AN ACT CONCERNING PUBLIC INSURANCE OPTIONS FOR SMALL BUSINESS EMPLOYEES.

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

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 Section 5-259 of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(a) The Comptroller, with the approval of the Attorney General and of the Insurance Commissioner, shall arrange and procure a group hospitalization and medical and surgical insurance plan or plans for (1) state employees, (2) members of the General Assembly who elect coverage under such plan or plans, (3) participants in an alternate retirement program who meet the service requirements of section 5-162 or subsection (a) of section 5-166, (4) anyone receiving benefits under section 5-144 or from any state-sponsored retirement system, except the teachers' retirement system and the municipal employees retirement system, (5) judges of probate and Probate Court employees, (6) the surviving spouse, and any dependent children of a state police officer, a member of an organized local police department, a firefighter or a constable who performs criminal law enforcement duties who dies.
16 before, on or after June 26, 2003, as the result of injuries received while
17 acting within the scope of such officer's or firefighter's or constable's
18 employment and not as the result of illness or natural causes, and
19 whose surviving spouse and dependent children are not otherwise
20 eligible for a group hospitalization and medical and surgical insurance
21 plan. Coverage for a dependent child pursuant to this subdivision shall
22 terminate no earlier than the policy anniversary date on or after
23 whichever of the following occurs first, the date on which the child:
24 Becomes covered under a group health plan through the dependent's
25 own employment; or attains the age of twenty-six, (7) employees of the
26 Capital Region Development Authority established by section 32-601,
27 and (8) the surviving spouse and dependent children of any employee
28 of a municipality who dies on or after October 1, 2000, as the result of
29 injuries received while acting within the scope of such employee's
30 employment and not as the result of illness or natural causes, and
31 whose surviving spouse and dependent children are not otherwise
32 eligible for a group hospitalization and medical and surgical insurance
33 plan. For purposes of this subdivision, "employee" means any regular
34 employee or elective officer receiving pay from a municipality,
35 "municipality" means any town, city, borough, school district, taxing
36 district, fire district, district department of health, probate district,
37 housing authority, regional work force development board established
38 under section 31-3k, flood commission or authority established by
39 special act or regional council of governments. For purposes of
40 subdivision (6) of this subsection, "firefighter" means any person who
41 is regularly employed and paid by any municipality for the purpose of
42 performing firefighting duties for a municipality on average of not less
43 than thirty-five hours per week. The minimum benefits to be provided
44 by such plan or plans shall be substantially equal in value to the
45 benefits that each such employee or member of the General Assembly
46 could secure in such plan or plans on an individual basis on the
47 preceding first day of July. The state shall pay for each such employee
48 and each member of the General Assembly covered by such plan or
49 plans the portion of the premium charged for such member's or
employee's individual coverage and seventy per cent of the additional
cost of the form of coverage and such amount shall be credited to the
total premiums owed by such employee or member of the General
Assembly for the form of such member's or employee's coverage under
such plan or plans. On and after January 1, 1989, the state shall pay for
anyone receiving benefits from any such state-sponsored retirement
system one hundred per cent of the portion of the premium charged
for such member's or employee's individual coverage and one
hundred per cent of any additional cost for the form of coverage. The
balance of any premiums payable by an individual employee or by a
member of the General Assembly for the form of coverage shall be
deducted from the payroll by the State Comptroller. The total
premiums payable shall be remitted by the Comptroller to the
insurance company or companies or nonprofit organization or
organizations providing the coverage. The amount of the state's
contribution per employee for a health maintenance organization
option shall be equal, in terms of dollars and cents, to the largest
amount of the contribution per employee paid for any other option
that is available to all eligible state employees included in the health
benefits plan, but shall not be required to exceed the amount of the
health maintenance organization premium.

(b) The insurance coverage procured under subsection (a) of this
section for active state employees, employees of the Connecticut
Institute for Municipal Studies, anyone receiving benefits from any
such state-sponsored retirement system and members of the General
Assembly, who are over sixty-five years of age, may be modified to
reflect benefits available to such employees or members pursuant to
Social Security and medical benefits programs administered by the
federal government, provided any payments required to secure such
benefits administered by the federal government shall be paid by the
Comptroller either directly to the employee or members or to the
agency of the federal government authorized to collect such payments.

(c) On October 1, 1972, the Comptroller shall continue to afford
payroll deduction services for employees participating in existing
authorized plans covering state employees until such time as the
employee elects in writing to be covered by the plan authorized by
subsection (a) of this section.

