

Assembly Bill No. 373

CHAPTER 768

An act to amend Section 21661 of the Government Code, relating to public employee health benefits.

[Approved by Governor October 12, 2013. Filed with
Secretary of State October 12, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 373, Mullin. Public Employees' Long-Term Care Act.

The Public Employees' Long-Term Care Act requires the Board of Administration of the Public Employees' Retirement System to contract with carriers offering long-term care insurance plans for eligible employees and annuitants, as defined. Existing law requires that long-term care insurance plans be made available periodically during open enrollment periods determined by the board. Existing law prescribes the classes of people who are eligible to enroll in these plans.

This bill would provide that domestic partners and adult children are eligible to enroll in long-term care plans offered under the Public Employees' Long-Term Care Act. The bill would specify that eligibility to enroll in these plans is subject to limitations of federal law. The bill would authorize the board to expand eligibility for these plans to all classes of persons who meet relevant requirements under the act and federal law. The bill would prescribe certain definitions for these purposes.

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

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

21661. (a) For purposes of this section:

- (1) "Adult children" means children who are at least 18 years of age.
- (2) "Domestic partners" means adults in a domestic partnership as defined in Section 22771.
- (3) "Siblings" means siblings who are at least 18 years of age.
- (4) "Spouses" means parties in a marital relationship recognized under the Internal Revenue Code, including, but not limited to, Section 7702B(f)(2) of Title 26 of the United States Code, or any other applicable authority that governs eligibility for a federally qualified state long-term care plan.

(b) The board shall contract with carriers offering long-term care insurance plans.

The long-term care insurance plans shall be made available periodically during open enrollment periods as determined by the board.

(c) The board shall award contracts to carriers who are qualified to provide long-term care benefits, and may develop and administer self-funded long-term care insurance plans. The board may offer one or more long-term care insurance plans.

(d) The long-term care insurance plans shall include home, community, and institutional care and shall, to the extent determined by the board, provide substantially equivalent coverage to that required under Chapter 2.6 (commencing with Section 10231) of Part 2 of Division 2 of the Insurance Code, if the carrier has been approved by the Department of Managed Health Care pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(e) Except as prohibited by the Internal Revenue Code, including, but not limited to, Section 7702B(f)(2) of Title 26 of the United States Code, or any other authority that governs eligibility for a federally qualified state long-term care plan, the classes of persons who shall be eligible to enroll are:

(1) Active and retired members and annuitants of the Public Employees' Retirement System, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(2) Active and retired members and annuitants of the State Teachers' Retirement Plan, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(3) Active and retired members and annuitants of the Judges' Retirement System, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(4) Active and retired members and annuitants of the Judges' Retirement System II, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(5) Active and retired members and annuitants of the Legislators' Retirement System, and their spouses, domestic partners, parents, adult children, siblings, and spouses' parents.

(6) Members of the California Assembly and Senate and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(7) Active and retired members and annuitants, and other classes of employees of a public agency that is located in this state, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(f) The board may expand eligibility to all classes of persons who meet the requirements of this section, applicable provisions of the Internal Revenue Code, or any other authority that governs eligibility for a federally qualified state long-term care plan.

(g) An individual specified in subdivision (e) or (f) shall not be eligible unless he or she resides in the United States, its territories and possessions, or in a country in which a provider network can be established comparable in quality and effectiveness to those established in the United States.

(h) Notwithstanding subdivision (e) or (f), a person shall not be enrolled unless he or she meets the eligibility and underwriting criteria established by the board.

(i) Notwithstanding subdivision (e) or (f), enrollment of active employees of the State of California shall be subject to Section 19867.

(j) The board shall establish eligibility criteria for enrollment, establish appropriate underwriting criteria for potential enrollees, define the scope of covered benefits, define the criteria to receive benefits, and set any other standards as needed.

(k) The long-term care insurance plans shall not become part of, or subject to, the retirement or health benefits programs administered by the system.

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

O