
OLR Bill Analysis

sSB 373

AN ACT CONCERNING THE CONNECTICUT HEALTH INSURANCE EXCHANGE, LOW OPTION BENEFIT DESIGN PLANS AND SHORT-TERM HEALTH INSURANCE POLICIES.

SUMMARY

This bill allows health carriers (i.e., insurers and HMOs) to offer, on or off the Connecticut Health Insurance Exchange (i.e., Access Health CT), a low option benefit design health insurance plan. These plans must cover minimum federal and state health insurance benefits but may offer alternative levels of cost-sharing, including deductibles, coinsurance, and copayments, within ranges allowed by the federal actuarial value calculator.

Under the bill, “low option benefit design plan” is any individual or group health insurance policy or plan that (1) covers the state’s essential health benefits as required by the federal Affordable Care Act (ACA); (2) covers all state health benefit mandates; and (3) complies with all state laws and regulations, including network adequacy requirements and any administrative guidance. The bill prohibits Access Health CT from establishing any requirements for low option benefit design plans.

The bill requires legislative approval for certain increases and modifications to user and assessment fees that Access Health CT charges health carriers. It also makes several other changes to Access Health CT, including (1) establishing term limits for directors, (2) limiting the size of any severance package for terminated employees, and (3) requiring it to offer certain short-term health insurance policies if authorized to do so by federal law or regulation.

The bill also eliminates a requirement that Access Health CT’s chief executive officer annually report to the governor and General Assembly on a plan to establish and run the exchange.

The bill also makes several minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2018, except for the repeal of the reporting requirement and certain technical and conforming changes, which are effective upon passage.

ACCESS HEALTH CT

Term Limits for Board of Directors

The bill limits the total time any director may serve on Access Health CT's board to eight years. But, it allows members with more than eight years on the board to complete their terms if they were appointed before October 1, 2018.

Severance Packages

The bill prohibits Access Health CT from approving any severance package or other termination compensation, including accrued sick, vacation, and compensatory time, that exceeds the lesser of the employee's pay for (1) two weeks for each year he or she was employed by the exchange or (2) eight weeks.

Assessments and Fees

Current law allows Access Health CT to assess user fees on health carriers to fund its operations. The bill (1) specifically allows Access Health CT to implement and change how they calculate the fee and (2) requires legislative approval for certain fee increases.

Under the bill, the exchange must submit to the Insurance and Real Estate Committee any (1) proposed increase of more than 15% in any one year period or more than 35% over a three year period and (2) any proposed change to how the exchange calculates such fees.

If the committee does not act within 15 days of receiving a proposed fee increase or calculation methodology change, it is deemed approved. If the committee disapproves the proposal, it will not take effect.

Short-Term Health Insurance

Current law prohibits Access Health CT from making any short-term health insurance plan that is not a qualified health plan (i.e., ACA compliant) available on the exchange. The bill requires it to make such a plan available if it is authorized to do so under federal law or regulation.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 13 Nay 8 (03/20/2018)