



General Assembly

February Session, 2020

Raised Bill No. 346

LCO No. 2213



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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, 2020*) 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 and
12 made available to individuals in this state as part of the program.

13 (5) "Essential health benefits" means benefits that are essential health

14 benefits within the meaning of (A) the Affordable Care Act, or (B)
15 section 38a-492q or 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 section
19 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) "Medical loss ratio" means the ratio, expressed as a percentage, of
24 incurred claims to earned premiums for the prior calendar year for the
25 ConnectHealth Plan, provided, for purposes of this subdivision, claims
26 shall be limited to medical expenses for services and supplies provided
27 to enrollees in the ConnectHealth Plan and shall not include expenses
28 for stop-loss coverage, reinsurance, enrollee educational programs or
29 other cost containment programs or features.

30 (10) "Program" means the ConnectHealth Program established by the
31 Comptroller pursuant to section 2 of this act.

32 (11) "Qualified health plan" has the same meaning as provided in
33 section 38a-1080 of the general statutes.

34 (12) "Third-party administrator" has the same meaning as provided
35 in section 38a-720 of the general statutes.

36 Sec. 2. (NEW) (*Effective July 1, 2020*) (a) The Comptroller shall, within
37 available appropriations and in consultation with the advisory council
38 and the Office of Health Strategy, establish a program to be known as
39 the "ConnectHealth Program". The purpose of the program shall be to
40 offer high-quality, low-cost health insurance coverage to enrollees in
41 this state under a ConnectHealth Plan. Under the program, the
42 Comptroller, in consultation with the advisory council and the Office of
43 Health Strategy, shall:

- 44 (1) Establish enrollment criteria for the ConnectHealth Plan;
- 45 (2) Design and offer the ConnectHealth Plan, which shall, at a
46 minimum: (A) Be made available to prospective enrollees in this state
47 not later than January 1, 2022; (B) provide coverage for essential health
48 benefits; (C) provide a level of covered benefits that meets or exceeds
49 the level of covered benefits provided under qualified health plans; (D)
50 impose premiums, deductibles and enrollee cost-sharing in amounts
51 that do not exceed the amounts imposed under qualified health plans;
52 (E) include an affordability scale for premiums, deductibles and enrollee
53 cost-sharing that varies according to an enrollee's household income;
54 and (F) have a medical loss ratio of not less than ninety per cent;
- 55 (3) Determine whether to offer the ConnectHealth Plan through the
56 exchange as a qualified health plan;
- 57 (4) Subject to the provisions of subsection (c) of this section: (A)
58 Establish a schedule of payments and reimbursement rates for the
59 ConnectHealth Plan; (B) provide, within available appropriations, state-
60 financed cost-sharing subsidies to enrollees in the ConnectHealth Plan
61 who do not qualify for cost-sharing subsidies under the Affordable Care
62 Act; and (C) seek a waiver from the United States Department of the
63 Treasury or the United States Department of Health and Human
64 Services, as applicable, pursuant to Section 1332 of the Affordable Care
65 Act;
- 66 (5) Use any data submitted to the all-payer claims database program
67 established under section 19a-755a of the general statutes to evaluate,
68 on an ongoing basis, the impact of the ConnectHealth Plan on: (A)
69 Individuals in this state; (B) health care providers and health care
70 facilities in this state; and (C) the individual and group health insurance
71 markets in this state; and
- 72 (6) Implement a competitive process to select, and enter into a
73 contract with, one or more third-party administrators to administer the
74 ConnectHealth Plan, and permit such third-party administrator or
75 third-party administrators to directly receive individual premiums and

76 federal premium tax credits in accordance with all applicable provisions
77 of the Affordable Care Act and the Internal Revenue Code.

78 (b) The Comptroller may, in the Comptroller's discretion and within
79 available appropriations, engage the services of such third-party
80 actuaries, professionals and specialists that the Comptroller deems
81 necessary to assist the Comptroller in performing the Comptroller's
82 duties under subsection (a) of this section.

