



General Assembly

Substitute Bill No. 1147

January Session, 2005

* SB01147FIN__042205__ *

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 offered
6 by the program established for state employees under the authority of
7 subsection (a) of section 5-259 of the general statutes, based on the
8 anticipated amounts of employer fees and enrollee contributions to be
9 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 not less than thirty-five hours per week, for any individual employer,
18 including a sole proprietor or partner of a 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 five thousand 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 five thousand 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 and, if applicable, such enrollees' dependents. Such coverage
54 shall be funded by the employer fees and enrollee contributions
55 established in sections 5 and 6 of this act, which shall be deposited into
56 a separate fund within the Department of Social Services. The
57 commissioner shall administer the coverage in a manner that assures
58 that such fees and enrollee contributions are sufficient to maintain the
59 coverage, including administrative costs. Any excess of fees and
60 enrollee contributions over the actual cost of coverage for enrollees
61 shall be used to increase provider reimbursement rates for the HUSKY
62 Plan.

63 Sec. 5. (NEW) (*Effective July 1, 2005*) (a) On and after January 1, 2007,
64 except as otherwise provided in section 7 of this act, every employer
65 with five thousand or more employees shall pay a fee as specified in
66 this section.

67 (b) The Commissioner of Social Services shall establish the fee for
68 each employer, which shall equal: (1) The premium that would be
69 required for health care coverage for all of the employer's enrollees
70 and, if applicable, their dependents, except those excluded under
71 subsection (f) of this section, under the program established pursuant
72 to subsection (a) of section 5-259 of the general statutes, and (2) an
73 amount equal to two per cent of the amount in subdivision (1) of this
74 subsection to cover costs associated with the administration of and
75 enforcement of the provisions of sections 1 to 8, inclusive, of this act. If
76 more than one plan is established under the authority of section 5-259
77 of the general statutes, the premium used to establish the fee shall be
78 for the plan chosen by the greatest number of state employees under
79 such program. The cost of coverage shall be paid solely by the fees and
80 enrollee contributions collected pursuant to this section and section 6
81 of this act. Except as otherwise provided in sections 1 to 8, inclusive, of
82 this act, such fees and enrollee contributions shall not be used for any
83 purpose other than providing coverage for enrollees and, if applicable,
84 such enrollees' dependents, and reimbursing the administrative costs

85 specified in this subsection.

86 (c) On or before July 1, 2006, and annually thereafter, the
87 commissioner shall notify each employer required to pay a fee under
88 this section of the amount of such fee, which shall be payable quarterly
89 to the commissioner, beginning on or before the following January
90 first.

91 (d) The commissioner shall waive the fee of any employer that is
92 entitled to a credit pursuant to section 7 of this act to the extent of such
93 credit. Employers may apply for the credit in the manner prescribed by
94 the commissioner.

95 (e) Each employer shall provide information as specified by the
96 commissioner to assist the commissioner in determining the fee
97 pursuant to subsection (b) of this section.

98 (f) Any enrollee who provides documentation to the commissioner,
99 in a form approved by the commissioner, that such enrollee and, if
100 applicable, such enrollee's dependents is covered by health insurance
101 provided by a private or self-insured insurer, or by any public
102 program, and any other enrollee working fewer than twenty-five
103 hours per week may decline coverage under sections 1 to 8, inclusive,
104 of this act. The commissioner shall not include such enrollee in
105 determining the fee for such enrollee's employer pursuant to
106 subsection (b) of this section.

107 (g) Coverage of an enrollee or, if applicable, such enrollee's
108 dependents shall not be contingent upon payment of the fee required
109 pursuant to this section by the employer of that enrollee. If an
110 employer fails to pay the required fee or the total amount of such fee,
111 the employer shall pay the fund a penalty of two hundred per cent of
112 the amount due and unpaid.

113 (h) In addition to the penalty imposed pursuant to subsection (g) of
114 this section, an employer shall pay interest on all amounts due and
115 unpaid in accordance with the rate provided for unpaid contributions

116 under chapter 567 of the general statutes.

