



General Assembly

**Substitute Bill No. 6305**

January Session, 2011

\* \_\_\_\_\_HB06305PH\_INS030711\_\_\_\_\_\*

**AN ACT CONCERNING IMPLEMENTATION OF THE SUSTINET PLAN.**

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

1 Section 1. (NEW) (*Effective from passage*) It is declared that, for the  
2 benefit of the people of the state, the increase of their welfare and  
3 prosperity and the improvement of their health and living conditions,  
4 it is essential that this and future generations be given the fullest  
5 opportunity to obtain health care that is universal, continuous,  
6 affordable, sustainable, and that enhances health and well-being by  
7 promoting access to high-quality health care that is effective, efficient,  
8 safe, timely, patient-centered and equitable and therefore the SustiNet  
9 Plan and its governing authority are established herein.

10 Sec. 2. (NEW) (*Effective from passage*) As used in sections 1 to 6,  
11 inclusive, of this act, section 17b-261 of the general statutes, as  
12 amended by this act, section 8 of this act, section 17b-90 of the general  
13 statutes, as amended by this act, sections 10 to 17, inclusive, of this act,  
14 section 19a-750 of the general statutes, as amended by this act, section  
15 19 of this act, section 1-79 of the general statutes, as amended by this  
16 act, section 1-120 of the general statutes, as amended by this act, and  
17 sections 1-124 and 1-125 of the general statutes, as amended by this act:

18 (1) "Authority" or "SustiNet Authority", unless the context otherwise  
19 requires, means the SustiNet Plan Authority established pursuant to  
20 section 3 of this act;

21 (2) "Affordable Care Act" means the Patient Protection and  
22 Affordable Care Act, P.L. 111-148, as amended from time to time;

23 (3) "Board of directors" or "board" means the board of directors for  
24 the SustiNet Plan Authority, established pursuant to section 3 of this  
25 act;

26 (4) "Exchange" means a health insurance exchange established for  
27 the state pursuant to the provisions of Section 1311 of the Affordable  
28 Care Act;

29 (5) "Health Care Cost Containment Committee" means the  
30 committee established pursuant to the ratified agreement between the  
31 state and State Employees' Bargaining Agent Coalition pursuant to  
32 subsection (f) of section 5-278 of the general statutes;

33 (6) "Municipal-related employee" means any employee of a  
34 municipal-related employer;

35 (7) "Municipal-related employer" means any property management  
36 business, food service business or school transportation business that  
37 is a party to a contract with a nonstate public employer;

38 (8) "Nonprofit employee" means any employee of a nonprofit  
39 employer;

40 (9) "Nonprofit employer" means a nonprofit corporation, as defined  
41 in subparagraph (B) of subdivision (7) of subsection (i) of section 5-259  
42 of the general statutes;

43 (10) "Nonstate public employee" means any employee or elected  
44 officer of a nonstate public employer;

45 (11) "Nonstate public employer" means a municipality or other  
46 political subdivision of the state, including a board of education, quasi-  
47 public agency or public library;

48 (12) "Northeast states" means the Northeast states, as defined by the

49 United States Census Bureau;

50 (13) "Patient-centered medical home" has the same meaning as set  
51 forth in Section 3502 of the Affordable Care Act;

52 (14) "Small employer employee" means any employee of a small  
53 employer;

54 (15) "Small employer" means an employer that is qualified to  
55 purchase group coverage through a health insurance exchange  
56 established in this state pursuant to the Affordable Care Act and any  
57 person, firm, corporation, limited liability company, partnership or  
58 association actively engaged in business or self-employed for at least  
59 three consecutive months that, on at least fifty per cent of its working  
60 days during the preceding twelve months, employed no more than  
61 fifty employees, the majority of whom were employed within this  
62 state. "Small employer" does not include a nonstate public employer.  
63 In determining the number of eligible employees, companies that are  
64 affiliates, as defined in section 33-840 of the general statutes, or that are  
65 eligible to file a combined tax return under chapter 208 of the general  
66 statutes, shall be considered one employer;

67 (16) "State employee plan" or "state plan" means a self-insured  
68 group health care benefits plan established under subsection (m) of  
69 section 5-259 of the general statutes; and

70 (17) "SustiNet Plan" or "plan", unless the context otherwise requires,  
71 means a health insurance program that consists of multiple,  
72 coordinated individual health insurance plans that provide or offer,  
73 over a phased-in period of time, health insurance products to state  
74 employees, Medicaid enrollees, HUSKY Plan, Part A and Part B  
75 enrollees, HUSKY Plus enrollees, municipalities, municipal-related  
76 employers, nonprofit employers, small employers, other employers  
77 and individuals in the state and which, with respect to all health plans  
78 offered, implements innovative, cost-controlling mechanisms and  
79 measures to improve the quality of health care services and improve

80 the health of Sustinet Plan enrollees.

81 Sec. 3. (NEW) (*Effective from passage*) (a) There is hereby established  
82 and created a body politic and corporate, constituting a public  
83 instrumentality and political subdivision of the state of Connecticut  
84 established and created for the performance of an essential public and  
85 governmental function, to be known as the Sustinet Plan Authority.  
86 The Sustinet Plan Authority is empowered to carry out the purposes  
87 of the Sustinet Plan, which are hereby determined to be public  
88 purposes for which public funds may be expended. The authority shall  
89 not be construed to be a department, institution or agency of the state.

90 (b) The powers of the authority shall be vested in and exercised by a  
91 board of directors, which shall consist of fifteen directors, appointed  
92 on or before September 1, 2011, as follows: The Comptroller, or the  
93 Comptroller's designee, and the Commissioner of Social Services, or  
94 the commissioner's designee, shall serve as ex-officio voting members  
95 of the board; three appointed by the Governor, one of whom shall be a  
96 primary care physician who is in active practice, one of whom shall be  
97 knowledgeable and experienced in measuring health care quality and  
98 one of whom shall have expertise in health care administration; two  
99 appointed by the president pro tempore of the Senate, one of whom  
100 shall be a representative of hospitals and one of whom shall be a  
101 Sustinet Plan member; two appointed by the speaker of the House of  
102 Representatives, one of whom shall be a small employer and one of  
103 whom shall be a Sustinet Plan member; one appointed by the majority  
104 leader of the Senate, who shall be a representative of organized labor;  
105 one appointed by the majority leader of the House of Representatives,  
106 who shall represent a nonprofit health care center; one appointed by  
107 the minority leader of the Senate, who shall be an oral health care  
108 provider; and one appointed by the minority leader of the House of  
109 Representatives, who shall be a mental health advocate. Thereafter, the  
110 thirteen board of directors appointed in accordance with the  
111 provisions of this subsection shall, by majority vote, appoint two  
112 additional directors to the board. Any person previously appointed to

113 the SustiNet Health Partnership board of directors may be appointed  
114 to the board of directors as provided for in this subsection.

115 (c) Commencing on September 1, 2011, the three directors initially  
116 appointed by the Governor and the two directors initially appointed  
117 pursuant to a vote of the board shall serve a term of four years. The  
118 four directors initially appointed by the speaker of the House of  
119 Representatives and the president pro tempore of the Senate shall  
120 serve a term of three years. The four directors initially appointed by  
121 the majority and minority leaders of the House of Representatives and  
122 the majority and minority leaders of the Senate shall serve a term of  
123 two years. Thereafter, all members shall be appointed for a term of  
124 four years commencing on September first of the year of the  
125 appointment. Each director shall serve at the pleasure of his or her  
126 appointing authority but no longer than the term of office of the  
127 appointing authority or until the director's successor is appointed and  
128 qualified, whichever is longer, but in no case may a director serve for  
129 longer than three months after the term of his or her appointing  
130 authority.

131 (d) To qualify as a member of the board of directors of the authority,  
132 each director of the SustiNet Plan Authority before entering upon his  
133 or her duties shall take and subscribe the oath or affirmation required  
134 by article XI, section 1, of the State Constitution. A record of each such  
135 oath shall be filed in the office of the Secretary of the State. Meetings of  
136 the board of directors shall be held at such times as shall be specified  
137 in the bylaws adopted by the board and at such other time or times as  
138 the chairperson deems necessary.

139 (e) There shall be two chairpersons of the board selected from the  
140 fifteen members, one of whom shall be appointed by the Governor,  
141 and one of whom shall be appointed jointly by the president pro  
142 tempore of the Senate and the speaker of the House of Representatives.  
143 The chairpersons shall be appointed with the advice and consent of  
144 both houses of the General Assembly. The board shall annually elect  
145 two of its members to serve as vice chairpersons.

146 (f) Appointed directors may not designate a representative to  
147 perform in their absence their respective duties under this section and  
148 sections 4, 11, 16, 17 and 19 of this act. Any appointed director who  
149 fails to attend three consecutive meetings of the board or who fails to  
150 attend fifty per cent of all meetings of the board held during any  
151 calendar year shall be deemed to have resigned from the board. Any  
152 appointed director may be removed by his or her appointing authority  
153 for misfeasance, malfeasance or willful neglect of duty as determined  
154 in the sole discretion of the appointing authority. Any appointing  
155 authority shall fill any vacancy for the unexpired term of a director  
156 appointed by such authority and said director may be reappointed for  
157 a full term and subsequent terms. In the event that an appointing  
158 authority fails to make an initial appointment to the board or an  
159 appointment to fill a board vacancy within ninety days of the date of  
160 the vacancy, the appointed directors, by majority vote, shall make such  
161 appointment to the board.

162 (g) Nine directors of the authority shall constitute a quorum for the  
163 transaction of any business or the exercise of any power of the  
164 authority. For the transaction of any business or the exercise of any  
165 power of the authority, the authority may act by a majority of the  
166 directors present at any meeting at which a quorum is in attendance.  
167 No vacancy in the membership of the board of directors shall impair  
168 the right of such directors to exercise all the rights and perform all the  
169 duties of the board. Any action taken by the board under the  
170 provisions of this section and sections 4, 11, 16, 17 and 19 of this act  
171 may be authorized by resolution approved by a majority of the  
172 directors present at any regular or special meeting, which resolution  
173 shall take effect immediately and need not be published or posted.

174 (h) The board of directors shall receive no compensation for the  
175 performance of their official duties, except that each director shall be  
176 entitled to reimbursement for such director's actual and necessary  
177 expenses incurred during the performance of such director's official  
178 duties.

179 (i) The board may delegate to three or more directors such board  
180 powers and duties as it may deem necessary and proper. The board  
181 shall establish such committees, subcommittees or other entities as it  
182 deems necessary to further the purposes of the authority, including,  
183 but not limited to, a finance committee.

184 (j) Notwithstanding any provision of the general statutes, it shall not  
185 be or constitute a conflict of interest for a director, officer or employee  
186 of an institution or business entity, including a health care institution,  
187 or for any person having a financial interest in such an institution, to  
188 serve as a member of the board of directors of the authority; provided  
189 such director, officer, employee or person shall abstain from  
190 deliberation, action and vote by the board under sections 4, 7, 11, 16, 17  
191 and 19 of this act, in specific respect to the institution or business entity  
192 of which such member is a director, officer or employee or in which  
193 such director has a financial interest.

