



General Assembly

Substitute Bill No. 1147

January Session, 2005

* SB01147LABFIN032905 *

AN ACT CONCERNING EMPLOYEE HEALTH SECURITY.

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

1 Section 1. (NEW) (*Effective July 1, 2005*) As used in sections 1 to 8,
2 inclusive, of this act:

3 (1) "Coverage" means a health insurance plan, provided in
4 accordance with section 4 of this act, that offers, to the extent possible,
5 health care, services and a provider network comparable to that
6 offered by the program established for state employees under the
7 authority of subsection (a) of section 5-259 of the general statutes,
8 based on the anticipated amounts of employer fees and enrollee
9 contributions to be collected under sections 5 and 6 of this act;

10 (2) "Dependent" means the spouse, domestic partner, minor child of
11 a covered enrollee, or child eighteen years of age or over who is
12 dependent on the enrollee, as specified by the commissioner, but does
13 not mean a dependent who is provided coverage by another employer
14 or who is an enrollee as a consequence of such dependent's
15 employment status;

16 (3) "Enrollee" means a person who works three months or more for
17 any individual employer, including a sole proprietor or partner of a
18 partnership;

19 (4) "Employer" means an employer that is subject to chapter 567 of
20 the general statutes, excluding the state, any political subdivision of
21 the state or any quasi-public agency, and includes a franchisor with
22 franchisees that employ collectively one hundred or more employees
23 in the state; and

24 (5) "Wages" means wages paid directly to an individual by his or
25 her employer.

26 Sec. 2. (NEW) (*Effective July 1, 2005*) On and after January 1, 2006,
27 and annually thereafter, all employers with one hundred or more
28 employees shall pay a Health Security Surcharge to the Commissioner
29 of Social Services. Such charge shall be equal to twenty-five per cent of
30 the hourly minimum wage then in effect, multiplied by the total
31 number of hours worked by each enrollee during the year for which
32 the surcharge applies. Each employer providing health care benefits or
33 making payments in accordance with section 5 of this act shall receive
34 a credit, for each covered enrollee, against such surcharge equal to the
35 amount paid by the employer for health care benefits or in accordance
36 with section 5 of this act for the enrollee and, if applicable, the
37 dependents of the enrollee. All amounts collected under this section
38 shall be deposited into the General Fund. The Commissioner of Social
39 Services, in conjunction with the Commissioner of Revenue Services,
40 shall adopt regulations, in accordance with the provisions of chapter
41 54 of the general statutes, to carry out the purposes of this section.

42 Sec. 3. (NEW) (*Effective July 1, 2005*) (a) On and after January 1, 2007,
43 employers shall comply with the provisions of sections 1 and 3 to 8,
44 inclusive, of this act.

45 (b) Any employee covered by a collective bargaining agreement on
46 January 1, 2006, shall not be an enrollee under sections 3 to 8, inclusive,
47 of this act until the expiration of such collective bargaining agreement.

48 Sec. 4. (NEW) (*Effective July 1, 2005*) The Commissioner of Social
49 Services shall establish a health insurance plan to implement the
50 provisions of sections 1 to 8, inclusive, of this act. Said plan shall be

51 known as the HUSKY W Plan. On and after January 1, 2007, the
52 commissioner shall provide coverage under the HUSKY W Plan for
53 enrollees. Such coverage shall be funded by the employer fees and
54 enrollee contributions established in sections 5 and 6 of this act, which
55 shall be deposited into a separate fund within the Department of Social
56 Services. The commissioner shall administer the coverage in a manner
57 that assures that such fees and enrollee contributions are sufficient to
58 maintain the coverage, including administrative costs. Any excess of
59 fees and enrollee contributions over the actual cost of coverage for
60 enrollees shall be used to increase provider reimbursement rates for
61 the HUSKY Plan.

62 Sec. 5. (NEW) (*Effective July 1, 2005*) (a) On and after January 1, 2007,
63 except as otherwise provided in section 7 of this act, every employer
64 with one hundred or more employees shall pay a fee as specified in
65 this section. For employers with one hundred to two hundred fifty
66 employees, the fee shall be paid for each enrollee, and for employers
67 with more than two hundred fifty employees, the fee shall be paid for
68 each enrollee and his or her dependents. For an enrollee working less
69 than twenty-five hours per week, the fee paid by such enrollee's
70 employer for the enrollee and, if applicable, such enrollee's dependents
71 shall be a pro rata portion of the fee required under this section, based
72 on the number of hours per week such enrollee worked. Any part-time
73 enrollee may obtain coverage for such enrollee, or for such enrollee
74 and his or her dependents, by paying the amounts established by the
75 Commissioner of Social Services for premiums for such coverage
76 under the HUSKY W Plan.

