

6740--B

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I N S E N A T E

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Introduced by Sens. ROBACH, RANZENHOFER -- read twice and ordered printed, and when printed to be committed to the Committee on Insurance -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, passed by Senate and delivered to the Assembly, recalled, vote reconsidered, restored to third reading, amended and ordered reprinted, retaining its place in the order of third reading -- again amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the insurance law, in relation to a health insurance demonstration program for early retirees; and providing for the repeal of such provisions upon expiration thereof

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. The insurance law is amended by adding a new section 1123-a
2 to read as follows:
3 S 1123-A. HEALTH INSURANCE DEMONSTRATION PROGRAM FOR FORMER EMPLOY-
4 EES. (A) DEFINITIONS. IN THIS SECTION:
5 (1) "ELIGIBLE ASSOCIATION" MEANS AN ENTITY THAT: (A) IS EXEMPT FROM
6 FEDERAL TAXATION UNDER SECTION 501(C)(3) OR (C)(4) OF THE INTERNAL
7 REVENUE CODE; (B) WAS INCORPORATED ON OR BEFORE JANUARY FIRST, TWO THOU-
8 SAND TEN; (C) MEETS THE CRITERIA SET FORTH IN SUBPARAGRAPH (K) OF PARA-
9 GRAPH ONE OF SUBSECTION (C) OF SECTION FOUR THOUSAND TWO HUNDRED THIR-
10 TY-FIVE OF THIS CHAPTER; AND (D) HAS BEEN ESTABLISHED FOR THE BENEFIT OF
11 FORMER EMPLOYEES OF A COMPANY IN THIS STATE.
12 (2) "ELIGIBLE INSURER" MEANS ANY HEALTH MAINTENANCE ORGANIZATION,
13 CERTIFIED PURSUANT TO ARTICLE FORTY-FOUR OF THE PUBLIC HEALTH LAW, AN
14 INSURER LICENSED TO WRITE ACCIDENT AND HEALTH INSURANCE, OR A CORPO-
15 RATION ORGANIZED PURSUANT TO ARTICLE FORTY-THREE OF THIS CHAPTER.
16 (3) "FORMER EMPLOYEE" MEANS AN INDIVIDUAL: (A) WHO WAS FORMERLY
17 EMPLOYED BY A COMPANY HEADQUARTERED IN THIS STATE AND WHICH HAS BEEN IN
18 OPERATION FOR OVER ONE HUNDRED YEARS; (B) WHO HAS HERETOFORE RECEIVED
19 HEALTH INSURANCE COVERAGE THROUGH THE FORMER EMPLOYER, (C) WHOSE FORMER
20 EMPLOYER FILED FOR CHAPTER ELEVEN BANKRUPTCY IN JANUARY TWO THOUSAND

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 TWELVE, AND (D) WHO IS NOT ELIGIBLE FOR MEDICARE OR FOR GROUP HEALTH
2 INSURANCE COVERAGE THROUGH ANOTHER EMPLOYER.

3 (4) "GROUP HEALTH INSURANCE" MEANS INSURANCE PROVIDING HOSPITAL,
4 SURGICAL OR MEDICAL EXPENSE COVERAGE OR OTHER SIMILAR COMPREHENSIVE
5 HEALTH INSURANCE COVERAGE.

6 (B) DEMONSTRATION PROGRAM FOR FORMER EMPLOYEES. (1) BOTH THE INSURER
7 AND THE GROUP HEALTH INSURANCE POLICIES ISSUED TO THE ELIGIBLE ASSOCI-
8 ATION SHALL BE SUBJECT TO THE PROVISIONS OF THIS CHAPTER AND ANY REGU-
9 LATIONS PROMULGATED THEREUNDER, EXCEPT THAT THE ELIGIBLE ASSOCIATION
10 SHALL NOT BE CONSIDERED A SMALL GROUP UNDER THIS CHAPTER.

