

AMENDED IN ASSEMBLY MAY 29, 2008

**SENATE BILL**

**No. 1601**

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**Introduced by Senator Negrete McLeod**

February 22, 2008

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An act to amend Sections 19889.7, 22811, and 22959.6 of the Government Code, relating to public employees, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1601, as amended, Negrete McLeod. 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.

*Existing law allows a former Member of the Legislature, who served 6 or more years, to enroll or continue enrollment in a health benefit plan or dental care plan, after permanent separation from state service, as specified.*

*This bill would also allow for enrollment or continued enrollment in a vision plan, as specified.*

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 provides in the State Treasury the State Annuitants' Vision

Care Benefits Fund that is, upon appropriation by the Legislature, available to the Board of Administration of the Public Employees' Retirement System for expenditure solely for the provision of vision care benefits to state annuitants.

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:*

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

3 19889.7. The department may charge an administrative fee to  
4 annuitants and employees participating in a group legal services  
5 plan established through regulation for annuitants, excluded  
6 employees, and memoranda of understanding reached pursuant to  
7 the Ralph C. Dills Act (Chapter 10.3 (commencing with Section  
8 3512) of Division 4 of Title 1) for represented employees.

9 SEC. 2. Section 22811 of the Government Code is amended to  
10 read:

11 22811. Notwithstanding any other provision of this part, a  
12 former Member of the Legislature who has served six or more  
13 years as a Member of the Legislature may elect, within 60 days  
14 after permanent separation from state service, to enroll or continue  
15 enrollment in a health benefit plan ~~and~~, dental care plan, *and vision*  
16 *plan* provided to annuitants. Upon that election, the former ~~member~~  
17 *Member* shall pay the total premiums related to that coverage and  
18 an additional 2 percent thereof for the administrative costs incurred  
19 by the board and the Department of Personnel Administration in  
20 administering this section.

21 The health ~~and~~, dental, *and vision* benefits shall be provided  
22 without discrimination as to premium rates or benefits coverage.  
23 A person who subsequently terminates his or her coverage under  
24 this section may not reenroll pursuant to this section.

1     ~~SEC. 2.~~

2     SEC. 3. Section 22959.6 of the Government Code is amended  
3 to read:

4     22959.6. (a) The Department of Personnel Administration  
5 may contract with one or more vision care plans for annuitants  
6 and eligible family members, provided the carrier or carriers have  
7 operated successfully in the area of vision care benefits for a  
8 reasonable period, as determined by the Department of Personnel  
9 Administration.

10    (b) The Department of Personnel Administration, as the program  
11 administrator, has full administrative authority over this program  
12 and associated funds and shall require the monthly premium to be  
13 paid by the annuitant for the vision care plan. The premium to be  
14 paid by the annuitant shall be deducted from his or her monthly  
15 allowance. If there are insufficient funds in an annuitant's  
16 allowance to pay the premium, the plan provider shall directly bill  
17 the annuitant. A vision care plan or plans provided under this  
18 authority shall be funded by the annuitants' premium. All premiums  
19 received from annuitants shall be deposited in the Vision Care  
20 Program for State Annuitants Fund, which is hereby created in the  
21 State Treasury. Any income earned on the moneys in the Vision  
22 Care Program for State Annuitants Fund shall be credited to the  
23 fund. Notwithstanding Section 13340, moneys in the fund are  
24 continuously appropriated for the purposes specified in subdivision  
25 (d).

26    (c) An annuitant may enroll in a vision care plan provided by  
27 a carrier that also provides a health benefit plan pursuant to Section  
28 22850 if the employee or annuitant is also enrolled in the health  
29 benefit plan provided by that carrier. However, nothing in this  
30 section may be construed to require an annuitant to enroll in a  
31 vision care plan and a health benefit plan provided by the same  
32 carrier. An annuitant enrolled in this program shall only enroll into  
33 a vision plan or vision plans contracted for by the Department of  
34 Personnel Administration.

35    (d) No contract for a vision care plan may be entered into unless  
36 the department of Personnel Administration determines it is  
37 reasonable to do so. Notwithstanding any other provision of law,  
38 any premium moneys paid into this program by annuitants for the  
39 purposes of the annuitant vision care plan that is contracted for  
40 shall be used for the cost of providing vision care benefits to

1 eligible, enrolled annuitants and their eligible and enrolled  
2 dependents, the payment of claims for those vision benefits, and  
3 the cost of administration of the vision care plan or plans under  
4 this vision care program, those costs being determined by the  
5 Department of Personnel Administration.

6 (e) If the Director of the Department of Personnel  
7 Administration determines that it is not economically feasible to  
8 continue this program anytime after its commencement, the director  
9 may, upon written notice to enrollees and to the contracting plan  
10 or plans, terminate this program within a reasonable time. The  
11 notice of termination to the plan or plans shall be determined by  
12 the Department of Personnel Administration. The notice to  
13 enrollees of the termination of the program shall commence no  
14 later than three months prior to the actual date of termination of  
15 the program.

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

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