(d) Notwithstanding the provisions of subsection (a) of this section,
the state shall pay for a member of any such state-sponsored
retirement system, or a participant in an alternate retirement program
who meets the service requirements of section 5-162 or subsection (a)
of section 5-166, and who begins receiving benefits from such system
or program on or after November 1, 1989, eighty per cent of the
portion of the premium charged for his individual coverage and eighty
per cent of any additional cost for his form of coverage. Upon the
death of any such member, any surviving spouse of such member who
begins receiving benefits from such system shall be eligible for
coverage under this section and the state shall pay for any such spouse
eighty per cent of the portion of the premium charged for his
individual coverage and eighty per cent of any additional cost for his
form of coverage.

(e) Notwithstanding the provisions of subsection (a) of this section,
vending stand operators eligible for membership in the state
employees retirement system pursuant to section 5-175a shall be
eligible for coverage under the group hospitalization and medical and
surgical insurance plans procured under this section, provided the cost
for such operators' insurance coverage shall be paid by the Department
of Rehabilitation Services from vending machine income pursuant to
section 10-303.

(f) The Comptroller, with the approval of the Attorney General and
of the Insurance Commissioner, shall arrange and procure a group
hospitalization and medical and surgical insurance plan or plans for
any person who adopts a child from the state foster care system, any
person who has been a foster parent for the Department of Children
and Families for six months or more, and any dependent of such
adoptive parent or foster parent who elects coverage under such plan
or plans. The Comptroller may also arrange for inclusion of such
person and any such dependent in an existing group hospitalization
and medical and surgical insurance plan offered by the state. Any
adoptive parent or foster parent and any dependent who elects
coverage shall pay one hundred per cent of the premium charged for
such coverage directly to the insurer, provided such adoptive parent or
foster parent and all such dependents shall be included in such group
hospitalization and medical and surgical insurance plan. A person and
his dependents electing coverage pursuant to this subsection shall be
eligible for such coverage until no longer an adoptive parent or a foster
parent. An adoptive parent shall be eligible for such coverage until the
coverage anniversary date on or after whichever of the following
occurs first, the date on which the child: Becomes covered under a
group health plan through the dependent's own employment; or
attains the age of twenty-six. As used in this section "dependent"
means a spouse or natural or adopted child if such child is wholly or
partially dependent for support upon the adoptive parent or foster
parent.

(g) Notwithstanding the provisions of subsection (a) of this section,
the Probate Court Administration Fund established in accordance with
section 45a-82, shall pay for each probate judge and each probate court
employee not more than one hundred per cent of the portion of the
premium charged for the judge's or employee's individual coverage
and not more than fifty per cent of any additional cost for the judge's
or employee's form of coverage. The remainder of the premium for
such coverage shall be paid by the probate judge or probate court
employee to the State Treasurer. Payment shall be credited by the State
Treasurer to the fund established by section 45a-82. The total
premiums payable shall be remitted by the Probate Court
Administrator directly to the insurance company or companies or
nonprofit organization or organizations providing the coverage. The
Probate Court Administrator shall issue regulations governing group
hospitalization and medical and surgical insurance pursuant to subsection (b) of section 45a-77.

(h) For the purpose of subsection (g) of this section, "probate judge" or "judge" means a duly elected probate judge who works in such judge's capacity as a probate judge at least twenty hours per week, on average, on a quarterly basis and certifies to that fact on forms provided by and filed with the Probate Court Administrator, on or before the fifteenth day of April, July, October and January, for the preceding calendar quarter; and "probate court employee" or "employee" means a person employed by a probate court for at least twenty hours per week.

