



General Assembly

February Session, 2014

Raised Bill No. 15

LCO No. 189



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

***AN ACT CONCERNING THE CONNECTICUT HEALTH INSURANCE
EXCHANGE BOARD OF DIRECTORS.***

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

1 Section 1. Subsections (a) to (c), inclusive, of section 38a-1081 of the
2 2014 supplement to the general statutes are repealed and the following
3 is substituted in lieu thereof (*Effective from passage*):

4 (a) There is hereby created as a body politic and corporate,
5 constituting a public instrumentality and political subdivision of the
6 state created for the performance of an essential public and
7 governmental function, to be known as the Connecticut Health
8 Insurance Exchange. The Connecticut Health Insurance Exchange shall
9 not be construed to be a department, institution or agency of the state.
10 The exchange shall serve both qualified individuals and qualified
11 employers.

12 (b) (1) (A) The powers of the exchange shall be vested in and
13 exercised by a board of directors, which, until [June 19, 2013] October
14 1, 2014, shall consist of twelve voting members. The appointment of

15 the initial board members shall be as follows:

16 (i) The Governor shall appoint two board members, one of whom
17 shall have expertise in the area of individual health insurance coverage
18 and shall serve for a term of three years and one of whom shall have
19 expertise in issues relating to small employer health insurance
20 coverage and shall serve for a term of two years;

21 (ii) The president pro tempore of the Senate shall appoint one board
22 member who shall have expertise in the area of health care finance and
23 shall serve for a term of four years;

24 (iii) The speaker of the House of Representatives shall appoint one
25 board member who shall have expertise in the area of health care
26 benefits plan administration and shall serve for a term of four years;

27 (iv) The majority leader of the Senate shall appoint one board
28 member who shall have expertise in the health care delivery systems
29 and shall serve for a term of two years;

30 (v) The majority leader of the House of Representatives shall
31 appoint one board member who shall have expertise in the area of
32 health care economics and shall serve for a term of two years;

33 (vi) The minority leader of the Senate shall appoint one board
34 member who shall have expertise in health care access issues faced by
35 self-employed individuals and shall serve for a term of three years;

36 (vii) The minority leader of the House of Representatives shall
37 appoint one board member who shall have expertise concerning
38 barriers to individual health care coverage and shall serve for a term of
39 two years;

40 (viii) The Commissioner of Social Services, the Special Advisor to
41 the Governor on Healthcare Reform, the Secretary of the Office of
42 Policy and Management and the Healthcare Advocate, or their
43 designees, who shall serve as ex-officio₂ voting board members; and

44 (ix) The Insurance Commissioner and the Commissioner of Public
45 Health, or their designees, who shall serve as ex-officio, nonvoting
46 board members.

47 (B) On and after [~~June 19, 2013~~] October 1, 2014, the board of
48 directors shall consist of [~~eleven~~] twelve voting members and three
49 nonvoting members as follows: (i) The board members appointed
50 pursuant to subparagraphs (A)(i) to (A)(vii), inclusive, of this
51 subdivision; (ii) an active insurance producer, who shall be appointed
52 by the Governor and shall serve a term of two years; (iii) the
53 Commissioner of Social Services, the Secretary of the Office of Policy
54 and Management and the Healthcare Advocate, or their designees,
55 who shall serve as ex-officio, voting board members; and [(iii)] (iv) the
56 Insurance Commissioner and the Commissioners of Public Health and
57 Mental Health and Addiction Services, or their designees, who shall
58 serve as ex-officio, nonvoting board members. The provisions of this
59 subparagraph shall not affect the terms of the board members set forth
60 in subparagraphs (A)(i) to (A)(vii), inclusive, of this subdivision.

61 (2) (A) [~~No~~] Except for the board member specified in subparagraph
62 (B)(ii) of subdivision (1) of this subsection, no board member shall be
63 employed by, a consultant to, a member of the board of directors of,
64 affiliated with or otherwise a representative of (i) an insurer, (ii) an
65 insurance producer or broker, (iii) a health care provider, or (iv) a
66 health care facility or health or medical clinic while serving on the
67 board of the exchange. For purposes of this subdivision, "health care
68 provider" means any person that is licensed in this state, or operates or
69 owns a facility or institution in this state, to provide health care or
70 health care professional services in this state, or an officer, employee or
71 agent thereof acting in the course and scope of such officer's,
72 employee's or agent's employment.

