

Assembly Bill No. 130

CHAPTER 92

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

[Approved by Governor August 13, 2013. Filed with Secretary of State August 13, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 130, 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 instead 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 health care district from entering into, or renewing, an employment contract with a hospital administrator, including a hospital administrator who is designated as chief executive officer, on or after January 1, 2014, that authorizes retirement plan benefits to be paid to the hospital administrator prior to his or her retirement.

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

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

32121.5. (a) Notwithstanding any other provision of this division, a health care district may enter into a contract of employment with a hospital administrator, including a hospital administrator who is designated as chief executive officer, the duration of which shall not exceed four years, but which may periodically be renewed for a term of not more than four years.

(b) A contract entered into, or renewed, on or after January 1, 2014, shall not authorize retirement plan benefits to be paid to a hospital administrator,

including a hospital administrator who is designated as chief executive officer, prior to his or her retirement.

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