



General Assembly

February Session, 2026

Raised Bill No. 5345

LCO No. 2151



Referred to Committee on GOVERNMENT ADMINISTRATION
AND ELECTIONS

Introduced by:
(GAE)

***AN ACT CONCERNING STATE CONTRACTING FOR STATE
EMPLOYEE HEALTH INSURANCE COVERAGE AND OTHER
RELATED SERVICES.***

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

1 Section 1. Section 5-259a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2026*):

3 (a) As used in this section:

4 (1) "Third-party administrator" means any person who directly or
5 indirectly underwrites, collects premiums or charges from, or adjusts or
6 settles claims on, residents of this state in connection with health
7 coverage offered or provided by the Comptroller pursuant to the state
8 employee plan, as provided in section 5-259;

9 (2) "Provider" has the same meaning as provided in section 19a-508c;
10 and

11 (3) "Affiliated provider" has the same meaning as provided in section
12 19a-508c.

13 (b) Employee health and life insurance shall be subject to a
14 competitive selection process. The process shall be in accordance with
15 the provisions of the collectively bargained pension agreement
16 approved by the General Assembly on June 30, 1982.

17 (c) Any third-party administrator, including, but not limited to, any
18 insurer, health carrier or health benefits administrator, selected in
19 accordance with the provisions of subsection (b) of this section, that
20 enters into a contract or other agreement with the state to provide health
21 insurance under a group hospitalization and medical and surgical
22 insurance plan procured by the Comptroller pursuant to section 5-259,
23 or any health insurance claim processing services or administrative
24 services pursuant to such contract or agreement, shall:

25 (1) Provide at least three written notices to the Comptroller, the
26 Health Care Cost Containment Committee, as defined in section 3-
27 123rrr, the president pro tempore of the Senate, the speaker of the House
28 of Representatives and the minority leaders of the Senate and House of
29 Representatives, at not less than ninety days, sixty days and thirty days
30 prior to the expiration or termination of any participating provider
31 agreement between such third-party administrator and (A) any hospital
32 licensed pursuant to chapter 368v, (B) any health care practice of
33 affiliated providers, or (C) a parent corporation of such hospital or
34 health care practice of affiliated providers. Such notices shall include the
35 anticipated date of the applicable agreement expiration or termination
36 and the date of expiration of the applicable sixty-day notice period
37 required under subparagraph (C) of subdivision (1) of subsection (g) of
38 section 38a-472f; and

39 (2) Immediately notify the Comptroller, the Health Care Cost
40 Containment Committee and the legislative leaders listed in subdivision
41 (1) of this subsection of (A) any new, extended or amended participating
42 provider agreement entered into between the third-party administrator
43 and an entity listed in subparagraph (A), (B) or (C) of subdivision (1) of
44 this subsection, or (B) the expiration of the applicable notice period

45 required under subparagraph (C) of subdivision (1) of subsection (g) of
46 section 38a-472f which results in the hospital or health care practice of
47 affiliated providers no longer being a participating provider in the third-
48 party administrator's provider network.

49 (d) Except as provided in subsection (e) of this section, the
50 Comptroller shall, not later than sixty days after the receipt of notice of
51 expiration of any notice period pursuant to section 38a-472f, as
52 described in subsection (c) of this section, commence a competitive
53 process for the selection of a third-party administrator of health
54 insurance, health insurance claim processing services or administrative
55 services in accordance with subsection (b) of this section and any third-
56 party administrator that submitted a notice of termination as described
57 in subsection (c) of this section shall be prohibited from participating in
58 any such competitive selection process for a period of up to five years
59 from the date of the Comptroller's receipt of the termination notice
60 under subdivision (2) of subsection (c) of this section, except the
61 Comptroller may reduce the time period of such prohibition.

62 (e) If the parties to the participating provider agreement that expired
63 or was terminated as described in subdivision (2) of subsection (c) of
64 this section agree to enter into a new, amended or extended
65 participating provider agreement not later than thirty days after the
66 Comptroller's receipt of the termination notice under said subdivision,
67 the Comptroller may suspend or cease the competitive selection process
68 commenced under subsection (d) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2026	5-259a

Statement of Purpose:
To require additional notices to the Comptroller, the legislative leaders and Health Care Cost Containment Committee concerning the potential termination of participating provider agreements in the employee

health insurance plan and to prohibit certain entities that terminate participating provider agreements from participating in future competitive selection processes for a period of time.

[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.]