



STATE CAPITOL  
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Assembly  
California Legislature  
Committee on Rules  
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SHIRLEY N. WEBER  
KEN COOLEY (D-ALT.)  
MARIE WALDRON (R-ALT.)

Friday, January 17, 2014  
8:50 a.m.  
State Capitol, Room 3162

## CONSENT AGENDA

### Bill Referrals

1. Consent Referrals

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## REGULAR SESSION

### Assembly Bill

2. AB 1246 (Nestande) Relative to Legislature: health benefits coverage.

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## REFERRAL OF BILLS TO COMMITTEE

01/17/2014

Pursuant to the Assembly Rules, the following bills were referred to committee:

Assembly Bill No.	Committee:
<a href="#"><u>AB 1431</u></a>	E. & R.
<a href="#"><u>AB 1431</u></a>	JUD.
<a href="#"><u>AB 1432</u></a>	ED.
<a href="#"><u>AB 1432</u></a>	PUB. S.
<a href="#"><u>AB 1433</u></a>	HIGHER ED.
<a href="#"><u>AB 1433</u></a>	PUB. S.
<a href="#"><u>AB 1434</u></a>	U. & C.
<a href="#"><u>AB 1435</u></a>	A.,E.,S.,T. & I. M.
<a href="#"><u>AB 1435</u></a>	REV. & TAX.
<a href="#"><u>AB 1436</u></a>	HUM. S.
<a href="#"><u>AB 1437</u></a>	AGRI.
<a href="#"><u>AB 1438</u></a>	PUB. S.
<a href="#"><u>AB 1439</u></a>	B.,P. & C.P.
<a href="#"><u>AB 1440</u></a>	E. & R.
<a href="#"><u>AB 1440</u></a>	L. GOV.
<a href="#"><u>AB 1441</u></a>	ED.
<a href="#"><u>AB 1443</u></a>	L. & E.
<a href="#"><u>AB 1443</u></a>	JUD.
<a href="#"><u>AB 1446</u></a>	E. & R.
<a href="#"><u>AB 1447</u></a>	NAT. RES.
<a href="#"><u>AB 1447</u></a>	TRANS.
<a href="#"><u>AB 1448</u></a>	L. GOV.
<a href="#"><u>AB 1449</u></a>	PUB. S.
<a href="#"><u>AB 1450</u></a>	ED.
<a href="#"><u>AB 1451</u></a>	HIGHER ED.
<a href="#"><u>AB 1451</u></a>	ED.
<a href="#"><u>AB 1452</u></a>	HUM. S.

California Legislature  
Assembly Rules Committee

ROOM 3016 — STATE CAPITOL  
P.O. BOX 942849  
SACRAMENTO, CALIFORNIA 94249-0115  
TELEPHONE: (916) 319-2800

# Memo

**To:** Rules Committee Members  
**From:** Mukhtar Ali, Bill Referral Consultant  
**Date:** 1/16/14  
**Re:** Consent Bill Referrals

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Since you received the preliminary list there have been no changes.



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AMENDED IN ASSEMBLY JANUARY 8, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1246**

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**Introduced by Assembly Member Nestande**

February 22, 2013

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An act to ~~amend~~ add Section 38000 of the Health and Safety Code, relating to, and to repeal Section 22810 of, the Government Code, relating to health and human services benefits coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1246, as amended, Nestande. ~~Health and human services: direct service contracts.~~ Legislature: health benefits coverage.

Existing law, as added by Proposition 112, adopted June 5, 1990, establishes the California Citizen Compensation Commission and requires the commission to establish the annual salary and the medical, dental, insurance, and other similar benefits of state officers, including Members of the Legislature. The Public Employees' Medical and Hospital Care Act, which governs health care coverage available to public employees, specifies that a Member of the Legislature is eligible to enroll in an approved health benefit plan, as defined, pursuant to that act.

Existing law establishes the California Health Benefit Exchange (Exchange) within state government, specifies the powers and duties of the board governing the Exchange, and requires the board to facilitate the purchase of qualified health plans through the Exchange by qualified individuals and small employers by January 1, 2014.

This bill would instead provide that the only health benefit plans available to a Member of the Legislature who is elected to or serving in office on or after January 1, 2015, with respect to his or her service

*as a Member of the Legislature, are health benefit plans that are offered through the Exchange. The bill would require the state to reimburse the Member for the cost of coverage in an amount not to exceed the amount of the state employer's contribution for coverage for a Member as of December 31, 2014.*

~~Existing law provides that it is the intent of the Legislature, with respect to direct service contracts of the departments within the California Health and Human Services Agency, that the contract approval process and payment for services rendered occur within specified timeframes.~~

~~This bill would make technical, nonsubstantive changes to these provisions.~~

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

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

1     SECTION 1. Section 8910 is added to the Government Code,  
2     to read:

3     8910. Notwithstanding any other law, the only health benefit  
4     plans available to a Member of the Legislature who is elected to  
5     or serving in office on or after January 1, 2015, with respect to  
6     his or her service as a Member of the Legislature, shall be health  
7     benefit plans that are offered through the California Health Benefit  
8     Exchange. The state shall reimburse the Member for the cost of  
9     coverage in an amount not to exceed the amount of the state  
10    employer's contribution for coverage for a Member as of  
11    December 31, 2014.

