

AMENDED IN ASSEMBLY MARCH 27, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 824**

---

---

**Introduced by Assembly Member Cohn**

February 22, 2001

---

---

An act to amend Section 21661 of the Government Code, relating to public employee health care, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 824, as amended, Cohn. Public employees' long-term care insurance.

Existing law requires the Board of Administration of the Public Employees' Retirement System to contract for long-term care insurance plans, authorizes the board to develop and administer self-funded long-term care insurance plans, and specifies that active and retired members and annuitants of specified public retirement systems and their spouses, their parents, and their spouses' parents shall be eligible to enroll in those plans. Premiums for any self-funded long-term care plan developed by the board are required to be deposited in the Public Employees' Long-term Care Fund, a continuously appropriated special fund.

This bill would provide that ~~dependent~~ *adult* siblings of eligible active and retired members and annuitants shall also be eligible to enroll in those plans. By expanding the class of persons making deposits into a special fund, the bill would make an appropriation.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 21661 of the Government Code is  
2 amended to read:

3 21661. (a) The board shall contract with carriers offering  
4 long-term care insurance plans and enter into health care service  
5 plan contracts covering long-term care.

6 The long-term care insurance plans and health care service plan  
7 contracts covering long-term care shall be made available  
8 periodically during open enrollment periods determined by the  
9 board.

10 (b) The board shall award contracts to carriers who are  
11 qualified to provide long-term care benefits, and may develop and  
12 administer self-funded long-term care insurance plans. The board  
13 may offer one or more long-term care insurance plans or health  
14 care service plan contracts covering long-term care and may offer  
15 service or indemnity-type plans.

16 (c) The long-term care insurance plans and health care service  
17 plan contracts covering long-term care shall include home,  
18 community, and institutional care and shall, to the extent  
19 determined by the board, provide substantially equivalent  
20 coverage to that required under Chapter 2.6 (commencing with  
21 Section 10230) of Part 2 of Division 2 of the Insurance Code, if the  
22 carrier has been approved by the Department of Managed Health  
23 Care pursuant to Chapter 2.2 (commencing with Section 1340) of  
24 Division 2 of the Health and Safety Code.

25 (d) The classes of persons who shall be eligible to enroll are:

26 (1) Active and retired members and annuitants of the Public  
27 Employees' System, and their spouses, their parents, their  
28 ~~dependent~~ siblings, and their spouses' parents.

29 (2) Active and retired members and annuitants of any county  
30 or district subject to the County Employees Retirement Law of  
31 1937, and their spouses, their parents, their ~~dependent~~ siblings,  
32 and their spouses' parents.

33 (3) Active and retired members and annuitants of the State  
34 Teachers' Retirement System, and their spouses, their parents,  
35 their ~~dependent~~ siblings, and their spouses' parents.

36 (4) Active employees and retirees and annuitants of any public  
37 agency that is a contracting agency under this part or Part 5



1 (commencing with Section 22751), and their spouses, their  
2 parents, their ~~dependent~~ siblings, and their spouses' parents.

3 (5) Active and retired members and annuitants of the Judges'  
4 Retirement System, and their spouses, their parents, their  
5 ~~dependent~~ siblings, and their spouses' parents.

6 (6) Active and retired members and annuitants of the Judges'  
7 Retirement System II, and their spouses, their parents, their  
8 ~~dependent~~ siblings, and their spouses' parents.

9 (7) Active and retired members and annuitants of the  
10 Legislators' Retirement System, and their spouses, their parents,  
11 their ~~dependent~~ siblings, and their spouses' parents.

12 (8) Members of the California Assembly and Senate and their  
13 ~~spouse~~ spouses, their parents, their ~~dependent~~ siblings, and their  
14 spouses' parents.

15 (9) Active and retired members and annuitants, and other  
16 classes of employees of other public employee retirement systems  
17 or public employers as the board determines may be eligible under  
18 the standards the board may prescribe, and their spouses, their  
19 parents, their ~~dependent~~ siblings, and their spouses' parents.

20 (10) Active employees and retirees and annuitants of any  
21 agency specified in paragraphs (1) through (9) who reside in the  
22 United States, its territories and possessions, or in a country in  
23 which a provider network can be established comparable in quality  
24 and effectiveness to those established in the United States.

25 (e) Any California public agency or retirement system may  
26 contract with the board to extend the provisions of this article to  
27 its active and retired employees and annuitants.

28 (f) Irrespective of paragraphs (1) through (10) of subdivision  
29 (d), no person shall be enrolled unless he or she meets the  
30 eligibility and underwriting criteria established by the board.

31 (g) Irrespective of paragraphs (1) through (10) of subdivision  
32 (d), enrollment of active employees of the State of California shall  
33 be subject to Section 19867.

34 (h) The board shall establish eligibility criteria for enrollment,  
35 establish appropriate underwriting criteria for potential enrollees,  
36 define the scope of covered benefits, define the criteria to receive  
37 benefits, and set any other standards as needed. As used in this  
38 section, "~~dependent sibling~~ *sibling*" shall mean a sibling who  
39 ~~receives at least one-half of his or her support from the active~~



1 ~~employee, retiree, or annuitant as determined according to rules of~~  
2 ~~the board.~~ *is at least 18 years of age.*

3 (i) The full cost of enrollment in a long-term care insurance  
4 plan or in health care service plan contracts covering long-term  
5 care shall be paid by the enrollees.

6 (j) The long-term care insurance plans and health care service  
7 plan contracts covering long-term care shall not become part of,  
8 or subject to, the retirement or health benefits programs  
9 administered by the system.

10 (k) For any self-funded long-term care plan developed by the  
11 board, the premiums shall be deposited in the Public Employees'  
12 Long-term Care Fund.

