AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE IN CONNECTICUT.

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

1 Section 1. (NEW) (Effective July 1, 2019) For the purposes of this section and sections 2 to 5, inclusive, of this act:

2 (1) "Account" means the ConnectHealth Trust Account established under section 4 of this act;

3 (2) "Advisory council" means the ConnectHealth Advisory Council established under section 3 of this act;

4 (3) "Affordable Care Act" means the Patient Protection and Affordable Care Act, P.L. 111-148, as amended by the Health Care and Education Reconciliation Act, P.L. 111-152, as both may be amended from time to time, and regulations adopted thereunder;

5 (4) "ConnectHealth Plan" means the health benefit plan designed and made available to individuals in this state as part of the program;
(5) "Essential health benefits" means benefits that are essential health benefits within the meaning of (A) the Affordable Care Act, and (B) sections 38a-492q and 38a-518q of the general statutes;

(6) "Exchange" means the Connecticut Health Insurance Exchange established under section 38a-1081 of the general statutes;

(7) "Health benefit plan" has the same meaning as provided in section 38a-1080 of the general statutes;

(8) "Internal Revenue Code" means the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time;

(9) "Program" means the program established by the Comptroller pursuant to section 2 of this act;

(10) "Qualified health plan" has the same meaning as provided in section 38a-1080 of the general statutes; and

(11) "Third-party administrator" has the same meaning as provided in section 38a-720 of the general statutes.

Sec. 2. (NEW) (Effective July 1, 2019) (a) The Comptroller shall, within available appropriations and in consultation with the advisory council and the Office of Health Strategy, establish a program to be known as the "ConnectHealth Program". The purpose of the program shall be to offer high-quality, low-cost health insurance coverage to enrollees in this state under a ConnectHealth Plan. Under the program, the Comptroller, in consultation with the advisory council and the Office of Health Strategy, shall:

(1) Establish enrollment criteria for the ConnectHealth Plan;

(2) Design and offer the ConnectHealth Plan, which shall, at a minimum: (A) Be made available to prospective enrollees in this state not later than January 1, 2021; (B) provide coverage for essential health benefits; (C) provide a level of covered benefits that meets or exceeds...
the level of covered benefits provided under qualified health plans; (D) impose premiums, deductibles and enrollee cost-sharing in amounts that do not exceed the amounts imposed under qualified health plans; and (E) include an affordability scale for premiums, deductibles and enrollee cost-sharing that varies according to an enrollee's household income;

(3) Determine whether to offer the ConnectHealth Plan through the exchange as a qualified health plan;

(4) Subject to the provisions of subsection (c) of this section: (A) Establish a schedule of payments and reimbursement rates for the ConnectHealth Plan; (B) provide, within available appropriations, state-financed cost-sharing subsidies to enrollees in the ConnectHealth Plan who do not qualify for cost-sharing subsidies under the Affordable Care Act; and (C) seek a waiver from the United States Department of the Treasury or the United States Department of Health and Human Services, as applicable, pursuant to Section 1332 of the Affordable Care Act;

(5) Use any data submitted to the all-payer claims database program established under section 19a-755a of the general statutes to evaluate, on an ongoing basis, the impact of the ConnectHealth Plan on: (A) Individuals in this state; (B) health care providers and health care facilities in this state; and (C) the individual and group health insurance markets in this state; and

(6) Implement a competitive process to select, and enter into a contract with, one or more third-party administrators to administer the ConnectHealth Plan, and permit such third-party administrator or third-party administrators to directly receive individual premiums and federal premium tax credits in accordance with all applicable provisions of the Affordable Care Act and the Internal Revenue Code.

(b) The Comptroller may, in the Comptroller's discretion and within available appropriations, engage the services of such third-party actuaries, professionals and specialists that the Comptroller deems
necessary to assist the Comptroller in performing the Comptroller's
duties under subsection (a) of this section.

(c) (1) Not later than March 1, 2020, the Comptroller, in consultation
with the advisory council and the Office of Health Strategy, shall
submit, in accordance with section 11-4a of the general statutes, to the
joint standing committee of the General Assembly having cognizance
of matters relating to insurance:

(A) A plan to make the ConnectHealth Plan available to prospective
enrollees in this state not later than January 1, 2021;

(B) Strategies to ensure that health care providers and health care
facilities in this state participate in the ConnectHealth Plan;

(C) An analysis of the likely impact of the ConnectHealth Plan on
the individual and group health insurance markets in this state;

(D) A proposed schedule of the initial payments and reimbursement
rates for the ConnectHealth Plan;

(E) A proposal to implement state-financed cost-sharing subsidies
for enrollees in the ConnectHealth Plan who do not qualify for cost-
sharing subsidies under the Affordable Care Act, which proposal shall
include, but need not be limited to, (i) eligibility criteria for enrollees to
receive such subsidies, (ii) the recommended amount or amounts of
such subsidies, and (iii) a plan to administer and disburse such
subsidies; and

(F) A proposed application for a waiver from the United States
Department of the Treasury or the United States Department of Health
and Human Services, as applicable, pursuant to Section 1332 of the
Affordable Care Act.

