

(O-2001-31)

ORDINANCE NUMBER O- 18841 (NEW SERIES)

ADOPTED ON SEP 12 2000

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SAN DIEGO AMENDING CHAPTER II, ARTICLE 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING DIVISION 12 BY AMENDING SECTION 24.1202, RELATING TO THE RETIREMENT SYSTEM.

WHEREAS, pursuant to Division 12 of the Municipal Code, the City provides two separate Post Retirement Health Benefits, one to Health Eligible Retirees and one to Non Health Eligible Retirees; and

WHEREAS, the City currently reimburses Health Eligible Retirees for the cost of their health insurance premiums up to the amount of the highest cost City sponsored Health Maintenance Organization ("HMO") plan available to retirees; and

WHEREAS, an exception was made in Municipal Code section 24.1202(e) for Health Eligible Retirees continuously enrolled in a Preferred Provider Organization ("PPO") plan since on or before January 1, 1997, to allow them to be reimbursed up to the cost of the retiree-only premium for the City sponsored PPO plan available to retirees; and

WHEREAS, the City sponsored Health Maintenance Organization ("HMO") plans available to Health Eligible Retirees are increasingly limiting their service areas; and

WHEREAS, several Health Eligible Retirees live outside the HMO service areas and are no longer able to obtain coverage under the City sponsored HMO plans available to retirees; and

WHEREAS, these Health Eligible Retirees are being forced to obtain coverage under Preferred Provider Organization (“PPO”) plans; and

WHEREAS, the premiums for the PPO plans available to retirees are significantly higher than the premiums for the highest cost City sponsored HMO plans available to retirees; and

WHEREAS, it is now appropriate to amend section 24.1202 of the Municipal Code to increase the reimbursement available to Health Eligible Retirees who live outside the City HMO service area and are thereby limited to obtaining health insurance coverage through a PPO; and

WHEREAS, the Retirement System’s Assistant General Counsel was directed to prepare the ordinance amending section 24.1202; and

WHEREAS, the ordinance has been provided to the City Attorney for review and approval; and

WHEREAS, a vote of retirement system members is not required because the proposed amendment will not affect the benefits of any employee or the vested defined benefits of any retiree under the retirement system; and

WHEREAS, the City Manager, after consultation with the Retirement Administrator, recommends approval by the City Council of the amendment contained in this ordinance; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter II, Article 4, Division 12, of the San Diego Municipal Code be amended by amending Section 24.1202, to read as follows:

SEC. 24.1202 Post Retirement Health Benefits Defined


(a) through (e) [No change in text.]

(f) A Health Eligible Retiree whose primary residence is outside the service area of the City sponsored HMO plans available to retirees shall not be subject to the limitation set forth in (c)(1) of this section. Instead, the limitation shall not exceed the cost of the Medicare eligible or Non-Medicare eligible retiree-only premium for the City sponsored PPO plan made available to Health Eligible Retirees.

Section 2. A full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 3. This Ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By: 
Sharon A. Marshall
Deputy City Attorney

SAM:jrl
07/20/2000
Or. Dept:Manager
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