

Assembly Bill No. 2463

CHAPTER 904

An act to amend Section 22810 of, and to add Section 22821.1 to, the Government Code, relating to retirement, and making an appropriation therefor.

[Approved by Governor September 29, 2000. Filed
with Secretary of State September 29, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2463, Wiggins. Retirement: retiree health benefits.

Existing law, the Public Employees' Medical and Hospital Care Act, provides that an annuitant, as defined, who meets specified criteria and who was enrolled in a specified health benefits plan at the time of becoming an annuitant, may continue his or her enrollment in that health benefits plan without discrimination as to premium rates or benefit coverage. Under the act, if the governing board of a contracting agency so elects, eligible family members of a deceased employee of a contracting agency who are enrolled on the date of the employee's death may continue their enrollment in a health benefits plan, and the contracting agency is required to make specified premium payments with respect to them. Contributions and premiums paid under the act are deposited in the Public Employees' Health Care Fund, a continuously appropriated special fund.

This bill would permit an eligible annuitant who was not so enrolled, and specified survivors of annuitants who were not so enrolled, to enroll within 60 days of retirement or death of the annuitant, respectively, or during any future open enrollment period, without discrimination as to premium rates or benefit coverage, as specified. The bill would authorize contracting agencies to elect to allow eligible family members of a deceased employee of the contracting agency, who were not enrolled on the date of death, to enroll following the employee's death, as specified. By expanding the eligibility for benefits under the act, the bill would increase contributions to a continuously appropriated special fund, thereby making an appropriation.

Appropriation: yes.

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

SECTION 1. Section 22810 of the Government Code is amended to read:



22810. An employee or annuitant may, under eligibility rules as the board may by regulation prescribe, enroll in an approved health benefits plan, either as an individual or for self and family, except that an employee of a contracting agency, or an annuitant who retired while an employee or is the beneficiary of an employee, may enroll only in a health benefits plan for which the board has contracted. With respect to state officers and employees, the regulations shall provide that every employee or annuitant enrolled in a health benefits plan shall be enrolled in a major medical plan or shall provide for inclusion of major medical benefits in health benefit plans. The regulations may provide for the exclusion of employees on the basis of the nature and type of their employment or conditions pertaining thereto, but not limited to, short-term appointments, seasonal or intermittent employment, and employment of a like nature, but no employee or group of employees shall be excluded solely on the basis of the hazardous nature of the employment. Any enrollment shall authorize the deduction of the contributions required under this part from the employee's or annuitant's salary or retirement allowance.

Any annuitant who satisfies the requirement to retire within 120 days of separation as specified in subdivision (e) of Section 22754 may continue his or her enrollment, enroll within 60 days of retirement, or enroll during any future open enrollment period, as provided by regulations of the board, without discrimination as to premium rates or benefit coverage. If the survivor of an annuitant who satisfied the requirement to retire within 120 days of separation as specified in subdivision (e) of Section 22754 is also an annuitant as defined in this part, he or she shall also be eligible to enroll within 60 days of the annuitant's death or during any future open enrollment period, as provided by regulation of the board, without discrimination as to premium rates or benefit coverage. The effective date of enrollment of persons who, at the time of becoming an annuitant or survivor, were not enrolled in a health benefits plan under this part shall be a prospective date determined by the board.

Any permanent intermittent employee and any employee who works less than full time may continue his or her enrollment while retired from state employment if (1) he or she was enrolled prior to separation from state employment and (2) he or she lost eligibility prior to separation but continued his or her coverage under the federal law.

Any annuitant who becomes entitled to the survivor allowance under Section 21571 at age 62 and who was enrolled in a health benefits plan at the death of the member on whose account the survivor allowance is payable may enroll in a health benefits plan without discrimination as to premium rates or benefit coverage.

In the case of the death of an employee after application has been filed for coverage of family members but prior to the effective date



of coverage, family members shall be deemed to have been covered on the date of the death of the employee, and if one of the family members is an annuitant he or she shall be enrolled as if the coverage applied for were continued without discrimination as to premium rates or benefit coverage.

The board shall, by rule and regulation, make whatever provisions it deems necessary to eliminate or minimize the impact of adverse selection which would affect any plans approved or contracted for, because of enrollment of annuitants.

SEC. 2. Section 22821.1 is added to the Government Code, to read:

22821.1. All eligible family members of a deceased employee of a contracting agency who are eligible for coverage hereunder on the date of the employee's death shall be deemed to be annuitants under subdivision (e) of Section 22754 for the purpose of enrollment, pursuant to Section 22810, and continuing their enrollment hereunder.

With respect to those eligible family members who enroll, a contracting agency shall remit the amounts required under subdivision (2) of Section 22826 and Section 22831 as well as the total amount of premium required from employer and enrollees hereunder in accordance with regulations of the board. Enrollment of those annuitants shall be continuous as of the effective date of their enrollment specified in Section 22810 so long as they meet the eligibility requirements of subdivision (f) of Section 22754 and regulations pertinent thereto. Failure to timely pay the required premiums and costs shall terminate coverage without recourse to reenrollment, and the cancellation of coverage by an annuitant will be final without option to reenroll. The contracting agency may elect to require the family members to pay all or any part of the employer premium for the enrollment.

This section shall apply to a contracting agency only upon the filing with the board of a resolution of its governing board electing to be subject to this section.

