§ 922. New York state small business health insurance partnership program. 1. The commissioner is authorized to the extent of funds available therefor to establish the New York state small business health insurance partnership program.

2. New York state small business health insurance partnership program. (a) A small business health insurance partnership program shall assist eligible employers in purchasing small group health insurance policies for their full-time employees and dependents.

(b) An eligible employer may apply to the commissioner for approval in the small business health insurance partnership program by submitting an application on a form prescribed by the commissioner. The information required on such application shall include, but not be limited to:

(i) the name and address of the employer and the nature of the business;

(ii) the names and salaries of the employer and employees;

(iii) an affidavit by the employer that employer-provided health insurance benefits have not been provided to employees in the twelve-month period prior to the effective date of this article; and

(iv) such other information as the commissioner may require.

(c) Upon reviewing the applications from eligible small employers, the commissioner shall, within the amount appropriated for such purpose, award partnership certificates to employers which meet the eligibility requirements; provided however, no partnership certificates will be awarded by the commissioner on and after January first, two thousand. In addition to evidencing approval of an eligible employer, the certificate shall state the amount of a small business health insurance partnership incentive payment for a small group health insurance policy, which in no event may exceed forty-five percent of the premium costs for group health care coverage for employees and their dependents. Employees may be required to make contributions to the payment of premium costs under this program at the option of the employer, but in no event shall such contribution exceed ten percent of the premium costs. Premium costs incurred by an employer for small group health insurance coverage for officers and directors of an employer and others with a proprietary or ownership interest in the employer may be eligible for an incentive payment to offset premium costs; provided, however, that the gross

household income of such officers and directors or others with a proprietary or ownership interest is at or below two hundred twenty-two percent of the non-farm federal poverty level and provided further that one or more employees and their dependents proposed to be covered by such group health care coverage are unrelated to such officers, directors or other persons with a proprietary or ownership interest. If after joining the program an employer participating in a small business insurance partnership program hires more employees so that the employer has more than fifty full-time employees at any one time, the employer may continue in the program but the premium costs attributable to the additional employees in excess of fifty or their families shall not be eligible for incentive payments.

(d) In approving partnership certificates for eligible small employers prior to January first, two thousand, the commissioner shall:

(i) first approve applications from eligible employers currently receiving assistance through a small business health insurance program created by the expanded health care coverage act authorized pursuant to chapter seven hundred three of the laws of nineteen hundred eighty-eight; and

(ii) give preference to eligible employers with the lowest average salaries and base the amount of the certificate on the salaries received by the employer and employees in order to maximize the impact of the small business partnership premium payments.

(e) Upon receipt of a partnership certificate from the commissioner, an approved eligible employer may obtain a small group health insurance policy from the insurer, health maintenance organization or corporation of its choice. No such insurer, health maintenance organization or corporation shall refuse to accept a small employer holding a valid partnership certificate and such insurer, organization or corporation shall arrange for the payment of the small employer's share of the small group health insurance policy or comprehensive health services plan premium. The approved applicant shall make available upon request from the commissioner information regarding continued eligibility in the program.

The commissioner shall, within amounts available therefor, on a competitive bid process, contract with organizations for purposes of

public education, outreach and recruitment of eligible businesses, including the distribution of applications and information regarding enrollment. The organizations shall include, but not be limited to: community based organizations such as chambers of commerce or trade organizations, diagnostic and treatment centers, hospitals, and other such organizations which engage in outreach and marketing activities. In no event shall the amount available for education, outreach, and recruitment exceed two percent of the total amount available for the purposes of this section.

(f) The commissioner, by rules and regulations, adopted by the commissioner shall establish the procedure by which insurers, corporations and organizations issuing small group health insurance policies under this article may redeem a certificate or certificates for the portion of the premium not paid by the employer, but in no event shall such redemption occur on less than a quarterly basis.

Any business which, with the intent to obtain benefits, willfully misstates information required for application for participation in the New York state health insurance partnership program or willfully fails to notify the commissioner or the commissioner's designee of any change in status which makes the business ineligible for the program, shall repay such incentive payments paid on behalf of its employees or program participants for health coverage through the New York state health insurance partnership program.

(g) Notwithstanding any inconsistent provision of law or regulation to the contrary, benefits under the small business health insurance partnership program shall be considered secondary to any other plan of insurance or benefit program under which a person may have coverage.

(h) On or before April first, nineteen hundred ninety-seven, and annually thereafter through April first, two thousand, the commissioner shall submit a report on the small business health insurance partnership program to the governor, the speaker of the assembly and the majority leader of the senate. Such report shall include, but not be limited to:

(i) the number of employers and employees able to purchase small group health insurance policies under the program;

(ii) the location and the nature of the business of such employers; and

(iii) recommendations for any changes which would improve the program.