



General Assembly

Amendment

February Session, 2016

LCO No. 5396



Offered by:
SEN. KELLY, 21st Dist.

To: Subst. Senate Bill No. 433

File No. 451

Cal. No. 300

"AN ACT CONCERNING STANDARDS AND REQUIREMENTS FOR HEALTH CARRIERS' PROVIDER NETWORKS AND CONTRACTS BETWEEN HEALTH CARRIERS AND PARTICIPATING PROVIDERS."

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

3 "Sec. 501. Section 38a-1081 of the 2016 supplement to the general
4 statutes is repealed and the following is substituted in lieu thereof
5 (*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, 2016, 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, 2016, 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) a retired 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. As used in this subparagraph, "retired insurance
70 producer" means an individual who (I) is no longer licensed as an
71 insurance producer, (II) was in good standing with the Insurance
72 Department at the time such individual chose to not renew or to cancel
73 such license, and (III) has not been licensed as an insurance producer
74 for at least one year immediately preceding the date of appointment to
75 the board.

76 (2) (A) No board member shall be employed by, a consultant to, a
77 member of the board of directors of, affiliated with or otherwise a
78 representative of (i) an insurer, (ii) an insurance producer or broker,
79 (iii) a health care provider, or (iv) a health care facility or health or
80 medical clinic while serving on the board of the exchange. For
81 purposes of this subdivision, "health care provider" means any person
82 that is licensed in this state, or operates or owns a facility or institution
83 in this state, to provide health care or health care professional services
84 in this state, or an officer, employee or agent thereof acting in the
85 course and scope of such officer's, employee's or agent's employment.

86 (B) No board member shall be a member of, a member of the board
87 of, a consultant to or an employee of a trade association of (i) insurers,
88 (ii) insurance producers or brokers, (iii) health care providers, or (iv)
89 health care facilities or health or medical clinics while serving on the
90 board of the exchange.

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

95 (c) (1) All initial appointments shall be made not later than July 1,
96 2011, except the initial appointment of the board member specified in
97 subparagraph (C)(ii) of subdivision (1) of subsection (b) of this section
98 shall be made not later than October 1, 2016. Following the expiration
99 of such initial terms, subsequent board member terms shall be for four
100 years. Any vacancy shall be filled by the appointing authority for the
101 balance of the unexpired term. If an appointing authority fails to make
102 an initial appointment, or an appointment to fill a vacancy within
103 ninety days of the date of such vacancy, the appointed board members
104 may make such appointment by a majority vote. Any board member
105 previously appointed to the board or appointed to fill a vacancy may
106 be reappointed in accordance with this section. Any board member
107 may be removed for misfeasance, malfeasance or wilful neglect of duty
108 at the sole direction of the appointing authority.

109 (2) As a condition of qualifying as a member of the board of
110 directors, each appointee shall, before entering upon such member's
111 duties, take and subscribe the oath or affirmation required under
112 section 1 of article eleventh of the Constitution of the state. A record of
113 each such oath shall be filed in the office of the Secretary of the State.

114 (3) Appointed board members may not designate a representative to
115 perform in their absence their respective duties under sections 38a-
116 1080 to 38a-1092, inclusive. The Governor shall select a chairperson
117 from among the board members and the board members shall
118 annually elect a vice-chairperson. Meetings of the board of directors
119 shall be held at such times as shall be specified in the bylaws adopted
120 by the board and at such other time or times as the chairperson deems
121 necessary. Any board member who fails to attend more than fifty per
122 cent of all meetings held during any calendar year shall be deemed to
123 have resigned from the board.

