

**LEGISLATIVE HIGHLIGHTS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

August 8, 2014

Bill Number/Author	Status
<p>AB 611 (Bonta)</p> <p>State Peace Officers' and Firefighters' Defined Contribution Plan. This bill was gutted and amended on June 17 to establish a June 1, 2014, termination date for the State Peace Officers' and Firefighters' Defined Contribution Plan (POFF DCP), subject to Internal Revenue Service (IRS) approvals, and makes other technical changes to the plan's statutes to align with federal law. This bill contains an urgency clause and would take effect immediately.</p>	<p>Substantial Amendments</p>
<p>AB 2472 (Committee on Public Employees, Retirement and Social Security)</p> <p>CalPERS 2014 Omnibus Bill. This sponsored bill recently passed out of Senate Appropriations and the Senate Floor on consent. It now awaits a Concurrence vote in the Assembly.</p>	<p>To Enrollment</p>
<p>SB 1219 (Torres)</p> <p>Post-retirement Employment. This sponsored bill recently passed out of Assembly Appropriations on consent (17-0) and has been ordered to the Assembly Floor consent calendar.</p>	
<p>SB 1322 (Hernandez)</p> <p>Statewide Health Care Cost and Quality Database. This bill was amended just before summer recess to, among other things, create the California Health Care Cost and Quality Database (CQDB) to receive and report information from all types of health care entities to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill requires the Secretary of California Health and Human Services Agency to contract with one or more private, independent, nonprofit organizations to establish and administer the CQDB. It also requires health plans and insurers, suppliers, and providers, to provide utilization data and pricing information to the CQDB, which would then post the information on a publicly available web-based, searchable database. This bill continues to be a work in progress and we anticipate additional amendments.</p>	<p>Substantial Amendments</p>
<p>SB 1340 (Hernandez)</p> <p>Health Care Provider Contracts: Transparency. This bill supported by the Board was signed by the Governor on July 7, 2014.</p>	<p>Chaptered</p>

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2014 Legislative Year
Legislative Program Update**

Status as of August 8, 2014

A – CalPERS-Sponsored Bills

Bill Number/Author

AB 2472 (Committee on Public Employees, Retirement and Social Security) Amended: 6/16/2014 **Board Position: Sponsor**

CalPERS 2014 Omnibus Bill. Makes minor policy and technical changes to the Public Employees' Retirement Law (PERL).

Location: 8/7/2014 - Assembly Concurrence

SB 1219 (Torres) Amended: 4/1/2014

Board Position: Sponsor

Post-retirement Employment. Recasts the post-retirement employment provisions of the Public Employees' Retirement Law (PERL) to conform to the Public Employees' Pension Reform Act of 2013 (PEPRA) by removing several conflicting employment exemptions, and incorporating various PEPRA requirements related to exceptions, waiting periods and compensation.

Location: 8/7/2014 - Assembly Second Reading

**PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION
2014 Legislative Year**

Status as of August 8, 2014

B – Other Bills

Bill Number/Author

AB 611 (Bonta) Amended: 6/17/2014

State Peace Officers' and Firefighters' Defined Contribution Plan. Establishes a June 1, 2014, termination date for the State Peace Officers' and Firefighters' Defined Contribution Plan (POFF DCP), subject to Internal Revenue Service (IRS) approvals, and makes other technical changes to the plan's statutes to align with federal law. This bill contains an urgency clause and would take effect immediately.

Location: 8/5/2014 - Assembly Concurrence

AB 837 (Wieckowski) Amended: 8/4/2014

PEPRA: New Judges: Exception. Exempts judges elected prior to January 1, 2013, from the definition of new member under the Public Employees' Pension Reform Act of 2013 (PEPRA), to allow judges that would otherwise be considered new members because they took office on or after that date, to be subject to a one-year final compensation period used to calculate retirement benefits and an employee contribution rate of eight percent of salary.

