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## **OLR Bill Analysis**

### **sHB 5559**

#### ***AN ACT CONCERNING A BASIC HEALTH PROGRAM.***

#### **SUMMARY**

Starting October 1, 2026, this bill requires the Department of Social Services (DSS) commissioner to seek any necessary federal approval to establish a Basic Health Program (BHP), an optional program under the federal Affordable Care Act (ACA)(see BACKGROUND). The commissioner must do this in consultation with the Office of Policy and Management (OPM) and based on the recommendations of the working group the bill establishes to oversee the program's design.

Under the bill, the BHP provides subsidized health insurance to eligible low-income residents who would otherwise qualify to purchase coverage through the state's health insurance exchange (Access Health CT). Generally, the program must provide the same benefits, cost-sharing limits, and other consumer safeguards that apply to Connecticut Medical Assistance Program (CMAP, Medicaid, and the State Health Insurance Program for Children) recipients.

The federal government largely subsidizes the BHP's costs, and the bill establishes a separate, nonlapsing BHP account for these subsidies. The account must contain any moneys required by law to be deposited into it and DSS must use the funds only to operate the program.

Additionally, the bill requires the DSS commissioner to:

1. forward any federal applications to approve or make changes to the BHP to the Appropriations and Human Services committees and the bill's BHP working group at least 30 days before submitting them;
2. hold at least one public hearing on the BHP and a series of stakeholder engagement meetings before implementing the

program; and

3. report to the legislature on the program's operations, activities, and finances every six months starting by January 1, 2027, through January 1, 2030, and annually after that.

EFFECTIVE DATE: July 1, 2026, except the working group provision takes effect upon passage.

## **BASIC HEALTH PROGRAM**

### ***Program Administration and Benefits***

The bill requires the DSS commissioner to coordinate the BHP's administration and benefits and take all necessary actions to maximize federal funding. To the extent the ACA allows, it requires the BHP to provide the same benefits, cost-sharing limits, and other consumer safeguards that apply to CMAP recipients, unless the commissioner determines that:

1. doing so will cost more than the federal subsidies available to the state to pay for the BHP or
2. changes in federal law or regulations (or their administration) will affect BHP funding, eligibility requirements, or administration.

If the commissioner makes this determination, she may, in consultation with OPM, develop a plan to respond to these changes.

Under the bill, if the federal subsidies the state gets to pay for the BHP are more than the cost of care that would otherwise be provided to eligible people, the commissioner must use the extra funds to reduce the premiums and cost sharing for these people or give them additional benefits.

### ***Eligibility Requirements***

Under the bill, the BHP provides subsidized health insurance to Connecticut residents (1) with household incomes between 133% and 200% of the federal poverty level, (2) under age 65, (3) ineligible for

CMAP, and (4) otherwise eligible to purchase a qualified health plan through Access Health CT.

### ***Public Hearing***

Before implementing the BHP, the bill requires the DSS commissioner to hold at least one public hearing on the program, as well as a series of stakeholder engagement meetings with potential stakeholders, including (1) representatives of certain health care providers (for example, hospitals and health centers), CMAP, and Access Health CT enrollees; (2) Appropriations, Human Services, Insurance and Real Estate, and Public Health committee members; and (3) other experts in health equity and health coverage policy.

### ***Report***

Under the bill, the DSS commissioner must report to the Appropriations, Human Services, and Insurance and Real Estate committees on the BHP's operations, activities, and finances, as well as any supporting documentation or data for the immediately preceding reporting period. The commissioner must submit the reports (1) every six months, starting by January 1, 2027, through January 1, 2030, and (2) annually after that.

## **BHP WORKING GROUP**

### ***Duties***

The bill requires the DSS commissioner to establish a working group to oversee the BHP's design. In doing its work, the group may consult with stakeholders, including current Access Health CT and CMAP enrollees, health care providers, health insurers, health care advocates, researchers, actuaries, and nonprofit health care providers.

### ***Membership***

Under the bill, the working group membership includes the following state officials or their designees:

1. Connecticut Healthcare Advocate,
2. social services and insurance commissioners,

3. Commission on Racial Equity in Public Health executive director,
4. State Comptroller,
5. OPM secretary,
6. six top legislative leaders, and
7. Insurance and Real Estate Committee House and Senate chairpersons.

Additionally, the Human Services Committee House and Senate chairpersons serve as the working group's chairpersons along with the OPM secretary or his designee.

The working group also includes the following additional members:

1. Access Health CT chief executive officer;
2. three health insurance experts from nonprofit and academic communities, with demonstrated knowledge of health plan design and actuarial practices, appointed by the working group chairpersons; and
3. any other members the chairpersons deem necessary.

Under the bill, appointed members may be legislators. Appointing authorities must make their initial appointments within 30 days after the bill's passage and fill any vacancies. If appointments are not made within that time, the DSS commissioner may designate qualified people to serve on the working groups until the appointments are made.

Appointed members serve at the pleasure of their appointing authority and must continue to serve until their successors are appointed.

Members serve without compensation but may be reimbursed for necessary expenses incurred when performing their duties if (1) funds are available and (2) the working group chairpersons approve it.

### ***Meetings***

Under the bill, a majority of the working group's members constitute a quorum for transacting business. Any decision must be made by a majority vote of members present at the meeting, except that the chairpersons may establish committees, subcommittees, or other necessary entities to do the working group's work. The working group may also adopt procedural rules.

### ***Report***

The bill requires the working group, by December 1, 2026, to report to the Appropriations, Human Services, and Insurance and Real Estate committees on (1) its recommendations for the BHP's design and implementation and (2) a description of the program, including its funding and operations.

## **BACKGROUND**

### ***BHP***

The ACA allows states to establish BHPs for people (1) ineligible for Medicaid, (2) under age 65, (3) with household income between 133% and 200% of the FPL (people with incomes under 133% of the FPL qualify for Medicaid), and (4) ineligible for minimal essential health care coverage (for example, State Children's Health Insurance Program (HUSKY B in Connecticut)) or who cannot afford their employer's coverage.

The federal law imposes cost-sharing limits and requires that state BHPs provide benefits at least as rich as those in the state's "essential health benefits package" available to someone purchasing insurance through its health insurance exchange.

States that operate a BHP are eligible for federal subsidies equaling 95% of the premium tax credits and cost-sharing reductions that the federal government would have spent if BHP enrollees had received their assistance when enrolling in an exchange health plan.

The law requires states to establish funds into which the federal subsidies are deposited and that can be used only to reduce BHP

enrollees' premiums and cost sharing or to give them additional benefits (42 U.S.C. § 18051).

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable

Yea 16 Nay 7 (03/19/2026)