General Assembly

Raised Bill No. 7126

January Session, 2025

LCO No. **4741**

Referred to Committee on GOVERNMENT ADMINISTRATION AND ELECTIONS

Introduced by:
(GAE)

AN ACT CONCERNING STATE CONTRACTING FOR STATE EMPLOYEE HEALTH INSURANCE COVERAGE AND OTHER RELATED SERVICES.

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

Section 1. Section 5-259a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2025*):

(a) As used in this section:

(1) "Third-party administrator" means any person who directly or indirectly underwrites, collects premiums or charges from, or adjusts or settles claims on, residents of this state in connection with health coverage offered or provided by the Comptroller pursuant to the state employee plan, as provided in section 5-259;

(2) "Provider" has the same meaning as provided in section 19a-508c; and

(3) "Affiliated provider" has the same meaning as provided in section 19a-508c.

(b) Employee health and life insurance shall be subject to a competitive selection process. The process shall be in accordance with the provisions of the collectively bargained pension agreement approved by the General Assembly on June 30, 1982.

(c) Any third-party administrator, including, but not limited to, any insurer, health carrier or health benefits administrator, selected in accordance with subsection (b) of this section, that enters into a contract or other agreement with the state to provide health insurance under a group hospitalization and medical and surgical insurance plan procured by the Comptroller pursuant to section 5-259, or any health insurance claim processing services or administrative services pursuant to such contract or agreement, shall:

(1) Provide at least three written notices to the State Comptroller, the Health Care Cost Containment Committee, as defined in section 3-123rrr, the president pro tempore of the Senate, the speaker of the House of Representatives and the minority leaders of the Senate and House of Representatives, at not less than ninety days, sixty days and thirty days prior to the expiration or termination of any participating provider agreement between such third-party administrator and (A) any hospital licensed pursuant to chapter 368v, (B) any health care practice of affiliated providers, or (C) a parent corporation of such hospital or health care practice of affiliated providers. Such notices shall include the anticipated date of the applicable agreement expiration or termination and the date of expiration of the applicable sixty-day notice period required under subparagraph (C) of subdivision (1) of subsection (g) of section 38a-472f; and

(2) Immediately notify the State Comptroller, the Health Care Cost Containment Committee and the legislative leaders listed in subdivision (1) of this subsection of (A) any new, extended or amended participating provider agreement entered into between the third-party administrator and an entity listed in subparagraph (A), (B) or (C) of subdivision (1) of this subsection, or (B) the expiration of the applicable notice period

required under subparagraph (C) of subdivision (1) of subsection (g) of section 38a-472f which results in the hospital or health care practice of affiliated providers no longer being a participating provider in the third-party administrator's provider network.

(d) Except as provided in subsection (e) of this section, the State Comptroller shall, not later than sixty days after the receipt of notice of expiration of any notice period pursuant to section 38a-472f, as described in subsection (c) of this section, commence a competitive process for the selection of a third-party administrator of health insurance, health insurance claim processing services or administrative services in accordance with subsection (b) of this section and any third-party administrator that submitted a notice of termination as described in subsection (c) of this section shall be prohibited from participating in any such competitive selection process for a period of up to five years from the date of the State Comptroller's receipt of the termination notice under subdivision (2) of subsection (c) of this section, except the State Comptroller may reduce the time period of such prohibition.

(e) If the parties to the participating provider agreement that expired or was terminated as described in subdivision (2) of subsection (c) of this section agree to enter into a new, amended or extended participating provider agreement not later than thirty days after the State Comptroller's receipt of the termination notice under said subdivision, the State Comptroller may suspend or cease the competitive selection process commenced under subsection (d) of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	*July 1, 2025*	5-259a

Statement of Purpose:

To require additional notices to the State Comptroller, the legislative leaders and Health Care Cost Containment Committee concerning the

potential termination of participating provider agreements in the employee health insurance plan and to prohibit certain entities that terminate participating provider agreements from participating in future competitive selection processes for a period of time.

[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.]