ASSEMBLY BILL No. 820

Introduced by Assembly Member Conway

February 26, 2009

An act to amend Sections 19889.7 and 22959.6 of the Government Code, relating to public employees, and making an appropriation therefor.

legislative counsel's digest

AB 820, as introduced, Conway. Public employees.

Existing law permits the Department of Personnel Administration to charge an administrative fee to employees participating in a group legal services plan established through regulation for excluded employees and memoranda of understanding reached pursuant to the Ralph C. Dills Act.

This bill would in addition permit the department to charge an administrative fee to annuitants participating in a group legal services plan established through regulation for annuitants.

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. The program is funded by annuitant premiums. Existing law also establishes in the State Treasury the Vision Care Program for State Annuitants Fund that is, upon appropriation by the Legislature, for expenditure for the provision of vision care benefits to state annuitants and their dependents, as specified.

This bill would direct the plan provider to directly bill the annuitant if there are insufficient funds in an annuitant's allowance to pay the premium. This bill would also provide that moneys in the Vision Care

Program for State Annuitants Fund would be continuously appropriated, as specified.

Vote: majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. Section 19889.7 of the Government Code is amended to read:

19889.7. The department may charge an administrative fee to *annuitants and* employees participating in a group legal services plan established through regulation for *annuitants,* excluded employees, and memoranda of understanding reached pursuant to the Ralph C. Dills Act (Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1) for represented employees.

SEC. 2. Section 22959.6 of the Government Code is amended to read:

22959.6. (a) The Department of Personnel Administration may contract with one or more vision care plans for annuitants and eligible family members, provided the carrier or carriers have operated successfully in the area of vision care benefits for a reasonable period, as determined by the Department of Personnel Administration.

(b) The Department of Personnel Administration, 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 allowance. *If there are insufficient funds in an annuitant's allowance to pay the premium, the plan provider shall directly bill the annuitant.* A vision care plan or plans provided under this authority shall be funded by the annuitants' premium. All premiums received from annuitants shall be deposited in the Vision Care Program for State Annuitants Fund, which is hereby created in the State Treasury. Any income earned on the moneys in the Vision Care Program for State Annuitants Fund shall be credited to the fund. ~~The Vision Care Program for State Annuitants Fund is available, upon appropriation by the Legislature,~~ *Notwithstanding Section 13340, moneys in the fund are continuously appropriated* for the purposes specified in subdivision (d).

(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 into a vision plan or vision plans contracted for by the Department of Personnel Administration.

(d) No contract for a vision care plan may be entered into unless the Department of Personnel Administration 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 the annuitant vision care plan that is contracted for 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, those costs being determined by the Department of Personnel Administration.

(e) If the Director of the Department of Personnel Administration determines that it is not economically feasible to continue this program anytime after its commencement, the ~~Director~~ *director* 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 Department of Personnel Administration. 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.

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

(g) The ~~Director~~ *director* shall report to the Legislature, prior to the end of the second quarter of the third plan year, on the continued economic sustainability of the Vision Care Program for State Annuitants.

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