

**Introduced by Senator Correa**

February 23, 2007

---

---

An act to amend Section 22959.6 of the Government Code, relating to public employee health benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 689, as introduced, Correa. Public employee health benefits: vision care: annuitants.

The Vision Care Program for State Annuitants, administered by the Department of Personnel Administration, provides vision care coverage to specified state annuitants and their dependents, as contracted for by the department. The program is funded by annuitant premiums.

This bill would instead require the state to fund ½ of the program's costs, as specified, subject to appropriation in the annual Budget Act.

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

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

- 1 SECTION 1. Section 22959.6 of the Government Code is  
2 amended to read:  
3 22959.6. (a) The Department of Personnel Administration  
4 may contract with one or more vision care plans for annuitants  
5 and eligible family members, provided the carrier or carriers have  
6 operated successfully in the area of vision care benefits for a  
7 reasonable period, as determined by the Department of Personnel  
8 Administration.  
9 (b) The Department of Personnel Administration, as the program  
10 administrator, has full administrative authority over this program

1 and associated funds and shall require *that one-half of the monthly*  
2 *premium to* *of each annuitant* be paid by the *state, subject to*  
3 *appropriation in the annual Budget Act, and one-half of the*  
4 *monthly premium be paid by the* annuitant for the vision care plan.  
5 The premium to be paid by the annuitant shall be deducted from  
6 his or her monthly allowance. A vision care plan or plans provided  
7 under this authority shall be funded by the annuitants' premium  
8 *and by the state*. All premiums received from annuitants shall be  
9 deposited in the Vision Care Program for State Annuitants Fund,  
10 which is hereby created in the State Treasury. Any income earned  
11 on the moneys in the Vision Care Program for State Annuitants  
12 Fund shall be credited to the fund. The Vision Care Program for  
13 State Annuitants Fund is available, upon appropriation by the  
14 Legislature, for the purposes specified in subdivision (d).

15 (c) An annuitant may enroll in a vision care plan provided by  
16 a carrier that also provides a health benefit plan pursuant to Section  
17 22850 if the employee or annuitant is also enrolled in the health  
18 benefit plan provided by that carrier. However, nothing in this  
19 section may be construed to require an annuitant to enroll in a  
20 vision care plan and a health benefit plan provided by the same  
21 carrier. An annuitant enrolled in this program shall only enroll into  
22 a vision plan or vision plans contracted for by the Department of  
23 Personnel Administration.

24 (d) No contract for a vision care plan may be entered into unless  
25 the Department of Personnel Administration determines it is  
26 reasonable to do so. Notwithstanding any other provision of law,  
27 any premium moneys paid into this program by annuitants *and the*  
28 *state* for the purposes of the annuitant vision care plan that is  
29 contracted for shall be used for the cost of providing vision care  
30 benefits to eligible, enrolled annuitants and their eligible and  
31 enrolled dependents, the payment of claims for those vision  
32 benefits, and the cost of administration of the vision care plan or  
33 plans under this vision care program, those costs being determined  
34 by the Department of Personnel Administration.

35 (e) If the Director of the Department of Personnel  
36 Administration determines that it is not economically feasible to  
37 continue this program anytime after its commencement, the  
38 Director may, upon written notice to enrollees and to the  
39 contracting plan or plans, terminate this program within a  
40 reasonable time. The notice of termination to the plan or plans

1 shall be determined by the Department of Personnel  
2 Administration. The notice to enrollees of the termination of the  
3 program shall commence no later than three months prior to the  
4 actual date of termination of the program.

5 (f) Premium rates for this program shall be determined by the  
6 Department of Personnel Administration in conjunction with the  
7 contracted plan or plans and shall be considered separate and apart  
8 from active employee premium rates.

9 (g) The Director shall report to the Legislature, prior to the end  
10 of the second quarter of the third plan year, on the continued  
11 economic sustainability of the Vision Care Program for State  
12 Annuitants.

O