



General Assembly

**Substitute Bill No. 913**

January Session, 2015



**AN ACT CONCERNING HEALTH CARE DATA REPORTING AND 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:

1 Section 1. (NEW) (*Effective July 1, 2015*) (a) Not later than October 1,  
2 2016, 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 subsection  
39 (a) of this section shall include health information in such information.

40 Sec. 2. Section 38a-513f of the general statutes is repealed and the  
41 following is substituted in lieu thereof (*Effective July 1, 2015*):

42 (a) As used in this section:

43 (1) "Claims paid" means the amounts paid for the covered  
44 employees of an employer by an insurer, health care center, hospital  
45 service corporation, medical service corporation or other entity as  
46 specified in subdivision (1) of subsection (b) of this section for medical

47 services and supplies and for prescriptions filled, but does not include  
48 expenses for stop-loss coverage, reinsurance, enrollee educational  
49 programs or other cost containment programs or features,  
50 administrative costs or profit.

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

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

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

63 [(1)] (A) Not later than October first, annually, provide to an  
64 employer sponsoring such policy, free of charge, the following  
65 information for the most recent thirty-six-month period or for the  
66 entire period of coverage, whichever is shorter, ending not more than  
67 sixty days prior to the date of the provision of such information, in a  
68 format as set forth in [subdivision (3)] subparagraph (C) of this  
69 [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] subdivision (1) of this subsection. The  
104 Comptroller shall maintain as 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, 2015, 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 Sec. 3. (*Effective July 1, 2015*) (a) With respect to the group  
149 hospitalization and medical and surgical insurance plans established  
150 under subsection (a) of section 5-259 of the general statutes, on and  
151 after July 1, 2015, and until June 30, 2016:

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

169 (2) (A) The Comptroller, or the Comptroller's designee, may (i)  
170 conduct a survey of the entities and individuals specified in  
171 subparagraphs (A) to (D), inclusive, of subdivision (1) of this

172 subsection, concerning payment delivery reforms, and (ii) convene  
173 meetings of the working group at a time and place that is convenient  
174 for the entities and individuals specified in subparagraphs (A) to (F),  
175 inclusive, of subdivision (1) of this subsection.

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

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

183 (ii) Any meeting convened pursuant to subparagraph (A) of this  
184 subdivision shall not be a violation of chapter 624 of the general  
185 statutes or constitute a meeting for the purposes of chapter 14 of the  
186 general statutes.

187 (3) (A) If the Comptroller determines that entering a cooperative  
188 agreement with any of the entities or individuals specified in  
189 subparagraphs (A) to (D), inclusive, of subdivision (1) of this  
190 subsection will likely produce efficiencies and improvements in health  
191 care outcomes, the Comptroller may enter into one or more such  
192 agreements to (i) identify and reward high quality, low-cost health  
193 care providers, (ii) create enrollee incentives to receive care from such  
194 providers, and (iii) create enrollee incentives to promote personal  
195 health behaviors that will prevent or effectively manage chronic  
196 diseases, including, but not limited to, tobacco cessation, weight  
197 control and physical activity.

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

202 (b) Not later than January 1, 2017, the Comptroller shall submit a

203 report, in accordance with section 11-4a of the general statutes, to the  
204 joint standing committees of the General Assembly having cognizance  
205 of matters relating to appropriations, labor and public health on the  
206 recommendations of any working group convened by the Comptroller  
207 pursuant to subsection (a) of this section. Such report shall include, but  
208 not be limited to, (1) (A) any cost containment measures, and (B)  
209 descriptions of any quality measurement or quality improvement  
210 initiatives implemented as a result of the recommendations of such  
211 working group, and (2) any cost savings or health outcome  
212 improvements associated with such measures or initiatives.

213 Sec. 4. (NEW) (*Effective from passage*) As used in this section and  
214 sections 5 to 8, inclusive, of this act:

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

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

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

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

228 Sec. 5. (NEW) (*Effective October 1, 2015*) (a) Notwithstanding any  
229 provision of title 38a of the general statutes, the Comptroller shall offer  
230 to nonstate public employers and their nonstate public employees, and  
231 their retirees, if applicable, coverage under the state employee plan.  
232 Such nonstate public employees, or retirees, if applicable, shall be  
233 pooled with the state employee plan, provided the Comptroller

234 receives an application from a nonstate public employer and the  
235 application is approved in accordance with this section or section 6 of  
236 this act. Premium payments for such coverage shall be remitted by the  
237 nonstate public employer to the Comptroller and shall be the same as  
238 those paid by the state inclusive of any premiums paid by state  
239 employees, except as otherwise provided in this section or section 7 of  
240 this act. The Comptroller may charge each nonstate public employer  
241 participating in the state employee plan an administrative fee  
242 calculated on a per member, per month basis.