(2) If the committee does not act within sixty days after receiving a
submittal under subdivision (1) of this subsection, each proposal
described in subparagraphs (D) to (F), inclusive, of said subdivision
shall be deemed to be denied by the committee.
Sec. 3. (NEW) (Effective July 1, 2019) (a) (1) There is established the ConnectHealth Advisory Council. The council shall consist of ten members, as follows:

(A) Two appointed by the speaker of the House of Representatives, one of whom shall represent the interests of hospitals in this state and one of whom shall represent the interests of community-based health care providers in this state;

(B) Two appointed by the president pro tempore of the Senate, one of whom shall represent the interests of consumers in this state and one of whom shall represent the interests of nurses practicing in this state;

(C) One appointed by the majority leader of the House of Representatives, who shall represent the interests of patients in this state;

(D) One appointed by the majority leader of the Senate, who shall have expertise in health policy;

(E) Two appointed by the minority leader of the House of Representatives, one of whom shall represent the interests of health insurers offering individual health insurance policies in this state and one of whom shall represent the interests of physicians practicing in this state; and

(F) Two appointed by the minority leader of the Senate, one of whom shall represent the interests of health insurers offering small group health insurance policies in this state and one of whom shall represent the interests of insurance producers licensed in this state.

(2) The members of the advisory council shall select a chairperson from the membership of the advisory council, and the advisory council may establish rules governing the advisory council's internal procedures.

(3) The Governor, Lieutenant Governor, Comptroller, Secretary of
the Office of Policy and Management, Insurance Commissioner and
Commissioner of Social Services shall serve as ex-officio, nonvoting
members of the advisory council.

(b) Initial appointments to the advisory council shall be made on or
before October 1, 2019. In the event that an appointing authority fails
to appoint an advisory council member on or before October 1, 2019,
the president pro tempore of the Senate and the speaker of the House
of Representatives shall jointly appoint an advisory council member
meeting the required specifications on behalf of such appointing
authority and such advisory council member shall serve a full term.
The presence of not less than six advisory council members shall
constitute a quorum for the transaction of business. The initial term for
advisory council members appointed by the minority leader of the
House of Representatives and the minority leader of the Senate shall
be three years. The initial term for advisory council members
appointed by the majority leader of the House of Representatives and
the majority leader of the Senate shall be four years. The initial term for
the advisory council members appointed by the speaker of the House
of Representatives and the president pro tempore of the Senate shall be
five years. Terms pursuant to this subsection shall expire on June
thirtieth in accordance with the provisions of this subsection. Any
vacancy shall be filled by the appointing authority for the balance of
the unexpired term. Not later than thirty days prior to the expiration of
a term as provided for in this subsection, the appointing authority may
reappoint the current advisory council member or shall appoint a new
member to the advisory council. Other than an initial term, an
advisory council member shall serve for a term of five years and until a
successor advisory council member is appointed. Each member of the
advisory council shall be eligible for reappointment. Any member of
the advisory council may be removed by the appropriate appointing
authority for misfeasance, malfeasance or wilful neglect of duty.

(c) The advisory council shall advise the Comptroller and the Office
of Health Strategy on matters concerning the ConnectHealth Program
and the ConnectHealth Plan, including, but not limited to:
(1) Implementation of the ConnectHealth Plan;

(2) Affordability of the ConnectHealth Plan;

(3) Marketing the ConnectHealth Plan to prospective enrollees;

(4) Outreach to prospective enrollees and enrollees in the
ConnectHealth Plan; and

(5) Periodic evaluations of the ConnectHealth Plan.

(d) The advisory council shall not be construed to be a department, institution or agency of this state. The staff of the joint standing committee of the General Assembly having cognizance of matters relating to insurance shall provide administrative support to the advisory council.

Sec. 4. (NEW) (Effective July 1, 2019) There is established an account to be known as the "ConnectHealth Trust Account", which shall be a separate, nonlapsing account within the General Fund. The account shall contain all moneys required by law to be deposited in the account. Investment earnings from any moneys in the account shall be credited to the account and shall become part of the assets of the account. Any balance remaining in the account at the end of any fiscal year shall be carried forward in the account for the fiscal year next succeeding. The moneys in the account shall be allocated to the Comptroller for the purposes of lowering the cost of the ConnectHealth Plan and providing state-financed cost-sharing subsidies to enrollees in such plan who do not qualify for cost-sharing subsidies under the Affordable Care Act.