124 (4) [Six] Prior to October 1, 2016, six board members shall constitute
125 a quorum for the transaction of any business or the exercise of any
126 power of the exchange. On and after October 1, 2016, seven board
127 members shall constitute a quorum for the transaction of any business
128 or the exercise of any power of the exchange. For the transaction of any
129 business or the exercise of any power of the exchange, the exchange
130 may act by a majority of the board members present at any meeting at
131 which a quorum is in attendance. No vacancy in the membership of
132 the board of directors shall impair the right of such board members to
133 exercise all the rights and perform all the duties of the board. Except as
134 otherwise provided in sections 38a-1080 to 38a-1092, inclusive, any
135 action taken by the board under the provisions of sections 38a-1080 to
136 38a-1092, inclusive, may be authorized by resolution approved by a
137 majority of the board members present at any regular or special
138 meeting, which resolution shall take effect immediately unless
139 otherwise provided in the resolution.

140 (5) Board members shall receive no compensation for their services
141 but shall receive actual and necessary expenses incurred in the

142 performance of their official duties.

143 (6) Subject to the provisions of subdivision (2) of subsection (b) of
144 this section, board members may engage in private employment or in a
145 profession or business, subject to any applicable laws, rules and
146 regulations of the state or federal government regarding official ethics
147 or conflicts of interest.

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

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

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

169 (d) (1) With respect to the initial appointment of a chief executive
170 officer of the exchange, the board of directors shall nominate three
171 candidates to the Governor, who shall make a selection from such
172 nominations. After such initial appointment, the board shall select and
173 appoint subsequent chief executive officers.

174 (2) The chief executive officer shall be responsible for administering
175 the exchange's programs and activities in accordance with the policies
176 and objectives established by the board. The chief executive officer (A)
177 may employ such other employees as shall be designated by the board
178 of directors, and (B) shall attend all meetings of the board, keep a
179 record of all proceedings and maintain and be custodian of all records,
180 books, documents and papers filed with or compiled by the exchange.

181 (e) (1) (A) No employee of the exchange shall be employed by, a
182 consultant to, a member of the board of directors of, affiliated with or
183 otherwise a representative of (i) an insurer, (ii) an insurance producer
184 or broker, (iii) a health care provider, or (iv) a health care facility or
185 health or medical clinic while serving on the staff of the exchange. For
186 purposes of this subdivision, "health care provider" means any person
187 that is licensed in this state, or operates or owns a facility or institution
188 in this state, to provide health care or health care professional services
189 in this state, or an officer, employee or agent thereof acting in the
190 course and scope of such officer's, employee's or agent's employment.

191 (B) No employee of the exchange shall be a member of, a member of
192 the board of, a consultant to or an employee of a trade association of (i)
193 insurers, (ii) insurance producers or brokers, (iii) health care providers,
194 or (iv) health care facilities or health or medical clinics while serving
195 on the staff of the exchange.

196 (C) No employee of the exchange shall be a health care provider
197 unless (i) (I) such employee receives no compensation for rendering
198 services as a health care provider, or (II) the chief executive officer
199 approves the hiring of such provider as an employee on the basis that
200 such provider fills an area of need of expertise for the exchange, and
201 (ii) such employee does not have an ownership interest in a
202 professional health care practice.

203 (2) No employee of the exchange shall, for one year after
204 terminating employment with the exchange, accept employment with
205 any health carrier that offers a qualified health benefit plan through

206 the exchange.

207 (3) Any employee of the exchange whose primary purpose is to
208 assist individuals or small employers in selecting health insurance
209 plans offered on the exchange to purchase shall be licensed as an
210 insurance producer under chapter 701a not later than eighteen months
211 after such employee begins employment with the exchange.

212 (4) Any employee of the exchange may enroll in a group
213 hospitalization and medical and surgical insurance plan under
214 subsection (a) of section 5-259, provided the exchange reimburses the
215 appropriate state agencies for all costs incurred by such enrollment.

216 (f) The board may consult with such parties, public or private, as it
217 deems desirable or necessary in exercising its duties under sections
218 38a-1080 to 38a-1091, inclusive.

219 (g) The board may create such advisory committees as it deems
220 necessary to provide input on issues that may include, but are not
221 limited to, customer service needs and insurance producer concerns."

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