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

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

258 (c) Nothing in sections 4 to 8, inclusive, of this act shall (1) require  
259 the Comptroller to offer coverage to every nonstate public employer  
260 seeking coverage under the state employee plan, or (2) prevent the  
261 Comptroller from procuring coverage for nonstate public employees  
262 from vendors other than those providing coverage to state employees.

263 (d) The Comptroller shall create applications for coverage under  
264 and for renewal of the state employee plan. Such applications shall  
265 require a nonstate public employer to disclose whether such nonstate

266 public employer shall offer any other health care benefits plan to the  
267 nonstate public employees who are offered the state employee plan.

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

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

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

282 (3) (A) Except as provided in subsection (g) of this section, if a  
283 nonstate public employer submits an application for coverage for  
284 fewer than all of its nonstate public employees, or indicates in the  
285 application that the nonstate public employer shall offer other health  
286 plans to nonstate public employees who are offered the state health  
287 plan, the Comptroller shall forward such application to the Health  
288 Care Cost Containment Committee not later than five business days  
289 after receiving such application. Said committee may, not later than  
290 thirty days after receiving such application, certify to the Comptroller  
291 that the application will shift a significantly disproportional part of a  
292 nonstate public employer's medical risks to the state employee plan.

293 (B) If the Health Care Cost Containment Committee certifies to the  
294 Comptroller that the application will shift a significantly  
295 disproportional part of a nonstate public employer's medical risks to  
296 the state employee plan, the Comptroller shall not provide coverage to

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

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

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

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

322 Sec. 6. (NEW) (*Effective October 1, 2015*) (a) Any nonstate public  
323 employer that is eligible to seek coverage under the state employee  
324 plan for its nonstate public employees may seek such coverage for  
325 such nonstate public employer's retirees in accordance with this  
326 section. Premium payments for such coverage shall be remitted by the  
327 nonstate public employer to the Comptroller and shall be the same as  
328 those paid by the state, inclusive of any premiums paid by retired state

329 employees.

330 (b) (1) If a nonstate public employer seeks coverage for all of its  
331 retirees in accordance with this section and all of the nonstate public  
332 employees employed by such nonstate public employer in accordance  
333 with section 5 of this act, the Comptroller shall accept such application  
334 upon the terms and conditions applicable to the state employee plan  
335 and shall provide coverage not later than the first day of the third  
336 calendar month following such application.

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

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

359 (c) Nothing in sections 4 to 8, inclusive, of this act shall diminish any  
360 right to retiree health insurance pursuant to a collective bargaining

361 agreement or to any other provision of the general statutes.

362       Sec. 7. (NEW) (*Effective October 1, 2015*) (a) There is established an  
363 account to be known as the "state employee plan premium account",  
364 which shall be a separate, nonlapsing account within the General  
365 Fund. All premiums paid by nonstate public employers and nonstate  
366 public employees pursuant to participation in the state employee plan  
367 shall be deposited into said account. The account shall be administered  
368 by the Comptroller, with the advice of the Health Care Costs  
369 Containment Committee, for payment of claims and administrative  
370 fees to entities providing coverage or services under the state  
371 employee plan.

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

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

385       (d) If a nonstate public employer fails to make premium payments,  
386 the Comptroller may direct the State Treasurer, or any other officer of  
387 the state who is the custodian of any moneys made available by grant,  
388 allocation or appropriation payable to such nonstate public employer  
389 at any time subsequent to such failure, to withhold the payment of  
390 such moneys until the amount of the premium or interest due has been  
391 paid to the Comptroller, or until the State Treasurer or such custodial  
392 officer determines that arrangements have been made, to the

393 satisfaction of the State Treasurer, for the payment of such premium  
394 and interest. Such moneys shall not be withheld if such withholding  
395 will adversely affect the receipt of any federal grant or aid in  
396 connection with such moneys.

397 Sec. 8. (*Effective from passage*) The Comptroller shall not offer  
398 coverage under the state employee plan pursuant to sections 4 to 7,  
399 inclusive, of this act until the State Employees' Bargaining Agent  
400 Coalition has provided its consent to the clerks of both houses of the  
401 General Assembly to incorporate the terms of sections 4 to 7, inclusive,  
402 of this act into its collective bargaining agreement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015</i>	New section
Sec. 2	<i>July 1, 2015</i>	38a-513f
Sec. 3	<i>July 1, 2015</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>October 1, 2015</i>	New section
Sec. 6	<i>October 1, 2015</i>	New section
Sec. 7	<i>October 1, 2015</i>	New section
Sec. 8	<i>from passage</i>	New section

**LAB**      *Joint Favorable Subst.*

**PD**        *Joint Favorable*