

AMENDED IN ASSEMBLY APRIL 6, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2383**

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**Introduced by Assembly Member Keeley**

February 24, 2000

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An act to amend Section 22754 of the Government Code, relating to the Public Employees' Medical and Hospital Care Act, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2383, as amended, Keeley. Public Employees' Medical and Hospital Care Act: covered employees.

Existing law, the Public Employees' Medical and Hospital Care Act, defines "employee" for purposes of *eligibility for benefits under* the act and excludes from that definition specified ~~local agency~~ officers and employees who are employed less than half time. *Employee contributions under the act are deposited in the Public Employees' Health Care Fund, a continuously appropriated fund.*

This bill would ~~delete that exclusion~~ *authorize contracting agencies, as defined, and school employers to include within that definition certain employees who are employed less than half time or as specified. By expanding eligibility for benefits under the act, the bill would increase the contributions to a continuously appropriated fund, thereby making an appropriation.*

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

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

1 SECTION 1. Section 22754 of the Government Code  
2 is amended to read:

3 22754. As used in this part the following definitions,  
4 unless the context otherwise requires, shall govern the  
5 interpretation of terms:

6 (a) “Board” means the Board of Administration of the  
7 Public Employees’ Retirement System.

8 (b) “Employee” means:

9 (1) Any officer or employee of the State of California  
10 or of any agency, department, authority, or  
11 instrumentality of the state including the University of  
12 California, or any officer or employee who is a local or  
13 school member of the Public Employees’ Retirement  
14 System employed by a contracting agency that has  
15 elected to be or otherwise has become subject to this part,  
16 or who is a member or ~~retirant~~ *retired member* of the  
17 State Teachers’ Retirement System employed by an  
18 employer who has elected to become subject to this part,  
19 or who is an employee or annuitant of a special district or  
20 county subject to the County Employees Retirement  
21 Law of 1937 (Chapter 3 (commencing with Section  
22 31450) of Part 3 of Division 4 of Title 3) that has elected  
23 to become subject to this part, or who is an employee or  
24 annuitant of a special district, as defined in subdivision  
25 (i), that has elected to become subject to this part, except  
26 persons employed on an intermittent, irregular or less  
27 than half-time basis, or employees similarly situated, or  
28 employees in respect to whom contributions by the state  
29 for any type of plan or program offering prepaid hospital  
30 and medical care are otherwise authorized by law.

31 (2) Any officer or employee who participates in the  
32 retirement system of a contracting agency as defined in  
33 paragraph (2) of subdivision (g) that has elected to  
34 become subject to this part, except persons *employed less*  
35 *than half time* or who are otherwise determined to be  
36 ineligible.

37 (3) Any annuitant of the Public Employees’  
38 Retirement System employed by a contracting agency as



1 defined in subdivision (g) that has elected to become  
2 subject to this part who is a person retired under Section  
3 21228.

4 *(4) Notwithstanding paragraphs (1) and (2), a*  
5 *contracting agency or school employer may, by*  
6 *resolution filed with the board, deem all permanent*  
7 *employees, except members of the State Teachers'*  
8 *Retirement System, who have an appointment of six*  
9 *months or longer, but who are employed on less than a*  
10 *half time basis, to be "employees" subject to this part.*

11 *(5) Notwithstanding paragraphs (1) and (2), a*  
12 *contracting agency or school employer with employees*  
13 *who are members of the State Teachers' Retirement*  
14 *System may, by resolution filed with the board, deem the*  
15 *following to be "employees" subject to this part:*

16 *(A) Regular employees who have an appointment of*  
17 *six months or longer, but who are employed on less than*  
18 *a half time basis.*

19 *(B) Part-time faculty employees who are hired on a*  
20 *semester basis.*

21 *(C) Long-term substitutes who are hired for at least*  
22 *one-half of the school year.*

23 (c) "Carrier" means a private insurance company  
24 holding a valid outstanding certificate of authority from  
25 the Insurance Commissioner of the state, a medical  
26 society or other medical group, a nonprofit hospital  
27 service plan qualifying under Chapter 11A (commencing  
28 with Section 11491) of Part 2 of Division 2 of the Insurance  
29 Code, or nonprofit membership corporation lawfully  
30 operating under Section 9200 or Section 9201 of the  
31 Corporations Code, or a health care service plan as  
32 defined under subdivision (f) of Section 1345 of the  
33 Health and Safety Code, or a health maintenance  
34 organization approved under Title XIII of the federal  
35 Public Health Services Act, that is lawfully engaged in  
36 providing, arranging, paying for, or reimbursing the cost  
37 of personal health services under insurance policies or  
38 contracts, medical and hospital service agreements,  
39 membership contracts, or the like, in consideration of  
40 premiums or other periodic charges payable to it.



1 (d) “Health benefits plan” means any program or  
2 entity that provides, arranges, pays for, or reimburses the  
3 cost of health benefits.

4 (e) “Annuitant” means:

5 (1) Any person who has retired within 120 days of  
6 separation from employment and who receives any  
7 retirement allowance under any state or University of  
8 California retirement system to which the state was a  
9 contributing party.

10 (2) A family member receiving an allowance as the  
11 survivor of an annuitant who has retired as provided in  
12 paragraph (1), or as the survivor of a deceased employee  
13 under Section 21541, 21546, or 21547 or similar provisions  
14 of any other state retirement system.

15 (3) Any employee who has retired under the  
16 retirement system provided by a contracting agency as  
17 defined in paragraph (2) of subdivision (g) and who  
18 receives a retirement allowance from that retirement  
19 system, or a surviving family member who receives the  
20 retirement allowance in place of the deceased.

21 (4) Any person who was a state member for 30 years  
22 or more and who, at the time of retirement, was a local  
23 member employed by a contracting agency.

24 (f) “Family member” means an employee’s or  
25 annuitant’s spouse and any unmarried child (including an  
26 adopted child, a stepchild, or recognized natural child  
27 who lives with the employee or annuitant in a regular  
28 parent-child relationship). The board shall, by regulation,  
29 prescribe age limits and other conditions and limitations  
30 pertaining to unmarried children.

31 (g) “Contracting agency” means:

32 (1) Any contracting agency as defined in Section  
33 20022, any county or special district subject to the County  
34 Employees Retirement Law of 1937 (Chapter 3  
35 commencing with Section 31450) of Part 3 of Division 4  
36 of Title 3), and any special district, school district, county  
37 board of education, personnel commission of a school  
38 district or a county superintendent of schools.

39 (2) Any public body or agency of, or within California  
40 not covered by the Public Employees’ Retirement



1 System or subject to the County Employees Retirement  
2 Law of 1937 (Chapter 3 (commencing with Section  
3 31450) of Part 3 of Division 4 of Title 3), that provides a  
4 retirement system for its employees funded wholly or in  
5 part by public funds.

6 (h) “Employer” means the state, any contracting  
7 agency employing an employee, and any agency that has  
8 elected to become subject to this part pursuant to Section  
9 22856.

10 (i) “Special district” means a nonprofit, self-governed  
11 public agency, within the State of California and  
12 comprised solely of public employees, performing a  
13 governmental rather than proprietary function.

