

# STATE OF NEW YORK

---

310--B

2019-2020 Regular Sessions

## IN ASSEMBLY

(Prefiled)

January 9, 2019

---

Introduced by M. of A. STECK, PEOPLES-STOKES, FAHY, ARROYO, GUNTHER, MOSLEY, MONTESANO, RAIA, PALMESANO, STIRPE, HAWLEY, GOTTFRIED, BRABEC, FRIEND, ZEBROWSKI, GALEF, ENGLEBRIGHT, BARRETT, GIGLIO, BLANKENBUSH, BUCHWALD, BLAKE, LIFTON, WOERNER, LUPARDO, HEVESI, REYES, D'URSO, PICHARDO, COOK, McDONALD, DeSTEFANO, ASHBY, FERNANDEZ, JONES -- Multi-Sponsored by -- M. of A. BARCLAY, CROUCH, LAVINE, SCHIMMING-ER, SIMON, THIELE -- read once and referred to the Committee on Insurance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- again reported from said committee with amendments, ordered reprinted as amended and recommitted to said committee

AN ACT authorizing municipalities to join a county self-funded or self-insured health plan

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1     Section 1. Notwithstanding article 44 or 47 of the insurance law or  
2     any other provision of law to the contrary, and subject to the require-  
3     ments set forth in this section, a municipality is permitted, with the  
4     consent of the county and the governing body of such municipality, to  
5     join a county self-funded or self-insured health plan in any county in  
6     which such municipality is located in whole or in part. Municipality is  
7     defined as any city, town, village or any other municipal corporation, a  
8     school district or any governmental entity operating a public school, a  
9     public improvement or special district, a public authority, commission,  
10    or public benefit corporation, or any other public corporation, agency  
11    or instrumentality or unit of government which exercises governmental  
12    powers under the laws of the state but is not a part of, nor a depart-  
13    ment of, nor an agency of the state. In order for a municipality or  
14    municipalities to join the county self-funded or self-insured health  
15    plan, the county shall file with the superintendent of financial

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

LBD03515-04-9

1 services certification that, with inclusion of the lives to be covered  
2 in the plan following admission of the municipality or municipalities,  
3 the county self-funded or self-insured health plan meets the following  
4 six requirements:

5 (a) That the county and any municipality or municipalities joining  
6 such plan have mutually consented to join such plan.

7 (b) That it maintain a reserve fund, calculated as a percentage of  
8 total annual incurred claims, of a minimum of 12% of claims.

9 (c) That it has a surplus account, established and maintained for the  
10 sole purpose of satisfying unexpected obligations of the benefit plan in  
11 the event of termination or abandonment of the plan, which shall not be  
12 less than 5% of the annualized earned premium equivalents during the  
13 current fiscal year of the plan.

14 (d) That it has in effect a specific stop loss per individual claim  
15 only, no aggregate, and with a minimum deductible of \$200,000 to  
16 \$250,000.

17 (e) That it has a minimum of 1,000 covered lives including retirees,  
18 but not including dependents.

19 (f) That joint and several liability of participating municipalities  
20 for the obligations of the plan is hereby abolished, and such liability  
21 shall be governed as follows:

22 1. If the plan does not have admitted assets, as defined in section  
23 107 of the insurance law, at least equal to the aggregate of its liabil-  
24 ities and reserves and minimum surplus as provided in subdivision (b) of  
25 this section, the governing board of such plan shall, within 30 days  
26 thereafter, order an assessment for the amount that will provide suffi-  
27 cient funds to remove such impairment and collect from each municipal  
28 corporation a pro rata share of such assessed amount.

29 2. Every municipal corporation that participated in the plan at any  
30 time during the two-year period prior to the issuing of an assessment  
31 order by the plan's governing board shall, if notified of such assess-  
32 ment, pay its pro rata share of such assessment within 90 days after the  
33 issuance of that assessment order.

34 3. A municipal corporation's pro rata share of any assessment shall be  
35 determined by applying the ratio of (i) the total assessment to the  
36 total contributions or premium equivalents earned during the period  
37 covered by the assessment on all municipal corporations subject to  
38 assessment to (ii) the contribution or premium equivalent earned during  
39 such period attributable to such municipal corporation.

40 4. The contingent liability of municipal corporations for additional  
41 premium equivalents or assessments shall not be included as an asset in  
42 the financial statements of the self-funded or self-insured health plan.

43 The superintendent of financial services shall have the authority to  
44 review such certification to determine that the six aforementioned  
45 requirements have been met; provided, however, that in the absence of a  
46 finding of the superintendent to the contrary within a six-month period  
47 following the filing of such certification, the admission of the munici-  
48 pality to the county self-funded or self-insured health plan shall take  
49 effect. In January of every year following the initial filing of such  
50 certification, the county shall file a subsequent certification that the  
51 six aforementioned requirements remain in full force and effect.

52 § 2. This act shall take effect immediately.