Location: 8/4/2014 - Senate Appropriations Suspense File

AB 1163 (Levine) Chaptered: 7/18/2014

Board Position: Support

CalPERS Board of Administration: Education. Requires the CalPERS Board of Administration to adopt an education policy for Board Members that identifies appropriate topics and training opportunities related to pension fund administration and investments. The bill also requires each Board Member to receive at least 24 hours of education in each two-year period, and directs the Board to post its education policy and an annual report on Board Member compliance on the CalPERS Web site.

Location: 7/18/2014- Chaptered by the Secretary of State. Chapter 140, Statutes of 2014.

***AB 1448 (Mullin)** Amended: 3/6/2014

Prohibition on Lifetime Healthcare Benefits for Part-time Local Elected Officials. Prohibits the legislative or governing body of a city, county, city and county, school board, special district, or other local government entity from granting lifetime healthcare benefits to an elected official who serves on a part-time basis.

Location: 5/9/2014 - Assembly Dead

*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

AB 1457 (Skinner) Amended: 5/28/2014

2014-15 Budget Act. Makes appropriations for the support of State government for the 2014–15 fiscal year. It takes effect immediately as a budget bill.

Location: 5/29/2014 - Assembly Budget Committee

AB 1771 (V. Manuel Pérez) Amended: 6/24/2014

Reimbursement for Physician Telephonic Patient Management Services. Requires health plans and insurers to cover patient management services performed by physicians via telephone, email, and other electronic communication tools, and to reimburse for those services based on their complexity and time expenditure.

Location: 6/24/2014 - Scheduled to be heard in the Senate Appropriations Committee on August 11, 2014.

AB 1917 (Gordon) Amended: 6/24/2014

Outpatient Prescription Drug Cost Sharing Limits. For specified non-grandfathered individual and group health plans that cover essential health benefits (EHBs), limits cost sharing for outpatient prescription drugs for enrollees and insureds to no more than half of the total EHB annual out-of-pocket limit for drugs that have a time-limited course of treatment of three months or less; or 1/12 of the annual limit for a 30-day supply of drugs that have an ongoing or time-limited course of treatment of more than three months.

Location: 8/6/2014 - Senate Third Reading

AB 2418 (Bonilla) Amended: 7/3/2014

Health Care Coverage: Prescription Drugs Refills. Requires health plan contracts and health insurance policies to include an opt-out process for any mandatory mail-order prescription drug program, as specified. The opt-out process does not apply to a high-cost drug. It also allows for the synchronization of prescription refills and permits refill of topical ophthalmic medications at 70 percent of the predicted days of use.

Location: 8/5/2014 - Senate Appropriations Suspense File

AB 2476 (Committee on Public Employees, Retirement and Social Security) Amended: 5/23/2014

State Exceptions to the Wait Period for Employment After Retirement. Changes the designation of the body responsible for certifying a critical need exception to the ban on returning to work for the State within 180 days of retirement contained in the Public Employees' Pension Reform Act of 2013 (PEPRA), to the Assembly or Senate Rules Committees for annuitants employed by the Legislature and the Trustees of the California State University (CSU) for annuitants employed by the CSU. It also requires the certification of such appointments made by these bodies to occur in a public meeting, and not be placed on a consent calendar.

Location: 8/5/2014 - Assembly Concurrence

*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

***AB 2483 (Allen)** Amended: 3/28/2014

CalPERS Board of Administration: Composition. Changes the composition of the CalPERS Board of Administration by adding an additional member who would be elected from the full membership of the System. This composition change would not be operative until approved by voters at a statewide election.

Location: 5/2/2014 - Assembly Dead

AB 2533 (Ammiano) Amended: 5/6/2014

Health Care Plans Timeliness Standards. Among other things, requires health plans and insurers that contract for alternative rates of payment, to assist in arranging for care or services from a noncontracting provider in an accessible and timely manner, when their enrollees and insureds are unable to obtain a medically necessary covered service from a contracting provider. It also prohibits copayments, coinsurance, or deductibles that exceed what enrollees or insureds would pay for services from a contracting provider.

