

AMENDED IN ASSEMBLY JULY 19, 2007

AMENDED IN ASSEMBLY JULY 3, 2007

AMENDED IN SENATE MAY 10, 2007

**SENATE BILL**

**No. 235**

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**Introduced by Senator Negrete McLeod**

February 14, 2007

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An act to add Part 6.5 (commencing with Section 22959.80) to Division 5 of Title 2 of the Government Code, relating to vision care; ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 235, as amended, Negrete McLeod. Vision care: annuitants: California State University.

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. Annuitants of the California State University and University of California systems are prohibited from participating in the program.

Existing law allows the Trustees of the California State University to provide by rule for the government of their appointees and employees, including, but not limited to, provisions related to the employer's contribution to employees, annuitants, and survivors health benefits.

This bill would enact the California State University Annuitant Vision Care Program, which would require the California State University system, on and after July 1, 2008, ~~and when administratively feasible,~~ to administer a vision care program for all participating annuitants, as

defined, of that institution, as specified. ~~The bill would appropriate \$75,000 from the General Fund for that purpose.~~

Vote:  $\frac{2}{3}$ -majority. Appropriation: ~~yes~~-no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Part 6.5 (commencing with Section 22959.80) is  
2 added to Division 5 of Title 2 of the Government Code, to read:

3  
4 PART 6.5. CALIFORNIA STATE UNIVERSITY ANNUITANT  
5 VISION CARE PROGRAM  
6

7 22959.80. This part shall be known and may be cited as the  
8 California State University Annuitant Vision Care Program. The  
9 purpose of this part is to do all of the following:

10 (a) Promote increased economy and efficiency ~~in the provision~~  
11 ~~of providing~~ vision benefits to California State University  
12 annuitants.

13 (b) Enable the California State University to use economies of  
14 scale to provide a vision care plan similar to those commonly  
15 provided in private industry and in other states.

16 (c) Recognize and protect the California State University’s  
17 investment in each employee by providing into retirement the  
18 option of a vision care program, and to promote and preserve  
19 continued good health among California State University  
20 annuitants.

21 22959.81. The California State University Annuitant Vision  
22 Care Program shall be administered by the Office of the Chancellor  
23 of the California State University.

24 22959.82. “Annuitant” means any of the following:

25 (a) A person who has retired within 120 days of separation from  
26 California State University employment and who receives a  
27 retirement allowance under any state retirement or University of  
28 California retirement system to which the California State  
29 University was a contributing party.

30 (b) A surviving family member receiving an allowance in place  
31 of an annuitant who has retired as provided in subdivision (a), or  
32 as the survivor of a deceased California State University employee  
33 under Section 21541 or 21546.

1 (c) A person receiving a survivor allowance pursuant to Article  
2 3 (commencing with Section 21570) of Chapter 14 of Part 3 if he  
3 or she was eligible to enroll in a health benefit plan on the date of  
4 the California State University employee member's death, on  
5 whose account the survivor allowance is payable.

6 (d) A family member of a deceased retired member of the State  
7 Teachers' Retirement Plan, if the deceased member meets both of  
8 the following conditions:

9 (1) Retired within 120 days of separation from California State  
10 University employment.

11 (2) Prior to his or her death, received a retirement allowance  
12 that did not provide for a survivor allowance to family members.

13 22959.83. (a) An annuitant who retires from a California State  
14 University campus or the office of the chancellor may enroll in a  
15 vision care plan offered under this part, if any of the following  
16 apply:

17 (1) The annuitant was enrolled in a health benefit plan, a dental  
18 care plan, or vision care plan at the time of separation for  
19 retirement, and retired within 120 days of the date of separation.

20 (2) The annuitant was not enrolled in a health benefit plan, a  
21 dental care plan, or vision care plan at the time of separation for  
22 retirement, but was eligible for enrollment as an employee at the  
23 time of separation for retirement, and retired within 120 days of  
24 the date of separation.

25 (b) The California State University has no duty to locate or  
26 notify any annuitant who may be eligible to enroll, or to provide  
27 names or addresses to any person, agency, or entity for the purpose  
28 of notifying those annuitants.

29 22959.84. A California State University employee who was  
30 enrolled in a vision care plan at the time he or she became an  
31 annuitant under state or federal provisions may continue his or her  
32 enrollment, including eligible family members, without  
33 discrimination as to benefit coverage, as an enrolled person within  
34 this program. An annuitant who is eligible for this program is a  
35 person who meets the requirements of Section 22959.83 and at  
36 the time of retirement was employed by a California State  
37 University campus or the office of the chancellor.

38 22959.85. (a) The California State University may contract  
39 with one or more vision care plans for annuitants and eligible  
40 family members, ~~provided~~ *if* the carrier or carriers have operated

1 successfully in the area of vision care benefits for a reasonable  
2 period, as determined by the California State University.

3 (b) The California State University, as the program  
4 administrator, has full administrative authority over this program  
5 and associated funds and shall require the monthly premium to be  
6 paid by the annuitant for the vision care plan. The premium to be  
7 paid by the annuitant shall be deducted from his or her monthly  
8 retirement allowance. A vision care plan or plans provided under  
9 this authority shall be funded by the annuitants' premiums. All  
10 premiums received from annuitants shall be deposited in the  
11 California State University Annuitant Vision Care Program trust  
12 account, which is hereby created. Any income earned on the  
13 moneys in the California State University Annuitant Vision Care  
14 Program trust account shall be credited to the trust account.

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 in  
22 a vision plan or vision plans contracted for by the California State  
23 University.

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

34 (e) If the California State University determines that it is not  
35 economically feasible to continue this program any time after its  
36 commencement, the California State University may, upon written  
37 notice to enrollees and to the contracting plan or plans, terminate  
38 this program within a reasonable time. The notice of termination  
39 to the plan or plans shall be determined by the California State  
40 University. The notice to enrollees of the termination of the

1 program shall commence no later than three months prior to the  
2 actual date of termination of the program. The California State  
3 University shall notify the Legislature of a decision to terminate  
4 the program.

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

9 22959.86. On or after July 1, 2008, ~~and when administratively~~  
10 ~~feasible~~, the California State University shall implement the  
11 California State University *Annuitant* Vision Care Program.

12 ~~SEC. 2. There is hereby appropriated, from the General Fund~~  
13 ~~to the California State University, seventy-five thousand dollars~~  
14 ~~(\$75,000), for the purposes of funding startup costs for this act.~~  
15 ~~These funds shall be appropriated without regard to fiscal year.~~

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