

10400

I N A S S E M B L Y

March 23, 2010

Introduced by M. of A. MURRAY, RAIA, MONTESANO, FITZPATRICK, GORDON,
FINCH -- Multi-Sponsored by -- M. of A. CALHOUN, CONTE, SALADINO,
THIELE -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to enacting the Suffolk county insurance consortium act which enables the county of Suffolk to enter into cooperative agreements with school districts, towns, and villages located within such county to pay for the provision of health care services to their employees

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

1 Section 1. This act shall be known and may be cited as the "Suffolk
2 county insurance consortium act".
3 S 2. Subsection (a) of section 4703 of the insurance law, as added by
4 chapter 689 of the laws of 1994, is amended to read as follows:
5 (a) No municipal corporation shall establish, maintain or otherwise
6 participate in a municipal cooperative health benefit plan in this state
7 which provides benefits, in whole or part, on a shared-funding basis,
8 unless the municipal cooperative health benefit plan:
9 (1) obtains and maintains a certificate of authority from the super-
10 intendent pursuant to the provisions of this article; or
11 (2) is an employee welfare fund, as defined in article forty-four of
12 this chapter that is administered by equal representation of employees
13 and employers; or
14 (3) is exempt from the requirement of obtaining a license; or
15 (4) is, and continues to be, a fully-insured municipal cooperative
16 health benefit plan; OR
17 (5) IS ESTABLISHED BY SUFFOLK COUNTY, IN WHICH CASE NO APPLICATION FOR
18 OR RECEIPT OF A CERTIFICATE OF AUTHORITY PURSUANT TO THIS SECTION SHALL
19 BE REQUIRED.
20 S 3. The opening paragraphs of subsections (a), (b), (c), (d), (e) and
21 (f) of section 4705 of the insurance law, as added by chapter 689 of the
22 laws of 1994, are amended to read as follows:
23 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
24 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF

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

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1 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
2 ARTICLE, THE municipal cooperation agreement, under which the municipal
3 cooperative health benefit plan is established and maintained, and any
4 amendment thereto, shall be approved by each participating municipal
5 corporation by majority vote of each such corporation's governing body,
6 and shall:

7 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
8 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF
9 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
10 ARTICLE, THE municipal cooperation agreement shall provide that the
11 plan's chief fiscal officer:

12 [A] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
13 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF
14 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
15 ARTICLE, A municipal cooperation agreement shall include a provision:

16 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
17 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF
18 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
19 ARTICLE, THE municipal cooperation agreement shall provide that the
20 governing board:

21 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
22 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF
23 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
24 ARTICLE, THE municipal cooperation agreement shall provide for the
25 following to be prepared and furnished to the governing board, to
26 participating municipal corporations, to unions which are the exclusive
27 bargaining representatives of employees covered by the plan and to the
28 superintendent:

29 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A
30 MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF
31 SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS
32 ARTICLE, THE municipal cooperation agreement shall specify the rights
33 and obligations of a municipal corporation withdrawing from a municipal
34 cooperative health benefit plan to any contribution (or premium equiv-
35 alent) refund or reserve fund or for any contingent assessment liability
36 or other obligation.

37 S 4. The insurance law is amended by adding a new section 4705-a to
38 read as follows:

39 S 4705-A. MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE
40 COUNTY OF SUFFOLK. SUFFOLK COUNTY HEREBY HAS THE AUTHORITY TO ENTER A
41 MUNICIPAL COOPERATION AGREEMENT FOR THE ESTABLISHMENT OF A MUNICIPAL
42 COOPERATIVE HEALTH BENEFIT PLAN UPON SUCH TERMS AND CONDITIONS AS DETER-
43 MINED AND AGREED TO BY THE COUNTY OF SUFFOLK AND PARTICIPATING MUNICIPAL
44 CORPORATIONS. SUCH AGREEMENT MAY, AT THE OPTION OF THE COUNTY OF
45 SUFFOLK, REQUIRE THAT EACH PARTICIPATING MUNICIPAL CORPORATION, OTHER
46 THAN SUCH COUNTY, PAY AN ADMINISTRATIVE FEE TO THE COUNTY OF SUFFOLK FOR
47 PARTICIPATION IN SUCH PLAN. NOTHING IN SUCH ADMINISTRATIVE FEE REQUIRE-
48 MENT SHALL CONSTRUE SUFFOLK COUNTY AS DOING AN INSURANCE BUSINESS WITHIN
49 THE MEANING OF SECTIONS ONE THOUSAND ONE HUNDRED ONE AND ONE THOUSAND
50 ONE HUNDRED TWO OF THIS CHAPTER.