Location: 8/5/2014 - Senate Appropriations Suspense File

AB 2582 (Bonta) Enrolled: 8/6/2014

Board Position: Neutral

Post-employment Health Benefits: San Francisco Bay Area Rapid Transit District. Provides an employer contribution towards annuitant health benefits for employees that are first hired on or after January 1, 2014 that work at least 10 years for the San Francisco Bay Area Rapid Transit District, with the full contribution amount determined in a Memorandum of Understanding agreed to by its employees' exclusive representative. Annuitants would receive 50 percent of the full employer contribution after 10 years of service with the District, increasing 10 percent annually to 100 percent after 15 years of service with the District, with a specified exception for those employees who retire for disability.

Location: 8/4/2014 - Assembly Enrollment

***AB 2693 (Bloom)** Introduced: 2/21/2014

Judges: Post-retirement Employment. Prohibits a judge of a court of record, upon retirement from either the Judges' Retirement System (JRS) or the Judges' Retirement System II (JRS II), from accepting employment with any individual or entity for one year after his or her retirement date, if that individual or entity appeared before that judge with any contested matter less than one year prior to the judge's retirement date.

Location: 5/9/2014 - Assembly Dead

SB 852 (Leno) Chaptered: 6/20/2014

2014-15 Budget Act. Makes appropriations for the support of State government for the 2014–15 fiscal year. It takes effect immediately as a budget bill.

Location: 6/20/2014 - Chaptered by the Secretary of State. Chapter 25, Statutes of 2014.

*Did not meet the legislative calendar deadline for passage from policy or fiscal committee; would require rule waivers to be given further consideration in the current year.

Bill Number/Author

SB 854 (Committee on Budget and Fiscal Review) Chaptered: 6/20/2014

General Government Budget Trailer Bill. Requires CalPERS to phase in the change in final compensation for Bargaining Units 9 and 10 salary increases for managers and supervisors, and changes the process of state reimbursement of Health Maintenance Organizations (HMOs) that contract with CalPERS. It also establishes an account in the CalPERS Contingency Reserve Fund (CRF) through which appropriations can be made on a continuous basis to be paid to non-Kaiser HMOs as they submit monthly bills for capitated services.

Location: 6/20/2014 - Chaptered by the Secretary of State. Chapter 28, Statutes of 2014.

SB 912 (Mitchell) Amended: 4/21/2014

Board Position: Support

State Property: Vending Machines: Nutrition. Current law requires certain percentages of food and beverages offered by vending machines operated on State property to meet specified nutritional guidelines until January 1, 2015. This bill repeals the sunset clause on these requirements, in order to impose these nutritional percentages indefinitely.

Location: 8/6/2014 - Assembly Second Reading

SB 1053 (Mitchell) Amended: 7/2/2014

Health Care Coverage: Contraceptives. Would require every large group health care service plan contract and health insurance policy that is issued, amended, or renewed, on and after January 1, 2016, to provide coverage for women for all prescribed and Food and Drug Administration approved female contraceptive drugs, devices, and products, including those available over the counter as prescribed by the enrollee's provider, voluntary sterilization procedures, patient education and counseling on contraception, and related follow-up services.

Location: 8/6/2014 - Assembly Appropriations Suspense File

***SB 1114 (Walters)** Introduced: 2/19/2014

Post-employment Health Benefits: State of California. Provides an employer contribution towards annuitant health benefits to State employees first hired on or after January 1, 2015 that work at least 15 years for the State. Annuitants would receive 50 percent of the full employer contribution after 15 years of service, increasing 5 percent annually to 100 percent after 25 years of service. It also specifies that an annuitant subject to its provisions shall not receive an employer contribution that is more generous than that provided to active State employees, and requires an annuitant to use Medicare benefits to the fullest extent possible.

Location: 5/2/2014 - Senate Dead

Bill Number/Author

SB 1176 (Steinberg) Amended: 6/24/2014

Health Plan Monitoring of Out-of-Pocket Costs. Requires health plans and insurers to track the accumulation of out-of-pocket costs for covered essential health benefits by enrollees and insureds, and notify them when the maximum accrual limit has been reached. It also requires health plans and insurers to reimburse enrollees and insureds if their cost sharing exceeds annual limits.

