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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 5. THE PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT [22750 - 22948]** ( Part 5 added by Stats. 2004, Ch. 69, Sec. 22. )

**CHAPTER 1. Public Employees' Health Benefits [22750 - 22944.6]** ( Chapter 1 added by Stats. 2004, Ch. 69, Sec. 22. )

**ARTICLE 10. Contracting with Public Agencies [22920 - 22939]** ( Article 10 added by Stats. 2004, Ch. 69, Sec. 22. )

**22920.** The following entities are eligible to obtain a health benefit plan, as defined in Section 22777, subject to board approval:

- (a) A contracting agency, as defined in Section 20022, a county or special district subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), and a school employer.
- (b) A public body or agency of or within the state that is not subject to Part 3 (commencing with Section 20000) of the Government Code or the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), and that provides a retirement system for its employees funded wholly or in part by public funds.
- (c) The protection and advocacy agency described in subdivision (h) of Section 4900 of the Welfare and Institutions Code, if the agency obtains a written advisory opinion from the United States Department of Labor stating that the organization is an agency or instrumentality of the state or a political subdivision thereof within the meaning of Chapter 18 (commencing with Section 1001) of Title 29 of the United States Code.

(Amended by Stats. 2013, Ch. 778, Sec. 9. (SB 215) Effective January 1, 2014.)

**22922.** (a) A contracting agency and its employees and annuitants may obtain a health benefit plan, as defined in Section 22777, subject to board approval of a resolution submitted by the governing body electing to be so subject. The resolution shall be adopted by a majority vote and shall be effective at the time provided in board regulations.

(b) In addition to, or in lieu of, submitting a resolution as prescribed in subdivision (a), the board may require the contracting agency to enter into a contract with the board to obtain a health benefit plan, as defined in Section 22777, for all or part of its employees, pursuant to rules and regulations developed by the board for this purpose.

(c) The board may refuse to contract with, or to agree to an amendment proposed by, a contracting agency for any benefit provisions that are not specifically authorized by this part and that the board determines would adversely affect the administration of this system.

(d) A contracting agency may become subject to this part with respect to a recognized employee organization with which it has reached mutual agreement. The resolution and any contracts, or the resolution and contract required by subdivisions (a) and (b), shall specify the recognized employee organizations participating in this system.

(e) Pursuant to Section 22796 and subdivision (g) of Section 22934, the board may by regulation require any contracting agency that becomes subject to this part to meet certain board-determined criteria, including, but not limited to, additional requirements for any contracting agency that elects to become subject to this part that previously terminated coverage pursuant to Section 22938.

(f) Approval of the contract to obtain a health benefit plan pursuant to subdivision (b) shall be by the affirmative vote of a majority of the members of the governing body of the contracting agency.

(Amended by Stats. 2013, Ch. 778, Sec. 10. (SB 215) Effective January 1, 2014.)

**22927.** Notwithstanding any other provision of this part, a contracting agency that is a city and county shall be subject to this part only with respect to employees who upon entering city and county employment from state employment had an option under state statutes to continue enrollment under this part.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22928.** When a hospital becomes a contracting agency pursuant to subdivision (p) of Section 20057, its employees shall be deemed city employees for purposes of this part until the hospital enacts its own resolution or acts officially to terminate its participation under this part.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22930.** If the board administers a specialized health benefit plan, it may offer coverage in the specialized health benefit plan to a contracting agency that also provides coverage for its employees in a health benefit plan under this part.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22931.** Annuitants that receive benefits under this part and are former certificated employees that retired from a school employer, including the spouses and surviving spouses, are not subject to Article 1 (commencing with Section 7000) of Chapter 1 of Part 5 of Division 1 of the Education Code. The school employer is also not subject to Article 1 (commencing with Section 7000) of Chapter 1 of Part 5 of Division 1 of the Education Code with respect to those annuitants.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22932.** A contracting agency shall perform the functions necessary to enroll its employees and submit reports as may be required by the board. A county superintendent of schools shall have the responsibility of providing all information concerning the school districts within his or her jurisdiction to the board.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22934.** (a) A contracting agency that has elected to be subject to this part may not maintain any other health benefit plan or program offering hospital and medical care for its employees.

(b) Notwithstanding subdivision (a), a plan operating on July 1, 2002, shall be permitted to continue as long as it meets the requirements of subdivision (e). A material change in the plan, including a change in carriers, shall be permitted. Notwithstanding any other provision of this part, a contracting agency may include a dependent of an employee or retiree who is not eligible for coverage as a family member or a domestic partner, as provided in this part, if the employee or retiree is also enrolled in the alternative plan.

(c) Notwithstanding subdivision (a), a self-insured plan operating on January 1, 2003, shall be permitted to continue as long as it meets the requirements of subdivision (e). The board may extend the deadline contained in this subdivision for good cause.

(d) Notwithstanding subdivision (a), an alternative plan established by a contracting agency and approved by the board after July 1, 2002, shall be permitted to continue until December 31, 2004. The plan may only be offered in an area in which there is no board-approved health maintenance organization or exclusive provider organization plan available for enrollment, or there is only one board-approved health maintenance organization plan available for enrollment, and that plan has less than 55 percent of the primary care physicians in its provider network available for new patients. The contracting agency shall reimburse the board for reasonable administrative expenses incurred as a result of enrollment activities outside of the system's open enrollment period caused by the creation or termination of a plan offered pursuant to this subdivision. A contracting agency providing a plan pursuant to this subdivision shall notify the board by June 1, 2004, of its intent to either terminate that plan or to terminate its participation under this part as of January 1, 2005. On or after June 1, 2004, the board may extend the termination date contained in this subdivision for a contracting agency at its discretion, based on compelling circumstances in the region in which the contracting agency is located.

(e) A plan maintained pursuant to this section shall meet and maintain the minimum standards for approved health benefit plans prescribed by the board pursuant to the requirements of this part.

(f) An election of a contracting agency to be subject to this part is not effective prior to the termination of any health benefit plan maintained in violation of this section. The establishment of any plan thereafter in violation of this section shall terminate participation of the agency and all of its employees under this part as of the end of the contract year.

(g) Nothing in this part may be construed to prohibit a contracting agency from offering health plans, including collectively bargained union health and welfare trust plans, to employees and annuitants of employee groups, including collective bargaining units, if the contracting agency has not elected to provide coverage for that group under this part.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22937.** A contracting agency may elect, by amending its contract with the board, to participate in a Medicare reimbursement program for its employees, annuitants, or family members who are enrolled in a Medicare health benefit plan under this part, as prescribed by board regulations.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22938.** A contracting agency that has elected to be subject to this part may elect to cease to be so subject by resolution adopted by a majority vote of its governing body and filed with the board on or before the deadline provided in board regulations, to be effective at the end of the current contract year. Coverage of employees and annuitants of the contracting agency shall also terminate at the end of the current contract year.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*

**22939.** The board may terminate the participation of a contracting agency if it fails for three months after a demand to perform any act required by this part or by board rules or regulations.

*(Added by Stats. 2004, Ch. 69, Sec. 22. Effective June 24, 2004.)*