



September 30, 2010

Re: City of Olathe support for ERRP

The Early Retiree Reinsurance Program (ERRP) was established by the Patient Protection and Affordable Care Act (the Affordable Care Act), to provide reimbursement to employment-based plans for a portion of the cost of health benefits for early retirees and their dependents. The purpose of the reimbursement is to make health benefits more affordable for plan participants and sponsors so that health benefits are accessible to more Americans than they would otherwise be without this program.

The program addresses the recent and anticipated erosion in the number of employers providing health benefits to early retirees. People in the early retiree age group often face difficulties obtaining insurance in the individual market because of advanced age or chronic conditions that make coverage cost prohibitive. The program provides needed financial help for employer-based plans to continue to provide valuable coverage to plan participants, and provides financial relief to plan participants. The program provides reimbursement to participating sponsors of employment-based plans for a portion of the costs of providing health benefits to early retirees (and eligible spouses, surviving spouses, and dependents of such retirees).

These funds will help the City of Olathe help early retirees and their qualified dependents to maintain quality, cost effective health coverage until other coverage, or Medicare, is available to them. For these reasons, the City sees this as a valuable program and we welcome the opportunity to participate.

Sincerely,

Mary Miller
Asst. Dir- Human Resources