Location: 8/7/2014 - Assembly Appropriations Suspense File

SB 1182 (Leno) Amended: 6/30/2014

Board Positon: Support, if Amended

Large Group Health Market: Data Disclosure. Among other things, requires health plans and insurers to submit to the Department of Managed Health Care or the California Department of Insurance for rate review any large group plan contract or policy rate increases that exceed five percent of the prior year's rate. The bill also establishes new disclosure requirements for data to be provided to purchasers.

Location: 8/7/2014 - Assembly Appropriations Suspense File

***SB 1202 (Hueso)** Introduced: 2/20/2014

Post-employment Health Benefits: City of Indio. Provides an employer contribution towards annuitant health benefits for employees first hired on or after October 1, 2013 who work at least 10 years for the City of Indio, with the full employer contribution amount determined in a Memorandum of Understanding agreed to by its employees' exclusive representative. Annuitants would receive 50 percent of the full employer contribution after 10 years of service with the City, increasing 5 percent annually to 100 percent after 20 years of service with the City.

Location: 5/2/2014 - Senate Dead

SB 1251 (Huff) Amended: 6/18/2014

PEPRA: Joint Powers Authorities. Requires a joint powers authority (JPA) formed on or after January 1, 2013, to provide individuals who were employed by one the authority's member agencies before that date and not otherwise considered "new members" under the Public Employees' Pension Reform Act of 2013 (PEPRA), the same defined benefit plan offered by the public employers that formed the joint powers authority to their own employees first hired prior to January 1, 2013.

Location: 8/7/2014 - Assembly Appropriations Suspense File

Bill Number/Author

***SB 1316 (Cannella)** Amended: 4/8/2014

Diabetes Reporting. Among other State Agencies, requires CalPERS to submit a report to the Legislature no later than July 1, 2015 on the diabetes-related programs it administers, any diabetes-related contractual or statutory requirements placed on a health care benefit plan or contract entered into with the CalPERS Board of Administration, and the implementation of those requirements for each health care benefit plan or contract. It also states the intent of the Legislature to coordinate a response that assesses the quality of care of, and manages the costs paid for by, state-financed health programs relating to the diabetes crisis.

Location: 5/2/2014 - Senate Dead

SB 1322 (Hernandez) Amended: 6/30/2014

Statewide Health Care Cost and Quality Database. Among other things, creates the California Health Care Cost and Quality Database (CQDB) to receive and report information from all types of health care entities to facilitate comparisons of cost, quality, and satisfaction across payers, provider organizations, and other suppliers of health care services. The bill requires the Secretary of California Health and Human Services Agency to contract with one or more private, independent, nonprofit organizations to establish and administer the CQDB. It also requires health plans and insurers, suppliers, and providers, to provide utilization data and pricing information to the CQDB, which would then post the information on a publicly available web-based, searchable database.

Location: 8/7/2014 - Assembly Appropriations Suspense File

SB 1340 (Hernandez) Chaptered: 7/7/2014

Board Position: Support

Health Care Provider Contracts: Transparency. Currently, contracts between health plans or insurers and hospitals are prohibited from including provisions that restrict the release of information to subscribers, enrollees, policyholders or insureds regarding the cost range of medical procedures and quality of care for inpatient or ambulatory care services performed by a network hospital or affiliated licensed facility. SB 1340 recasts the descriptions of entities and individuals subject to these disclosure requirements to conform to existing definitions of provider and supplier, and establishes new definitions of consumer and purchaser, in order to capture all licensed health care facilities, other entities that furnish health care services, individual health care practitioners and self-funded health coverage arrangements administered by a health plan or insurer. It also requires a health plan or insurer to provide a provider or supplier 30 days to review the methodology and data used, instead of the current 20 days.

Location: 7/7/2014 - Chaptered by the Secretary of State. Chapter 83, Statutes of 2014.