(i) (1) The Comptroller may provide for coverage of employees of municipalities, nonprofit corporations, community action agencies [and small employers] and individuals eligible for a health coverage tax credit, retired members or members of an association for personal care assistants under the plan or plans procured under subsection (a) of this section, provided: [(1)] (A) Participation by each municipality, nonprofit corporation, community action agency, [small employer,] eligible individual, retired member or association for personal care assistants shall be on a voluntary basis; [(2)] (B) where an employee organization represents employees of a municipality, nonprofit corporation [or community action agency, [or small employer,] participation in a plan or plans to be procured under subsection (a) of this section shall be by mutual agreement of the municipality, nonprofit corporation [or community action agency, [or small employer,] and the employee organization only and neither party may submit the issue of participation to binding arbitration except by mutual agreement if such binding arbitration is available; [(3)] (C) no group of employees shall be refused entry into the plan by reason of past or future health care costs or claim experience; [(4)] (D) rates paid by the state for its employees under subsection (a) of this section are not adversely affected by this [subsection] subdivision; [(5)] (E) administrative costs to the plan or plans provided under this
[subsection] subdivision shall not be paid by the state; [(6)] (F)
participation in the plan or plans in an amount determined by the state
shall be for the duration of the period of the plan or plans, or for such
other period as mutually agreed by the municipality, nonprofit
corporation, community action agency, [small employer,] retired
member or association for personal care assistants and the
Comptroller; and [(7)] (G) nothing in this section or section 12-202a,
38a-551 or 38a-556 shall be construed as requiring a participating
insurer or health care center to issue individual policies to individuals
eligible for a health coverage tax credit. The coverage provided under
this [section] subdivision may be referred to as the "Municipal
Employee Health Insurance Plan". The Comptroller may arrange and
procure for the employees and eligible individuals under this
[subsection] subdivision health benefit plans that vary from the plan or
plans procured under subsection (a) of this section. Notwithstanding
any provision of part V of chapter 700c, the coverage provided under
this [subsection] subdivision may be offered on either a fully
underwritten or risk-pooled basis at the discretion of the Comptroller.
For the purposes of this [subsection] subdivision, [(A)] (i)
"municipality" means any town, city, borough, school district, taxing
district, fire district, district department of health, probate district,
housing authority, regional work force development board established
under section 31-3k, regional emergency telecommunications center,
tourism district established under section 32-302, flood commission or
authority established by special act, regional council of governments,
transit district formed under chapter 103a, or the Children's Center
established by number 571 of the public acts of 1969; [(B)] (ii)
"nonprofit corporation" means [(i)] (I) a nonprofit corporation
organized under 26 USC 501 that is not a small employer and has a
contract with the state or receives a portion of its funding from a
municipality, the state or the federal government, or [(iii)] (II) an
organization that is not a small employer and is tax exempt pursuant
to 26 USC 501(c)(5); [(C)] (iii) "community action agency" means a
community action agency, as defined in section 17b-885; [(D)] (iv)
"small employer" means a small employer, as defined in section 38a-564; [(E)] (v) "eligible individuals" or "individuals eligible for a health coverage tax credit" means individuals who are eligible for the credit for health insurance costs under Section 35 of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as from time to time amended, in accordance with the Pension Benefit Guaranty Corporation; [(F)] (vi) "association for personal care assistants" means an organization composed of personal care attendants who are employed by recipients of service [(i)] (I) under the home-care program for the elderly under section 17b-342, [(ii)] (II) under the personal care assistance program under section 17b-605a, [(iii)] (III) in an independent living center pursuant to sections 17b-613 to 17b-615, inclusive, or [(iv)] (IV) under the program for individuals with acquired brain injury as described in section 17b-260a; and [(G)] (vii) "retired members" means individuals eligible for a retirement benefit from the Connecticut municipal employees' retirement system.

(2) Notwithstanding the provisions of subsection (a) of this section, the Comptroller shall provide for coverage of employees of small employers, and dependents of such employees, under the group hospitalization and medical and surgical insurance plan or plans procured under said subsection, provided: (A) Participation by each small employer and employee shall be on a voluntary basis; (B) where an employee organization represents employees of a small employer, participation in such plan or plans to be procured under said subsection shall be by mutual agreement of the small employer and the employee organization only and neither party may submit the issue of participation to binding arbitration except by mutual agreement if such binding arbitration is available; (C) no group of employees shall be refused entry into such plan or plans by reason of past or future health care costs or claim experience; (D) rates paid by the state for its employees under said subsection are not adversely affected by this subdivision; (E) administrative costs attributable to
coverage provided pursuant to this subdivision shall not be paid by
the state; and (F) participation in such plan or plans in an amount
determined by the state shall be for the duration of the period of such
plan or plans, or for such other period as mutually agreed by the small
employer and the Comptroller. For the purposes of this subdivision,
"small employer" means a small employer, as defined in section 38a-
564, and "dependent" means a spouse or dependent child of an
employee unless such child has attained the age of twenty-six or is
covered under a group health plan through such child's own
employer.

(j) (1) Notwithstanding any provision of law to the contrary, the
eexisting rights and obligations of state employee organizations and the
state employer under current law and contract shall not be impaired
by the provisions of this section. (2) Other conditions of entry for any
group into the plan or plans procured under subsection (a) of this
section shall be determined by the Comptroller upon the
recommendation of a coalition committee established pursuant to
subsection (f) of section 5-278, except for such conditions referenced in
subsection (g) of this section. (3) Additional determinations by the
Comptroller on (A) issues generated by any group's actual or
contemplated participation in the plan or plans, (B) modifications to
the terms and conditions of any group's continued participation, (C)
related matters shall be made upon the recommendation of such
committee. (4) Notwithstanding any provision of law to the contrary, a
municipal employer and an employee organization may upon mutual
agreement reopen a collective bargaining agreement for the exclusive
purpose of negotiating on the participation by such municipal
employer or employee organization in the plan or plans offered under
the provisions of this section.

