

**Proposed Substitute  
Bill No. 373**

LCO No. 2920

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

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

1 Section 1. (NEW) (*Effective October 1, 2018*) (a) For the purposes of  
2 this section, "low option benefit design plan" means any individual or  
3 group health insurance policy or plan that (1) covers the state's  
4 essential health benefits as required under the Patient Protection and  
5 Affordable Care Act, P.L. 111-148, as amended from time to time, (2)  
6 covers all health benefits mandated by chapter 700c of the general  
7 statutes, and (3) is in compliance with all state and federal laws,  
8 regulations and other administrative guidance, including, but not  
9 limited to, laws, regulations and administrative guidance concerning  
10 network adequacy, as described in section 38a-472f of the general  
11 statutes.

12 (b) A low option benefit design plan may offer alternative levels of  
13 cost-sharing, including deductibles, coinsurance and copayments,  
14 within allowable ranges pursuant to the AV Calculator described in 45  
15 CFR 156.135.

16 (c) Notwithstanding any provision of the general statutes, a health  
17 carrier, as defined in section 38a-591a of the general statutes, may offer  
18 or sell a low option benefit design plan either through the Connecticut  
19 Health Insurance Exchange, established pursuant to section 38a-1081  
20 of the general statutes, as amended by this act, or independent of the  
21 exchange.

22       Sec. 2. (NEW) (*Effective October 1, 2018*) Notwithstanding any  
23 provision of the general statutes, the Connecticut Health Insurance  
24 Exchange, established pursuant to section 38a-1081 of the general  
25 statutes, as amended by this act, shall not establish any requirements  
26 concerning low option benefit design plans, as defined in section 1 of  
27 this act.

28       Sec. 3. Subdivision (1) of subsection (c) of section 38a-1081 of the  
29 2018 supplement to the general statutes is repealed and the following  
30 is substituted in lieu thereof (*Effective October 1, 2018*):

31       (c) (1) All initial appointments shall be made not later than July 1,  
32 2011. Following the expiration of such initial terms, subsequent board  
33 member terms shall be for four years, except that no member shall  
34 serve more than eight years. Any member appointed to the board  
35 before October 1, 2018, who has served eight or more years on the  
36 board may complete such member's term. Any vacancy shall be filled  
37 by the appointing authority for the balance of the unexpired term. If an  
38 appointing authority fails to make an initial appointment, or an  
39 appointment to fill a vacancy within ninety days of the date of such  
40 vacancy, the appointed board members may make such appointment  
41 by a majority vote. Any board member previously appointed to the  
42 board or appointed to fill a vacancy may be reappointed in accordance  
43 with this section unless such reappointment would cause the member  
44 to serve on the board for more than eight years. Any board member  
45 may be removed for misfeasance, malfeasance or wilful neglect of duty  
46 at the sole direction of the appointing authority.

47       Sec. 4. Section 38a-1083 of the 2018 supplement to the general  
48 statutes is repealed and the following is substituted in lieu thereof  
49 (*Effective October 1, 2018*):

50       (a) For purposes of sections 38a-1080 to 38a-1093, inclusive, as  
51 amended by this act, "purposes of the exchange" means the purposes  
52 of and the pursuit of the goals of the exchange expressed in and  
53 pursuant to this section and the performance of the duties and  
54 responsibilities of the exchange set forth in sections 38a-1084 to 38a-

55 1087, inclusive, as amended by this act, which are hereby determined  
56 to be public purposes for which public funds may be expended. The  
57 powers enumerated in this section shall be interpreted broadly to  
58 effectuate the purposes of the exchange and shall not be construed as a  
59 limitation of powers.

60 (b) The goals of the exchange shall be to reduce the number of  
61 individuals without health insurance in this state and assist  
62 individuals and small employers in the procurement of health  
63 insurance by, among other services, offering easily comparable and  
64 understandable information about health insurance options.

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

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

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

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

72 (4) Employ such assistants, agents, managers and other employees  
73 as may be necessary or desirable, except that the exchange shall not  
74 approve any severance package or other compensation associated with  
75 termination of employment, including compensation for accrued sick  
76 time, vacation time and compensatory time, that exceeds the lesser of  
77 the employee's pay for (A) two weeks for each year the employee was  
78 employed by the exchange, or (B) eight weeks;

79 (5) Acquire, lease, purchase, own, manage, hold and dispose of real  
80 and personal property, and lease, convey or deal in or enter into  
81 agreements with respect to such property on any terms necessary or  
82 incidental to the carrying out of these purposes, provided all such  
83 acquisitions of real property for the exchange's own use with amounts  
84 appropriated by this state to the exchange or with the proceeds of  
85 bonds supported by the full faith and credit of this state shall be

86 subject to the approval of the Secretary of the Office of Policy and  
87 Management and the provisions of section 4b-23;

