



General Assembly

February Session, 2022

Raised Bill No. 362

LCO No. 2777



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

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

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

1 Section 1. Section 38a-1081 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2022*):

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

11 (b) (1) (A) The powers of the exchange shall be vested in and
12 exercised by a board of directors, which, until June 19, 2013, shall consist
13 of twelve voting members. The appointment of the initial board
14 members shall be as follows:

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

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

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

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

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

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

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

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

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

45 board members.

46 (B) On and after June 19, 2013, the board of directors shall consist of
47 eleven voting members and three nonvoting members as follows: (i) The
48 board members appointed pursuant to subparagraphs (A)(i) to (A)(vii),
49 inclusive, of this subdivision; (ii) the Commissioner of Social Services,
50 the Secretary of the Office of Policy and Management and the
51 Healthcare Advocate, or their designees, who shall serve as ex-officio,
52 voting board members; and (iii) the Insurance Commissioner and the
53 Commissioners of Public Health and Mental Health and Addiction
54 Services, or their designees, who shall serve as ex-officio, nonvoting
55 board members. The provisions of this subparagraph shall not affect the
56 terms of the board members set forth in subparagraphs (A)(i) to (A)(vii),
57 inclusive, of this subdivision.

58 (C) Each board member appointed pursuant to subparagraphs (A)(i)
59 to (A)(vii), inclusive, of this subdivision, in addition to any applicable
60 requirement provided in subparagraphs (A)(i) to (A)(vii), inclusive,
61 shall have prior employment experience in the insurance industry and
62 shall not serve more than two consecutive terms as a board member on
63 the board of the exchange, except a board member may continue to
64 serve until a successor is appointed.

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

75 (B) No board member shall be a member of, a member of the board
76 of, a consultant to or an employee of a trade association of (i) insurers,

77 (ii) insurance producers or brokers, (iii) health care providers, or (iv)
78 health care facilities or health or medical clinics while serving on the
79 board of the exchange.

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

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

97 (2) As a condition of qualifying as a member of the board of directors,
98 each appointee shall, before entering upon such member's duties, take
99 and subscribe the oath or affirmation required under section 1 of article
100 eleventh of the Constitution of the state. A record of each such oath shall
101 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-1080
104 to 38a-1092, inclusive. The Governor shall select a chairperson from
105 among the board members and the board members shall annually elect
106 a vice-chairperson. Meetings of the board of directors shall be held at
107 such times as shall be specified in the bylaws adopted by the board and
108 at such other time or times as the chairperson deems necessary. Any

109 board member who fails to attend more than fifty per cent of all
110 meetings held during any calendar year shall be deemed to have
111 resigned from the board.

112 (4) Six board members shall constitute a quorum for the transaction
113 of any business or the exercise of any power of the exchange. For the
114 transaction of any business or the exercise of any power of the exchange,
115 the exchange may act by a majority of the board members present at any
116 meeting at which a quorum is in attendance. No vacancy in the
117 membership of the board of directors shall impair the right of such
118 board members to exercise all the rights and perform all the duties of
119 the board. Except as otherwise provided in sections 38a-1080 to 38a-
120 1092, inclusive, any action taken by the board under the provisions of
121 sections 38a-1080 to 38a-1092, inclusive, may be authorized by
122 resolution approved by a majority of the board members present at any
123 regular or special meeting, which resolution shall take effect
124 immediately unless otherwise provided in the resolution.

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

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

133 (7) Notwithstanding any provision of the general statutes, it shall not
134 constitute a conflict of interest for a trustee, director, partner or officer
135 of any person, firm or corporation, or any individual having a financial
136 interest in a person, firm or corporation, to serve as a board member of
137 the exchange, provided such trustee, director, partner, officer or
138 individual shall abstain from deliberation, action or vote by the
139 exchange in specific request to such person, firm or corporation.

140 (8) Each board member shall execute a surety bond in the penal sum

141 of fifty thousand dollars, or, in lieu thereof, the chairperson of the board
142 shall execute a blanket position bond or procure an equivalent insurance
143 product covering each board member, the chief executive officer and the
144 employees of the exchange, each surety bond or equivalent insurance
145 product to be conditioned upon the faithful performance of the duties
146 of the office or offices covered, to be issued by an insurance company
147 authorized to transact business in this state for surety or such equivalent
148 insurance product. The cost of each such bond or insurance product
149 shall be paid by the exchange.

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

154 (d) (1) With respect to the initial appointment of a chief executive
155 officer of the exchange, the board of directors shall nominate three
156 candidates to the Governor, who shall make a selection from such
157 nominations. After such initial appointment, the board shall select and
158 appoint subsequent chief executive officers.

159 (2) The chief executive officer shall be responsible for administering
160 the exchange's programs and activities in accordance with the policies
161 and objectives established by the board. The chief executive officer (A)
162 may employ such other employees as shall be designated by the board
163 of directors, and (B) shall attend all meetings of the board, keep a record
164 of all proceedings and maintain and be custodian of all records, books,
165 documents and papers filed with or compiled by the exchange.

166 (e) (1) (A) No employee of the exchange shall be employed by, a
167 consultant to, a member of the board of directors of, affiliated with or
168 otherwise a representative of (i) an insurer, (ii) an insurance producer or
169 broker, (iii) a health care provider, or (iv) a health care facility or health
170 or medical clinic while serving on the staff of the exchange. For purposes
171 of this subdivision, "health care provider" means any person that is
172 licensed in this state, or operates or owns a facility or institution in this

173 state, to provide health care or health care professional services in this
174 state, or an officer, employee or agent thereof acting in the course and
175 scope of such officer's, employee's or agent's employment.

176 (B) No employee of the exchange shall be a member of, a member of
177 the board of, a consultant to or an employee of a trade association of (i)
178 insurers, (ii) insurance producers or brokers, (iii) health care providers,
179 or (iv) health care facilities or health or medical clinics while serving on
180 the staff of the exchange.

181 (C) No employee of the exchange shall be a health care provider
182 unless (i) (I) such employee receives no compensation for rendering
183 services as a health care provider, or (II) the chief executive officer
184 approves the hiring of such provider as an employee on the basis that
185 such provider fills an area of need of expertise for the exchange, and (ii)
186 such employee does not have an ownership interest in a professional
187 health care practice.

188 (2) No employee of the exchange shall, for one year after terminating
189 employment with the exchange, accept employment with any health
190 carrier that offers a qualified health benefit plan through the exchange.

191 (3) Any employee of the exchange whose primary purpose is to assist
192 individuals or small employers in selecting health insurance plans
193 offered through the exchange to purchase shall be licensed as an
194 insurance producer under chapter 701a not later than eighteen months
195 after such employee begins employment with the exchange.

196 (4) Any employee of the exchange may enroll in a group
197 hospitalization and medical and surgical insurance plan under
198 subsection (a) of section 5-259, provided the exchange reimburses the
199 appropriate state agencies for all costs incurred by such enrollment.

200 (f) The board may consult with such parties, public or private, as it
201 deems desirable or necessary in exercising its duties under sections 38a-
202 1080 to 38a-1093, inclusive.

203 (g) The board may create such advisory committees as it deems
204 necessary to provide input on issues that may include, but are not
205 limited to, customer service needs and insurance producer concerns.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	38a-1081

Statement of Purpose:

To impose term limits on members of the board of directors of the Connecticut Health Insurance Exchange and require that all members of said board have insurance experience.

[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.]