Sec. 5. (NEW) (Effective July 1, 2019) The Comptroller may adopt regulations, in accordance with chapter 54 of the general statutes, to implement the provisions of sections 1 to 4, inclusive, of this act.

Sec. 6. Section 3-123rrrr of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):
As used in this section, section 7 of this act and sections 3-123sss to 3-123vvv, inclusive, as amended by this act:

(1) "Health Care Cost Containment Committee" means the committee established in accordance with the ratified agreement between the state and the State Employees Bargaining Agent Coalition pursuant to subsection (f) of section 5-278.

(2) "Nonstate public employee" means any employee or elected officer of a nonstate public employer.

(3) "Nonstate public employer" means a municipality or other political subdivision of the state, including a board of education, quasi-public agency or public library. A municipality and a board of education may be considered separate employers.

(4) "Small employer" means an employer, other than a nonstate public employer, that employed an average of at least one but not more than fifty employees on business days during the preceding calendar year, and employs at least one employee on the first day that such employer receives coverage under a group hospitalization, medical, pharmacy and surgical insurance plan offered by the Comptroller pursuant to this part.

[(4)] (5) "State employee plan" means the group hospitalization, medical, pharmacy and surgical insurance plan offered to state employees and retirees pursuant to section 5-259.

Sec. 7. (NEW) (Effective July 1, 2019) (a) Notwithstanding any provision of title 38a of the general statutes, the Comptroller shall offer to small employers and their employees coverage under the state employee plan or another group hospitalization, medical, pharmacy and surgical insurance plan developed by the Comptroller to provide coverage for small employers and their employees. A small employer and its employees receiving coverage provided pursuant to this section shall be pooled with state employees and retirees under the state employee plan, provided the small employer files an application with
the Comptroller for coverage pursuant to this section and the
Comptroller approves such application. Small employers shall remit to
the Comptroller payments for coverage provided pursuant to this
section. Such payments shall be equal to the payments paid by the
state for state employees covered under the state employee plan,
inclusive of any premiums paid by state employees pursuant to the
state employee plan, except that premium payments may be adjusted
to reflect the cost of health care in the geographic area in which the
majority of a small employer's employees work, differences from the
benefits and networks provided to state employees, the demographic
makeup of the small employer's employees or as otherwise provided
in this section. The Comptroller shall phase in the geographic
adjustment established in this subsection over a two-year period for
existing participants. Beginning on July 1, 2020, the Comptroller may
charge each small employer participating in the state employee plan an
administrative fee calculated on a per member, per month basis.

(b) The Comptroller shall offer participation in each plan described
in subsection (a) of this section for intervals lasting not less than three
years. A small employer may apply for renewal of coverage prior to
expiration of each interval.

(c) The Comptroller shall develop procedures by which small
employers may initially apply for, renew and withdraw from coverage
provided pursuant to this section, as well as rules of participation that
the Comptroller, in the Comptroller's discretion, deems necessary.

(d) The Comptroller shall establish accounting procedures to track
claims and premium payments paid by small employers receiving
coverage provided pursuant to this section.

Sec. 8. Subsections (a) to (c), inclusive, of section 3-123sss of the
general statutes are repealed and the following is substituted in lieu
thereof (Effective July 1, 2019):

(a) Notwithstanding any provision of title 38a, the Comptroller shall
offer to nonstate public employers and their nonstate public
employees, and their retirees, if applicable, coverage under the state employee plan or another group hospitalization, medical, pharmacy and surgical insurance plan developed by the Comptroller to provide coverage for nonstate public employees and their retirees, if applicable. Such nonstate public employees, or retirees, if applicable, shall be pooled with the state employee plan, provided the Comptroller receives an application from a nonstate public employer and the application is approved in accordance with this section or section 3-123ttt. Premium payments for such coverage shall be remitted by the nonstate public employer to the Comptroller and shall be the same as those paid by the state inclusive of any premiums paid by state employees, except that premium payments may be adjusted to reflect the cost of health care in the geographic area in which the majority of the nonstate public employer's employees work, differences from the benefits and networks provided to state employees or as otherwise provided in this section or section 3-123uuu, as amended by this act. The Comptroller may charge each nonstate public employer participating in the state employee plan an administrative fee calculated on a per member, per month basis.

(b) (1) The Comptroller shall offer participation in such plan for not less than three-year intervals. A nonstate public employer may apply for renewal prior to the expiration of each interval.

