

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO ACCEPT GRANT FUNDS FROM THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR A GRANT FOR THE EARLY RETIREE REINSURANCE PROGRAM IN AN AMOUNT NOT TO EXCEED \$1,276,177

WHEREAS, the Early Retiree Reinsurance Program (“ERRP”) was authorized in the Patient Protection and Affordable Care Act, and is intended to help employers maintain early retiree health care programs as part of federal Health Care Reform; and

WHEREAS, the City of San José (“City”) previously submitted a grant application to the U.S. Department of Health and Human Services (“HHS”) for ERRP grant funds relating to both the Blue Shield of California and Kaiser Permanente medical plans for retirees under the age of 65; and

WHEREAS, on December 30, 2010, the City was notified that the City’s ERRP applications were approved by HHS, and City staff began working with Blue Shield and Kaiser to submit requested claims documentation; and

WHEREAS, HHS has determined that the City is eligible to receive \$1,276,177 as reimbursement for claims submitted by Blue Shield for the 2010 calendar year; and

WHEREAS, the ERRP continues to evolve, and changes within the program may allow flexibility in how the City chooses to use the ERRP funds; and

WHEREAS, the City desires to accept the grant funds awarded and place these funds in reserve, and complete further analysis on the potential use of these funds;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

The City Manager is authorized to accept grant funds in the amount of \$1,276,177 from the U.S. Department of Health and Human Services for a grant for the Early Retiree Reinsurance Program in the 2010-2011 fiscal year.

ADOPTED this _____ day of _____, 2011, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

CHUCK REED
Mayor

ATTEST:

DENNIS D. HAWKINS, CMC
City Clerk