



# House of Representatives

General Assembly

**File No. 292**

January Session, 2019

House Bill No. 7238

*House of Representatives, April 2, 2019*

The Committee on Labor and Public Employees reported through REP. PORTER, R. of the 94th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

***AN ACT CONCERNING ADMINISTRATIVE CHANGES TO THE MUNICIPAL EMPLOYEES HEALTH INSURANCE PROGRAM.***

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

1 Section 1. Subsection (i) of section 5-259 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2019*):

4 (i) The Comptroller may provide for coverage of employees of  
5 municipalities, nonprofit corporations, community action agencies and  
6 small employers and individuals eligible for a health coverage tax  
7 credit, retired members or members of an association for personal care  
8 assistants under the plan or plans procured under subsection (a) of this  
9 section, provided: (1) Participation by each municipality, nonprofit  
10 corporation, community action agency, small employer, eligible  
11 individual, retired member or association for personal care assistants  
12 shall be on a voluntary basis; (2) where an employee organization  
13 represents employees of a municipality, nonprofit corporation,  
14 community action agency or small employer, participation in a plan or  
15 plans to be procured under subsection (a) of this section shall be by  
16 mutual agreement of the municipality, nonprofit corporation,

17 community action agency or small employer and the employee  
18 organization only and neither party may submit the issue of  
19 participation to binding arbitration except by mutual agreement if  
20 such binding arbitration is available; (3) no group of employees shall  
21 be refused entry into the plan by reason of past or future health care  
22 costs or claim experience; (4) rates paid by the state for its employees  
23 under subsection (a) of this section are not adversely affected by this  
24 subsection; (5) administrative costs to the plan or plans provided  
25 under this subsection shall [not be paid by the state] be paid by the  
26 participating entities; (6) participation in the plan or plans in an  
27 amount determined by the state shall be for the duration of the period  
28 of the plan or plans, or for such other period as mutually agreed by the  
29 municipality, nonprofit corporation, community action agency, small  
30 employer, retired member or association for personal care assistants  
31 and the Comptroller; (7) the General Assembly may allocate funds to  
32 offset any financial cost or risk associated with administering the plan  
33 or plans; (8) the Comptroller shall administer the plan or plans within  
34 available appropriations; (9) the Comptroller shall establish  
35 procedures to determine (A) eligibility requirements, (B) enrollment  
36 procedures, for the plan or plans, (C) the duration of requirements  
37 regarding payment, and (D) procedures regarding withdrawal from  
38 and termination of the plan or plans; and [(7)] (10) nothing in this  
39 section or section 12-202a, 38a-551 or 38a-556 shall be construed as  
40 requiring a participating insurer or health care center to issue  
41 individual policies to individuals eligible for a health coverage tax  
42 credit. The coverage provided under this section may be referred to as  
43 the "Municipal Employee Health Insurance Plan". The Comptroller  
44 may arrange and procure for the employees and eligible individuals  
45 under this subsection health benefit plans that vary from the plan or  
46 plans procured under subsection (a) of this section. Notwithstanding  
47 any provision of part V of chapter 700c, the coverage provided under  
48 this subsection may be offered on either a fully underwritten or risk-  
49 pooled basis at the discretion of the Comptroller. For the purposes of  
50 this subsection, (A) "municipality" means any town, city, borough,  
51 school district, taxing district, fire district, district department of

52 health, probate district, housing authority, regional work force  
 53 development board established under section 31-3k, regional  
 54 emergency telecommunications center, tourism district established  
 55 under section 32-302, flood commission or authority established by  
 56 special act, regional council of governments, transit district formed  
 57 under chapter 103a, or the Children's Center established by number  
 58 571 of the public acts of 1969; (B) "nonprofit corporation" means (i) a  
 59 nonprofit corporation organized under 26 USC 501 that has a contract  
 60 with the state or receives a portion of its funding from a municipality,  
 61 the state or the federal government, or (ii) an organization that is tax  
 62 exempt pursuant to 26 USC 501(c)(5); (C) "community action agency"  
 63 means a community action agency, as defined in section 17b-885; (D)  
 64 "small employer" means a small employer, as defined in section 38a-  
 65 564; (E) "eligible individuals" or "individuals eligible for a health  
 66 coverage tax credit" means individuals who are eligible for the credit  
 67 for health insurance costs under Section 35 of the Internal Revenue  
 68 Code of 1986, or any subsequent corresponding internal revenue code  
 69 of the United States, as from time to time amended, in accordance with  
 70 the Pension Benefit Guaranty Corporation; (F) "association for personal  
 71 care assistants" means an organization composed of personal care  
 72 attendants who are employed by recipients of service (i) under the  
 73 home-care program for the elderly under section 17b-342, (ii) under the  
 74 personal care assistance program under section 17b-605a, (iii) in an  
 75 independent living center pursuant to sections 17b-613 to 17b-615,  
 76 inclusive, or (iv) under the program for individuals with acquired  
 77 brain injury as described in section 17b-260a; and (G) "retired  
 78 members" means individuals eligible for a retirement benefit from the  
 79 Connecticut municipal employees' retirement system.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2019</i>	5-259(i)

**LAB**      *Joint Favorable*

*The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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**OFA Fiscal Note****State Impact:** None**Municipal Impact:** None**Explanation**

The bill does not result in a fiscal impact to the state or municipalities as the provisions of the bill do not change what is allowed under current law with regards to the Municipal Employees' Health Insurance Plan (MEHIP). The bill specifies administrative procedures the Comptroller shall undertake in administering the plan which do not result in a fiscal impact. Consistent with current law, administrative expenses are paid by participating members.

**The Out Years****State Impact:** None**Municipal Impact:** None

**OLR Bill Analysis****HB 7238*****AN ACT CONCERNING ADMINISTRATIVE CHANGES TO THE MUNICIPAL EMPLOYEES HEALTH INSURANCE PROGRAM.*****SUMMARY**

The bill makes changes to the Municipal Employee Health Insurance Plan (MEHIP), which is a health plan the state comptroller administers that is open to municipalities and other groups (see BACKGROUND).

The bill requires the comptroller to establish procedures to determine (1) eligibility requirements; (2) enrollment procedures, for the plan or plans; (3) the duration of payment requirements; and (4) procedures regarding withdrawal from and termination of the plan or plans. Presumably, these procedures have already been adopted as this is a long established plan enacted in 1996. It also requires the comptroller to administer the plan or plans within available appropriations.

The bill specifies that (1) the General Assembly may allocate funds to offset any financial cost or risk associated with administering the plan or plans and (2) administrative costs must be paid by participating entities.

It also makes technical changes.

EFFECTIVE DATE: October 1, 2019

**BACKGROUND*****MEHIP***

By law, the comptroller has authority to arrange coverage under MEHIP for (1) employees of municipalities, nonprofit corporations,

community action agencies, and small employers (businesses with one to 100 employees); (2) people eligible for a health coverage tax credit under federal law; (3) members of a personal care assistants association; and (4) people eligible for a retirement benefit from the Connecticut municipal employees' retirement system ("retired members"). This law defines municipality to include, among other entities, a town, city, borough, school district, taxing district, fire district, housing authority, regional workforce development board, regional council of government, or a transit district.

**COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 9      Nay 5      (03/14/2019)