

5653

2011-2012 Regular Sessions

I N A S S E M B L Y

February 24, 2011

Introduced by M. of A. MURRAY -- 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:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 S 11. Section 4713 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 THE DISSOLUTION  
4 OF A MUNICIPAL COOPERATIVE HEALTH BENEFIT PLAN ESTABLISHED BY THE COUNTY  
5 OF SUFFOLK.

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