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

90 (7) Charge assessments or user fees to health carriers that are  
91 capable of offering a qualified health plan through the exchange, [or]  
92 implement and change methods of calculating such assessments or  
93 fees and otherwise generate funding necessary to support the  
94 operations of the exchange, [and impose] provided any increase in the  
95 amount of such assessments or fees or change in any method used to  
96 calculate such assessments or fees shall be subject to prior legislative  
97 approval under subsection (d) of this section;

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

100 [(8)] (9) Procure insurance against loss in connection with its  
101 property and other assets in such amounts and from such insurers as it  
102 deems desirable;

103 [(9)] (10) Invest any funds not needed for immediate use or  
104 disbursement in obligations issued or guaranteed by the United States  
105 of America or the state and in obligations that are legal investments for  
106 savings banks in the state;

107 [(10)] (11) Issue bonds, bond anticipation notes and other  
108 obligations of the exchange for any of its corporate purposes, and to  
109 fund or refund the same and provide for the rights of the holders  
110 thereof, and to secure the same by pledge of revenues, notes and  
111 mortgages of others;

112 [(11)] (12) Borrow money for the purpose of obtaining working  
113 capital;

114 [(12)] (13) Account for and audit funds of the exchange and any  
115 recipients of funds from the exchange;

116        [(13)] (14) Make and enter into any contract or agreement necessary  
117 or incidental to the performance of its duties and execution of its  
118 powers. The contracts entered into by the exchange shall not be subject  
119 to the approval of any other state department, office or agency,  
120 provided copies of all contracts of the exchange shall be maintained by  
121 the exchange as public records, subject to the proprietary rights of any  
122 party to the contract;

123        [(14)] (15) To the extent permitted under its contract with other  
124 persons, consent to any termination, modification, forgiveness or other  
125 change of any term of any contractual right, payment, royalty, contract  
126 or agreement of any kind to which the exchange is a party;

127        [(15)] (16) Award grants to trained and certified individuals and  
128 institutions that will assist individuals, families and small employers  
129 and their employees in enrolling in appropriate coverage through the  
130 exchange. Applications for grants from the exchange shall be made on  
131 a form prescribed by the board;

132        [(16)] Limit the number of plans offered, and use selective criteria in  
133 determining which plans to offer, through the exchange, provided  
134 individuals and employers have an adequate number and selection of  
135 choices;]

136        (17) Evaluate jointly with the [SustiNet] Health Care Cabinet  
137 established pursuant to section 19a-725 the feasibility of implementing  
138 a basic health program option as set forth in Section 1331 of the  
139 Affordable Care Act;

140        (18) Establish one or more subsidiaries, in accordance with section  
141 38a-1093, as amended by this act, to further the purposes of the  
142 exchange;

143        (19) Make loans to each subsidiary established pursuant to section  
144 38a-1093, as amended by this act, from the assets of the exchange and  
145 the proceeds of bonds, bond anticipation notes and other obligations  
146 issued by the exchange or assign or transfer to such subsidiary any of

147 the rights, moneys or other assets of the exchange, provided such  
148 assignment or transfer is not in violation of state or federal law;

149 (20) Sue and be sued, plead and be impleaded;

150 (21) Adopt regular procedures, that are not in conflict with other  
151 provisions of the general statutes, for exercising the power of the  
152 exchange; and

153 (22) Do all acts and things necessary and convenient to carry out the  
154 purposes of the exchange, provided such acts or things shall not  
155 conflict with the provisions of the Affordable Care Act, regulations  
156 adopted thereunder or federal guidance issued pursuant to the  
157 Affordable Care Act.

158 (d) The exchange shall submit to the joint standing committee of the  
159 General Assembly having cognizance of matters relating to insurance:  
160 (1) Any proposed increase of more than fifteen per cent in any one-  
161 year period or thirty-five per cent in any three-year period in the  
162 amount of assessments or user fees charged to health carriers; and (2)  
163 any proposed method or change in method used in calculating such  
164 assessments or user fees. If the committee disapproves such proposed  
165 increase, method or change in method, such proposed increase,  
166 method or change in method shall not take effect. If the committee  
167 does not act within fifteen days after receiving a submittal, the  
168 proposed increase, method or change in method shall be deemed  
169 approved by the committee.

170 ~~[(d)]~~ (e) (1) The chief executive officer of the exchange shall provide  
171 to the commissioner the name of any health carrier that fails to pay any  
172 assessment or user fee under subdivision (7) of subsection (c) of this  
173 section to the exchange. The commissioner shall see that all laws  
174 respecting the authority of the exchange pursuant to [said subdivision  
175 (7)] subdivisions (7) and (8) of subsection (c) of this section are  
176 faithfully executed. The commissioner has all the powers specifically  
177 granted under this title and all further powers that are reasonable and  
178 necessary to enable the commissioner to enforce the provisions of [said

179 subdivision (7)] subdivisions (7) and (8) of subsection (c) of this  
180 section.

