



General Assembly

January Session, 2017

**Committee Bill No. 544**

LCO No. 3307



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Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:  
(INS)

**AN ACT REQUIRING PRIOR LEGISLATIVE APPROVAL OF  
INCREASES IN ASSESSMENTS AND USER FEES CHARGED BY THE  
CONNECTICUT HEALTH INSURANCE EXCHANGE.**

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

1 Section 1. Section 38a-1083 of the general statutes is repealed and  
2 the following is substituted in lieu thereof (*Effective October 1, 2017*):

3 (a) For purposes of sections 38a-1080 to 38a-1091, inclusive,  
4 "purposes of the exchange" means the purposes of and the pursuit of  
5 the goals of the exchange expressed in and pursuant to this section and  
6 the performance of the duties and responsibilities of the exchange set  
7 forth in sections 38a-1084 to 38a-1087, inclusive, which are hereby  
8 determined to be public purposes for which public funds may be  
9 expended. The powers enumerated in this section shall be interpreted  
10 broadly to effectuate the purposes of the exchange and shall not be  
11 construed as a limitation of powers.

12 (b) The goals of the exchange shall be to reduce the number of  
13 individuals without health insurance in this state and assist  
14 individuals and small employers in the procurement of health

15 insurance by, among other services, offering easily comparable and  
16 understandable information about health insurance options.

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

18 (1) Have perpetual succession as a body politic and corporate and to  
19 adopt bylaws for the regulation of its affairs and the conduct of its  
20 business;

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

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

24 (4) Employ such assistants, agents, managers and other employees  
25 as may be necessary or desirable;

26 (5) Acquire, lease, purchase, own, manage, hold and dispose of real  
27 and personal property, and lease, convey or deal in or enter into  
28 agreements with respect to such property on any terms necessary or  
29 incidental to the carrying out of these purposes, provided all such  
30 acquisitions of real property for the exchange's own use with amounts  
31 appropriated by this state to the exchange or with the proceeds of  
32 bonds supported by the full faith and credit of this state shall be  
33 subject to the approval of the Secretary of the Office of Policy and  
34 Management and the provisions of section 4b-23;

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

37 (7) Charge assessments or user fees to health carriers that are  
38 capable of offering a qualified health plan through the exchange, [or]  
39 implement and change methods of calculating such assessments or  
40 fees and otherwise generate funding necessary to support the  
41 operations of the exchange, [and impose] provided any increase in the  
42 amount of such assessments or fees or change in any method used to  
43 calculate such assessments or fees shall be subject to prior legislative

44 approval under subsection (d) of this section;

45 ~~(8)~~ Impose interest and penalties on [such] health carriers for  
46 delinquent payments of [such] assessments or user fees;

47 ~~[(8)]~~ (9) Procure insurance against loss in connection with its  
48 property and other assets in such amounts and from such insurers as it  
49 deems desirable;

50 ~~[(9)]~~ (10) Invest any funds not needed for immediate use or  
51 disbursement in obligations issued or guaranteed by the United States  
52 of America or the state and in obligations that are legal investments for  
53 savings banks in the state;

54 ~~[(10)]~~ (11) Issue bonds, bond anticipation notes and other  
55 obligations of the exchange for any of its corporate purposes, and to  
56 fund or refund the same and provide for the rights of the holders  
57 thereof, and to secure the same by pledge of revenues, notes and  
58 mortgages of others;

59 ~~[(11)]~~ (12) Borrow money for the purpose of obtaining working  
60 capital;

61 ~~[(12)]~~ (13) Account for and audit funds of the exchange and any  
62 recipients of funds from the exchange;

63 ~~[(13)]~~ (14) Make and enter into any contract or agreement necessary  
64 or incidental to the performance of its duties and execution of its  
65 powers. The contracts entered into by the exchange shall not be subject  
66 to the approval of any other state department, office or agency,  
67 provided copies of all contracts of the exchange shall be maintained by  
68 the exchange as public records, subject to the proprietary rights of any  
69 party to the contract;

70 ~~[(14)]~~ (15) To the extent permitted under its contract with other  
71 persons, consent to any termination, modification, forgiveness or other  
72 change of any term of any contractual right, payment, royalty, contract