73 (B) [~~No~~] Except for the board member specified in subparagraph
74 (B)(ii) of subdivision (1) of this subsection, no board member shall be a
75 member of, a member of the board of, a consultant to or an employee

76 of a trade association of (i) insurers, (ii) insurance producers or
77 brokers, (iii) health care providers, or (iv) health care facilities or health
78 or medical clinics while serving on the board of the exchange.

79 (C) No board member shall be a health care provider unless such
80 member receives no compensation for rendering services as a health
81 care provider and does not have an ownership interest in a
82 professional health care practice.

83 (c) (1) All initial appointments shall be made not later than July 1,
84 2011, except the initial appointment of the board member specified in
85 subparagraph (B)(ii) of subdivision (1) of subsection (b) of this section
86 shall be made not later than October 1, 2014. Following the expiration
87 of such initial terms, subsequent board member terms shall be for four
88 years. Any vacancy shall be filled by the appointing authority for the
89 balance of the unexpired term. If an appointing authority fails to make
90 an initial appointment, or an appointment to fill a vacancy within
91 ninety days of the date of such vacancy, the appointed board members
92 may make such appointment by a majority vote. Any board member
93 previously appointed to the board or appointed to fill a vacancy may
94 be reappointed in accordance with this section. Any board member
95 may be removed for misfeasance, malfeasance or wilful neglect of duty
96 at the sole direction of the appointing authority.

97 (2) As a condition of qualifying as a member of the board of
98 directors, each appointee shall, before entering upon such member's
99 duties, take and subscribe the oath or affirmation required under
100 section 1 of article eleventh of the Constitution of the state. A record of
101 each such oath shall be filed in the office of the Secretary of the State.

102 (3) Appointed board members may not designate a representative to
103 perform in their absence their respective duties under sections 38a-
104 1080 to 38a-1091, inclusive. The Governor shall select a chairperson
105 from among the board members and the board members shall
106 annually elect a vice-chairperson. Meetings of the board of directors

107 shall be held at such times as shall be specified in the bylaws adopted
108 by the board and at such other time or times as the chairperson deems
109 necessary. Any board member who fails to attend more than fifty per
110 cent of all meetings held during any calendar year shall be deemed to
111 have resigned from the board.

112 (4) [Six] Prior to October 1, 2014, six board members shall constitute
113 a quorum for the transaction of any business or the exercise of any
114 power of the exchange. On and after October 1, 2014, seven board
115 members shall constitute a quorum for the transaction of any business
116 or the exercise of any power of the exchange. For the transaction of any
117 business or the exercise of any power of the exchange, the exchange
118 may act by a majority of the board members present at any meeting at
119 which a quorum is in attendance. No vacancy in the membership of
120 the board of directors shall impair the right of such board members to
121 exercise all the rights and perform all the duties of the board. Except as
122 otherwise provided, any action taken by the board under the
123 provisions of sections 38a-1080 to 38a-1091, inclusive, may be
124 authorized by resolution approved by a majority of the board
125 members present at any regular or special meeting, which resolution
126 shall take effect immediately unless otherwise provided in the
127 resolution.

128 (5) Board members shall receive no compensation for their services
129 but shall receive actual and necessary expenses incurred in the
130 performance of their official duties.

131 (6) Subject to the provisions of subdivision (2) of subsection (b) of
132 this section, board members may engage in private employment or in a
133 profession or business, subject to any applicable laws, rules and
134 regulations of the state or federal government regarding official ethics
135 or conflicts of interest.

136 (7) Notwithstanding any provision of the general statutes, it shall
137 not constitute a conflict of interest for a trustee, director, partner or

138 officer of any person, firm or corporation, or any individual having a
139 financial interest in a person, firm or corporation, to serve as a board
140 member of the exchange, provided such trustee, director, partner,
141 officer or individual shall abstain from deliberation, action or vote by
142 the exchange in specific request to such person, firm or corporation.

143 (8) Each board member shall execute a surety bond in the penal sum
144 of fifty thousand dollars, or, in lieu thereof, the chairperson of the
145 board shall execute a blanket position bond covering each board
146 member, the chief executive officer and the employees of the exchange,
147 each surety bond to be conditioned upon the faithful performance of
148 the duties of the office or offices covered, to be executed by a surety
149 company authorized to transact business in this state as surety and to
150 be approved by the Attorney General and filed in the office of the
151 Secretary of the State. The cost of each such bond shall be paid by the
152 exchange.

153 (9) No board member of the exchange shall, for one year after the
154 end of such member's service on the board, accept employment with
155 any health carrier that offers a qualified health benefit plan through
156 the exchange.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-1081(a) to (c)

Statement of Purpose:

To add an insurance producer to the board of directors of the Connecticut Health Insurance Exchange.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]