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

186 Sec. 5. Section 38a-1085 of the general statutes is repealed and the  
187 following is substituted in lieu thereof (*Effective October 1, 2018*):

188 (a) The exchange shall make qualified health plans available to  
189 qualified individuals and qualified employers for coverage beginning  
190 on or before January 1, 2014.

191 (b) (1) The exchange shall not make available any health benefit plan  
192 that is not a qualified health plan, except that the exchange shall make  
193 available any short-term health insurance policy that is not a qualified  
194 health plan if the exchange is authorized to make available such policy  
195 under a federal statute or regulation.

196 (2) The exchange shall allow a health carrier to offer a plan that  
197 provides limited scope dental benefits meeting the requirements of  
198 Section 9832(c)(2)(A) of the Internal Revenue Code through the  
199 exchange, either separately or in conjunction with a qualified health  
200 plan, if the plan provides pediatric dental benefits meeting the  
201 requirements of Section 1302(b)(1)(J) of the Affordable Care Act.

202 (c) Neither the exchange nor a health carrier offering health benefit  
203 plans through the exchange shall charge an individual a fee or penalty  
204 for termination of coverage if the individual enrolls in another type of  
205 minimum essential coverage because (1) the individual has become  
206 newly eligible for that coverage, or (2) the individual's employer-  
207 sponsored coverage has become affordable under the standards of  
208 Section 36B(c)(2)(C) of the Internal Revenue Code.

209 Sec. 6. Subsection (b) of section 38a-1093 of the general statutes is

210 repealed and the following is substituted in lieu thereof (*Effective*  
211 *October 1, 2018*):

212 (b) Each subsidiary shall have and may exercise the powers of the  
213 exchange and such additional powers as are set forth in such  
214 resolution, except the powers of the exchange set forth in subdivisions  
215 (7), [(12), (15), (16),] (8), (13), (16), (17) and (21) of subsection (c) of  
216 section 38a-1083, as amended by this act, shall be reserved to the  
217 exchange and shall not be exercisable by any subsidiary of the  
218 exchange.

219 Sec. 7. Subparagraph (C) of subdivision (23) of section 38a-1084 of  
220 the 2018 supplement to the general statutes is repealed and the  
221 following is substituted in lieu thereof (*Effective from passage*):

222 (C) Not use any funds in carrying out its activities under sections  
223 38a-1080 to [38a-1089] 38a-1088, inclusive, as amended by this act, that  
224 are intended for the administrative and operational expenses of the  
225 exchange, for staff retreats, promotional giveaways, excessive  
226 executive compensation or promotion of federal or state legislative and  
227 regulatory modifications;

228 Sec. 8. Subsections (b) and (c) of section 38a-1090 of the 2018  
229 supplement to the general statutes are repealed and the following is  
230 substituted in lieu thereof (*Effective from passage*):

231 (b) The exchange shall be subject to the Freedom of Information Act,  
232 as defined in section 1-200, except that the following information  
233 under sections 38a-1081 to [38a-1089] 38a-1088, inclusive, as amended  
234 by this act, shall not be subject to disclosure under section 1-210: (1)  
235 The names and applications of individuals and employers seeking  
236 coverage through the exchange; (2) individuals' health information;  
237 and (3) information exchanged between the exchange and the (A)  
238 Departments of Social Services, Public Health and Revenue Services,  
239 (B) Insurance Department, (C) office of the Comptroller, or (D) any  
240 other state agency that is subject to confidentiality agreements under  
241 contracts entered into with the exchange.



242 (c) Unless expressly specified, nothing in this section or sections 38a-  
243 1080 to [38a-1089] 38a-1088, inclusive, as amended by this act, and no  
244 action taken by the exchange pursuant to said sections shall be  
245 construed to preempt, supersede or affect the authority of the  
246 commissioner to regulate the business of insurance in the state. All  
247 health carriers offering qualified health plans in the state shall comply  
248 with all applicable provisions of sections 38a-1083 to 38a-1093,  
249 inclusive, as amended by this act, and procedures adopted by the  
250 board pursuant to section 38a-1082.

251 Sec. 9. Section 38a-1089 of the 2018 supplement to the general  
252 statutes is repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section
Sec. 2	<i>October 1, 2018</i>	New section
Sec. 3	<i>October 1, 2018</i>	38a-1081(c)(1)
Sec. 4	<i>October 1, 2018</i>	38a-1083
Sec. 5	<i>October 1, 2018</i>	38a-1085
Sec. 6	<i>October 1, 2018</i>	38a-1093(b)
Sec. 7	<i>from passage</i>	38a-1084(23)(C)
Sec. 8	<i>from passage</i>	38a-1090(b) and (c)
Sec. 9	<i>from passage</i>	Repealer section