

Senate Bill No. 235

Passed the Senate September 7, 2007

Secretary of the Senate

Passed the Assembly September 4, 2007

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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.

LEGISLATIVE COUNSEL'S DIGEST

SB 235, 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, to administer a vision care program for all participating annuitants, as defined, of that institution, as specified.

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

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

**PART 6.5. CALIFORNIA STATE UNIVERSITY ANNUITANT
VISION CARE PROGRAM**

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

(a) Promote increased economy and efficiency in providing vision benefits to California State University annuitants.

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

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

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

22959.82. "Annuitant" means any of the following:

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

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

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

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

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

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

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

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

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

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

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

22959.85. (a) The California State University may contract with one or more vision care plans for annuitants and eligible family members if the carrier or carriers have operated successfully in the area of vision care benefits for a reasonable period, as determined by the California State University.

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

(c) An annuitant may enroll in a vision care plan provided by a carrier that also provides a health benefit plan pursuant to Section

22850 if the employee or annuitant is also enrolled in the health benefit plan provided by that carrier. However, nothing in this section may be construed to require an annuitant to enroll in a vision care plan and a health benefit plan provided by the same carrier. An annuitant enrolled in this program shall only enroll in a vision plan or vision plans contracted for by the California State University.

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

(e) If the California State University determines that it is not economically feasible to continue this program any time after its commencement, the California State University may, upon written notice to enrollees and to the contracting plan or plans, terminate this program within a reasonable time. The notice of termination to the plan or plans shall be determined by the California State University. The notice to enrollees of the termination of the program shall commence no later than three months prior to the actual date of termination of the program. The California State University shall notify the Legislature of a decision to terminate the program.

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

22959.86. On or after July 1, 2008, the California State University shall implement the California State University Annuitant Vision Care Program.

Approved _____, 2007

Governor