



Connecticut  
Paid Leave

# PRIVATE PLANS: feedback; options and discussion

Paid Family and Medical Leave Insurance Authority

Board of Directors Meeting

August 10, 2020

# Private Plans – discussion points



- Feedback and responses to comments and questions
- Review of private plan options
- The Glossary
- Review of requirements for self-funded private plan options
- Next steps



# Private Plans

- Comment Period on private plans closed on August 21
- Comments included:
  - Proposed statutory and procedural changes
  - Questions about the employee vote requirement
  - Rates
  - Registration
  - Self-funded plans
  - Approval Processes
  - Claims procedures
  - Declaration of Insurance

# Private Plans Options – Option 1

- **Option 1 – Declaration of Insurance as basis for voting:**
  - Insurers submits declaration of insurance (Declaration) to Connecticut Department of Insurance (CID)
  - The Paid Leave Authority verifies with the Connecticut Department of Insurance (CID) that the CID has approved the form of Declaration
  - Declaration serves as the policy only for the purposes of informing employees about the substance of the proposed private plan – **employer must still submit the policy for final review and approval**
  - Paid Leave Authority and CID approve the Declaration
  - Employer engages in information sharing campaign, holds vote
  - Depending on the outcome of the vote, employer establishes and administers a private plan or directs employees to the public plan
  - **If there is an affirmative vote, insurer and employer provide the full policy to the Paid Leave Authority within a time frame to be determined by the Paid Leave Authority, for review and final approval.**
  - Paid Leave Authority issues its ruling regarding the sufficiency of the plan within a time frame to be established by the Authority.



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## Private Plan Options – Option 2

- **Option 2 – Declarations and Policy as a basis for voting**
  - Insurers submit a Declaration of Insurance
  - The Paid Leave Authority verifies with the Connecticut Department of Insurance (CID) that the CID has approved the form of Declaration
  - Insurers offer the Declaration of Insurance to their customers to allow them to offer a private plan
  - **Employers hold elections, using the Declaration of Insurance as a representation of the coverage to be offered under the private plan.**
  - **The insurer submits its full policy to the Paid Leave Authority** within a time frame established by the Paid Leave Authority for review and final approval.
  - The Paid Leave Authority will review the policy and provide the insurer with its final approval decision.
  - **Employers hold a second election offering employees the opportunity to review the full plan before voting** to accept or decline a private plan option.

# Discussion points

## – Option 1:

- Allows employers and insurers to act immediately in drafting declarations, holding information campaigns and votes
- **Allows for one vote by the employees**
- **Does not offer the full policy for employee review prior to voting**
- The Paid Leave Authority may rescind approval if the policy submitted is substantively different from the declarations and does not meet the statutory standards for coverage for private plan



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# Discussion points – option 2

- Allows employers and insurers to act immediately in drafting declarations, holding information campaigns and votes
- **Requires two votes by employers – one on the declaration of insurance and another after the full plan is drafted**
- **Offers employees two opportunities to vet the private plan option by voting on the declaration of insurance and the policy**
- The Paid Leave Authority may rescind approval if the policy submitted is substantively different from the declarations and does not meet the statutory standards for coverage for private plan



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# Self-Insured Plans

- A bond is required, by statute, in the amount of estimated total yearly contributions that would otherwise be owed by the employees to the Fund.
- The employer must demonstrate that it can administer a self-insured plan by having sufficient financial resources to pay claims and adequate benefits claims administration to assure that employees have access to benefits as they would if they participated in the public plan.
  - Must provide a checklist or other proof of a viable benefits application and approval process
  - Must provide evidence of a claims administration system or process for employees to receive benefits timely
  - Must prove the existence of financial resources to pay claims



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# Proposed Procedure: The Glossary



- Offers defined terms, especially for new concepts:
  - Family member and affinity relationships
  - Incapacity
  - Family violence leave
  - Health care provider
  - In loco parentis
- Designed to provide guidance and clarity for employers, employees, participants in the plan
- Provides support to the DOL regs process

# Decision points:



Select option one or two as the basis for proposed private plan procedures, or recommend alternatives to either or both



Approve proposed procedures for self-insured plans



Approve the glossary as a procedure of the Paid Leave Authority (pending final approval after 30-day comment period)