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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 5. PERSONNEL [18000 - 22980] (Division 5 added by Stats. 1945, Ch. 123.)

PART 3. PUBLIC EMPLOYEES' RETIREMENT SYSTEM [20000 - 21716] (Part 3 repealed and added by Stats. 1995, Ch. 379, Sec. 2.)

CHAPTER 15. Long-Term Care [21660 - 21664] (Chapter 15 added by Stats. 1995, Ch. 379, Sec. 2.)

[21660.](#) This chapter may be cited as the Public Employees' Long-Term Care Act.

(Added by Stats. 1995, Ch. 379, Sec. 2. Effective January 1, 1996.)

[21661.](#) (a) For purposes of this section:

(1) "Adult children" means children who are at least 18 years of age.

(2) "Domestic partners" means adults in a domestic partnership as defined in Section 22771.

(3) "Siblings" means siblings who are at least 18 years of age.

(4) "Spouses" means parties in a marital relationship recognized under the Internal Revenue Code, including, but not limited to, Section 7702B(f)(2) of Title 26 of the United States Code, or any other applicable authority that governs eligibility for a federally qualified state long-term care plan.

(b) The board shall contract with carriers offering long-term care insurance plans.

The long-term care insurance plans shall be made available periodically during open enrollment periods as determined by the board.

(c) The board shall award contracts to carriers who are qualified to provide long-term care benefits, and may develop and administer self-funded long-term care insurance plans. The board may offer one or more long-term care insurance plans.

(d) The long-term care insurance plans shall include home, community, and institutional care and shall, to the extent determined by the board, provide substantially equivalent coverage to that required under Chapter 2.6 (commencing with Section 10231) of Part 2 of Division 2 of the Insurance Code, if the carrier has been approved by the Department of Managed Health Care pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(e) Except as prohibited by the Internal Revenue Code, including, but not limited to, Section 7702B(f)(2) of Title 26 of the United States Code, or any other authority that governs eligibility for a federally qualified state long-term care plan, the classes of persons who shall be eligible to enroll are:

(1) Active and retired members and annuitants of the Public Employees' Retirement System, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(2) Active and retired members and annuitants of the State Teachers' Retirement Plan, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(3) Active and retired members and annuitants of the Judges' Retirement System, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(4) Active and retired members and annuitants of the Judges' Retirement System II, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(5) Active and retired members and annuitants of the Legislators' Retirement System, and their spouses, domestic partners, parents, adult children, siblings, and spouses' parents.

(6) Members of the California Assembly and Senate and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(7) Active and retired members and annuitants, and other classes of employees of a public agency that is located in this state, and their spouses, domestic partners, parents, siblings, adult children, and spouses' parents.

(f) The board may expand eligibility to all classes of persons who meet the requirements of this section, applicable provisions of the Internal Revenue Code, or any other authority that governs eligibility for a federally qualified state long-term care plan.

(g) An individual specified in subdivision (e) or (f) shall not be eligible unless he or she resides in the United States, its territories and possessions, or in a country in which a provider network can be established comparable in quality and effectiveness to those established in the United States.

(h) Notwithstanding subdivision (e) or (f), a person shall not be enrolled unless he or she meets the eligibility and underwriting criteria established by the board.

(i) Notwithstanding subdivision (e) or (f), enrollment of active employees of the State of California shall be subject to Section 19867.

(j) The board shall establish eligibility criteria for enrollment, establish appropriate underwriting criteria for potential enrollees, define the scope of covered benefits, define the criteria to receive benefits, and set any other standards as needed.

(k) The long-term care insurance plans shall not become part of, or subject to, the retirement or health benefits programs administered by the system.

(l) For any self-funded long-term care plan developed by the board, the premiums shall be deposited in the Public Employees' Long-Term Care Fund.

(Amended by Stats. 2013, Ch. 768, Sec. 1. (AB 373) Effective January 1, 2014.)

21662. The board shall consult with employer and employee representatives of the state and local government entities for whom the board administers retirement benefits. The board and each employer is authorized to recover the administrative costs of the long-term care insurance program from insurance carriers and premiums. Costs recovered by the board from insurance carriers and premiums shall be deposited in the Public Employees' Long-Term Care Fund.

(Amended by Stats. 2002, Ch. 871, Sec. 3. Effective January 1, 2003.)

21663. (a) The board may enter into contracts with long-term care insurance carriers, pursuant to Section 21661, and with entities offering services relating to the administration of long-term care plans, without compliance with any provisions of law relating to competitive bidding.

(b) The board may fix the beginning and ending dates of the contracts in a manner it deems consistent with administration of this part. The board shall periodically review each contract according to a reasonable schedule mutually agreed upon by the parties. Irrespective of any agreed-upon termination date or period for review, the board may terminate a contract at any time under conditions determined by the board, and may automatically renew a contract from term to term, or for any lesser period it deems appropriate.

(c) The Department of General Services shall review and approve all contracts entered into pursuant to this section, to ensure that each written instrument contains the principal necessary provisions and proper technical terms and phrases, is formally correct, is arranged in proper and methodical order, and is adapted to the specific requirements of the agreement between the parties. The department's review and approval does not supersede the board's authority to negotiate and reach agreement with long-term care insurance carriers or with entities offering services relating to the administration of long-term care plans, with respect to the rates, terms, and conditions of contracts entered into pursuant to this section.

(Amended by Stats. 2003, Ch. 519, Sec. 27. Effective January 1, 2004.)

21664. (a) The Public Employees' Long-term Care Fund is established for the purpose of administering any self-funded long-term care plan developed by the board and for recovering the administrative costs of the long-term care program from insurance carriers and premiums. Notwithstanding Section 13340, the Public Employees' Long-term Care Fund is continuously appropriated, without regard to fiscal years, to the board to carry out the purposes of this article, consistent with its fiduciary duty. Funding for the board's administrative costs is subject to appropriation by the Legislature and shall be paid out of the Public Employees' Long-term Care Fund.

(b) The board may set the premiums for any self-funded long-term care plan and assess charges against carriers and the premiums to recover the administrative costs of the long-term care program.

(c) The board shall have the exclusive control of the administration and investment of the Public Employees' Long-term Care Fund. The board may invest funds in the Public Employees' Long-term Care Fund pursuant to the law governing its investment of the retirement fund. The board may authorize its investment staff, or may contract with independent investment managers, to manage the investments of the Public Employees' Long-term Care Fund.

(d) Income, of whatever nature, earned on the Public Employees' Long-term Care Fund during any fiscal year, shall be credited to the fund.

(e) The Legislature finds and declares that the Public Employees' Long-term Care Fund is a trust fund held for the exclusive benefit of enrollees in the long-term care plans offered pursuant to this article.

(f) It is the intent of the Legislature to provide, in the future, appropriate resources to properly administer the long-term care program.

(Amended by Stats. 2002, Ch. 871, Sec. 4. Effective January 1, 2003.)