77 (b) Any enrollee of an employer with one hundred to two hundred
78 fifty employees that has not received a credit pursuant to section 7 of
79 this act may obtain coverage for his or her dependents by paying the
80 amounts established by the Commissioner of Social Services for
81 premiums for such coverage under the HUSKY W Plan. Any employer
82 with fewer than one hundred employees may obtain coverage for such
83 employer's enrollees, or for such enrollees and their dependents, by
84 paying the amounts established by the Commissioner of Social

85 Services for premiums for such coverage under the HUSKY W Plan.

86 (c) The Commissioner of Social Services shall establish the fee for
87 each employer, which shall equal: (1) The premium that would be
88 required for health care coverage for all of the employer's enrollees
89 and, if applicable, their dependents, except those excluded under
90 subsection (g) of this section, under the program established for state
91 employees under the authority of subsection (a) of section 5-259 of the
92 general statutes, and (2) an amount equal to two per cent of the
93 amount in subdivision (1) of this subsection to cover costs associated
94 with the administration of and enforcement of the provisions of
95 sections 1 to 8, inclusive, of this act. If more than one plan is
96 established under the authority of section 5-259 of the general statutes,
97 the premium used to establish the fee shall be for the plan chosen by
98 the greatest number of state employees under such program. The cost
99 of coverage shall be paid solely by the fees and enrollee contributions
100 collected pursuant to this section and section 6 of this act. Except as
101 otherwise provided in sections 1 to 8, inclusive, of this act, such fees
102 and enrollee contributions shall not be used for any purpose other than
103 providing coverage for enrollees and, if applicable, such enrollees'
104 dependents, and reimbursing the administrative costs specified in this
105 subsection.

106 (d) On or before July 1, 2006, and annually thereafter, the
107 commissioner shall notify each employer required to pay a fee under
108 this section of the amount of such fee, which shall be payable quarterly
109 to the commissioner, beginning on or before the following January
110 first.

111 (e) The commissioner shall waive the fee of any employer that is
112 entitled to a credit pursuant to section 7 of this act to the extent of such
113 credit. Employers may apply for the credit in the manner prescribed by
114 the commissioner.

115 (f) Each employer shall provide information as specified by the
116 commissioner to assist the commissioner in determining the fee

117 pursuant to subsection (c) of this section.

118 (g) Any enrollee who provides documentation to the commissioner,
119 in a form approved by the commissioner, that such enrollee and, if
120 applicable, such enrollee's dependents is covered by health insurance
121 provided by a private or self-insured insurer, or by any public
122 program, and any other enrollee working fewer than twenty-five
123 hours per week may decline coverage under sections 1 to 8, inclusive,
124 of this act. The commissioner shall not include such enrollee in
125 determining the fee for such enrollee's employer pursuant to
126 subsection (c) of this section.

127 (h) Coverage of an enrollee or, if applicable, such enrollee's
128 dependents shall not be contingent upon payment of the fee required
129 pursuant to this section by the employer of that enrollee. If an
130 employer fails to pay the required fee or the total amount of such fee,
131 the employer shall pay the fund a penalty of two hundred per cent of
132 the amount due and unpaid.

133 (i) In addition to the penalty imposed pursuant to subsection (h) of
134 this section, an employer shall pay interest on all amounts due and
135 unpaid in accordance with the rate provided for unpaid contributions
136 under chapter 567 of the general statutes.

137 (j) Nothing in this section shall preclude an employer from
138 purchasing additional benefits or coverage, in addition to paying the
139 fee.

140 Sec. 6. (NEW) (*Effective July 1, 2005*) (a) The applicable enrollee
141 contribution, not to exceed fifteen per cent of the fee assessed to the
142 employer, along with any enrollee premiums for coverage of
143 dependents, pursuant to subsection (b) of section 5 of this act, shall be
144 collected by the employer and paid concurrently with the employer
145 fee. The employer may agree to pay more than eighty-five per cent of
146 the fee, resulting in an enrollee and, if applicable, dependent
147 contribution of less than fifteen per cent.

