affect the receipt of any federal grant or aid in connection with such moneys.

Sec. 5. (*Effective from passage*) The Comptroller shall not offer coverage under the state employee plan pursuant to sections 1 to 4, inclusive, of this act until the State Employees' Bargaining Agent Coalition has provided its consent to the clerks of both houses of the General Assembly to incorporate the terms of sections 1 to 4, inclusive, of this act into its collective bargaining agreement.

Sec. 6. (NEW) (*Effective October 1, 2015*) On and after October 1, 2015, no nonstate public employer, as defined in section 1 of this act, shall enroll any nonstate public employee, as defined in section 1 of this act, in the partnership plan, as defined in section 3-123aaa of the general statutes. Nothing in this section shall be construed to require any nonstate public employer enrolled in the partnership plan to enroll in

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the state employee plan, as defined in section 1 of this act.

Approved June 23, 2015