CONNECTICUT HEALTH INSURANCE EXCHANGE

Rules as Provided in Public Act 11-53

Board of Directors

- Appointed board members may not designate a representative to perform their duties in their absence.

- The board members shall annually elect a **vice-chairperson**.

- Any board member who fails to attend more than fifty per cent of all meetings held during any calendar year shall be deemed to have resigned from the board.

- Six board members shall constitute a **quorum** for the transaction of any business or the exercise of any power of the Exchange. For the transaction of any business or the exercise of any power of the Exchange, the Exchange may act by a majority of the board members present at any meeting at which a quorum is in attendance. No vacancy in the membership of the board of directors shall impair the right of such board members to exercise all the rights and perform all the duties of the board. Any action taken by the board under the provisions of sections 1 to 13, inclusive, of this act may be authorized by resolution approved by a majority of the board members present at any regular or special meeting, which resolution shall take effect immediately unless otherwise provided in the resolution.

- Board members shall receive no compensation for their services but shall receive actual and necessary expenses incurred in the performance of their official duties.

- Board members may engage in private employment or in a profession or business, subject to any applicable laws, rules and regulations of the state or federal government regarding official ethics or conflicts of interest.

- It is not a conflict of interest for a trustee, director, partner or officer of any person, firm or corporation, or any individual having a financial interest in a person, firm or corporation, to serve as a board member of the Exchange, provided such trustee, director, partner, officer or individual shall abstain from deliberation, action or vote by the Exchange in specific request to such person, firm or corporation.

- For one year after the end of a member's service on the board, no board member is allowed to accept employment with any health carrier that offers a qualified health benefit plan through the Exchange.

- The board may consult with parties, public or private, as it deems desirable or necessary in exercising its duties.

- The board may create advisory committees as it deems necessary to provide input on issues that may include, but are not limited to, customer service needs and insurance producer concerns.

Chief Executive Officer

- With respect to the initial appointment of a chief executive officer, the board must nominate three candidates to the Governor, who must make a selection from these nominations. After the initial appointment, the board will select and appoint subsequent chief executive officers.

- The chief executive officer shall be responsible for administering the Exchange's programs and activities in accordance with the policies and objectives established by the board. The chief executive officer (A) may employ such other employees as shall be designated by the board of directors, and (B) shall attend all meetings of the board, keep a record of all proceedings and maintain and be custodian of all records, books, documents and papers filed with or compiled by the Exchange.

Exchange Employees

- No employee of the Exchange shall be a member, a member of the board or an employee of a trade association of (A) insurers, (B) insurance producers or brokers, (C) health care providers, or (D) health care facilities or health or medical clinics while serving on the board or on the staff of the Exchange.

- No employee of the Exchange shall be a health care provider unless (A) (i) such employee receives no compensation for rendering services as a health care provider, or (ii) the chief executive officer approves the hiring of such provider as an employee on the basis that such provider fills an area of need of expertise for the Exchange, and (B) such employee does not have an ownership interest in a professional health care practice.

- No employee of the Exchange shall, for one year after terminating employment with the Exchange, accept employment with any health carrier that offers a qualified health benefit plan through the Exchange.

- Any employee of the exchange whose primary purpose is to assist individuals or small employers in selecting health insurance plans offered on the exchange to purchase shall be licensed as an insurance producer under chapter 701a of the general statutes not later than eighteen months after such employee begins employment with the exchange.

Reporting Requirements

- **Audit**. The board of directors of the exchange shall submit to the joint standing committee of the General Assembly having cognizance of matters relating to insurance a copy of each audit of the exchange conducted by an independent auditing firm, not later than seven days after the audit is received by said board of directors.

- **Plan**. Not later than January 1, 2012, and annually thereafter until January 1, 2014, the chief executive officer must report to the Governor and the General Assembly on a plan, and any revisions or amendments to such plan, to establish a health insurance exchange in the state. Such report shall address:

  (1) Whether to establish two separate exchanges, one for the individual health insurance market and one for the small employer health insurance market, or to establish a single exchange;

  (2) Whether to merge the individual and small employer health insurance markets;

  (3) Whether to revise the definition of "small employer" from not more than fifty employees to not more than one hundred employees;

  (4) Whether to allow large employers to participate in the exchange beginning in 2017;

  (5) Whether to require qualified health plans to provide the essential health benefits package, as described in Section 1302(a) of the Affordable Care Act, or include additional state mandated benefits;

  (6) Whether to list dental benefits separately on the exchange's Internet web site where a qualified health plan includes dental benefits;

  (7) The relationship of the exchange to insurance producers;

  (8) The capacity of the exchange to award Navigator grants pursuant to section 9 of this act;

  (9) Ways to ensure that the exchange is financially sustainable by 2015, as required by the Affordable Care Act including, but not limited to assessments or user fees charged to carriers; and

  (10) Methods to independently evaluate consumers' experience, including, but not limited to, hiring consultants to act as secret shoppers.

- **Annual Report**. Not later than January 1, 2012, and annually thereafter, the chief executive officer of the exchange must report to the Governor and the General Assembly on:

  (1) Any private or federal funds received during the preceding calendar year and, if applicable, how such funds were expended;

(2) The adequacy of federal funds for the exchange prior to January 1, 2015;

(3) The amount and recipients of any grants awarded; and

(4) The current financial status of the exchange.

- **Essential Health Benefits Package.** The Office of Health Reform and Innovation (OHRI), in consultation with the board of directors of the Exchange and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and insurance, must prepare an analysis of the cost impact on the state and a cost-benefit analysis of the essential health benefits package, as described the Affordable Care Act, and coverage requirements under chapter 700c of the general statutes. This analysis must consider regulations issued by the DHHS Secretary and any applicable health benefit review report performed by the Insurance Department pursuant to section 38a-21 of the general statutes. Not later than sixty days after the DHHS Secretary publishes the essential health benefits, the OHRI shall submit such analysis to the Governor, the board of directors of the Exchange and the joint standing committees of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and insurance.