194 (k) Each member of the board of directors of the authority shall  
195 execute a surety bond in the penal sum of fifty thousand dollars, or, in  
196 lieu thereof, the chairpersons of the board shall execute a blanket  
197 position bond covering each member of the board of directors and the  
198 executive director and the employees of the authority, each surety  
199 bond to be conditioned upon the faithful performance of the duties of  
200 the office or offices covered, to be executed by a surety company  
201 authorized to transact business in this state as surety and to be  
202 approved by the Attorney General and filed in the office of the  
203 Secretary of the State. The cost of each such bond shall be paid by the  
204 authority.

205 (l) The board shall adopt written procedures, in accordance with the  
206 provisions of section 1-121 of the general statutes, for: (1) Adopting an  
207 annual budget and plan of operations, including a requirement of  
208 board approval before the budget or plan may take effect; (2) hiring,  
209 dismissing, promoting and compensating employees of the authority,  
210 including an affirmative action policy and a requirement of approval  
211 by the board or by the executive director of the authority, acting in

212 accordance with the directives of the board, before a position may be  
213 created or a vacancy filled; (3) acquiring real and personal property  
214 and personal services, including a requirement of board approval for  
215 any nonbudgeted expenditure in excess of five thousand dollars; (4)  
216 contracting for financial, legal, and other professional services,  
217 including a requirement that the authority solicit proposals at least  
218 once every three years for each such service which it uses; and (5) the  
219 use of surplus funds to the extent authorized under any provision of  
220 the general statutes.

221 (m) The chairpersons of the board, in consultation with the board,  
222 shall appoint an executive director of the authority. The executive  
223 director of the authority shall not be a member of the board. The  
224 executive director of the authority shall serve at the pleasure of the  
225 board and receive such compensation as shall be fixed by the board.

226 (n) The executive director shall supervise the administrative affairs  
227 and technical activities of the SustiNet Plan Authority in accordance  
228 with the directives of the board. The executive director shall be exempt  
229 from the classified service. The executive director shall attend all board  
230 meetings and keep a record of the proceedings of the authority and  
231 shall be custodian of all books, documents, and papers filed with the  
232 authority and of the minute book or journal of the authority and of its  
233 official seal. The executive director may give certificates under the  
234 official seal of the authority to the effect that such copies are true  
235 copies, and all persons dealing with the authority may rely upon such  
236 certificates.

237 (o) The authority shall continue as long as it shall have legal  
238 authority to exist pursuant to the general statutes and until its  
239 existence is terminated by law. Upon the termination of the existence  
240 of the authority, all its rights and properties shall pass to and be vested  
241 in the state of Connecticut.

242 (p) The provisions of chapter 12 of the general statutes shall apply to  
243 any officer, director, designee or employee appointed as a member,



244 director or officer of the authority.

245 (q) The authority shall be subject to chapter 14 of the general  
246 statutes, except that the following items shall be exempt from said  
247 chapter and not subject to disclosure: (1) The names and applications  
248 of SustiNet Plan enrollees; (2) health information of any SustiNet Plan  
249 applicant or enrollee; (3) information relating to provider negotiations  
250 and provider compensation arrangements, provided information  
251 relating to Medicaid, HUSKY Plan, Part A and Part B, HUSKY Plus  
252 and the Charter Oak Health Plan shall be subject to disclosure under  
253 chapter 14 of the general statutes; and (4) information exchanged  
254 between the authority and the Departments of Social Services and  
255 Public Health, the Insurance Department, the Comptroller and any  
256 other relevant state agency pursuant to confidentiality agreements  
257 entered into pursuant to the provisions of section 10 of this act.

258 Sec. 4. (NEW) (*Effective from passage*) (a) There is established the  
259 SustiNet Plan Consumer Advisory Board. The advisory board shall  
260 consist of seven SustiNet Plan consumers, who shall represent the  
261 different populations served by the SustiNet Plan. Initially, the  
262 advisory board shall consist of two chairpersons, appointed by the  
263 chairpersons of the SustiNet Plan Authority board of directors, who  
264 shall each serve a one-year term, but who may be reappointed as  
265 chairpersons upon the expiration of the one-year term. The advisory  
266 board chairpersons shall, not later than thirty days after being  
267 appointed, establish procedures for appointing an additional five  
268 consumers to the advisory board, who shall serve on a staggered term  
269 basis and thereafter be appointed by the advisory board chairpersons.  
270 Subsequent to the initial appointment of the advisory board,  
271 consumers seeking to serve as successor board members shall be  
272 selected to serve on the board by a majority vote of the existing  
273 advisory board members. The advisory board shall develop, approve  
274 and implement a board member selection process in accordance with  
275 the provisions of this section. Not more than two members of the  
276 advisory board may be professional consumer advocates.

277 (b) The advisory board shall be responsible for issuing consumer  
278 impact statements which describe the general effects on consumers of  
279 major actions, as determined by such board, taken by the SustiNet Plan  
280 Authority board of directors. The advisory board shall prepare  
281 consumer impact statements that shall accompany the publication of  
282 decisions made by the board of directors concerning the SustiNet Plan.  
283 The advisory board shall advise the SustiNet Plan Authority board of  
284 directors on issues relating to SustiNet Plan consumers. The authority  
285 may make staff available to assist advisory board meetings.

286 Sec. 5. (NEW) (*Effective from passage*) (a) The purposes of the  
287 SustiNet Plan Authority shall be to promote access to high-quality  
288 health care that is effective, efficient, safe, timely, patient-centered and  
289 equitable, and for such purposes the authority is authorized and  
290 empowered to:

291 (1) Have perpetual succession as a body politic and corporate and to  
292 adopt bylaws for the regulation of its affairs and the conduct of its  
293 business;

294 (2) Adopt an official seal and alter the same at pleasure;

295 (3) Maintain an office at such place or places as it may designate;

296 (4) Sue and be sued in its own name, and plead and be impleaded;

297 (5) Employ such assistants, agents and other employees as may be  
298 necessary or desirable, and engage consultants, actuaries, attorneys  
299 and appraisers as may be necessary or desirable to carry out its  
300 purposes in accordance with sections 3 to 6, inclusive, of this act,  
301 section 8 of this act, section 17b-90 of the general statutes, as amended  
302 by this act, and sections 10 to 17, inclusive, of this act;

303 (6) Make and enter into all contracts and agreements necessary,  
304 incidental or consistent with the purpose of sections 3 to 6, inclusive, of  
305 this act, section 8 of this act, section 17b-90 of the general statutes, as  
306 amended by this act, and sections 10 to 17, inclusive, of this act,

307 including, but not limited to, the ability to contract with one or more  
308 insurers or other entities for administrative purposes, to perform such  
309 services that include, but are not limited to, claims processing,  
310 credentialing of providers, utilization management, care management,  
311 disease management and customer service;

312 (7) Solicit bids from individual providers and provider  
313 organizations and to arrange with insurers and others for access to  
314 existing or new provider networks, and take such other steps to  
315 provide all SustiNet Plan members with access to timely, high-quality  
316 health care throughout the state and, in appropriate cases, health care  
317 that is outside the state's borders;

318 (8) Enter agreements with any state agency to carry out the  
319 purposes of sections 3 to 6, inclusive, of this act, section 8 of this act,  
320 section 17b-90 of the general statutes, as amended by this act, and  
321 sections 10 to 17, inclusive, of this act;

322 (9) Accept from the state financial assistance, revenues or the right  
323 to receive revenues with respect to any program under the supervision  
324 of the authority;

325 (10) Solicit, receive and accept aid, grants or contributions from any  
326 source of money, property, labor or other things of value, to be held,  
327 used and applied to carry out the purposes of sections 3 to 6, inclusive,  
328 of this act, section 8 of this act, section 17b-90 of the general statutes, as  
329 amended by this act, and sections 10 to 17, inclusive, of this act, subject  
330 to such conditions upon which such aid, grants and contributions may  
331 be made, including, but not limited to, gifts or grants from any  
332 philanthropic organization, department, agency or instrumentality of  
333 the United States or this state;

334 (11) Acquire, lease, purchase, own, manage, hold and dispose of real  
335 property, and lease, convey or deal in or enter into agreements with  
336 respect to such property on any terms necessary or incidental to the  
337 carrying out of these purposes; provided, all such acquisitions of real

338 property for the authority's own use with amounts appropriated by  
339 the state to the authority or with the proceeds of bonds supported by  
340 the full faith and credit of the state shall be subject to the approval of  
341 the Secretary of the Office of Policy and Management and the  
342 provisions of section 4b-23 of the general statutes;

343 (12) Procure insurance against any liability or loss in connection  
344 with its property and other assets, in such amounts and from such  
345 insurers as it deems desirable;

346 (13) Purchase reinsurance or stop loss coverage, to set aside  
347 reserves, or to take other prudent steps that avoid excess exposure to  
348 risk in the authority's administration of health insurance plans;

349 (13) Account for and audit funds of the authority and funds of any  
350 recipients of funds from the authority;

351 (14) Establish SustiNet health care plans in accordance with the  
352 provisions of sections 3 to 6, inclusive, of this act, section 17b-261 of the  
353 general statutes, as amended by this act, section 8 of this act, section  
354 17b-90 of the general statutes, as amended by this act, and sections 10  
355 to 17, inclusive, of this act;

356 (15) Commission surveys of consumers, employers and providers  
357 on issues related to health care and health care coverage; and

358 (16) Do all acts and things necessary or convenient to carry out the  
359 purposes of the authority.

360 (b) In addition to the powers vested with the authority pursuant to  
361 subsection (a) of this section, the authority shall:

362 (1) Set payment methods for licensed health care providers that (A)  
363 reflect evolving research and experience both within the state and  
364 outside the state, (B) promote access to health care and patient health,  
365 (C) prevent unnecessary health care spending, and (D) to the extent  
366 feasible and consistent with delivery system and payment reforms,

367 ensure fair compensation to cover the reasonable cost of furnishing  
368 necessary care;

369 (2) Facilitate joint contracting efforts on behalf of state agencies  
370 wherever possible to achieve administrative savings, including, but  
371 not limited to, by facilitating joint negotiation of any administrative  
372 service organization contract to provide services to state employees,  
373 Medicaid and HUSKY Plan, Part A and Part B, HUSKY Plus and  
374 Charter Oak Health Plan enrollees, provided any such joint  
375 administrative service organization contract shall not be effective until  
376 the State Employee's Bargaining Agent Coalition has provided written  
377 consent to the Comptroller that said coalition agrees to incorporate the  
378 terms of any change into its collective bargaining agreement;

379 (3) Ensure that any agreement or contract entered into with an  
380 administrative service organization to serve any SustiNet Plan  
381 population does not contain payment mechanisms that provide an  
382 inherent incentive to deny care;

383 (4) Negotiate on behalf of providers participating in the SustiNet  
384 Plan to obtain discounted prices for vaccines and other health care  
385 goods and services;

386 (5) Establish and maintain an Internet web site that provides for  
387 timely posting of all public notices issued by the authority and such  
388 other information as the authority deems relevant in educating the  
389 public about the SustiNet Plan; and

390 (6) Make optimum use of opportunities created by the federal  
391 government for securing new and increased federal funding,  
392 including, but not limited to, increased reimbursement revenues.

