



General Assembly

**Substitute Bill No. 7267**

January Session, 2019



**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  
2 section and sections 2 to 5, inclusive, of this act:

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

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

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

11 (4) "ConnectHealth Plan" means the health benefit plan designed  
12 and made available to individuals in this state as part of the program;

13 (5) "Essential health benefits" means benefits that are essential  
14 health benefits within the meaning of (A) the Affordable Care Act, or  
15 (B) sections 38a-492q and 38a-518q of the general statutes;

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

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

20 (8) "Internal Revenue Code" means the Internal Revenue Code of  
21 1986, or any subsequent corresponding internal revenue code of the  
22 United States, as amended from time to time;

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

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

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

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

37 (1) Establish enrollment criteria for the ConnectHealth Plan;

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

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

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

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

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

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

76 (c) (1) Not later than March 1, 2020, the Comptroller, in consultation  
77 with the advisory council and the Office of Health Strategy, shall  
78 submit, in accordance with section 11-4a of the general statutes, to the

79 joint standing committee of the General Assembly having cognizance  
80 of matters relating to insurance:

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

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

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

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

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

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

100 (2) If the committee does not act within sixty days after receiving a  
101 submittal under subdivision (1) of this subsection, each proposal  
102 described in subparagraphs (D) to (F), inclusive, of said subdivision  
103 shall be deemed to be denied by the committee.

104 Sec. 3. (NEW) (*Effective July 1, 2019*) (a) (1) There is established the  
105 ConnectHealth Advisory Council. The council shall consist of ten  
106 members, as follows:

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

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

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

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

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

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

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

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

137 (b) Initial appointments to the advisory council shall be made on or  
138 before October 1, 2019. If an appointing authority fails to appoint an  
139 advisory council member on or before October 1, 2019, the president  
140 pro tempore of the Senate and the speaker of the House of  
141 Representatives shall jointly appoint an advisory council member  
142 meeting the required specifications on behalf of such appointing  
143 authority and such advisory council member shall serve a full term.  
144 The presence of not less than six advisory council members shall  
145 constitute a quorum for the transaction of business. The initial term for  
146 advisory council members appointed by the minority leader of the  
147 House of Representatives and the minority leader of the Senate shall  
148 be three years. The initial term for advisory council members  
149 appointed by the majority leader of the House of Representatives and  
150 the majority leader of the Senate shall be four years. The initial term for  
151 the advisory council members appointed by the speaker of the House  
152 of Representatives and the president pro tempore of the Senate shall be  
153 five years. Terms pursuant to this subsection shall expire on June  
154 thirtieth in accordance with the provisions of this subsection. Any  
155 vacancy shall be filled by the appointing authority for the balance of  
156 the unexpired term. Not later than thirty days prior to the expiration of  
157 a term as provided for in this subsection, the appointing authority may  
158 reappoint the current advisory council member or shall appoint a new  
159 member to the advisory council. Other than an initial term, an  
160 advisory council member shall serve for a term of five years and until a  
161 successor advisory council member is appointed. Each member of the  
162 advisory council shall be eligible for reappointment. Any member of  
163 the advisory council may be removed by the appropriate appointing  
164 authority for misfeasance, malfeasance or wilful neglect of duty.

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

168 (1) Implementation of the ConnectHealth Plan;

169 (2) Affordability of the ConnectHealth Plan;

170 (3) Marketing of the ConnectHealth Plan to prospective enrollees;

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

173 (5) Periodic evaluations of the ConnectHealth Plan.

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

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

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

195 Sec. 6. Section 3-123rrr of the general statutes is repealed and the  
196 following is substituted in lieu thereof (*Effective July 1, 2019*):

197 As used in this section, section 7 of this act and sections 3-123sss to  
198 3-123vvv, inclusive, as amended by this act:

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

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

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

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

216 [(4)] (5) "State employee plan" means the group hospitalization,  
217 medical, pharmacy and surgical insurance plan offered to state  
218 employees and retirees pursuant to section 5-259.

