



General Assembly

Amendment

January Session, 2019

LCO No. 11028



Offered by:
SEN. KELLY, 21st Dist.

To: Subst. House Bill No. **7267** File No. 353 Cal. No. 676

(As Amended By House Amendment Schedule "A")

**"AN ACT CONCERNING PUBLIC OPTIONS FOR HEALTH CARE
IN CONNECTICUT."**

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Section 3-123sss of the general statutes, as amended by
4 section 378 of house bill 7424 of the current session, as amended by
5 House Amendment Schedules "A" and "B", is repealed and the
6 following is substituted in lieu thereof (*Effective July 1, 2019*):

7 (a) (1) Notwithstanding any provision of title 38a, the Comptroller
8 shall offer to nonstate public employers and their nonstate public
9 employees, and their retirees, if applicable, coverage under the state
10 employee plan or another group hospitalization, medical, pharmacy
11 and surgical insurance plan developed by the Comptroller to provide
12 coverage for nonstate public employees and their retirees, if applicable.
13 Such nonstate public employees, or retirees, if applicable, shall be

14 pooled with the state employee plan, provided the Comptroller
15 receives an application from a nonstate public employer and the
16 application is approved in accordance with this section or section 3-
17 123ttt. Premium payments for such coverage shall be remitted by the
18 nonstate public employer to the Comptroller and shall be the same as
19 those paid by the state inclusive of any premiums paid by state
20 employees, except that premium payments shall be adjusted pursuant
21 to subdivision (2) of this subsection for nonstate public employers
22 enrolled in coverage on and after July 1, 2019, to reflect the cost of
23 health care in the county in which the majority of such nonstate public
24 employer's employees work, differences from the benefits and
25 networks provided to state employees or as otherwise provided in this
26 section or section 3-123uuu. The Comptroller may charge each
27 nonstate public employer participating in the state employee plan an
28 administrative fee calculated on a per member, per month basis.

29 (2) During the two-year period beginning July 1, 2020, the
30 Comptroller shall phase in the adjustment for premium payments to
31 reflect the cost of health care in the county in which the majority of a
32 nonstate public employer's employees work, as described in
33 subdivision (1) of this subsection. In no year shall the adjustment for
34 premium payments be greater than one-half of the total adjustment.

35 (b) Any group hospitalization, medical, pharmacy and surgical
36 insurance plan developed by the Comptroller pursuant to subsection
37 (a) of this section shall (1) include the health enhancement program, (2)
38 be consistent with value-based insurance design principles, and (3) be
39 approved by the Health Care Cost Containment Committee prior to
40 being offered to nonstate public employers. The Comptroller shall,
41 prior to the approval of the Health Care Cost Containment Committee,
42 and offering any such plan, and annually thereafter, (A) cause the
43 premium payments associated with such plan to be reviewed by an
44 [independent actuarial firm] actuary, as defined in section 38a-90a, to
45 determine the adequacy of such premiums relative to experience and
46 total costs, and (B) provide a report concerning such review to the
47 Health Care Cost Containment Committee, the Office of Policy and

48 Management and the joint standing committee of the General
49 Assembly having cognizance of matters relating to appropriations, in
50 accordance with the provisions of section 11-4a.

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

54 (2) The Comptroller shall develop procedures by which nonstate
55 public employers receiving coverage for nonstate public employees
56 pursuant to the state employee plan or a plan developed by the
57 Comptroller pursuant to subsection (a) of this section may (A) apply
58 for renewal, or (B) withdraw from such coverage, including, but not
59 limited to, the terms and conditions under which such nonstate public
60 employers may withdraw prior to the expiration of the interval. Any
61 such procedures shall provide that nonstate public employees covered
62 by collective bargaining shall withdraw from such coverage in
63 accordance with chapters 68, 113 and 166.

64 (d) Nothing in sections 3-123rrr to 3-123vvv, inclusive, shall (1)
65 require the Comptroller to offer coverage to every nonstate public
66 employer seeking coverage under the state employee plan or a plan
67 developed by the Comptroller pursuant to subsection (a) of this
68 section, (2) prevent the Comptroller from procuring coverage for
69 nonstate public employees from vendors other than those providing
70 coverage to state employees, or (3) prevent the Comptroller from
71 offering plans other than the plans offered to state employees on July
72 1, 2019, provided no such plan shall be offered if such plan qualifies as
73 a high deductible health plan, as defined in section 220(c)(2) or Section
74 223(c)(2) of the Internal Revenue Code of 1986, or any subsequent
75 corresponding internal revenue code of the United States, as amended
76 from time to time, and is used to establish a medical savings account or
77 an Archer MSA pursuant to said section 220 or a health savings
78 account pursuant to said section 223.

79 (e) The Comptroller shall create applications for coverage under and

80 for renewal of the state employee plan and any other plan developed
81 by the Comptroller pursuant to subsection (a) of this section. Such
82 applications shall require a nonstate public employer to disclose
83 whether such nonstate public employer shall offer any other health
84 care benefits plan to the nonstate public employees who are offered the
85 state employee plan.

86 (f) No nonstate public employee shall be enrolled in the state
87 employee plan or a plan developed by the Comptroller pursuant to
88 subsection (a) of this section if such nonstate public employee is
89 covered through a nonstate public employer's health insurance plans
90 or insurance arrangements issued to or in accordance with a trust
91 established pursuant to collective bargaining subject to the federal
92 Labor Management Relations Act.