393 Sec. 6. (NEW) (*Effective from passage*) (a) On and after January 1,  
394 2012, the state employee plan, administered in accordance with the  
395 provisions of section 5-259 of the general statutes, and the medical  
396 assistance programs administered by the Department of Social  
397 Services, in accordance with the provisions of chapter 319v of the

398 general statutes, including, the Medicaid program, HUSKY Plan, Part  
399 A and Part B, HUSKY Plus programs, the Charter Oak Health Plan,  
400 and the basic health program described in section 17b-261 of the  
401 general statutes, as amended by this act, shall also be known as  
402 SustiNet Plans. All SustiNet Plan members shall be provided with  
403 member identification cards that have an identical design. SustiNet  
404 Plan membership categories may be identified by discreet designations  
405 on the member identification cards in a format prescribed by the  
406 SustiNet Plan Authority.

407 (1) HUSKY Plan, Part A coverage, provided in accordance with the  
408 provisions of sections 17b-261, as amended by this act, 17b-277 and  
409 17b-306 to 17b-307, inclusive, of the general statutes, shall also be  
410 known as SustiNet A.

411 (2) HUSKY Plan, Part B coverage, provided in accordance with the  
412 provisions of sections 17b-290 to 17b-307, inclusive, of the general  
413 statutes and HUSKY Plus benefits provided in accordance with section  
414 17b-294a of the general statutes shall also be known as SustiNet B.

415 (3) Charter Oak Health Plan coverage provided in accordance with  
416 the provisions of section 17b-311 of the general statutes shall also be  
417 known as SustiNet C.

418 (4) Medicaid coverage, provided in accordance with the provisions  
419 of chapter 319v of the general statutes shall also be known as SustiNet  
420 D.

421 (5) State employee health plan coverage, provided in accordance  
422 with the provisions of section 5-259 of the general statutes shall also be  
423 known as SustiNet E.

424 (6) The health plan offered by the SustiNet Plan Authority pursuant  
425 to subsection (f) of this section and section 15 of this act shall be known  
426 as SustiNet G.

427 (b) Notwithstanding any provision of the general statutes, on and

428 after January 1, 2012, the state employee plan, administered in  
429 accordance with the provisions of section 5-259 of the general statutes,  
430 shall be part of the Sustinet Plan and shall also be known as Sustinet  
431 E. The Comptroller shall administer the state employee plan in  
432 accordance with rules established by the Sustinet Plan Authority and  
433 in accordance with terms for which written consent has been provided  
434 as prescribed in subsection (c) of this section. The authority may  
435 establish rules concerning benefits, cost-sharing, utilization  
436 management, care coordination, disease management, evidence-based  
437 best practices, health care delivery systems, health care pilot programs,  
438 provider payment methods, provider network management, provider  
439 credentialing and customer service. On and after January 1, 2012, the  
440 Comptroller shall continue to procure health insurance in accordance  
441 with (1) section 5-259 of the general statutes for state employees and  
442 state retirees; and (2) direction from the authority, provided the  
443 Comptroller may jointly negotiate agreements with other agencies for  
444 services in accordance with sections 10 and 11 of this act. The  
445 Comptroller shall continue to make deductions for state employees  
446 and to enroll and disenroll employees and retirees and may administer  
447 customer relations for such employees and retirees. The Health Care  
448 Cost Containment Committee shall continue to advise the Office of the  
449 Comptroller on issues relating to state employee health care.

450 (c) No change in the terms of the state employee health insurance  
451 plan shall be effective until the State Employees' Bargaining Agent  
452 Coalition has provided written consent to the Comptroller that said  
453 coalition agrees to incorporate the terms of any change into its  
454 collective bargaining agreement.

455 (d) Notwithstanding any provision of the general statutes and to the  
456 extent permitted by federal law, on and after January 1, 2012, the  
457 Department of Social Services, which shall remain as the single state  
458 agency administering the Medicaid program, HUSKY Plan, Part A and  
459 Part B, HUSKY Plus programs and the Charter Oak Health Plan, may  
460 immediately implement recommendations from the Sustinet Plan

461 Authority concerning the administration of such programs, including,  
462 but not limited to, rules concerning utilization management, health  
463 care coordination, disease management, evidence-based best practices,  
464 health care delivery systems, provider payment methods, provider  
465 network management, provider credentialing, pilot programs and  
466 customer services. At the earliest date feasible, the department shall  
467 contract with the SustiNet Plan Authority to provide or manage the  
468 provision of all covered health care services to beneficiaries of the  
469 Medicaid program, HUSKY Plan, Parts A and B, HUSKY Plus  
470 programs and the Charter Oak Health Plan. The department shall  
471 immediately seek any federal approval necessary to implement this  
472 section, including, but not limited to, delivery system and payment  
473 reforms recommended or implemented by the SustiNet Plan  
474 Authority. The SustiNet Plan Authority shall not be permitted to  
475 establish or amend requirements relating to the Medicaid program,  
476 HUSKY Plan, Part A and Part B, HUSKY Plus programs or Charter  
477 Oak Health Plan with respect to enrollment, eligibility, cost-sharing,  
478 administrative appeal rights, and provider auditing; requirements  
479 concerning such matters shall continue to be administered by the  
480 department in accordance with applicable statutory requirements.  
481 Notwithstanding any provision of the general statutes, on and after  
482 January 1, 2012, the Commissioner of Social Services may jointly  
483 negotiate agreements with other state agencies for services in  
484 accordance with sections 10 and 11 of this act.

485 (e) Notwithstanding the provisions of title 38a of the general  
486 statutes, on and after July 1, 2011, the Comptroller shall offer coverage  
487 under the state employee plan to nonstate public employers and their  
488 retirees, if applicable, in accordance with section 13 of this act,  
489 provided the Comptroller receives an application from such nonstate  
490 public employer and the application is approved in accordance with  
491 section 13 of this act. The Comptroller shall not offer coverage under  
492 the state employee plan pursuant to this subsection until the State  
493 Employees' Bargaining Agent Coalition has provided written consent  
494 to the Comptroller that said coalition agrees to incorporate the terms of



495 such coverage into its collective bargaining agreement.

496 (f) (1) At the earliest feasible date, on and after January 1, 2012,  
497 notwithstanding the provisions of title 38a of the general statutes, the  
498 authority, as feasible, shall offer coverage under a new, independent  
499 coverage group, known as "SustiNet G", to employees and retirees of  
500 the following employer categories who request such coverage and  
501 whose application is approved in accordance with section 15 of this  
502 act: (A) Nonstate public employers, (B) municipal-related employers,  
503 (C) small employers, and (D) nonprofit employers. SustiNet G shall be  
504 a part of the SustiNet Plan but shall be separate from SustiNet  
505 coverage groups A to E, inclusive. Nothing in this subdivision shall  
506 require the authority to simultaneously offer coverage to all employer  
507 categories described in this subdivision. The authority may offer  
508 coverage pursuant to this subdivision to different employer categories  
509 on a staggered basis.

510 (2) On and after January 1, 2014, the authority shall offer coverage to  
511 all individuals and employers in Connecticut through SustiNet G,  
512 provided the authority has determined, after conducted all necessary  
513 feasibility studies and risk assessments, that offering such coverage is  
514 financially viable and does not require General Fund appropriations.  
515 Notwithstanding the provisions of section 5 of this act, the ongoing  
516 expenses of SustiNet G coverage shall be funded by premium  
517 payments without recourse to any appropriated fund.

518 (3) The authority shall offer coverage pursuant to subdivisions (1)  
519 and (2) of this subsection on any exchange established in accordance  
520 with the provisions of the Affordable Care Act and outside of any such  
521 exchange including through insurance agents, brokers and other  
522 methods of sale approved by the authority.

523 Sec. 7. Subsection (a) of section 17b-261 of the general statutes is  
524 repealed and the following is substituted in lieu thereof (*Effective from*  
525 *passage*):

526 (a) Medical assistance shall be provided for any otherwise eligible  
527 person whose income, including any available support from legally  
528 liable relatives and the income of the person's spouse or dependent  
529 child, is not more than one hundred forty-three per cent, pending  
530 approval of a federal waiver applied for pursuant to subsection (e) of  
531 this section, of the benefit amount paid to a person with no income  
532 under the temporary family assistance program in the appropriate  
533 region of residence and if such person is an institutionalized  
534 individual as defined in Section 1917(c) of the Social Security Act, 42  
535 USC 1396p(c), and has not made an assignment or transfer or other  
536 disposition of property for less than fair market value for the purpose  
537 of establishing eligibility for benefits or assistance under this section.  
538 Any such disposition shall be treated in accordance with Section  
539 1917(c) of the Social Security Act, 42 USC 1396p(c). Any disposition of  
540 property made on behalf of an applicant or recipient or the spouse of  
541 an applicant or recipient by a guardian, conservator, person  
542 authorized to make such disposition pursuant to a power of attorney  
543 or other person so authorized by law shall be attributed to such  
544 applicant, recipient or spouse. A disposition of property ordered by a  
545 court shall be evaluated in accordance with the standards applied to  
546 any other such disposition for the purpose of determining eligibility.  
547 The commissioner shall establish the standards for eligibility for  
548 medical assistance at one hundred forty-three per cent of the benefit  
549 amount paid to a family unit of equal size with no income under the  
550 temporary family assistance program in the appropriate region of  
551 residence. Except as provided in section 17b-277, the medical  
552 assistance program shall provide coverage to persons under the age of  
553 nineteen with family income up to one hundred eighty-five per cent of  
554 the federal poverty level without an asset limit and to persons under  
555 the age of nineteen and their parents and needy caretaker relatives,  
556 who qualify for coverage under [Section] Sections 1902  
557 (a)(10)(A)(i)(VIII) and 1931 of the Social Security Act, with family  
558 income up to one hundred eighty-five per cent of the federal poverty  
559 level without an asset limit. Such levels shall be based on the regional  
560 differences in such benefit amount, if applicable, unless such levels

