



General Assembly

January Session, 2015

Committee Bill No. 753

LCO No. 3465



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

AN ACT REQUIRING THE CONNECTICUT HEALTH INSURANCE EXCHANGE TO HOLD A PUBLIC HEARING PRIOR TO CHARGING AN ASSESSMENT OR USER FEE, OR CHANGING THE AMOUNT OF AN ASSESSMENT OR USER FEE CHARGED, TO A HEALTH CARRIER.

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

1 Section 1. Subsections (c) and (d) of section 38a-1083 of the general
2 statutes are repealed and the following is substituted in lieu thereof
3 (*Effective October 1, 2015*):

4 (c) The exchange is authorized and empowered to:

5 (1) Have perpetual successions as a body politic and corporate and
6 to adopt bylaws for the regulation of its affairs and the conduct of its
7 business;

8 (2) Adopt an official seal and alter the same at pleasure;

9 (3) Maintain an office in the state at such place or places as it may
10 designate;

11 (4) Employ such assistants, agents, managers and other employees

12 as may be necessary or desirable;

13 (5) Acquire, lease, purchase, own, manage, hold and dispose of real
14 and personal property, and lease, convey or deal in or enter into
15 agreements with respect to such property on any terms necessary or
16 incidental to the carrying out of these purposes, provided all such
17 acquisitions of real property for the exchange's own use with amounts
18 appropriated by this state to the exchange or with the proceeds of
19 bonds supported by the full faith and credit of this state shall be
20 subject to the approval of the Secretary of the Office of Policy and
21 Management and the provisions of section 4b-23;

22 (6) Receive and accept, from any source, aid or contributions,
23 including money, property, labor and other things of value;

24 (7) Charge assessments or user fees, after the public hearing
25 required under subsection (d) of this section, to health carriers that are
26 capable of offering a qualified health plan through the exchange or
27 otherwise generate funding necessary to support the operations of the
28 exchange and impose interest and penalties on such health carriers for
29 delinquent payments of such assessments or fees;

30 (8) Procure insurance against loss in connection with its property
31 and other assets in such amounts and from such insurers as it deems
32 desirable;

33 (9) Invest any funds not needed for immediate use or disbursement
34 in obligations issued or guaranteed by the United States of America or
35 the state and in obligations that are legal investments for savings banks
36 in the state;

37 (10) Issue bonds, bond anticipation notes and other obligations of
38 the exchange for any of its corporate purposes, and to fund or refund
39 the same and provide for the rights of the holders thereof, and to
40 secure the same by pledge of revenues, notes and mortgages of others;

41 (11) Borrow money for the purpose of obtaining working capital;

42 (12) Account for and audit funds of the exchange and any recipients
43 of funds from the exchange;

44 (13) Make and enter into any contract or agreement necessary or
45 incidental to the performance of its duties and execution of its powers.
46 The contracts entered into by the exchange shall not be subject to the
47 approval of any other state department, office or agency, provided
48 copies of all contracts of the exchange shall be maintained by the
49 exchange as public records, subject to the proprietary rights of any
50 party to the contract;

51 (14) To the extent permitted under its contract with other persons,
52 consent to any termination, modification, forgiveness or other change
53 of any term of any contractual right, payment, royalty, contract or
54 agreement of any kind to which the exchange is a party;

55 (15) Award grants to trained and certified individuals and
56 institutions that will assist individuals, families and small employers
57 and their employees in enrolling in appropriate coverage through the
58 exchange. Applications for grants from the exchange shall be made on
59 a form prescribed by the board;

60 (16) Limit the number of plans offered, and use selective criteria in
61 determining which plans to offer, through the exchange, provided
62 individuals and employers have an adequate number and selection of
63 choices;

64 (17) Evaluate jointly with the Sustinet Health Care Cabinet the
65 feasibility of implementing a basic health program option as set forth
66 in Section 1331 of the Affordable Care Act;

67 (18) Sue and be sued, plead and be impleaded;

68 (19) Adopt regular procedures that are not in conflict with other
69 provisions of the general statutes, for exercising the power of the
70 exchange; and

71 (20) Do all acts and things necessary and convenient to carry out the
72 purposes of the exchange, provided such acts or things shall not
73 conflict with the provisions of the Affordable Care Act, regulations
74 adopted thereunder or federal guidance issued pursuant to the
75 Affordable Care Act.

76 (d) (1) Prior to charging an assessment or user fee or changing the
77 amount of an assessment or user fee charged, to any health carrier
78 pursuant to subdivision (7) of subsection (c) of this section, the chief
79 executive officer of the exchange shall hold a public hearing on such
80 proposed charge or change. Such hearing shall be held at a time and
81 location as is convenient for the general public.

82 (2) The chief executive officer shall notify, at least fifteen days prior
83 to holding such hearing, any health carrier affected by such proposed
84 charge or change and the chairpersons and ranking members of the
85 joint standing committee of the General Assembly having cognizance
86 of matters relating to insurance of the public hearing and shall post
87 such notice on the Internet web site of the exchange. Such notice shall
88 include the amount of the proposed charge or change, the date such
89 proposed charge or change is due to take effect and the date, time and
90 location of such hearing.

91 (3) In addition to the notice required under subdivision (2) of this
92 subsection, the chief executive officer shall post on the Internet web
93 site of the exchange the federal medical loss ratio, as defined in section
94 38a-478l, of the health carriers affected by such proposed charge or
95 change and any premium or other information used by the exchange
96 to determine the proposed charge or change.

97 [(d)] (e) (1) The chief executive officer of the exchange shall provide
98 to the commissioner the name of any health carrier that fails to pay any
99 assessment or user fee under subdivision (7) of subsection (c) of this
100 section to the exchange. The commissioner shall see that all laws
101 respecting the authority of the exchange pursuant to said subdivision
102 (7) are faithfully executed. The commissioner has all the powers

103 specifically granted under this title and all further powers that are
104 reasonable and necessary to enable the commissioner to enforce the
105 provisions of said subdivision (7).

106 (2) Any health carrier aggrieved by an administrative action taken
107 by the commissioner under subdivision (1) of this subsection may
108 appeal therefrom in accordance with the provisions of section 4-183,
109 except venue for such appeal shall be in the judicial district of New
110 Britain.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2015	38a-1083(c) and (d)

Statement of Purpose:

To require the Connecticut Health Insurance Exchange to hold a public hearing prior to charging an assessment or user fee, or changing the amount of an assessment or user fee charged, to a health carrier.

[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.]

Co-Sponsors: SEN. KELLY, 21st Dist.

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