219 Sec. 7. (NEW) (Effective July 1, 2019) (a) Notwithstanding any  
220 provision of title 38a of the general statutes, the Comptroller shall offer  
221 to small employers and their employees coverage under the state  
222 employee plan or another group hospitalization, medical, pharmacy  
223 and surgical insurance plan developed by the Comptroller to provide  
224 coverage for small employers and their employees. A small employer  
225 and its employees receiving coverage provided pursuant to this section  
226 shall be pooled with state employees and retirees under the state  
227 employee plan, provided the small employer files an application with  
228 the Comptroller for coverage pursuant to this section and the  
229 Comptroller approves such application. Small employers shall remit to



230 the Comptroller payments for coverage provided pursuant to this  
231 section. Such payments shall be equal to the payments paid by the  
232 state for state employees covered under the state employee plan,  
233 inclusive of any premiums paid by state employees pursuant to the  
234 state employee plan, except that premium payments may be adjusted  
235 to reflect the cost of health care in the geographic area in which the  
236 majority of a small employer's employees work, differences from the  
237 benefits and networks provided to state employees, the demographic  
238 makeup of the small employer's employees or as otherwise provided  
239 in this section. The Comptroller shall phase in the geographic  
240 adjustment established in this subsection over a two-year period for  
241 existing participants. Beginning on July 1, 2020, the Comptroller may  
242 charge each small employer participating in the state employee plan an  
243 administrative fee calculated on a per member, per month basis.

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

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

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

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

258 (a) Notwithstanding any provision of title 38a, the Comptroller shall  
259 offer to nonstate public employers and their nonstate public  
260 employees, and their retirees, if applicable, coverage under the state

261 employee plan or another group hospitalization, medical, pharmacy  
262 and surgical insurance plan developed by the Comptroller to provide  
263 coverage for nonstate public employees and their retirees, if applicable.  
264 Such nonstate public employees, or retirees, if applicable, shall be  
265 pooled with the state employee plan, provided the Comptroller  
266 receives an application from a nonstate public employer and the  
267 application is approved in accordance with this section or section 3-  
268 123ttt. Premium payments for such coverage shall be remitted by the  
269 nonstate public employer to the Comptroller and shall be the same as  
270 those paid by the state inclusive of any premiums paid by state  
271 employees, except that premium payments may be adjusted to reflect  
272 the cost of health care in the geographic area in which the majority of  
273 the nonstate public employer's employees work, differences from the  
274 benefits and networks provided to state employees or as otherwise  
275 provided in this section or section 3-123uuu, as amended by this act.  
276 The Comptroller may charge each nonstate public employer  
277 participating in the state employee plan an administrative fee  
278 calculated on a per member, per month basis.

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

282 (2) The Comptroller shall develop procedures by which nonstate  
283 public employers receiving coverage for nonstate public employees  
284 pursuant to the state employee plan may (A) apply for renewal, or (B)  
285 withdraw from such coverage, including, but not limited to, the terms  
286 and conditions under which such nonstate public employers may  
287 withdraw prior to the expiration of the interval. [and the procedure by  
288 which any premium payments such nonstate public employers may be  
289 entitled to or premium equivalent payments made in excess of  
290 incurred claims shall be refunded to such nonstate public employer.]  
291 Any such procedures shall provide that nonstate public employees  
292 covered by collective bargaining shall withdraw from such coverage in  
293 accordance with chapters 68, 113 and 166.

294 (c) Nothing in sections 3-123rrr to 3-123vvv, inclusive, as amended  
295 by this act, shall (1) require the Comptroller to offer coverage to every  
296 nonstate public employer seeking coverage under the state employee  
297 plan, [or] (2) prevent the Comptroller from procuring coverage for  
298 nonstate public employees from vendors other than those providing  
299 coverage to state employees, or (3) prevent the Comptroller from  
300 offering plans other than the plans offered to state employees on July  
301 1, 2019, provided no such plan shall be offered if such plan qualifies as  
302 a high deductible health plan, as defined in Section 220(c)(2) or Section  
303 223(c)(2) of the Internal Revenue Code of 1986, or any subsequent  
304 corresponding internal revenue code of the United States, as amended  
305 from time to time, and is used to establish a medical savings account or  
306 an Archer MSA pursuant to said Section 220 or a health savings  
307 account pursuant to said Section 223.

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

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

319 [(b)] (a) Each nonstate public employer shall pay monthly the  
320 amount determined by the Comptroller for coverage of its nonstate  
321 public employees or its nonstate public employees and retirees, as  
322 appropriate, under the state employee plan. A nonstate public  
323 employer may require each nonstate public employee to contribute a  
324 portion of the cost of his or her coverage under the plan, subject to any  
325 collective bargaining obligation applicable to such nonstate public  
326 employer.

327 (b) The Comptroller shall establish accounting procedures to track  
328 claims and premium payments paid by nonstate public employers.

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

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

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

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

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2019</i>	New section

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

**Statement of Legislative Commissioners:**

In Section 1(5), "or" was substituted for "and" for accuracy; in Section 1(9), "ConnectHealth Program" was substituted for "program" for consistency; in Section 3(b), "If" was substituted for "In the event that" for conciseness; and in Section 3(c)(3), "of" was inserted after "Marketing" for consistency.

**INS**      *Joint Favorable Subst. -LCO*