83 (c) (1) Not later than March 1, 2021, the Comptroller, in consultation
84 with the advisory council and the Office of Health Strategy, shall
85 submit, in accordance with the provisions of section 11-4a of the general
86 statutes, to the joint standing committee of the General Assembly
87 having cognizance of matters relating to insurance:

88 (A) A plan to make the ConnectHealth Plan available to prospective
89 enrollees in this state not later than January 1, 2022;

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

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

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

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

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

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

110 Sec. 3. (NEW) (*Effective July 1, 2020*) (a) (1) There is established the
111 ConnectHealth Advisory Council. The council shall consist of ten
112 members, as follows:

113 (A) Two appointed by the speaker of the House of Representatives,
114 one of whom shall represent the interests of hospitals in this state and
115 one of whom shall represent the interests of community-based health
116 care providers in this state;

117 (B) Two appointed by the president pro tempore of the Senate, one of
118 whom shall represent the interests of consumers in this state and one of
119 whom shall represent the interests of nurses practicing in this state;

120 (C) One appointed by the majority leader of the House of
121 Representatives, who shall represent the interests of patients in this
122 state;

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

125 (E) Two appointed by the minority leader of the House of
126 Representatives, one of whom shall represent the interests of health
127 insurers offering individual health insurance policies in this state and
128 one of whom shall represent the interests of physicians practicing in this
129 state; and

130 (F) Two appointed by the minority leader of the Senate, one of whom
131 shall represent the interests of health insurers offering small group
132 health insurance policies in this state and one of whom shall represent
133 the interests of insurance producers licensed in this state.

134 (2) The members of the advisory council shall select a chairperson
135 from the membership of the advisory council, and the advisory council

136 may establish rules governing the advisory council's internal
137 procedures.

138 (3) The Governor, Lieutenant Governor, Comptroller, Secretary of the
139 Office of Policy and Management, Insurance Commissioner and
140 Commissioner of Social Services shall serve as ex-officio, nonvoting
141 members of the advisory council.

142 (b) Initial appointments to the advisory council shall be made on or
143 before October 1, 2020. If an appointing authority fails to appoint an
144 advisory council member on or before October 1, 2020, the president pro
145 tempore of the Senate and the speaker of the House of Representatives
146 shall jointly appoint an advisory council member who meets the
147 required specifications on behalf of such appointing authority and such
148 advisory council member shall serve for the duration of the initial term
149 for such advisory council member. The presence of not less than six
150 advisory council members shall constitute a quorum for the transaction
151 of business. The initial term for advisory council members appointed by
152 the minority leader of the House of Representatives and the minority
153 leader of the Senate shall be three years. The initial term for advisory
154 council members appointed by the majority leader of the House of
155 Representatives and the majority leader of the Senate shall be four years.
156 The initial term for the advisory council members appointed by the
157 speaker of the House of Representatives and the president pro tempore
158 of the Senate shall be five years. Terms pursuant to this subsection shall
159 expire on June thirtieth in accordance with the provisions of this
160 subsection. Any vacancy shall be filled by the appointing authority for
161 the balance of the unexpired term. Not later than thirty days prior to the
162 expiration of a term as provided for in this subsection, the appointing
163 authority may reappoint the current advisory council member or shall
164 appoint a new member to the advisory council. Other than an initial
165 term, an advisory council member shall serve for a term of five years
166 and until a successor advisory council member is appointed. Each
167 member of the advisory council shall be eligible for reappointment. Any
168 member of the advisory council may be removed by the appropriate
169 appointing authority for misfeasance, malfeasance or wilful neglect of

170 duty.

171 (c) The advisory council shall advise the Comptroller and the Office
172 of Health Strategy on matters concerning the program and the
173 ConnectHealth Plan, including, but not limited to:

174 (1) Implementation of the ConnectHealth Plan;

175 (2) Affordability of the ConnectHealth Plan;

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

177 (4) Outreach to prospective enrollees and enrollees in the
178 ConnectHealth Plan; and

179 (5) Periodic evaluations of the ConnectHealth Plan.

180 (d) The advisory council shall not be construed to be a department,
181 institution or agency of this state. The staff of the joint standing
182 committee of the General Assembly having cognizance of matters
183 relating to insurance shall provide administrative support to the
184 advisory council.

185 Sec. 4. (NEW) (*Effective July 1, 2020*) There is established an account
186 to be known as the "ConnectHealth Trust Account", which shall be a
187 separate, nonlapsing account within the General Fund. The account
188 shall contain all moneys required by law to be deposited in the account.
189 Investment earnings from any moneys in the account shall be credited
190 to the account and shall become part of the assets of the account. Any
191 balance remaining in the account at the end of any fiscal year shall be
192 carried forward in the account for the fiscal year next succeeding. The
193 moneys in the account shall be allocated to the Comptroller for the
194 purposes of lowering the cost of the ConnectHealth Plan and providing
195 state-financed cost-sharing subsidies to enrollees in such plan who do
196 not qualify for cost-sharing subsidies under the Affordable Care Act.