561 based on regional differences are not in conformance with federal law.  
562 Any income in excess of the applicable amounts shall be applied as  
563 may be required by said federal law, and assistance shall be granted  
564 for the balance of the cost of authorized medical assistance. The  
565 Commissioner of Social Services shall provide applicants for assistance  
566 under this section, at the time of application, with a written statement  
567 advising them of (1) the effect of an assignment or transfer or other  
568 disposition of property on eligibility for benefits or assistance, (2) the  
569 effect that having income that exceeds the limits prescribed in this  
570 subsection will have with respect to program eligibility, and (3) the  
571 availability of, and eligibility for, services provided by the Nurturing  
572 Families Network established pursuant to section 17b-751b. Persons  
573 who are determined ineligible for assistance pursuant to this section  
574 shall be provided a written statement notifying such persons of their  
575 ineligibility and advising such persons of the availability of HUSKY  
576 Plan, Part B health insurance benefits. On and after January 1, 2014,  
577 medical assistance shall be provided to childless adults and parents  
578 and needy caretaker relatives who qualify for coverage under Section  
579 1931 of the Social Security Act, with family income up to one hundred  
580 thirty-three per cent of the federal poverty level, without an asset test  
581 and as determined in accordance with the provisions of the Affordable  
582 Care Act. On and after January 1, 2014, the Commissioner of Social  
583 Services shall implement the basic health program option in  
584 accordance with the Affordable Care Act. On and after January 1, 2014,  
585 all individuals with family income up to two hundred per cent of the  
586 federal poverty level, as determined in accordance with the Affordable  
587 Care Act, and who are ineligible for medical assistance pursuant to  
588 Title XIX of the Social Security Act, shall be eligible for medical  
589 assistance under the basic health program. Medical assistance  
590 provided through the basic health program shall include all benefits,  
591 limits on cost-sharing and other consumer safeguards that apply to  
592 medical assistance provided in accordance with Title XIX of the Social  
593 Security Act. Individuals enrolled in the basic health program shall  
594 include parents with incomes above one hundred thirty-three per cent  
595 of the federal poverty level, as determined under the Affordable Care

596 Act, who would otherwise qualify for HUSKY Plan, Part A and  
597 individuals described in section 17b-257b. To the extent that federal  
598 funds received pursuant to the basic health program exceed the cost of  
599 medical assistance that would otherwise be provided to such enrollees  
600 pursuant to Title XIX of the Social Security Act, the excess of such  
601 federal funds shall be used to increase reimbursement rates for  
602 providers serving individuals receiving benefits pursuant to this  
603 section. The Commissioner of Social Services shall take all necessary  
604 actions to maximize federal funding received in connection with the  
605 establishment of a basic health program.

606       Sec. 8. (NEW) (*Effective from passage*) There is established an account  
607 to be known as the "basic health program account" which shall be a  
608 separate, nonlapsing account within the General Fund. The account  
609 shall contain any moneys required by law to be deposited in the  
610 account. Moneys in the account shall be expended by the Sustinet Plan  
611 Authority for the purposes of operating the basic health program in  
612 conformance with Section 1331 of the Affordable Care Act.

613       Sec. 9. Subsection (b) of section 17b-90 of the general statutes is  
614 repealed and the following is substituted in lieu thereof (*Effective from*  
615 *passage*):

616       (b) No person shall, except for purposes directly connected with the  
617 administration of programs of the Department of Social Services and in  
618 accordance with the regulations of the commissioner, solicit, disclose,  
619 receive or make use of, or authorize, knowingly permit, participate in  
620 or acquiesce in the use of, any list of the names of, or any information  
621 concerning, persons applying for or receiving assistance from the  
622 Department of Social Services or persons participating in a program  
623 administered by said department, directly or indirectly derived from  
624 the records, papers, files or communications of the state or its  
625 subdivisions or agencies, or acquired in the course of the performance  
626 of official duties. The Commissioner of Social Services shall disclose (1)  
627 to any authorized representative of the Labor Commissioner such  
628 information directly related to unemployment compensation,

629 administered pursuant to chapter 567 or information necessary for  
630 implementation of sections 17b-688b, 17b-688c and 17b-688h and  
631 section 122 of public act 97-2 of the June 18 special session, (2) to any  
632 authorized representative of the Commissioner of Mental Health and  
633 Addiction Services any information necessary for the implementation  
634 and operation of the basic needs supplement program or for the  
635 management of and payment for behavioral health services for  
636 applicants for and recipients of state-administered general assistance,  
637 (3) to any authorized representative of the Commissioner of  
638 Administrative Services, or the Commissioner of Public Safety such  
639 information as the state Commissioner of Social Services determines is  
640 directly related to and necessary for the Department of Administrative  
641 Services or the Department of Public Safety for purposes of performing  
642 their functions of collecting social services recoveries and  
643 overpayments or amounts due as support in social services cases,  
644 investigating social services fraud or locating absent parents of public  
645 assistance recipients, (4) to any authorized representative of the  
646 Commissioner of Children and Families necessary information  
647 concerning a child or the immediate family of a child receiving services  
648 from the Department of Social Services, including safety net services, if  
649 the Commissioner of Children and Families or the Commissioner of  
650 Social Services has determined that imminent danger to such child's  
651 health, safety or welfare exists to target the services of the family  
652 services programs administered by the Department of Children and  
653 Families, (5) to a town official or other contractor or authorized  
654 representative of the Labor Commissioner such information  
655 concerning an applicant for or a recipient of financial or medical  
656 assistance under state-administered general assistance deemed  
657 necessary by said commissioners to carry out their respective  
658 responsibilities to serve such persons under the programs  
659 administered by the Labor Department that are designed to serve  
660 applicants for or recipients of state-administered general assistance, (6)  
661 to any authorized representative of the Commissioner of Mental  
662 Health and Addiction Services any information necessary for the  
663 purposes of the behavioral health managed care program established

664 by section 17a-453, (7) to any authorized representative of the  
665 Commissioner of Public Health any information necessary to carry out  
666 his or her respective responsibilities under programs that regulate  
667 child day care services or youth camps, [or] (8) to a health insurance  
668 provider, in IV-D support cases, as defined in section 46b-231,  
669 information concerning a child and the custodial parent of such child  
670 that is necessary to enroll such child in a health insurance plan  
671 available through such provider when the noncustodial parent of such  
672 child is under court order to provide health insurance coverage but is  
673 unable to provide such information, provided the Commissioner of  
674 Social Services determines, after providing prior notice of the  
675 disclosure to such custodial parent and an opportunity for such parent  
676 to object, that such disclosure is in the best interests of the child, or (9)  
677 to any authorized representative of the Sustinet Plan Authority such  
678 information as may be necessary to carry out the purposes of the  
679 authority. No such representative shall disclose any information  
680 obtained pursuant to this section, except as specified in this section.  
681 Any applicant for assistance provided through said department shall  
682 be notified that, if and when such applicant receives benefits, the  
683 department will be providing law enforcement officials with the  
684 address of such applicant upon the request of any such official  
685 pursuant to section 17b-16a.

686 Sec. 10. (NEW) (*Effective from passage*) The Sustinet Authority may  
687 enter confidentiality agreements with the Departments of Social  
688 Services and Public Health, the Insurance Department, the  
689 Comptroller and any other relevant state agency that conform with the  
690 Health Insurance Portability and Accountability Act of 1996, P.L. 104-  
691 191 (HIPAA), as from time to time amended and other applicable  
692 federal statutes, to obtain necessary information regarding Sustinet  
693 Plan members. Any such information shall not be subject to chapter 14  
694 of the general statutes.

695 Sec. 11. (NEW) (*Effective from passage*) (a) The Sustinet Plan shall be  
696 administered to slow the growth of health care costs, improve the

697 quality of health care services and improve members' health outcomes.  
698 To the extent consistent with applicable collective bargaining  
699 agreements and the requirements of federal law, the authority may  
700 implement, modify and supplement the delivery system and payment  
701 reforms described in this section based on evolving evidence.

702 (b) The authority may work in cooperation with other public and  
703 private entities to implement multi-payor initiatives that promote the  
704 use of promising delivery system and payment reforms. In the context  
705 of such cooperative work, the authority may work with any convener  
706 authority established pursuant to section 20 of this act.

707 (c) In furtherance of the objectives set forth in subsection (a) of this  
708 section, the SustiNet Plan Authority shall:

709 (1) Strongly encourage the use of patient-centered medical care by  
710 implementing both primary care case management and patient-  
711 centered medical homes for all SustiNet Plan members. Working in  
712 coordination with other public and private entities as appropriate, the  
713 authority shall develop provider capacity to function within these  
714 patient-centered models of care. The authority may make or facilitate  
715 grants and loans that (A) assist providers in transitioning to a primary  
716 care case management system and patient-centered medical home  
717 system, including, where appropriate obtaining certification as a  
718 patient-centered medical home; (B) provide technical assistance and  
719 training for community teams certified or sponsored by the authority;  
720 and (C) establish regional pilot programs. Any service delivery plan  
721 established pursuant to this subdivision shall include provider  
722 eligibility criteria that shall be met by any provider seeking to qualify  
723 for reimbursement under a primary care case management system or  
724 as a patient-centered medical home. A provider serving as a patient-  
725 centered medical home in accordance with the provisions of this  
726 subdivision shall provide services that include (i) assisting plan  
727 members to safeguard and improve their own health by: (I) Advising  
728 plan members with chronic health conditions of methods to monitor  
729 and manage their own conditions; (II) working with plan members to

730 set and accomplish goals related to exercise, nutrition, use of tobacco  
731 and other addictive substances, sleep and other behaviors that directly  
732 affect such member's health; (III) implementing best practices to ensure  
733 that plan members understand medical instructions and are able to  
734 follow such directions; and (IV) providing translation services and  
735 using culturally competent communication strategies in appropriate  
736 cases; (ii) providing care coordination that includes: (I) Managing  
737 transitions between home and the hospital; (II) proactive monitoring  
738 that ensures that a plan member receives all recommended primary  
739 and preventive care services; (III) the provision of basic mental health  
740 care, including screening for depression, with referral relationships in  
741 place for those plan members who require additional assistance; (IV)  
742 strategies to address stresses that arise in the workplace, home, school  
743 and the community, including coordination with and referrals to  
744 available employee assistance programs; (V) referrals, in appropriate  
745 cases, to nonmedical services such as housing and nutrition programs,  
746 domestic violence resources and other support groups; and (VI) for a  
747 plan member with complex health conditions that involve receiving  
748 care from multiple providers, ensuring that such providers share  
749 information about the plan member, as appropriate, and pursue a  
750 single, integrated treatment plan on behalf of the plan member; and  
751 (iii) providing readily accessible, twenty-four-hour consultative  
752 services by telephone, secure electronic mail and quickly scheduled  
753 office appointments for purposes that include reducing the need for  
754 hospital emergency room visits;

755 (2) Establish provider payment mechanisms to encourage payment  
756 for quality care and greater access to providers, including multi-payer  
757 pilot programs, value-based purchasing pilot programs, bundled  
758 payments, global payments, increasing and decreasing Medicaid  
759 reimbursement for specific services or other innovations. Such  
760 payment mechanisms may involve alternatives to utilization of fee-for-  
761 service payments. To the extent warranted by available evidence, the  
762 authority shall, not later than July 1, 2012, establish goals for increasing  
763 the percentage of Sustinet expenditures made under alternative