117 (i) Nothing in this section shall preclude an employer from
118 purchasing additional benefits or coverage, in addition to paying the
119 fee.

120 Sec. 6. (NEW) (*Effective July 1, 2005*) (a) The applicable enrollee
121 contribution, not to exceed fifteen per cent of the fee assessed to the
122 employer, shall be collected by the employer and paid concurrently
123 with the employer fee. The employer may agree to pay more than
124 eighty-five per cent of the fee, resulting in an enrollee and, if
125 applicable, dependent contribution of less than fifteen per cent.

126 (b) If the employer fails to collect or transmit the enrollee
127 contribution or premium in a timely manner, the employer shall
128 become liable for a penalty of two hundred per cent of the amount that
129 the employer has failed to collect or transmit, and the enrollee shall be
130 relieved of all liability for that failure. The employer's failure to collect
131 or transmit the required enrollee contribution or premium or to
132 provide enrollment information about an enrollee shall not affect the
133 enrollee's coverage. An employer shall only withhold and collect an
134 amount for purposes of the program in accordance with the manner
135 and at the times specified by the Commissioner of Social Services
136 pursuant to this section. An enrollee for whom enrollment information
137 is not otherwise received by the commissioner may demonstrate
138 eligibility for coverage by demonstrating employment to the
139 satisfaction of the commissioner.

140 Sec. 7. (NEW) (*Effective July 1, 2005*) (a) (1) An employer required to
141 pay a fee under section 5 of this act may apply to the Commissioner of
142 Social Services for a waiver of the fee by providing proof of alternate
143 health care coverage for enrollees and, if applicable, such enrollees'
144 dependents consistent with sections 1 to 8, inclusive, of this act. Proof
145 of alternate health care coverage shall include documentation showing
146 that (A) such employer is paying at least as much for each enrollee and
147 dependent for the alternate health care coverage, excluding enrollees

148 that have declined such coverage, as the state pays for each eligible
149 employee and dependent pursuant to subsection (a) of section 5-259 of
150 the general statutes, or (B) such alternate health care coverage is
151 substantially equivalent to the health care coverage provided to state
152 employees under subsection (a) of section 5-259 of the general statutes,
153 and that the cost of the alternate health care coverage to such
154 employer's enrollees is no greater than the cost to eligible state
155 employees for coverage under subsection (a) of section 5-259 of the
156 general statutes.

157 (2) For any period during which the commissioner is determining
158 whether an employer is entitled to a credit against the fee pursuant to
159 this section, the employer may continue to provide alternate health
160 care coverage for enrollees and need not pay any fee under section 5 of
161 this act for those enrollees and, if applicable, dependents of such
162 enrollees for which the employer claims a credit against the fee. If the
163 commissioner determines that the employer is not entitled to a credit
164 against the fee, the employer shall be liable for any difference in the
165 amount the employer paid for such alternate health care coverage and
166 the amount of the fee that would have been payable for the period
167 during which the commissioner was making such determination.

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

170 (c) It shall be unlawful for an employer to designate an employee as
171 an independent contractor or temporary employee, reduce an
172 employee's hours of work, or terminate and rehire an employee to
173 avoid the employer's obligations pursuant to sections 1 to 8, inclusive,
174 of this act. An employer that violates this subsection shall pay to the
175 fund a penalty of two hundred per cent of the amount of any fee that
176 would have otherwise been paid by the employer, including for the
177 period that the enrollee and, if applicable, dependents should have
178 received coverage but for the employer's conduct in violation of this
179 section.

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

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

190 (f) Any existing employer previously subject to sections 1 to 8,
191 inclusive, of this act but no longer subject to said sections shall notify
192 the Commissioner of Social Services in a manner prescribed by that
193 department not later than fifteen days after this change before
194 discontinuing compliance with the provisions of sections 1 to 8,
195 inclusive, of this act.

196 Sec. 8. (NEW) (*Effective July 1, 2005*) The Commissioner of Social
197 Services shall adopt regulations, in accordance with the provisions of
198 chapter 54 of the general statutes, to facilitate the provisions of sections
199 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>July 1, 2005</i>	New section

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Joint Favorable Subst. C/R

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