148 (b) If the employer fails to collect or transmit the enrollee
149 contribution or premium in a timely manner, the employer shall
150 become liable for a penalty of two hundred per cent of the amount that
151 the employer has failed to collect or transmit, and the enrollee shall be
152 relieved of all liability for that failure. The employer's failure to collect
153 or transmit the required enrollee contribution or premium or to
154 provide enrollment information about an enrollee shall not affect the
155 enrollee's coverage. An employer shall only withhold and collect an
156 amount for purposes of the program in accordance with the manner
157 and at the times specified by the Commissioner of Social Services
158 pursuant to this section. An enrollee for whom enrollment information
159 is not otherwise received by the commissioner may demonstrate
160 eligibility for coverage by demonstrating employment to the
161 satisfaction of the commissioner.

162 Sec. 7. (NEW) (*Effective July 1, 2005*) (a) (1) An employer required to
163 pay a fee under section 5 of this act may apply to the Commissioner of
164 Social Services for a waiver of the fee by providing proof of alternate
165 health care coverage for enrollees and, if applicable, such enrollees'
166 dependents consistent with sections 1 to 8, inclusive, of this act. Proof
167 of alternate health care coverage shall include documentation showing
168 that (A) such employer is paying at least as much for each enrollee and
169 dependent for the alternate health care coverage, excluding enrollees
170 that have declined such coverage, as the state pays for each eligible
171 employee and dependent pursuant to subsection (a) of section 5-259 of
172 the general statutes, or (B) such alternate health care coverage is
173 substantially equivalent to the health care coverage provided to state
174 employees under subsection (a) of section 5-259 of the general statutes,
175 and that the cost of the alternate health care coverage to such
176 employer's enrollees is no greater than the cost to eligible state
177 employees for coverage under subsection (a) of section 5-259 of the
178 general statutes.

179 (2) For any period during which the commissioner is determining
180 whether an employer is entitled to a credit against the fee pursuant to
181 this section, the employer may continue to provide alternate health

182 care coverage for enrollees and need not pay any fee under section 5 of
183 this act for those enrollees and, if applicable, dependents of such
184 enrollees for which the employer claims a credit against the fee. If the
185 commissioner determines that the employer is not entitled to a credit
186 against the fee, the employer shall be liable for any difference in the
187 amount the employer paid for such alternate health care coverage and
188 the amount of the fee that would have been payable for the period
189 during which the commissioner was making such determination.

190 (b) Nothing in this section shall preclude an employer from
191 providing additional benefits or coverage.

192 (c) It shall be unlawful for an employer to designate an employee as
193 an independent contractor or temporary employee, reduce an
194 employee's hours of work, or terminate and rehire an employee to
195 avoid the employer's obligations pursuant to sections 1 to 8, inclusive,
196 of this act. An employer that violates this subsection shall pay to the
197 fund a penalty of two hundred per cent of the amount of any fee that
198 would have otherwise been paid by the employer, including for the
199 period that the enrollee and, if applicable, dependents should have
200 received coverage but for the employer's conduct in violation of this
201 section.

202 (d) An employer shall not request or otherwise seek to obtain
203 information concerning income or other eligibility requirements for
204 public health benefit programs regarding an employee, dependent or
205 other family member of an employee, other than that information
206 about the employee's employment status otherwise known to the
207 employer consistent with existing state and federal law and regulation.

208 (e) Any new employer or existing employer that previously was not
209 subject to this section shall begin complying with all applicable
210 provisions of this section not later than one month after the date it
211 becomes subject to sections 1 to 8, inclusive, of this act.

212 (f) Any existing employer previously subject to sections 1 to 8,
213 inclusive, of this act but no longer subject to said sections shall notify

214 the Commissioner of Social Services in a manner prescribed by that
215 department not later than fifteen days after this change before
216 discontinuing compliance with the provisions of sections 1 to 8,
217 inclusive, of this act.

218 Sec. 8. (NEW) (*Effective October 1, 2005*) The Commissioner of Social
219 Services shall adopt regulations, in accordance with the provisions of
220 chapter 54 of the general statutes, to facilitate the provisions of sections
221 1 to 7, inclusive, of this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2005</i>	New section
Sec. 2	<i>July 1, 2005</i>	New section
Sec. 3	<i>July 1, 2005</i>	New section
Sec. 4	<i>July 1, 2005</i>	New section
Sec. 5	<i>July 1, 2005</i>	New section
Sec. 6	<i>July 1, 2005</i>	New section
Sec. 7	<i>July 1, 2005</i>	New section
Sec. 8	<i>October 1, 2005</i>	New section

LAB *Joint Favorable Subst. C/R*

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