764 payment methodologies. The authority shall develop methods to  
765 measure the success of each alternative payment method;

766 (3) Provide community-based preventive care services, including,  
767 but not limited to, immunizations, simple tests and health care  
768 screenings at locations such as job sites, schools or other community  
769 locations. The authority shall develop care standards applicable to the  
770 providers of such services;

771 (4) Require that the Sustinet Plan be subject to the health insurance  
772 mandates provided in chapter 700c of the general statutes;

773 (5) Develop recommendations for public education and outreach  
774 campaigns to ensure that state residents are informed about the  
775 Sustinet Plan and are encouraged to enroll in the plan. Such public  
776 education and outreach campaign shall utilize community-based  
777 organizations and shall include a focus on targeting populations that  
778 are underserved by the health care delivery system. The public  
779 education and outreach campaign shall be based on evidence of the  
780 cost and effectiveness of similar efforts in this state and elsewhere.  
781 Such campaign shall incorporate an ongoing evaluation of its  
782 effectiveness, with corresponding changes in strategy, as needed;

783 (6) Work with other organizations within the state to minimize the  
784 cost to providers of optimizing health information technology. The  
785 authority shall take advantage of available federal resources while  
786 leveraging the combined purchasing power of the state's health care  
787 providers to obtain goods and services of lower cost and higher value.  
788 Such efforts shall ensure that privacy and data security are fully  
789 protected by all Sustinet Plan member data systems, including, but not  
790 limited to, compliance with applicable federal requirements;

791 (7) Periodically review the authority's coverage of preventive care  
792 based on the most current and reliable evidence available, including  
793 results of Sustinet Plan prevention initiatives;

794 (8) Implement multi-year action plans to achieve measurable

795 objectives in areas such as the effective prevention and management of  
796 chronic illness, reducing racial and ethnic disparities involving health  
797 care and health outcomes, and reducing the number of state residents  
798 without insurance. The authority should monitor the accomplishment  
799 of such objectives and modify action plans as necessary;

800 (9) Within available appropriations, develop and implement  
801 systematic policies and procedures that are used to identify, qualify for  
802 subsidies, enroll and retain in coverage otherwise uninsured  
803 individuals. Such policies and procedures may be developed and  
804 implemented in collaboration with the Departments of Social Services  
805 and Revenue Services, the Labor Department, the Comptroller, the  
806 state's health insurance exchange and other local, state and federal  
807 agencies, as well as individual health care providers, hospitals,  
808 community health centers and other nongovernmental organizations,  
809 as the authority deems appropriate;

810 (10) Establish a pay-for-performance system to reward health care  
811 providers for improvements in health care quality and safety,  
812 reductions in racial and ethnic disparities in health care access,  
813 utilization, quality of care and health outcomes. Such pay-for-  
814 performance systems may reward health care providers for (A)  
815 making improvements as well as for meeting benchmarks, (B) having  
816 an effective plan in place for preventing illness and improving health  
817 status, and (C) caring for patients with the most complex and least  
818 well-controlled conditions;

819 (11) Establish procedures concerning the use of preferred drug lists  
820 and formularies;

821 (12) Establish procedures that prevent adverse selection;

822 (13) Pursue opportunities to negotiate discounts on vaccines or  
823 other goods and services for Sustinet Plan providers; and

824 (14) Comply with the provisions of chapter 699a of the general  
825 statutes concerning the preparation of consumer documents in plain

826 language.

827 (d) With respect to SustiNet G, the authority shall offer a variety of  
828 SustiNet G plans to be sold on and off a health insurance exchange  
829 developed for the state that offer a variety of benefits, out-of-pocket  
830 costs and provider network arrangements, with each plan providing  
831 comprehensive, commercial-style benefits, including vision, dental  
832 care and parity of coverage for physical and mental health conditions.  
833 Such plans shall include, to the extent feasible, patient-centered  
834 medical homes, integration of physical and behavioral health care, and  
835 emphasis on prevention that includes encouraging individual  
836 responsibility for controllable health risks and other design features.

837 (e) In furtherance of the objectives set forth in subsection (a) of this  
838 section, the SustiNet Plan Authority board of directors shall:

839 (1) Establish a standing committee that shall provide advice on  
840 health information technology and establish a long-range plan to  
841 optimize quality health care for plan members and slow cost growth  
842 through the use of health information technology, which plan shall  
843 encourage all SustiNet Plan providers to use interoperable electronic  
844 health records to document and manage care;

845 (2) Establish one or more standing committees to address methods  
846 to prevent and control chronic illnesses and significant health risks,  
847 including, but not limited to, diabetes, hypertension, tobacco use,  
848 childhood asthma and obesity. Such committees shall recommend  
849 methods to (A) measure the quality of health care providers'  
850 performance and improvement of the plan member's health, and (B)  
851 measure and reduce racial and ethnic disparities concerning access to  
852 and the provision of quality health care services;

853 (3) Establish a standing committee that shall develop  
854 recommendations to (A) simplify procedures and paperwork for  
855 providers, including, but not limited to, provider enrollment in the  
856 SustiNet Plan, claims filing and utilization review procedures, and (B)

857 resolve systemic provider issues;

858 (4) Establish a standing committee that shall advise the board on  
859 methods to attract primary care physicians, specialists and nurses to  
860 the Sustinet Plan and work in collaboration with other public and  
861 private efforts to increase the capacity of the state's health care  
862 workforce; and

863 (5) Implement policies and procedures to encourage the use of  
864 evidence-based medicine. Such policies and procedures shall include  
865 establishing a committee of clinicians to review and recommend for  
866 adoption by the board, clinical care guidelines for the treatment of  
867 particular diseases that are promulgated by national or international  
868 authorities, after consultation with representatives of Sustinet Plan  
869 providers and consumers. Any system that the board may adopt,  
870 which rewards providers for meeting such guidelines, shall provide  
871 mechanisms for documenting reasons to depart from such guidelines,  
872 including, but not limited to, reasons related to an individual patient's  
873 clinical condition.

874 Sec. 12. (NEW) (*Effective from passage*) (a) There is established an  
875 account to be known as the "Sustinet account" which shall be a  
876 separate, nonlapsing account within the General Fund. The account  
877 shall contain any moneys required by law to be deposited in the  
878 account. All Sustinet Plan premiums received pursuant to sections 13  
879 and 15 of this act and all public or private funds provided to the  
880 Sustinet Plan Authority shall be placed into the Sustinet account. The  
881 Comptroller may make expenditures from the account at the direction  
882 of the Sustinet Plan executive director.

883 (b) On or before January 1, 2012, the Sustinet Plan Authority's  
884 executive director shall hire a consultant to determine existing state  
885 expenditures on health care funding for each of the categories of  
886 Sustinet Plan coverage. The executive director shall determine an  
887 appropriate projection for normal health care cost increases for each  
888 coverage group. If, after two years of Sustinet Plan operations, the

889 executive director can demonstrate to the satisfaction of the Secretary  
890 of the Office of Policy and Management that the SustiNet Plan has  
891 reduced overall per capita spending on enrolled coverage groups, the  
892 amount of any such agreed to savings shall be placed into the SustiNet  
893 account and may be used by the authority to make grants to providers,  
894 increase provider rates or take other steps to improve the SustiNet  
895 Plan in accordance with the provisions of sections 5, 7 and 11 of this  
896 act.

897       Sec. 13. (NEW) (*Effective from passage*) (a) With respect to nonstate  
898 public employers seeking coverage in the state employee plan, which  
899 nonstate public employers are provided coverage in accordance with  
900 section 6 of this act:

901       (1) On and after July 1, 2011, the Comptroller shall offer  
902 participation in the state employee plan for not less than two-year  
903 intervals, provided the Comptroller may modify such intervals on or  
904 after January 1, 2014, if necessary, due to implementation of the  
905 Affordable Care Act. An employer may apply for renewal prior to the  
906 expiration of each interval.

907       (2) The Comptroller shall develop procedures by which:

908       (A) Such employers may apply to participate in the appropriate  
909 plan, including procedures for nonstate public employers that are  
910 currently self-insured and procedures for nonstate public employers  
911 that are currently fully-insured; and

912       (B) Employers receiving coverage for their employees pursuant to  
913 the state plan may (i) apply for renewal, or (ii) withdraw from such  
914 coverage, including, but not limited to, the terms and conditions under  
915 which such employers may withdraw prior to the expiration of the  
916 interval and the procedure by which any premium payments such  
917 employers may be entitled to shall be refunded. Any such procedures  
918 shall provide that nonstate public employees covered by collective  
919 bargaining shall withdraw from such coverage in accordance with

920 chapters 113 and 166 of the general statutes.

921 (b) The initial open enrollment for nonstate public employers  
922 participating in the state employee plan shall be for coverage  
923 beginning January 1, 2012. Thereafter, open enrollment for nonstate  
924 public employers shall be for coverage periods beginning July first or  
925 such other date as may be determined by the Comptroller.

926 (c) Nothing in this section and section 6 of this act shall require the  
927 Comptroller to offer coverage to every employer seeking coverage  
928 under this section and section 6 of this act from every plan offered  
929 under the state employee plan.

930 (d) The Comptroller shall create applications for coverage for the  
931 state employee plan. Such applications shall require a nonstate public  
932 employer to disclose whether such employer will offer any other  
933 health plan to the employees who are offered the state plan.

934 (e) No employee shall be enrolled in the state plan if such employee  
935 is covered through such employee's employer by health insurance  
936 plans or insurance arrangements issued to or in accordance with a  
937 trust established pursuant to collective bargaining subject to the  
938 federal Labor Management Relations Act.

939 (f) If the Comptroller determines that granting coverage to a  
940 nonstate public employer under the state employee plan will affect  
941 such plan's status as a governmental plan under the Employee  
942 Retirement Income Security Act of 1974, as amended from time to  
943 time, the Comptroller shall not grant coverage to such employer and  
944 shall stop accepting applications for coverage from nonstate public  
945 employers. The Comptroller shall resume accepting applications for  
946 coverage under the state employee plan from such employers if the  
947 Comptroller determines that granting coverage to such employers will  
948 not affect such plan's status as a governmental plan under the  
949 Employee Retirement Income Security Act of 1974, as amended from  
950 time to time. The Comptroller shall make a public announcement of

951 the Comptroller's decision to stop or resume accepting applications for  
952 coverage under the state employee plan.

953 (g) Nonstate public employers may join the state employee plan in  
954 accordance with the provisions of this subsection.