11 (2) SUBJECT TO PARAGRAPH THREE OF THIS SUBSECTION, THE SUPERINTENDENT
12 MAY ISSUE AN APPROVAL TO AN ELIGIBLE INSURER IF: (A) THE ELIGIBLE INSUR-
13 ER DEMONSTRATES THAT IT SATISFIES ALL FINANCIAL, OPERATIONAL AND OTHER
14 REQUIREMENTS OF THIS CHAPTER AND REGULATIONS PROMULGATED THEREUNDER,
15 OTHER THAN ANY REQUIREMENTS EXPRESSLY WAIVED BY THIS SECTION, AND SHALL
16 OPERATE THE DEMONSTRATION PROGRAM IN ACCORDANCE WITH THE REQUIREMENTS OF
17 THIS SECTION; AND (B) THE SUPERINTENDENT DETERMINES THAT THE DEMON-
18 STRATION PROGRAM FURTHERS THE PUBLIC POLICY GOALS OF THIS SECTION.

19 (3) ANY ELIGIBLE INSURER SEEKING THE SUPERINTENDENT'S APPROVAL UNDER
20 PARAGRAPH TWO OF THIS SUBSECTION SHALL SUBMIT A WRITTEN REQUEST TO THE
21 SUPERINTENDENT WITHIN THIRTY DAYS OF THE EFFECTIVE DATE OF THIS SECTION.
22 THE ELIGIBLE INSURER'S APPLICATION SHALL: SPECIFY THE IDENTITY AND
23 COMPOSITION OF THE ELIGIBLE ASSOCIATION, THE ELIGIBLE ASSOCIATION'S
24 MEMBERSHIP RULES, AND THE TERMS UNDER WHICH THE ELIGIBLE INSURER SHALL
25 PROVIDE GROUP HEALTH INSURANCE TO THE ELIGIBLE ASSOCIATION; DEMONSTRATE
26 THAT THE ELIGIBLE INSURER AND THE ELIGIBLE ASSOCIATION MEET THE REQUIRE-
27 MENTS SET FORTH IN THIS SECTION; AND IDENTIFY THE GROUP HEALTH INSURANCE
28 POLICY FORMS THAT THE ELIGIBLE INSURER WILL ISSUE TO THE ELIGIBLE ASSO-
29 CIATION. THE SUPERINTENDENT SHALL MAKE A DETERMINATION ON ANY REQUEST
30 WITHIN NINETY DAYS OF RECEIPT OF ALL NECESSARY INFORMATION. THE SUPER-
31 INTENDENT SHALL ISSUE AN APPROVAL TO ONLY ONE ELIGIBLE INSURER.

32 (4) THE SUPERINTENDENT MAY REVOKE AN APPROVAL ISSUED UNDER PARAGRAPH
33 TWO OF THIS SUBSECTION IF: THE INSURER THAT RECEIVED SUCH APPROVAL NO
34 LONGER QUALIFIES AS AN ELIGIBLE INSURER OR IS OTHERWISE OPERATING IN A
35 MANNER INCONSISTENT WITH THE PROVISIONS OF THIS CHAPTER OR REGULATIONS
36 PROMULGATED THEREUNDER; OR THE ASSOCIATION TO WHICH THE ELIGIBLE INSURER
37 ISSUED THE GROUP HEALTH INSURANCE POLICY NO LONGER QUALIFIES AS AN
38 ELIGIBLE ASSOCIATION. AN ELIGIBLE INSURER THAT RECEIVES APPROVAL UNDER
39 PARAGRAPH TWO OF THIS SUBSECTION SHALL SUBMIT PERIODIC REPORTS TO THE
40 SUPERINTENDENT SUFFICIENT TO ENABLE THE SUPERINTENDENT TO EVALUATE THE
41 EFFECTIVENESS OF THE DEMONSTRATION PROGRAM. SUCH REPORTS SHALL INCLUDE A
42 COMPARISON OF THE COST OF HEALTH INSURANCE OBTAINED UNDER THE PROGRAM TO
43 OTHER AVAILABLE INSURANCE OPTIONS, INCLUDING GROUP HEALTH INSURANCE
44 POLICIES DELIVERED OR ISSUED FOR DELIVERY IN THIS STATE, DEMOGRAPHIC AND
45 GEOGRAPHIC ANALYSIS OF THE ENROLLED POPULATION AND ANY OTHER INFORMATION
46 REQUIRED BY THE SUPERINTENDENT.

47 S 2. This act shall take effect immediately and shall expire December
48 31, 2013 when upon such date the provisions of this act shall be deemed
49 repealed.