STATE OF NEW YORK

529

2025-2026 Regular Sessions

IN ASSEMBLY

(Prefiled)

January 8, 2025

Introduced by M. of A. STECK, SANTABARBARA -- read once and referred to the Committee on Local Governments

AN ACT in relation to establishing a pilot program for a county self-funded or self-insured health plan in Albany and Schenectady counties

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

Section 1. (a) The superintendent of financial services shall authorize a pilot program for a county self-funded or self-insured health plan in Albany and Schenectady counties. Notwithstanding article 44 or 47 of the insurance law or any other provision of law to the contrary, and subject to the requirements set forth in this section, a municipality located in such counties is permitted, with the consent of the county and the governing body of such municipality, to join such county self-funded or self-insured health plan in the county in which such municipality is located in whole or in part. Municipality is defined as any city, town, village or any other municipal corporation, a school district or any governmental entity operating a public school, college or university, a public improvement or special district, a public authority, commission, or public benefit corporation, or any other public corporation, agency or instrumentality or unit of government which exercises governmental powers under the laws of the state but is not a part of, nor a department of, nor an agency of the state. In order for a municipality or municipalities to join such county self-funded or self-insured health plan, the county shall file with the superintendent of financial services certification that, with inclusion of the lives to be covered in the plan following admission of the municipality or municipalities, such plan meets the following six requirements:

1. That the county and any municipality or municipalities joining the county self-funded or self-insured health plan have mutually consented to join such plan.

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

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2. That the county self-funded or self-insured health plan maintains a reserve fund, calculated as a percentage of total annual incurred claims, of a minimum of 12% of claims.

3. That the county self-funded or self-insured health plan has a surplus account, established and maintained for the sole purpose of satisfying unexpected obligations of the benefit plan in the event of termination or abandonment of such plan, which shall not be less than 5% of the annualized earned premium equivalents during the current fiscal year of such plan.

4. That the county self-funded or self-insured health plan has in effect a specific stop loss per individual claim only, no aggregate, with a minimum deductible of $200,000 to $250,000.

5. That the county self-funded or self-insured health plan has a minimum of 1,000 covered lives including retirees, but not including dependents.

6. That joint and several liability of participating municipalities for the obligations of the county self-funded or self-insured health plan is hereby abolished, and such liability shall be governed as follows:

(i) If the plan does not have admitted assets, as defined in section 107 of the insurance law, at least equal to the aggregate of its liabilities and reserves and minimum surplus as provided in paragraph 2 of this subdivision, the governing board of such plan shall, within 30 days thereafter, order an assessment for the amount that will provide sufficient funds to remove such impairment and collect from each municipal corporation a pro rata share of such assessed amount.

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

(iii) A municipal corporation's pro rata share of any assessment shall be determined by applying the ratio of (A) the total assessment to the total contributions or premium equivalents earned during the period covered by the assessment on all municipal corporations subject to assessment to (B) the contribution or premium equivalent earned during such period attributable to such municipal corporation.

(iv) The contingent liability of municipal corporations for additional premium equivalents or assessments shall not be included as an asset in the financial statements of the plan.

(b) The superintendent of financial services shall have the authority to review such certification to determine that the six aforementioned requirements have been met; provided, however, that in the absence of a finding of the superintendent to the contrary within a six-month period following the filing of such certification, the admission of the municipality to the county self-funded or self-insured health plan shall take effect. In January of every year following the initial filing of such certification, the county shall file a subsequent certification that the six aforementioned requirements remain in full force and effect.

(c) The duration of a county self-funded or self-insured health plan undertaken by participating municipalities shall be at least two years and shall be allowed to become permanent should either county determine the plan to be successful.

(d) Thirty months after the effective date of this section, the superintendent of financial services shall submit a report to the governor, the temporary president of the senate, and the speaker of the assembly,

analyzing the data provided by participating municipalities, as well as recommendations based on the data collected from the pilot program.

§ 2. This act shall take effect on the ninetieth day after it shall have become a law.