955 (1) Notwithstanding any provision of the general statutes, initial  
956 participation in the state employee plan by a nonstate public employer  
957 shall be a permissive subject of collective bargaining and shall be  
958 subject to binding interest arbitration only if the collective bargaining  
959 agent and the employer mutually agree to bargain over such initial  
960 participation. Such mutual agreement shall be in writing and signed by  
961 authorized representatives of the collective bargaining agent and the  
962 employer. Continuation in the state employee plan, after initial  
963 participation, shall be a mandatory subject of bargaining and shall be  
964 subject to binding interest arbitration in accordance with the same  
965 procedures and standards that apply to any other mandatory subject  
966 of bargaining pursuant to chapters 68, 113 and 166 of the general  
967 statutes. For purposes of this section, a board of education and a  
968 municipality shall be considered separate employers and shall submit  
969 separate applications.

970 (2) (A) If a nonstate public employer submits an application in  
971 accordance with this subsection for all of its employees, the  
972 Comptroller shall accept such application for the next open enrollment.  
973 The Comptroller shall provide written notification to such employer of  
974 such acceptance and the date on which such coverage shall begin.

975 (B) If a nonstate public employer submits an application for less  
976 than all of its employees, or indicates in the application that the  
977 nonstate public employer will offer other health plans to employees  
978 who are offered the state health plan, the Comptroller shall forward  
979 such application to a health care actuary not later than five business  
980 days after receiving such application. Such actuary may, not later than  
981 sixty days after receiving such application, certify to the Comptroller  
982 that the application will shift a significantly disproportional part of

983 such employer's employees' medical risks to the state employee plan,  
984 and shall provide, in writing, the specific reasons for its finding,  
985 including a summary of all information relied upon in making such a  
986 finding. If the Comptroller receives such certification, the Comptroller  
987 shall not provide coverage to such employer and shall provide written  
988 notification and the specific reasons for such denial to such employer  
989 and the Health Care Cost Containment Committee. If the Comptroller  
990 does not receive such certification, the Comptroller shall accept such  
991 application for the next open enrollment. The Comptroller shall  
992 provide written notification to the nonstate public employer of such  
993 acceptance and the date on which such coverage shall begin.

994 (C) The Comptroller shall consult with a health care actuary who  
995 shall develop actuarial standards to be used to assess the shift in  
996 medical risks of a nonstate public employer's employees to the state  
997 employee plan. The Comptroller shall present such standards to the  
998 Health Care Cost Containment Committee for its review and  
999 evaluation prior to the use of such standards.

1000 (D) If a nonstate public employer included less than all of its  
1001 employees in its application for coverage because of (i) the decision by  
1002 individual employees to decline coverage from their employer for  
1003 themselves or their dependents, or (ii) the employer's decision not to  
1004 offer coverage to temporary, part-time or durational employees, the  
1005 Comptroller shall not forward such employer's application to a health  
1006 care actuary.

1007 (h) Nonstate employers eligible to seek coverage for their employees  
1008 under the state employee plan, pursuant to this section and section 6 of  
1009 this act, may seek such coverage for their retirees in accordance with  
1010 this section. Premium payments for such coverage shall be remitted by  
1011 the nonstate employer to the Comptroller in accordance with the  
1012 provisions of this section.

1013 (i) (1) If a nonstate public employer seeks coverage for all of such  
1014 employer's retirees in accordance with this section and all of such



1015 employer's employees as provided for in subsection (g) of this section,  
1016 the Comptroller shall accept such application for the next open  
1017 enrollment. The Comptroller shall provide written notification to such  
1018 nonstate public employer of such acceptance and the date on which  
1019 such coverage shall begin.

1020 (2) If a nonstate public employer seeks coverage for less than all of  
1021 such employer's retirees, regardless of whether the employer is seeking  
1022 coverage for all of such employer's active employees, the Comptroller  
1023 shall forward such application to a health care actuary not later than  
1024 five business days after receiving such application. Such actuary may,  
1025 not later than sixty days after receiving such application, certify to the  
1026 Comptroller that, with respect to such retirees, the application will  
1027 shift a significantly disproportional part of an employer's retirees'  
1028 medical risks to the state employee plan and shall provide in writing  
1029 the specific reasons for its finding, including a summary of all  
1030 information relied upon in making such a finding. If the Comptroller  
1031 receives such certification, the Comptroller shall not provide coverage  
1032 to such employer for such employer's retirees and the Comptroller,  
1033 with respect to an application for state employee plan benefits, shall  
1034 provide written notification and the specific reasons for such denial to  
1035 such employer and the Health Care Cost Containment Committee, as  
1036 defined in section 2 of this act, in the case of a rejected application for  
1037 coverage under the state employee plan. If the Comptroller does not  
1038 receive such certification, the Comptroller shall accept such application  
1039 for the next open enrollment. The Comptroller or authority, as the case  
1040 may be, shall provide written notification to such nonstate public  
1041 employer of such acceptance and the date on which such coverage  
1042 shall begin.

1043 (3) The Comptroller shall consult with a health care actuary who  
1044 shall develop actuarial standards to be used to assess the shift in  
1045 medical risks of a nonstate public employer's retirees to the state  
1046 employee plan. The Comptroller shall present such standards to the  
1047 Health Care Cost Containment Committee for its review and

1048 evaluation prior to the use of such standards.

1049 (4) If a nonstate public employer included less than all of its retirees  
1050 in its application for coverage because of (A) the decision by individual  
1051 retirees to decline health benefits or health insurance coverage from  
1052 their employer for themselves or their dependents, or (B) the retiree's  
1053 enrollment in Medicare, the Comptroller shall not forward such  
1054 employer's application to a health care actuary.

1055 (5) Nothing in this subsection shall diminish any right to retiree  
1056 health insurance pursuant to a collective bargaining agreement or any  
1057 other provision of the general statutes.

1058 (j) All premiums paid by employers, employees and retirees  
1059 pursuant to this section shall be deposited into the SustiNet account  
1060 established pursuant to section 12 of this act.

1061 (k) Premium payments for the state employee plan shall be remitted  
1062 by the employer to the Comptroller and shall be the same as those paid  
1063 by the state, inclusive of any premiums paid by state employees and  
1064 retired state employees, if applicable, except as otherwise provided in  
1065 this section. The Comptroller may charge each nonstate public  
1066 employer participating in the state plan an administrative fee  
1067 calculated on a per member, per month basis. In addition, the  
1068 Comptroller may charge a fluctuating reserves fee in an amount which  
1069 the Comptroller deems necessary to ensure adequate claims reserves.

1070 (l) Each nonstate public employer shall pay monthly the amount  
1071 determined by the Comptroller pursuant to this section for coverage of  
1072 its employees or its employees and retirees, as appropriate. A nonstate  
1073 employer may require each covered employee to contribute a portion  
1074 of the cost of such employee's coverage under the plan, subject to any  
1075 collective bargaining obligation applicable to such employer.

1076 (m) If any payment due by a nonstate public employer under this  
1077 section is not submitted to the appropriate entity by the tenth day after  
1078 the date such payment is due, interest to be paid by such employer

1079 shall be added, retroactive to the date such payment was due, at the  
1080 prevailing rate of interest as determined by the appropriate entity.

1081 (1) If a nonstate public employer fails to make premium payments  
1082 as required by this section, the Comptroller may direct the State  
1083 Treasurer, or any other officer of the state who is the custodian of any  
1084 moneys made available by grant, allocation or appropriation payable  
1085 to such nonstate public employer, to withhold the payment of such  
1086 moneys until the amount of the premium or interest due has been paid  
1087 to the Comptroller, or until the State Treasurer or such custodial officer  
1088 determines that arrangements have been made, to the satisfaction of  
1089 the State Treasurer, for the payment of such premium and interest.  
1090 Such moneys shall not be withheld if such withholding will adversely  
1091 affect the receipt of any federal grant or aid in connection with such  
1092 moneys.

1093 (2) If no grant, allocation or appropriation is payable to such  
1094 nonstate public employer or is not withheld, pursuant to subdivision  
1095 (1) of this subsection, the Comptroller may terminate participation in  
1096 the state employee plan by a nonstate public employer on the basis of  
1097 nonpayment of premium, provided not less than ten days' advance  
1098 notice is given to such employer. The nonstate public employer may  
1099 continue the coverage and avoid the effect of the termination by  
1100 remitting payment in full at any time prior to the effective date of  
1101 termination.

1102 (3) The Comptroller may request the Attorney General to bring an  
1103 action in the superior court for the judicial district of Hartford to  
1104 recover any premium and interest costs or equitable relief from a  
1105 terminated nonstate public employer.

1106 (n) The Comptroller may adopt regulations, in accordance with  
1107 chapter 54 of the general statutes, to establish the procedures and  
1108 criteria for any reviews or evaluations performed by the Health Care  
1109 Cost Containment Committee pursuant to this section.

1110 (o) The Sustinet Plan Authority may adopt procedures necessary to  
1111 carry out the provisions of this section in accordance with section 1-121  
1112 of the general statutes.

1113 (p) The state employee plan shall not be deemed an unauthorized  
1114 insurer, as defined in section 38a-1 of the general statutes, or a multiple  
1115 employer welfare arrangement, as defined in Section 3 of the  
1116 Employee Retirement Income Security Act of 1974, as amended from  
1117 time to time.

1118 Sec. 14. (NEW) (*Effective from passage*) There is established a  
1119 Nonstate Public Health Care Advisory Committee. The committee  
1120 shall make advisory recommendations to the Health Care Cost  
1121 Containment Committee, as defined in section 2 of this act, concerning  
1122 health care coverage for nonstate public employees. The advisory  
1123 committee shall consist of nonstate public employers and employees  
1124 participating in the state plan and shall include the following members  
1125 appointed by the Comptroller: (1) Three municipal employer  
1126 representatives, one of whom represents towns with populations of  
1127 one hundred thousand or more, one of whom represents towns with  
1128 populations of at least twenty thousand but under one hundred  
1129 thousand, and one of whom represents towns with populations under  
1130 twenty thousand; (2) three municipal employee representatives, one of  
1131 whom represents employees in towns with populations of one  
1132 hundred thousand or more, one of whom represents employees in  
1133 towns with populations of at least twenty thousand but under one  
1134 hundred thousand, and one of whom represents employees in towns  
1135 with populations under twenty thousand; (3) three board of education  
1136 employers, one of whom represents towns with populations of one  
1137 hundred thousand or more, one of whom represents towns with  
1138 populations of at least twenty thousand but under one hundred  
1139 thousand, and one of whom represents towns with populations under  
1140 twenty thousand; and (4) three board of education employee  
1141 representatives, one of whom represents towns with populations of  
1142 one hundred thousand or more, one of whom represents towns with

1143 populations of at least twenty thousand but under one hundred  
1144 thousand, and one of whom represents towns with populations under  
1145 twenty thousand.

1146 Sec. 15. (NEW) (*Effective from passage*) (a) With respect to nonstate  
1147 public employers, municipal-related employers, nonprofit employers  
1148 and other employers, which are provided coverage in accordance with  
1149 section 6 of this act under Sustinet G:

1150 (1) On and after January 1, 2012, the Sustinet Plan Authority shall  
1151 offer participation in Sustinet G for not less than two-year intervals to  
1152 the extent feasible and unless superseded by policies and procedures  
1153 concerning the implementation of the Affordable Care Act on or after  
1154 January 1, 2014. An employer may apply for renewal prior to the  
1155 expiration of each interval.