(2) The Comptroller shall develop procedures by which nonstate public employers receiving coverage for nonstate public employees pursuant to the state employee plan may (A) apply for renewal, or (B) withdraw from such coverage, including, but not limited to, the terms and conditions under which such nonstate public employers may withdraw prior to the expiration of the interval, [and the procedure by which any premium payments such nonstate public employers may be entitled to or premium equivalent payments made in excess of incurred claims shall be refunded to such nonstate public employer.] Any such procedures shall provide that nonstate public employees covered by collective bargaining shall withdraw from such coverage in accordance with chapters 68, 113 and 166.
(c) Nothing in sections 3-123rrr to 3-123vvv, inclusive, as amended by this act, shall (1) require the Comptroller to offer coverage to every nonstate public employer seeking coverage under the state employee plan, [or] (2) prevent the Comptroller from procuring coverage for nonstate public employees from vendors other than those providing coverage to state employees, or (3) prevent the Comptroller from offering plans other than the plans offered to state employees on July 1, 2019, provided no such plan shall be offered if such plan qualifies as a high deductible health plan, as defined in Section 220(c)(2) or Section 223(c)(2) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and is used to establish a medical savings account or an Archer MSA pursuant to said Section 220 or a health savings account pursuant to said Section 223.

Sec. 9. Section 3-123uuu of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

[(a) There is established an account to be known as the "state employee plan premium account", which shall be a separate, nonlapsing account within the General Fund. All premiums paid by nonstate public employers and nonstate public employees pursuant to participation in the state employee plan shall be deposited into said account. The account shall be administered by the Comptroller, with the advice of the Health Care Cost Containment Committee, for payment of claims and administrative fees to entities providing coverage or services under the state employee plan.]

[(b)] (a) Each nonstate public employer shall pay monthly the amount determined by the Comptroller for coverage of its nonstate public employees or its nonstate public employees and retirees, as appropriate, under the state employee plan. A nonstate public employer may require each nonstate public employee to contribute a portion of the cost of his or her coverage under the plan, subject to any collective bargaining obligation applicable to such nonstate public employer.
(b) The Comptroller shall establish accounting procedures to track claims and premium payments paid by nonstate public employers.

(c) If any payment due by a nonstate public employer under this [subsection] section is not paid after the date such payment is due, interest to be paid by such nonstate public employer shall be added, retroactive to the date such payment was due, at the prevailing rate of interest as determined by the Comptroller.

(d) If a nonstate public employer fails to make premium payments, the Comptroller may direct the State Treasurer, or any other officer of the state who is the custodian of any moneys made available by grant, allocation or appropriation payable to such nonstate public employer at any time subsequent to such failure, to withhold the payment of such moneys until the amount of the premium or interest due has been paid to the Comptroller, or until the State Treasurer or such custodial officer determines that arrangements have been made, to the satisfaction of the State Treasurer, for the payment of such premium and interest. Such moneys shall not be withheld if such withholding will adversely affect the receipt of any federal grant or aid in connection with such moneys.

Sec. 10. Section 3-123vvv of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2019):

The Comptroller shall not offer coverage under the state employee plan pursuant to sections 3-123rrr to 3-123uuu, inclusive, as amended by this act, or section 7 of this act until the State Employees' Bargaining Agent Coalition has provided its consent to the clerks of both houses of the General Assembly to incorporate the terms of sections 3-123rrr to 3-123uuu, inclusive, as amended by this act, and section 7 of this act into its collective bargaining agreement.

This act shall take effect as follows and shall amend the following sections:

| Section 1 | July 1, 2019 | New section |
Sec. 2 July 1, 2019 New section
Sec. 3 July 1, 2019 New section
Sec. 4 July 1, 2019 New section
Sec. 5 July 1, 2019 New section
Sec. 6 July 1, 2019 3-123rrr
Sec. 7 July 1, 2019 New section
Sec. 8 July 1, 2019 3-123sss(a) to (c)
Sec. 9 July 1, 2019 3-123uuu
Sec. 10 July 1, 2019 3-123vvv

**Statement of Purpose:**
To: (1) Establish the ConnectHealth Program, the ConnectHealth Trust Account and the ConnectHealth Advisory Board; (2) require the Comptroller, in consultation with the ConnectHealth Advisory Board and the Office of Health Strategy, to establish the ConnectHealth Plan; (3) modify requirements concerning nonstate public employer enrollment in the state employee plan; (4) expand the variety of plans offered by the Comptroller to nonstate public employers; and (5) authorize the Comptroller to offer coverage to small employers.

[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.]