197 Sec. 5. (NEW) (*Effective July 1, 2020*) The Comptroller may adopt
198 regulations, in accordance with chapter 54 of the general statutes, to

199 implement the provisions of sections 1 to 4, inclusive, of this act.

200 Sec. 6. Section 3-123rrr of the 2020 supplement to the general statutes
201 is repealed and the following is substituted in lieu thereof (*Effective July*
202 *1, 2020*):

203 As used in this section, section 7 of this act and sections 3-123sss to 3-
204 123vvv, inclusive, as amended by this act, and section 3-123xxx:

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

209 (2) "Health enhancement program" means the program established in
210 accordance with the provisions of the Revised State Employees
211 Bargaining Agent Coalition agreement, approved by the General
212 Assembly on August 22, 2011, for state employees, as amended by
213 stipulated agreements.

214 (3) "Multiemployer plan" has the same meaning as provided in
215 Section 3 of the Employee Retirement Income Security Act of 1974, as
216 amended from time to time;

217 ~~[(2)]~~ (4) "Nonstate public employee" means any employee or elected
218 officer of a nonstate public employer.

219 ~~[(3)]~~ (5) "Nonstate public employer" means a municipality or other
220 political subdivision of the state, including a board of education, quasi-
221 public agency or public library. A municipality and a board of education
222 may be considered separate employers.

223 (6) "Nonprofit employer" means a nonprofit, nonstock corporation,
224 other than a nonstate public employer, that employs at least one
225 employee on the first day that such employer receives coverage under a
226 group hospitalization, medical, pharmacy and surgical insurance plan
227 offered by the Comptroller pursuant to this part.

228 (7) "Small employer" means an employer, other than a nonstate public
 229 employer, that employed an average of at least one but not more than
 230 fifty employees on business days during the preceding calendar year,
 231 and employs at least one employee on the first day that such employer
 232 receives coverage under a group hospitalization, medical, pharmacy
 233 and surgical insurance plan offered by the Comptroller pursuant to this
 234 part.

235 [(4)] (8) "State employee plan" means the group hospitalization,
 236 medical, pharmacy and surgical insurance plan offered to state
 237 employees and retirees pursuant to section 5-259.

238 [(5) "Health enhancement program" means the program established
 239 in accordance with the provisions of the Revised State Employees
 240 Bargaining Agent Coalition agreement, approved by the General
 241 Assembly on August 22, 2011, for state employees, as may be amended
 242 by stipulated agreements.]

243 [(6)] (9) "Value-based insurance design" means health benefit designs
 244 that lower or remove financial barriers to essential, high-value clinical
 245 services.

246 [(7) "Health care coverage type" means the type of health care
 247 coverage offered by nonstate public employers, including, but not
 248 limited to, coverage for a nonstate public employee, nonstate public
 249 employee plus spouse and nonstate public employee plus family.]

250 Sec. 7. (NEW) (*Effective July 1, 2020*) (a) (1) Notwithstanding any
 251 provision of title 38a of the general statutes, the Comptroller shall offer
 252 to plan participants and beneficiaries in this state under a
 253 multiemployer plan, nonprofit employers and their employees and
 254 small employers and their employees coverage under the state
 255 employee plan or another group hospitalization, medical, pharmacy
 256 and surgical insurance plan developed by the Comptroller to provide
 257 coverage for plan participants and beneficiaries in this state under a
 258 multiemployer plan, nonprofit employers and their employees and
 259 small employers and their employees. Plan participants and

260 beneficiaries in this state under a multiemployer plan, nonprofit
261 employers and their employees and small employers and their
262 employees receiving coverage provided pursuant to this section shall be
263 pooled with state employees and retirees under the state employee plan,
264 provided the administrator of the multiemployer plan, the nonprofit
265 employer or the small employer files an application with the
266 Comptroller for coverage pursuant to this section and the Comptroller
267 approves such application. The administrators of multiemployer plans,
268 nonprofit employers or small employers shall remit to the Comptroller
269 payments for coverage provided pursuant to this section. Such
270 payments shall be equal to the payments paid by the state for state
271 employees covered under the state employee plan, inclusive of any
272 premiums paid by state employees pursuant to the state employee plan,
273 except that premium payments may be adjusted to reflect the cost of
274 health care in the geographic area in which the majority of a
275 multiemployer plan's plan participants and beneficiaries, a nonprofit
276 employer's employees or a small employer's employees work,
277 differences from the benefits and networks provided to state employees,
278 the demographic makeup of the multiemployer plan's plan participants
279 and beneficiaries, nonprofit employer's employees or small employer's
280 employees or as otherwise provided in this section. The Comptroller
281 shall phase in the geographic adjustment established in this subsection
282 over a two-year period for existing participants. Beginning on July 1,
283 2021, the Comptroller may charge each multiemployer plan, nonprofit
284 employer and small employer participating in the state employee plan
285 an administrative fee calculated on a per member, per month basis.