1156 (2) The authority shall develop procedures by which:

1157 (A) Such employers may apply to participate in the plan, including  
1158 procedures for employers that are currently self-insured and  
1159 procedures for employers that are currently fully-insured; and

1160 (B) Employers receiving coverage for their employees pursuant to  
1161 Sustinet G may (i) apply for renewal, or (ii) withdraw from such  
1162 coverage, including, but not limited to, the terms and conditions under  
1163 which such employers may withdraw prior to the expiration of the  
1164 interval and the procedure by which any premium payments such  
1165 employers may be entitled to shall be refunded. Any such procedures  
1166 shall provide that nonstate public employees covered by collective  
1167 bargaining shall withdraw from such coverage in accordance with  
1168 chapters 113 and 166 of the general statutes.

1169 (b) (1) The initial open enrollment for nonstate public employers  
1170 participating in Sustinet G shall be for coverage beginning January 1,  
1171 2012. Thereafter, open enrollment for nonstate public employers shall  
1172 be for coverage periods beginning July first provided that on and after  
1173 January 1, 2014, the authority may establish a different enrollment

1174 period to conform with implementation of the Affordable Care Act.

1175 (2) The initial open enrollment for municipal-related employers,  
1176 small employers and nonprofit employers participating in SustiNet G  
1177 shall be for coverage periods beginning January first and July first  
1178 beginning no sooner than January 1, 2012, if the authority has  
1179 determined that offering such coverage is feasible.

1180 (c) Nothing in this section or section 6 of this act shall require the  
1181 authority to offer coverage to every employer seeking coverage under  
1182 this section or section 6 of this act from every plan offered under  
1183 SustiNet G.

1184 (d) The authority shall create applications for coverage for the  
1185 members it serves. An application for participation in the SustiNet G  
1186 shall require an employer to disclose whether the employer will offer  
1187 any other health plan to the employees who are offered the state plan.

1188 (e) No employee shall be enrolled in SustiNet G if such employee is  
1189 covered through such employee's employer by health insurance plans  
1190 or insurance arrangements issued to or in accordance with a trust  
1191 established pursuant to collective bargaining subject to the federal  
1192 Labor Management Relations Act.

1193 (f) If the authority determines that granting coverage to an  
1194 employer under SustiNet G will affect such plan's status as a  
1195 governmental plan under the Employee Retirement Income Security  
1196 Act of 1974, as amended from time to time, the Comptroller shall not  
1197 grant coverage to such employer and shall stop accepting applications  
1198 for coverage from employers. The authority shall resume accepting  
1199 applications for coverage under SustiNet G from such employers if the  
1200 authority determines that granting coverage to such employers will  
1201 not affect such plan's status as a governmental plan under the  
1202 Employee Retirement Income Security Act of 1974, as amended from  
1203 time to time. The authority shall make a public announcement of its  
1204 decision to stop or resume accepting applications for coverage under

1205 SustiNet G.

1206 (g) All premiums paid by employers, employees and retirees  
1207 pursuant to this section shall be deposited into the SustiNet account  
1208 established pursuant to section 12 of this act.

1209 (h) Premium payments for SustiNet G shall be remitted by the  
1210 employer to the authority and shall be the amount set by the authority.  
1211 The authority may charge each employer participating in SustiNet G  
1212 an administrative fee calculated on a per member, per month basis. In  
1213 addition, the authority may charge a fluctuating reserves fee in an  
1214 amount which the authority deems necessary to ensure adequate  
1215 claims reserves.

1216 (i) The authority may adjust premium rates for small employers to  
1217 reflect one or more of the characteristics set forth in subparagraph (A)  
1218 of subdivision (5) of section 38a-567 of the general statutes.

1219 (j) Each employer shall pay monthly the amount determined by the  
1220 authority pursuant to this section for coverage of its employees or its  
1221 employees and retirees, as appropriate. An employer may require each  
1222 covered employee to contribute a portion of the cost of such  
1223 employee's coverage under the plan, subject to any collective  
1224 bargaining obligation applicable to such employer.

1225 (k) If any payment due by an employer under this section is not  
1226 submitted to the authority by the tenth day after the date such  
1227 payment is due, or such other date as chosen by the authority, interest  
1228 to be paid by such employer shall be added, retroactive to the date  
1229 such payment was due, at the prevailing rate of interest as determined  
1230 by the appropriate entity.

1231 (1) The authority may terminate participation in SustiNet G by the  
1232 employer on the basis of nonpayment of premium, provided not less  
1233 than ten days' advance notice is given to such employer. The employer  
1234 may continue the coverage and avoid the effect of the termination by  
1235 remitting payment in full at any time prior to the effective date of

1236 termination.

1237 (2) (A) If a nonstate public employer fails to make premium  
1238 payments as required by this section, the authority may direct the State  
1239 Treasurer, or any other officer of the state who is the custodian of any  
1240 moneys made available by grant, allocation or appropriation payable  
1241 to such nonstate public employer, to withhold the payment of such  
1242 moneys until the amount of the premium or interest due has been paid  
1243 to the authority, or until the State Treasurer or such custodial officer  
1244 determines that arrangements have been made, to the satisfaction of  
1245 the State Treasurer, for the payment of such premium and interest.  
1246 Such moneys shall not be withheld if such withholding will adversely  
1247 affect the receipt of any federal grant or aid in connection with such  
1248 moneys.

1249 (B) If no grant, allocation or appropriation is payable to such  
1250 nonstate public employer or is not withheld, pursuant to  
1251 subparagraph (A) of this subdivision, the authority may terminate  
1252 participation in Sustinet G by a nonstate public employer on the basis  
1253 of nonpayment of premium, provided not less than ten days' advance  
1254 notice is given to such nonstate public employer. The nonstate public  
1255 employer may continue the coverage and avoid the effect of the  
1256 termination by remitting payment in full consistent with policies and  
1257 procedures adopted by the authority.

1258 (l) The authority may request the Attorney General to bring an  
1259 action in the superior court for the judicial district of Hartford to  
1260 recover any premium and interest costs or equitable relief from a  
1261 terminated employer.

1262 (m) Sustinet G shall not be deemed an unauthorized insurer, as  
1263 defined in section 38a-1 of the general statutes, or a multiple employer  
1264 welfare arrangement, as defined in Section 3 of the Employee  
1265 Retirement Income Security Act of 1974, as amended from time to  
1266 time.



1267 (n) On and after January 1, 2014, any provision of this section that is  
1268 in conflict with the Affordable Care Act, as implemented by the health  
1269 insurance exchange serving the state, shall not apply to the sale of  
1270 SustiNet Plan coverage to employers through such exchange.

1271 Sec. 16. (NEW) (*Effective from passage*) (a) The SustiNet Plan  
1272 Authority shall establish benefits for all SustiNet plans offered on and  
1273 off the exchange, which shall be approved by the board of directors,  
1274 provided no change to the benefits for state employees shall be  
1275 effective until the State Employees' Bargaining Agent Coalition has  
1276 provided its written consent to incorporate such change into its  
1277 agreement with the state. There shall be no change to the benefits of  
1278 Medicaid, HUSKY Plan, Part A and Part B, HUSKY Plus or Charter  
1279 Oak Health Plan enrollees unless such change is in conformance with  
1280 the provisions of the general statutes and federal law.

1281 (b) To the extent that health plans sold on a state established health  
1282 insurance exchange require coverage of the benefits provided for in  
1283 chapter 700c of the general statutes, the SustiNet Plan shall also  
1284 include coverage of the benefits provided for in chapter 700c of the  
1285 general statutes.

1286 (c) SustiNet plans that are to be sold on the exchange shall be  
1287 designed to at least meet any benefit requirements to sell insurance on  
1288 any exchange developed in accordance with the Affordable Care Act.  
1289 SustiNet Plan benefits shall include, but not be limited to, mental  
1290 health benefits that are equal to physical health benefits, vision care  
1291 and dental care coverage that shall be comparable in scope to the  
1292 median coverage provided by large employers in the Northeast states,  
1293 provided, in defining large employers, the authority shall give  
1294 consideration to the capacity of available data to yield, without  
1295 substantial expense, reliable estimates of median dental coverage  
1296 offered by such employers. The authority shall take steps necessary to  
1297 promote the cessation of smoking.

1298 (d) The authority shall review and update benefits not less than

1299 every two years and shall base benefit changes on medical evidence  
1300 and scientific literature.

1301       Sec. 17. (NEW) (*Effective from passage*) (a) The SustiNet Plan  
1302 Authority shall establish cost-sharing requirements, which may  
1303 include deductibles, copayments and coinsurance for SustiNet Plans E  
1304 and G. Any cost-sharing requirements established by the authority  
1305 shall first be approved by the SustiNet board of directors. No change  
1306 to the cost-sharing requirements for state employees shall be effective  
1307 until the State Employees' Bargaining Agent Coalition has provided its  
1308 written consent to incorporate such change into its agreement with the  
1309 state. Notwithstanding the provisions of this subsection, Medicaid,  
1310 HUSKY Plan, Part A and Part B, HUSKY Plus and Charter Oak Health  
1311 Plan cost-sharing provisions shall be established by the authority but  
1312 instead shall be established pursuant to the general statutes. Cost-  
1313 sharing requirements may vary depending on the type of provider.  
1314 Under the SustiNet Plan, there shall be no copayments for preventive  
1315 care, well-baby and well-child visits, prenatal care, annual physical  
1316 exams, immunizations or health screenings.

1317       (b) Cost-sharing requirements established by the authority pursuant  
1318 to subsection (a) of this section shall be in conformance with the cost-  
1319 sharing requirements established by the Affordable Care Act.

1320       (c) SustiNet Plan providers shall be subject to the provisions of  
1321 section 20-7f of the general statutes and shall be prohibited from  
1322 balance billing SustiNet Plan members.