12    SEC. 2. Section 22810 of the Government Code is repealed.

13    ~~22810. A Member of the Legislature may enroll in a health~~  
14    ~~benefit plan. The contributions of the member shall be the total~~  
15    ~~cost of his or her coverage and the coverage of any family~~  
16    ~~members, less the amount contributed pursuant to Section 8901.6~~  
17    ~~by the state.~~

18    SECTION 1. ~~Section 38000 of the Health and Safety Code is~~  
19    ~~amended to read:~~

20    ~~38000. The Legislature states its intent with respect to direct~~  
21    ~~service contracts of the departments within the California Health~~  
22    ~~and Human Services Agency as follows:~~

1     ~~(a) The contract approval process should take no longer than~~  
2     ~~30 days from the time the administrative agency generating the~~  
3     ~~contract has approved its provisions.~~

4     ~~(b) Payment for services rendered shall take no longer than 30~~  
5     ~~days after an invoice has been approved by the responsible~~  
6     ~~department.~~

7     ~~(c) If contract approval or payment or both are delayed, the state~~  
8     ~~shall notify community-based agencies within 15 days with~~  
9     ~~instructions to either defer or interrupt services to be contracted.~~  
10    ~~If the state requests an agency to continue providing services,~~  
11    ~~conditions shall be mutually agreed upon in advance for~~  
12    ~~amortization of particular additional costs to the agency involved.~~

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Date of Hearing: January 17, 2014

ASSEMBLY COMMITTEE ON RULES

Richard S. Gordon, Chair

AB 1246 (Nestande) – As Amended: January 9, 2014

SUBJECT: Legislature: Health Benefits Coverage

SUMMARY: Limits Members of the Legislature to health benefit plans available through the California Health Benefit Exchange. Specifically, this bill:

- 1) Requires that the only health benefit plans available to Members of the Legislature shall be health benefit plans offered through the California Health Benefit Exchange.
- 2) Requires the state to reimburse a Member for the cost of coverage in an amount not to exceed the amount of the state employer's contribution.

EXISTING LAW: Proposition 112 establishes the Citizens Compensation Commission to set the salaries and medical, dental, insurance and other similar benefits of Members of the Legislature and the state's other elected officials. It also directs the Commission to consider specified criteria in establishing salaries and benefits.

FISCAL EFFECT: Indeterminable, should this bill pass the Rules Committee it will be referred to the Appropriations Committee for fiscal analysis.

COMMENTS: According to the author, "the legislature is responsible for passing the laws that govern how Covered California operates and as such, how Californian's will receive their benefits within the parameters of the ACA. There is no better way to understand how the Exchange is working than for Legislators themselves to share in the same benefits program that Californian's are required to participate in. Additionally, this could lower health care costs for Legislators depending on which plan they chose to enroll in, thereby saving the state money in both real and administrative costs."

The annual salaries and medical, dental, insurance, and other similar benefits of Members of the Legislature are determined by the California Citizens Compensation Commission pursuant to Article 3, Section 8 of the California Constitution. Consequently, changing that authority would require a constitutional amendment.

The bill would require the state to reimburse the Member for the cost of coverage in an amount not to exceed the state employer's contribution as of December 31, 2014. This provision is problematic because it does not take into account future changes to premiums or policy. This bill would lock-in contribution rates as of December 31, 2014 regardless of premium increases. Also, further clarification on the reimbursement may be necessary; it is not clear how the reimbursement process would impact administrating entities.

REGISTERED SUPPORT / OPPOSITION:

Support

Individual letter

Opposition

None on file

Analysis Prepared by: Mukhtar Ali / RLS. / (916) 319-2800

Date: 1/15/14  
To: Chair Richard Gordon  
From: Frank Rothstein  
Subject: AB 1246 Legislators Health Benefits

To whom it may concern,

My name is Frank Rothstein. I work as an Assistant Director for a Home Owners Association, so I deal with a lot of people on a daily basis who have such diverse backgrounds and perspectives. As someone who is a registered Democrat, I can say, with a sincere heart, it is not only logical to pass AB 1246, but it is the *right* thing to do. The bill put forth by Assemblyman Brian Nastande, of California's 42nd District is a way that we can make sure that legislators in California are utilizing Covered California and the marketplace to gain access to good, quality healthcare, just as most of California residents must do before the March 31<sup>st</sup> deadline. It would create a precedent for future legislators to enroll in the very same exchanges as California residents.

The background of the bill states, "As legislators, we are responsible for implementing the guidelines under the Affordable Care Act. If the laws that we pass are good enough for our citizens and businesses, they should be good enough for us as elected officials. If we truly want to understand how the ACA is working and being implemented, there is no better way than to enroll in the Exchange along with the people who elected us and share in the same benefits program." This ideal represents what I love about good politicians. Mr. Nastande understands the importance of bi-partisanship, and this bill should be widely supported by Republicans and Democrats alike. You don't often find someone with the heart of Mr. Nastande and the focus that it takes to create and implement good policy. I will gladly reach across the aisle and support the passage of AB 1246 Legislators Health Benefits.

I have not had the pleasure of meeting Mr. Nastande in person, but I have read and heard great things from those close to him. But as I often say to my fellow friends interested in politics: You must not judge the individual on whether it is Conservative or Liberal, Democrat or Republican. You must instead look at the individual, look at bills proposed, and make an independent, logical decision, to ensure democracy works in its best form. I encourage my fellow Democrats to read the bill and call their elected officials to show support for this cause.

I wish to thank Mr. Nastande for his continued hard work and efforts in taking on issues that matter to California voters. We all want to be treated equally, and we believe our elected officials should go through the same process to access healthcare coverage. I believe with integrity, honesty, and diligence, Mr. Nastande's AB 1246 will pass with bi-partisan support. If there is any way that I may be of service in helping Mr. Nastande's campaign (especially on the issues I strongly agree support) I would consider it a great honor. Thank you for your time in reading this and please make sure Mr. Nastande knows that his work and efforts are greatly appreciated.

Country before Party, from American to American. God bless.

Frank Rothstein

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