51 S 5. Section 4706 of the insurance law is amended by adding a new
52 subsection (h) to read as follows:

53 (H) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL
54 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK
55 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

1 S 6. Section 4707 of the insurance law is amended by adding a new
2 subsection (d) to read as follows:

3 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL
4 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK
5 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

6 S 7. Section 4708 of the insurance law is amended by adding a new
7 subsection (f) to read as follows:

8 (F) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL
9 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK
10 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

11 S 8. Section 4709 of the insurance law is amended by adding a new
12 subsection (d) to read as follows:

13 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO A MUNICIPAL
14 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK
15 PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE.

16 S 9. The opening paragraph of subsection (a) of section 4710 of the
17 insurance law, as added by chapter 689 of the laws of 1994, is amended
18 to read as follows:

19 [The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT
20 PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK PURSUANT TO SECTION FOUR THOU-
21 SAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE, THE governing board of the
22 municipal cooperative health benefit plan shall:

23 S 10. Section 4711 of the insurance law, as added by chapter 689 of
24 the laws of 1994, is amended to read as follows:

25 S 4711. Examinations. (a) [The] EXCEPT IN THE CASE OF A MUNICIPAL
26 COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK,
27 THE superintendent may examine the affairs of a municipal cooperative
28 health benefit plan as often as deemed necessary, but not less than once
29 in every three years, except that the superintendent may extend the
30 three-year interval to no more than five years upon determining that the
31 three-year requirement is not necessary to safeguard the interests of
32 the public or covered persons.

33 (b) [In] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT
34 PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK, IN connection with such exam-
35 inations, the superintendent may exercise the powers set forth in
36 sections three hundred four, three hundred five, three hundred six,
37 three hundred eight, three hundred ten, three hundred eleven, three
38 hundred twelve, and three hundred thirteen of this chapter, and may also
39 require special reports from a municipal cooperative health benefit plan
40 as specified in section three hundred eight of this chapter.

41 (c) The governing board of every municipal cooperative health benefit
42 plan shall be responsible for the maintenance of accurate records and
43 books of account in regard to the plan.

44 (D) IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTAB-
45 LISHED BY THE COUNTY OF SUFFOLK, THE SUPERINTENDENT SHALL NOT BE ENTI-
46 TLED TO EXAMINATION OF SUCH BENEFIT PLAN NOR MAY THE SUPERINTENDENT
47 EXERCISE THE POWERS SET FORTH IN SECTIONS THREE HUNDRED FOUR, THREE
48 HUNDRED FIVE, THREE HUNDRED SIX, THREE HUNDRED EIGHT, THREE HUNDRED TEN,
49 THREE HUNDRED ELEVEN, THREE HUNDRED TWELVE, AND THREE HUNDRED THIRTEEN
50 OF THIS CHAPTER, AND MAY ALSO NOT REQUIRE SPECIAL REPORTS FROM A MUNICI-
51 PAL COOPERATIVE HEALTH BENEFIT PLAN AS SPECIFIED IN SECTION THREE
52 HUNDRED EIGHT OF THIS CHAPTER IN REGARD TO SUCH PLAN.

53 S 11. Section 4713 of the insurance law is amended by adding a new
54 subsection (d) to read as follows:

1 (D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE DISSOLUTION
2 OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY
3 OF SUFFOLK.
4 S 12. This act shall take effect on the one hundred twentieth day
5 after it shall have become a law.