1323       Sec. 18. Subdivision (1) of subsection (c) of section 19a-750 of the  
1324 general statutes is repealed and the following is substituted in lieu  
1325 thereof (*Effective from passage*):

1326       (c) (1) The Health Information Technology Exchange of Connecticut  
1327 shall be managed by a board of directors. The board shall consist of the  
1328 following members: The Lieutenant Governor, or his or her designee;  
1329 the Commissioners of Public Health, Social Services and Consumer

1330 Protection, or their designees; the Chief Information Officer of the  
1331 Department of Information Technology, or his or her designee; the  
1332 executive director of the Sustinet Plan Authority, or his or her  
1333 designee; three appointed by the Governor, one of whom shall be a  
1334 representative of a medical research organization, one of whom shall  
1335 be an insurer or representative of a health plan and one of whom shall  
1336 be an attorney with background and experience in the field of privacy,  
1337 health data security or patient rights; three appointed by the president  
1338 pro tempore of the Senate, one of whom shall have background and  
1339 experience with a private sector health information exchange or health  
1340 information technology entity, one of whom shall have expertise in  
1341 public health and one of whom shall be a physician licensed under  
1342 chapter 370 who works in a practice of not more than ten physicians  
1343 and who is not employed by a hospital, health network, health plan,  
1344 health system, academic institution or university; three appointed by  
1345 the speaker of the House of Representatives, one of whom shall be a  
1346 representative of hospitals, an integrated delivery network or a  
1347 hospital association, one of whom shall have expertise with federally  
1348 qualified health centers and one of whom shall be a consumer or  
1349 consumer advocate; one appointed by the majority leader of the  
1350 Senate, who shall be a primary care physician whose practice utilizes  
1351 electronic health records; one appointed by the majority leader of the  
1352 House of Representatives, who shall be a consumer or consumer  
1353 advocate; one appointed by the minority leader of the Senate, who  
1354 shall be a pharmacist or a health care provider utilizing electronic  
1355 health information exchange; and one appointed by the minority  
1356 leader of the House of Representatives, who shall be a large employer  
1357 or a representative of a business group. The Secretary of the Office of  
1358 Policy and Management and the Healthcare Advocate, or their  
1359 designees, shall be ex-officio, nonvoting members of the board. The  
1360 Commissioner of Public Health, or his or her designee, shall serve as  
1361 the chairperson of the board.

1362 Sec. 19. (NEW) (*Effective from passage*) The board of directors of the  
1363 Sustinet Plan Authority shall submit to the joint standing committee of

1364 the General Assembly having cognizance of matters relating to  
1365 appropriations, public health, human services and insurance and real  
1366 estate a copy of each audit of the authority conducted by an  
1367 independent auditing firm, not later than seven days after the audit is  
1368 received by said board of directors.

1369       Sec. 20. (NEW) (*Effective from passage*) The Comptroller is authorized  
1370 to serve as a convener authority for health care institutions, facilities  
1371 and providers in the state. The Comptroller shall comply with all  
1372 applicable federal law and regulations in the exercise of such  
1373 authority. The Comptroller shall implement policies and procedures  
1374 necessary to administer the provisions of this section while in the  
1375 process of adopting such policies and procedures as regulations,  
1376 provided the Comptroller prints notice of the intent to adopt the  
1377 regulations in the Connecticut Law Journal not later than twenty days  
1378 after the date of implementation of such policies and procedures.  
1379 Policies and procedures implemented pursuant to this section shall be  
1380 valid until the time final regulations are adopted.

1381       Sec. 21. Subsection (l) of section 1-79 of the general statutes is  
1382 repealed and the following is substituted in lieu thereof (*Effective from*  
1383 *passage*):

1384       (l) "Quasi-public agency" means the Connecticut Development  
1385 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
1386 and Education Facilities Authority, Connecticut Higher Education  
1387 Supplemental Loan Authority, Connecticut Housing Finance  
1388 Authority, Connecticut Housing Authority, Connecticut Resources  
1389 Recovery Authority, Lower Fairfield County Convention Center  
1390 Authority, Capital City Economic Development Authority,  
1391 Connecticut Lottery Corporation, [and] Health Information  
1392 Technology Exchange of Connecticut and SustiNet Plan Authority.

1393       Sec. 22. Section 1-120 of the general statutes is repealed and the  
1394 following is substituted in lieu thereof (*Effective from passage*):

1395 As used in sections 1-120 to 1-123, inclusive:

1396 (1) "Quasi-public agency" means the Connecticut Development  
1397 Authority, Connecticut Innovations, Incorporated, Connecticut Health  
1398 and Educational Facilities Authority, Connecticut Higher Education  
1399 Supplemental Loan Authority, Connecticut Housing Finance  
1400 Authority, Connecticut Housing Authority, Connecticut Resources  
1401 Recovery Authority, Capital City Economic Development Authority,  
1402 Connecticut Lottery Corporation, [and] Health Information  
1403 Technology Exchange of Connecticut and SustiNet Plan Authority.

1404 (2) "Procedure" means each statement, by a quasi-public agency, of  
1405 general applicability, without regard to its designation, that  
1406 implements, interprets or prescribes law or policy, or describes the  
1407 organization or procedure of any such agency. The term includes the  
1408 amendment or repeal of a prior regulation, but does not include,  
1409 unless otherwise provided by any provision of the general statutes, (A)  
1410 statements concerning only the internal management of any agency  
1411 and not affecting procedures available to the public and (B) intra-  
1412 agency memoranda.

1413 (3) "Proposed procedure" means a proposal by a quasi-public  
1414 agency under the provisions of section 1-121 for a new procedure or  
1415 for a change in, addition to or repeal of an existing procedure.

1416 Sec. 23. Section 1-124 of the general statutes is repealed and the  
1417 following is substituted in lieu thereof (*Effective from passage*):

1418 (a) The Connecticut Development Authority, the Connecticut  
1419 Health and Educational Facilities Authority, the Connecticut Higher  
1420 Education Supplemental Loan Authority, the Connecticut Housing  
1421 Finance Authority, the Connecticut Housing Authority, the  
1422 Connecticut Resources Recovery Authority, the Health Information  
1423 Technology Exchange of Connecticut, [and] the Capital City Economic  
1424 Development Authority and the SustiNet Plan Authority shall not  
1425 borrow any money or issue any bonds or notes which are guaranteed

1426 by the state of Connecticut or for which there is a capital reserve fund  
1427 of any kind which is in any way contributed to or guaranteed by the  
1428 state of Connecticut until and unless such borrowing or issuance is  
1429 approved by the State Treasurer or the Deputy State Treasurer  
1430 appointed pursuant to section 3-12. The approval of the State Treasurer  
1431 or said deputy shall be based on documentation provided by the  
1432 authority that it has sufficient revenues to (1) pay the principal of and  
1433 interest on the bonds and notes issued, (2) establish, increase and  
1434 maintain any reserves deemed by the authority to be advisable to  
1435 secure the payment of the principal of and interest on such bonds and  
1436 notes, (3) pay the cost of maintaining, servicing and properly insuring  
1437 the purpose for which the proceeds of the bonds and notes have been  
1438 issued, if applicable, and (4) pay such other costs as may be required.

1439 (b) To the extent the Connecticut Development Authority,  
1440 Connecticut Innovations, Incorporated, Connecticut Higher Education  
1441 Supplemental Loan Authority, Connecticut Housing Finance  
1442 Authority, Connecticut Housing Authority, Connecticut Resources  
1443 Recovery Authority, Connecticut Health and Educational Facilities  
1444 Authority, [the] Health Information Technology Exchange of  
1445 Connecticut, [or the] Capital City Economic Development Authority or  
1446 SustiNet Plan Authority is permitted by statute and determines to  
1447 exercise any power to moderate interest rate fluctuations or enter into  
1448 any investment or program of investment or contract respecting  
1449 interest rates, currency, cash flow or other similar agreement,  
1450 including, but not limited to, interest rate or currency swap  
1451 agreements, the effect of which is to subject a capital reserve fund  
1452 which is in any way contributed to or guaranteed by the state of  
1453 Connecticut, to potential liability, such determination shall not be  
1454 effective until and unless the State Treasurer or his or her deputy  
1455 appointed pursuant to section 3-12 has approved such agreement or  
1456 agreements. The approval of the State Treasurer or his or her deputy  
1457 shall be based on documentation provided by the authority that it has  
1458 sufficient revenues to meet the financial obligations associated with the  
1459 agreement or agreements.

1460 Sec. 24. Section 1-125 of the general statutes is repealed and the  
1461 following is substituted in lieu thereof (*Effective from passage*):

1462 The directors, officers and employees of the Connecticut  
1463 Development Authority, Connecticut Innovations, Incorporated,  
1464 Connecticut Higher Education Supplemental Loan Authority,  
1465 Connecticut Housing Finance Authority, Connecticut Housing  
1466 Authority, Connecticut Resources Recovery Authority, including ad  
1467 hoc members of the Connecticut Resources Recovery Authority,  
1468 Connecticut Health and Educational Facilities Authority, Capital City  
1469 Economic Development Authority, [the] Health Information  
1470 Technology Exchange of Connecticut, SustiNet Plan Authority and  
1471 Connecticut Lottery Corporation and any person executing the bonds  
1472 or notes of the agency shall not be liable personally on such bonds or  
1473 notes or be subject to any personal liability or accountability by reason  
1474 of the issuance thereof, nor shall any director or employee of the  
1475 agency, including ad hoc members of the Connecticut Resources  
1476 Recovery Authority, be personally liable for damage or injury, not  
1477 wanton, reckless, wilful or malicious, caused in the performance of his  
1478 or her duties and within the scope of his or her employment or  
1479 appointment as such director, officer or employee, including ad hoc  
1480 members of the Connecticut Resources Recovery Authority. The  
1481 agency shall protect, save harmless and indemnify its directors,  
1482 officers or employees, including ad hoc members of the Connecticut  
1483 Resources Recovery Authority, from financial loss and expense,  
1484 including legal fees and costs, if any, arising out of any claim, demand,  
1485 suit or judgment by reason of alleged negligence or alleged  
1486 deprivation of any person's civil rights or any other act or omission  
1487 resulting in damage or injury, if the director, officer or employee,  
1488 including ad hoc members of the Connecticut Resources Recovery  
1489 Authority, is found to have been acting in the discharge of his or her  
1490 duties or within the scope of his or her employment and such act or  
1491 omission is found not to have been wanton, reckless, wilful or  
1492 malicious.

1493 Sec. 25. Sections 19a-710 to 19a-723, inclusive, of the general statutes  
 1494 are repealed. (*Effective from passage*)

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section
Sec. 7	<i>from passage</i>	17b-261(a)
Sec. 8	<i>from passage</i>	New section
Sec. 9	<i>from passage</i>	17b-90(b)
Sec. 10	<i>from passage</i>	New section
Sec. 11	<i>from passage</i>	New section
Sec. 12	<i>from passage</i>	New section
Sec. 13	<i>from passage</i>	New section
Sec. 14	<i>from passage</i>	New section
Sec. 15	<i>from passage</i>	New section
Sec. 16	<i>from passage</i>	New section
Sec. 17	<i>from passage</i>	New section
Sec. 18	<i>from passage</i>	19a-750(c)(1)
Sec. 19	<i>from passage</i>	New section
Sec. 20	<i>from passage</i>	New section
Sec. 21	<i>from passage</i>	1-79(l)
Sec. 22	<i>from passage</i>	1-120
Sec. 23	<i>from passage</i>	1-124
Sec. 24	<i>from passage</i>	1-125
Sec. 25	<i>from passage</i>	Repealer section

**PH**

**Joint Favorable Subst. C/R**

**INS**