



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

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

INS *Joint Favorable Subst. -LCO*

APP *Joint Favorable*