286 (2) Any group hospitalization, medical, pharmacy and surgical
287 insurance plan developed by the Comptroller pursuant to subdivision
288 (1) of this subsection shall (A) include the health enhancement program,
289 (B) be consistent with value-based insurance design principles, and (C)
290 be approved by the Health Care Cost Containment Committee prior to
291 being offered to small employers and their employees.

292 (b) The Comptroller shall offer participation in each plan described
293 in subsection (a) of this section for intervals lasting not less than three

294 years. The administrator of the multiemployer plan, nonprofit employer
295 or small employer may apply for renewal of coverage prior to expiration
296 of each interval.

297 (c) The Comptroller shall develop procedures by which
298 administrators of multiemployer plans, nonprofit employers and small
299 employers may initially apply for, renew and withdraw from coverage
300 provided pursuant to this section, as well as rules of participation that
301 the Comptroller, in the Comptroller's discretion, deems necessary.

302 (d) The Comptroller shall establish accounting procedures to track
303 claims and premium payments paid by multiemployer plans, nonprofit
304 employers and small employers receiving coverage provided pursuant
305 to this section.

306 Sec. 8. Section 3-123vvv of the 2020 supplement to the general statutes
307 is repealed and the following is substituted in lieu thereof (*Effective July*
308 *1, 2020*):

309 The Comptroller shall not offer coverage under the state employee
310 plan pursuant to sections 3-123rrr to 3-123uuu, inclusive, as amended
311 by this act, or section 7 of this act until the State Employees' Bargaining
312 Agent Coalition has provided its consent to the clerks of both houses of
313 the General Assembly to incorporate the terms of sections 3-123rrr to 3-
314 123uuu, inclusive, as amended by this act, and section 7 of this act into
315 its collective bargaining agreement.

316 Sec. 9. Section 17b-282b of the general statutes is repealed and the
317 following is substituted in lieu thereof (*Effective from passage*):

318 (a) Not later than July 1, 2004, and prior to the implementation of a
319 state-wide dental plan that provides for the administration of the dental
320 services portion of the department's medical assistance, the
321 Commissioner of Social Services shall amend the federal waiver
322 approved pursuant to Section 1915(b) of the Social Security Act. Such
323 waiver amendment shall be submitted to the joint standing committees
324 of the General Assembly having cognizance of matters relating to

human services and appropriations and the budgets of state agencies in accordance with the provisions of section 17b-8.

(b) (1) Not later than July 1, 2020, the Commissioner of Social Services shall seek to amend the federal waiver described in subsection (a) of this section to provide the state-wide dental plan, which provides for the administration of the dental services portion of the department's medical assistance, to:

(A) Enable each individual in this state who is insured under an individual health insurance policy or a group health insurance policy for a small employer, as defined in section 3-123rrr, as amended by this act, or a nonprofit employer, as defined in section 3-123rrr or who is a plan participant or beneficiary in this state under a multiemployer plan, as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended from time to time, to receive coverage for the dental services portion of such medical assistance; and

(B) Enable the Commissioner of Social Services to prescribe premium and underwriting standards for the dental services portion of such medical assistance for individuals described in subparagraph (A) of this subdivision.

(2) Such waiver amendment shall be submitted to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies in accordance with the provisions of section 17b-8.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2020	New section
Sec. 2	July 1, 2020	New section
Sec. 3	July 1, 2020	New section
Sec. 4	July 1, 2020	New section
Sec. 5	July 1, 2020	New section
Sec. 6	July 1, 2020	3-123rrr
Sec. 7	July 1, 2020	New section

Sec. 8	July 1, 2020	3-123vvv
Sec. 9	from passage	17b-282b

Statement of Purpose:

To: (1) Establish the ConnectHealth Program, the ConnectHealth Trust Account and the ConnectHealth Advisory Board; (2) require the Comptroller, in consultation with the ConnectHealth Advisory Board and the Office of Health Strategy, to establish the ConnectHealth Plan; (3) authorize the Comptroller to offer coverage to plan participants and beneficiaries in this state under a multiemployer plan, nonprofit employers and their employees, and small employers and their employees; and (4) require the Commissioner of Social Services to seek to amend the federal waiver for the state-wide dental plan that provides for the administration of the dental services portion of the department's medical assistance to expand coverage to include additional individuals in this state.

[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.]