73 or agreement of any kind to which the exchange is a party;

74 [(15)] (16) Award grants to trained and certified individuals and  
75 institutions that will assist individuals, families and small employers  
76 and their employees in enrolling in appropriate coverage through the  
77 exchange. Applications for grants from the exchange shall be made on  
78 a form prescribed by the board;

79 [(16)] (17) Limit the number of plans offered, and use selective  
80 criteria in determining which plans to offer, through the exchange,  
81 provided individuals and employers have an adequate number and  
82 selection of choices;

83 [(17)] (18) Evaluate jointly with the SustiNet Health Care Cabinet  
84 the feasibility of implementing a basic health program option as set  
85 forth in Section 1331 of the Affordable Care Act;

86 [(18)] (19) Establish one or more subsidiaries, in accordance with  
87 section 38a-1093, as amended by this act, to further the purposes of the  
88 exchange;

89 [(19)] (20) Make loans to each subsidiary established pursuant to  
90 section 38a-1093, as amended from this act, from the assets of the  
91 exchange and the proceeds of bonds, bond anticipation notes and other  
92 obligations issued by the exchange or assign or transfer to such  
93 subsidiary any of the rights, moneys or other assets of the exchange,  
94 provided such assignment or transfer is not in violation of state or  
95 federal law;

96 [(20)] (21) Sue and be sued, plead and be impleaded;

97 [(21)] (22) Adopt regular procedures, that are not in conflict with  
98 other provisions of the general statutes, for exercising the power of the  
99 exchange; and

100 [(22)] (23) Do all acts and things necessary and convenient to carry  
101 out the purposes of the exchange, provided such acts or things shall

102 not conflict with the provisions of the Affordable Care Act, regulations  
103 adopted thereunder or federal guidance issued pursuant to the  
104 Affordable Care Act.

105 (d) The exchange shall submit any proposed increase in the amount  
106 of assessments or user fees charged to health carriers and any  
107 proposed method or change in method used in calculating such  
108 assessments or user fees to the joint standing committee of the General  
109 Assembly having cognizance of matters relating to insurance. If the  
110 committee does not act within sixty days after receiving a submittal,  
111 the proposed increase, method or change in method, as the case may  
112 be, shall be deemed to be denied by the committee.

113 ~~[(d)]~~ (e) (1) The chief executive officer of the exchange shall provide  
114 to the commissioner the name of any health carrier that fails to pay any  
115 assessment or user fee under subdivision (7) of subsection (c) of this  
116 section to the exchange. The commissioner shall see that all laws  
117 respecting the authority of the exchange pursuant to [said subdivision  
118 (7)] subdivisions (7) and (8) of subsection (c) of this section are  
119 faithfully executed. The commissioner has all the powers specifically  
120 granted under this title and all further powers that are reasonable and  
121 necessary to enable the commissioner to enforce the provisions of [said  
122 subdivision (7)] subdivisions (7) and (8) of subsection (c) of this  
123 section.

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

129 Sec. 2. Subsection (b) of section 38a-1093 of the general statutes is  
130 repealed and the following is substituted in lieu thereof (*Effective*  
131 *October 1, 2017*):

132 (b) Each subsidiary shall have and may exercise the powers of the

133 exchange and such additional powers as are set forth in such  
134 resolution, except the powers of the exchange set forth in subdivisions  
135 (7), [(12), (15), (16), (17) and (21)] (8), (13), (16), (17), (18) and (22) of  
136 subsection (c) of section 38a-1083, as amended by this act, shall be  
137 reserved to the exchange and shall not be exercisable by any subsidiary  
138 of the exchange.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2017</i>	38a-1083
Sec. 2	<i>October 1, 2017</i>	38a-1093(b)

**Statement of Purpose:**

To require the Connecticut Health Insurance Exchange to receive the approval of the joint standing committee of the General Assembly having cognizance of matters relating to insurance before increasing the amount of any assessment or user fee, or implementing or changing any process used to increase the amount of any assessment or user fee.

*[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.; SEN. HWANG, 28th Dist.

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