(k) The Comptroller shall submit annually to the General Assembly
a review of the coverage of: Employees of municipalities, nonprofit corporations, community action agencies 
small employers under subsection (i) of this section] and eligible
individuals under subdivision (1) of subsection (i) of this section beginning February 1, 2004; and (2) employees of small employers under subdivision (2) of said subsection beginning on February 1, 2020.

(l) (1) Effective July 1, 1996, any deputies or special deputies appointed pursuant to section 6-37 of the general statutes, revision of 1958, revised to 1999, or section 6-43, shall be allowed to participate in the plan or plans procured by the Comptroller pursuant to subsection (a) of this section. Such participation shall be voluntary and the participant shall pay the full cost of the coverage under such plan.

(2) Effective December 1, 2000, any state marshal shall be allowed to participate in the plan or plans procured by the Comptroller pursuant to subsection (a) of this section. Such participation shall be voluntary and the participant shall pay the full cost of the coverage under such plan.

(3) Effective December 1, 2000, any judicial marshal shall be allowed to participate in the plan or plans procured by the Comptroller pursuant to subsection (a) of this section. Such participation shall be voluntary and the participant shall pay the full cost of the coverage under such plan unless and until the judicial marshals participate in the plan or plans procured by the Comptroller under this section through collective bargaining negotiations pursuant to subsection (f) of section 5-278.

(m) (1) Notwithstanding any provision of the general statutes, the Comptroller shall begin procedures to convert the group hospitalization and medical and surgical insurance plans set forth in subsection (a) of this section, including any prescription drug plan offered in connection with or in addition to such insurance plans, to self-insured plans, except that any dental plan offered in connection with or in addition to such self-insured plans may be fully insured.

(2) The Comptroller may enter into contracts with third-party
administrators to provide administrative services only for the self-insured plans set forth in subdivision (1) of this subsection. Any such third-party administrator shall be required under such contract to charge such third-party administrator's lowest available rate for such services.

(3) (A) (i) The Comptroller shall offer nonstate public employers the option to purchase prescription drugs for their employees, employees' dependents and retirees under the purchasing authority of the state pursuant to section 1 of public act 09-206, subject to the provisions of subparagraph (E) of this subdivision.

(ii) For purposes of this subdivision, "nonstate public employer" means (I) a municipality or other political subdivision of the state, including a board of education, quasi-public agency or public library, as defined in section 11-24a, or (II) the Teachers' Retirement Board.

(B) The Comptroller shall establish procedures to determine (i) the eligibility requirements for, (ii) the enrollment procedures for, (iii) the duration of, (iv) requirements regarding payment for, and (v) the procedures for withdrawal from and termination of, the purchasing of prescription drugs for nonstate public employers under subparagraph (A) of this subdivision.

(C) The Comptroller may offer to nonstate public employers that choose to purchase prescription drugs pursuant to subparagraph (A) of this subdivision the option to purchase stop loss coverage from an insurer at a rate negotiated by the Comptroller.

(D) Two or more nonstate public employers may join together for the purpose of purchasing prescription drugs for their employees, employees' dependents and retirees. Such arrangement shall not constitute a multiple employer welfare arrangement, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended from time to time.
(E) (i) The Comptroller shall offer nonstate public employers the option to purchase prescription drugs through the plan set forth in the State Employees' Bargaining Agent Coalition's collective bargaining agreement with the state only if the Health Care Cost Containment Committee, established in accordance with the ratified agreement between the state and said coalition pursuant to subsection (f) of section 5-278, has indicated in writing to the Comptroller that allowing such nonstate public employers such option is consistent with said coalition's collective bargaining agreement.

(ii) Such writing shall not be required if the Comptroller establishes a separate prescription drugs purchasing plan for nonstate public employers.

(iii) Nonstate public employers that purchase prescription drugs pursuant to this subdivision shall pay the full cost of their own claims and prescription drugs.

Sec. 2. Subsection (b) of section 38a-556a of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2019):

(b) Said association shall, in consultation with the Insurance Commissioner and the Healthcare Advocate, develop, within available appropriations, a web site, telephone number or other method to serve as a clearinghouse for information about individual and small employer health insurance policies and health care plans that are available to consumers in this state, including, but not limited to, the HUSKY Health program, the Municipal Employee Health Insurance Plan set forth in subdivision (1) of subsection (i) of section 5-259, as amended by this act, and any individual or small employer health insurance policies or health care plans an insurer, health care center or other entity chooses to list with the Connecticut Clearinghouse.
This act shall take effect as follows and shall amend the following sections:

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<th>Section</th>
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<tr>
<td>Section 1</td>
<td>October 1, 2019</td>
<td>5-259</td>
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<tr>
<td>Sec. 2</td>
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<td>38a-556a(b)</td>
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**Statement of Purpose:**
To enable small businesses and small business employees to participate in the state employee health plan.

[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.]