



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*

INS *Joint Favorable*