

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 130

Introduced by Assembly Member Alejo
(Coauthors: Assembly Members Ammiano and Wilk)
(Coauthor: Senator Beall)

January 15, 2013

An act to amend Section 32121.5 of the Health and Safety Code, relating to health care districts.

LEGISLATIVE COUNSEL'S DIGEST

AB 130, as amended, Alejo. Health care districts: chief executive officers: benefits.

The Local Health Care District Law governs the organization and management of local health care districts, formerly known and sometimes referred to as local hospital districts. Among other things, that law authorizes the board of supervisors of a local health care district to establish, maintain, and operate, or provide assistance in the operation of, one or more health facilities or health services, including, but not limited to, retirement programs, services, and facilities. The law also authorizes a local health care district to enter into a written employment contract with a chief executive officer.

This bill would *authorize a local health care district to enter into an employment contract with a hospital administrator, including a hospital administrator who is designated as chief executive officer. The bill would also prohibit a local health care district from entering into, or renewing, an employment contract with a chief executive officer on or after January 1, 2014, that authorizes retirement plan benefits to be paid*

to the chief executive officer prior to his or her retirement. ~~The bill would also make nonsubstantive, technical and clarifying changes.~~

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

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

1 SECTION 1. Section 32121.5 of the Health and Safety Code
2 is amended to read:

3 32121.5. (a) Notwithstanding any other provision of this
4 division, a health care district may enter into a contract of
5 employment with ~~an individual to be its~~ *a hospital administrator,*
6 *including a hospital administrator who is designated as chief*
7 ~~executive officer if both of the following apply:~~

8 (a) ~~The term of the contract does not exceed four years. The~~
9 ~~contract may periodically be renewed for a term of not more than~~
10 *officer, the duration of which shall not exceed four years, but which*
11 *may periodically be renewed for a term of not more than four*
12 *years.*

13 (b) A contract entered into, or renewed, on or after January 1,
14 2014, shall not authorize retirement plan benefits to be paid to the
15 chief executive officer prior to his or her retirement.