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SAN JOSE
Retired Employees  **Association**

A non-profit association devoted to the welfare of all retired City of San Jose Employees and dedicated to the protection and integrity of the Retirement System

June 18, 2007

Honorable Mayor and City Council
City of San Jose, 235 East Santa Clara Street
San Jose, CA 95113

Ladies and Gentlemen:

Subject: June 19 City Council Agenda Item 3.4: Part B Medicare Premium
Reimbursements for Federated Retirees

The San Jose Retired Employees Association respectfully requests that the City Council refer this Medicare Part B Reimbursement Proposal back to the Administration for further study and cost analysis.

The intent of this Association was not to bring this matter forward during this budget cycle. We are aware of the City's fiscal situation and the difficult priority decisions the City Council now faces. Most of the 2,600+ federated retirees (plus 1,500 spouses) are based in the San Jose area and support your efforts to maintain critical neighborhood services. Given the lower income profile of the majority of Federated retirees, we feel the request is reasonable (and similar to that approved some time ago for Police and Fire retirees), but we have always felt that studying this matter in the context of the City's overall efforts at managing health care costs was the right way to proceed. We understand that the City will be soon embarking on a health cost management effort. There are many different ideas that can be explored and this Association stands ready to assist the Administration in these efforts.

Studying a Medicare Part B reimbursement program, in the context of a comprehensive Health Costs Management program that identifies cost efficiencies, would seem to be a sensible approach on this matter.

We hope you concur and will take the action we are requesting.

Sincerely,



Bob Leininger, President
San Jose Retired Employees Association

cc: City Clerk, City Manager

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