S T A T E O F N E W Y O R K

6600

2009-2010 Regular Sessions

I N A S S E M B L Y

March 6, 2009

Introduced by M. of A. FIELDS -- read once and referred to the Committee on Insurance

AN ACT to amend the insurance law, in relation to enabling the county of Suffolk to enter into cooperative agreements with not-for-profit corporations 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:

Section 1. Subsection (e) of section 4702 of the insurance law, as added by chapter 689 of the laws of 1994, is amended and a new subsection (k) is added to read as follows:

(e) "Municipal cooperative health benefit plan" or "plan" means any plan established or maintained by two or more municipal corporations; OR IN SUFFOLK COUNTY, ESTABLISHED BETWEEN A MUNICIPAL CORPORATION AND A NOT-FOR-PROFIT CORPORATION PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE, pursuant to a municipal cooperation agreement for the purpose of providing medical, surgical or hospital services to employees or retirees of such municipal corporations and to the dependents of such employees or retirees.

(K) "NOT-FOR-PROFIT CORPORATION" SHALL MEAN A NOT-FOR-PROFIT CORPORATION EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

S 2. Subsection (a) of section 4703 of the insurance law, as added by chapter 689 of the laws of 1994, is amended to read as follows:

(a) No municipal corporation shall establish, maintain or otherwise participate in a municipal cooperative health benefit plan in this state which provides benefits, in whole or part, on a shared-funding basis, unless the municipal cooperative health benefit plan:

(1) obtains and maintains a certificate of authority from the superintendent pursuant to the provisions of this article; or

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

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(2) is an employee welfare fund, as defined in article forty-four of this chapter that is administered by equal representation of employees and employers; or

(3) is exempt from the requirement of obtaining a license; or

(4) is, and continues to be, a fully-insured municipal cooperative health benefit plan; OR

(5) IS ESTABLISHED BY SUFFOLK COUNTY, IN WHICH CASE NO APPLICATION FOR OR RECEIPT OF A CERTIFICATE OF AUTHORITY PURSUANT TO THIS SECTION SHALL BE REQUIRED.

S 3. The opening paragraphs of subsections (a), (b), (c), (d), (e) and (f) of section 4705 of the insurance law, as added by chapter 689 of the laws of 1994, are amended to read as follows:

[The] EXCEPT IN THE CASE OF A MUNICIPAL COOPERATION AGREEMENT FOR A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK PURSUANT TO SECTION FOUR THOUSAND SEVEN HUNDRED FIVE-A OF THIS ARTICLE, THE municipal cooperation agreement, under which the municipal cooperative health benefit plan is established and maintained, and any amendment thereto, shall be approved by each participating municipal corporation by majority vote of each such corporation's governing body, and shall:

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

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

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

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

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

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

S 4705-A. MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK WITH NOT-FOR-PROFIT CORPORATIONS LOCATED WITHIN SUCH COUNTY. SUFFOLK COUNTY HEREBY HAS THE AUTHORITY TO ENTER A MUNICIPAL COOPERATION AGREEMENT FOR THE ESTABLISHMENT OF A MUNICIPAL COOPERATIVE

HEALTH BENEFIT PLAN UPON SUCH TERMS AND CONDITIONS AS DETERMINED AND AGREED TO BY THE COUNTY OF SUFFOLK AND PARTICIPATING NOT-FOR-PROFIT CORPORATIONS. SUCH AGREEMENT MAY, AT THE OPTION OF THE COUNTY OF SUFFOLK, REQUIRE THAT EACH PARTICIPATING NOT-FOR-PROFIT CORPORATION PAY AN ADMINISTRATIVE FEE TO THE COUNTY OF SUFFOLK FOR PARTICIPATION IN SUCH PLAN. NOTHING IN SUCH ADMINISTRATIVE FEE REQUIREMENT SHALL CONSTRUE SUFFOLK COUNTY AS DOING AN INSURANCE BUSINESS WITHIN THE MEANING OF SECTIONS ONE THOUSAND ONE HUNDRED ONE AND ONE THOUSAND ONE HUNDRED TWO OF THIS CHAPTER.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) IN THE CASE OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK, THE SUPERINTENDENT SHALL NOT BE ENTITLED TO EXAMINATION OF SUCH BENEFIT PLAN NOR MAY THE SUPERINTENDENT EXERCISE THE POWERS SET FORTH IN SECTIONS THREE HUNDRED FOUR, THREE HUNDRED FIVE, THREE HUNDRED SIX, THREE HUNDRED EIGHT, THREE HUNDRED TEN, THREE HUNDRED ELEVEN, THREE HUNDRED TWELVE, AND THREE HUNDRED THIRTEEN OF THIS CHAPTER, AND MAY ALSO NOT REQUIRE SPECIAL REPORTS FROM A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN AS SPECIFIED IN SECTION THREE HUNDRED EIGHT OF THIS CHAPTER IN REGARD TO SUCH PLAN.

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

(D) THE PROVISIONS OF THIS SECTION SHALL NOT APPLY TO THE DISSOLUTION OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY OF SUFFOLK.

S 12. This act shall take effect on the one hundred twentieth day after it shall have become a law.