93 (g) (1) A nonstate public employer may submit an application to the
94 Comptroller to provide coverage under the state employee plan or a
95 plan developed by the Comptroller pursuant to subsection (a) of this
96 section for nonstate public employees employed by such nonstate
97 public employer.

98 (2) If a nonstate public employer submits an application for
99 coverage of all of its nonstate public employees, the Comptroller shall
100 provide such coverage not later than the first day of the third calendar
101 month following such application.

102 (3) (A) Except as provided in subsection (h) of this section, if a
103 nonstate public employer submits an application for coverage for
104 fewer than all of its nonstate public employees, or indicates in the
105 application that the nonstate public employer shall offer other health
106 plans to nonstate public employees who are offered the state health
107 plan, the Comptroller shall forward such application to [the Health
108 Care Cost Containment Committee] a third-party skilled in evaluating
109 medical risk and contracted by the Comptroller not later than five
110 business days after receiving such application. [Said committee] Such
111 third-party may, not later than thirty days after receiving such

112 application, certify to the Comptroller that the application will shift a
113 significantly disproportional part of a nonstate public employer's
114 medical risks to the state employee plan. The Comptroller shall issue a
115 request for proposals to select such third-party.

116 (B) If the [Health Care Cost Containment Committee] third-party
117 contracted by the Comptroller pursuant to subparagraph (A) of this
118 subdivision certifies to the Comptroller that the application will shift a
119 significantly disproportional part of a nonstate public employer's
120 medical risks to the state employee plan, the Comptroller shall not
121 provide coverage to such nonstate public employer. If [the Health Care
122 Cost Containment Committee] such third-party does not certify to the
123 Comptroller that the application will shift a significantly
124 disproportional part of a nonstate public employer's medical risks to
125 the state employee plan, the Comptroller shall provide coverage not
126 later than the first day of the third calendar month following the
127 deadline for receiving the certification.

128 (4) Notwithstanding any provisions of the general statutes, initial
129 and continuing participation in the state employee plan or a plan
130 developed by the Comptroller pursuant to subsection (a) of this section
131 by a nonstate public employer shall be a mandatory subject of
132 collective bargaining and shall be subject to binding interest arbitration
133 in accordance with the same procedures and standards that apply to
134 any other mandatory subject of bargaining pursuant to chapters 68,
135 113 and 166.

136 (h) If a nonstate public employer included fewer than all of its
137 nonstate public employees in its application for coverage because of (1)
138 the decision by individual nonstate public employees to decline such
139 coverage for themselves or their dependents, or (2) the nonstate public
140 employer's decision to not offer coverage to temporary, part-time or
141 durational employees, the Comptroller shall not forward such nonstate
142 public employer's application to the [Health Care Cost Containment
143 Committee] third-party pursuant to subdivision (3) of subsection (g) of
144 this section.

145 (i) Notwithstanding any provision of the general statutes, neither
146 the state employee plan nor any plan developed by the Comptroller
147 pursuant to subsection (a) of this section shall be deemed (1) an
148 unauthorized insurer, or (2) a multiple employer welfare arrangement.
149 Any licensed insurer in this state may conduct business with the state
150 employee plan or any plan developed by the Comptroller pursuant to
151 subsection (a) of this section.

152 (j) Nothing in this section shall require a nonstate public employer
153 enrolled in the state employee plan to enroll in another plan developed
154 by the Comptroller pursuant to this section.

155 Sec. 502. Section 383 of house bill 7424 of the current session, as
156 amended by House Amendment Schedules "A" and "B", is repealed
157 and the following is substituted in lieu thereof (*Effective from passage*):

158 Not later than January 1, 2021, and annually thereafter, an
159 independent certified public accountant engaged by the Comptroller
160 who has no other contract with a state agency or the Connecticut
161 Health Insurance Exchange established pursuant to section 38a-1081 of
162 the general statutes shall submit a report to the Health Care Cost
163 Containment Committee, Office of Policy and Management and joint
164 standing committee of the General Assembly having cognizance of
165 matters relating to appropriations, in accordance with the provisions
166 of section 11-4a of the general statutes, concerning municipal group
167 hospitalization, medical, pharmacy and surgical insurance plans
168 developed by the Comptroller pursuant to subsection (a) of section 3-
169 923sss of the general statutes. Such report shall include, but need not
170 be limited to, the total number of contracts, members, plan costs and
171 premium payments and other revenues associated with such plans and
172 the corresponding profit loss ratio for the previous calendar year. Such
173 report shall distinguish municipal health care plans from the state
174 employee plan and demonstrate cost neutrality by individual
175 municipal insurance plan and in total across all municipal insurance
176 plans. If the profit loss ratio demonstrates inadequacy in premium
177 payments, such report shall include a plan to ensure the fiscal

178 adequacy of the premium rate structure for such individual municipal
179 insurance plans and the associated benefit design to eliminate any
180 prior year financial loss and prevent financial loss in the upcoming
181 plan year."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	<i>July 1, 2019</i>	3-123sss
Sec. 502	<i>from passage</i>	HB 7424 (current session), Sec. 383