

**RESOLUTION NO. 2006-13**

**AMENDMENT TO HEALTH CARE REIMBURSEMENT ACCOUNT**

The undersigned authorized individual, Officer, Board of Directors or Committee of the City of Cedarburg (the "Employer"), hereby adopt the following resolution by unanimous consent and direct that this Consent Resolution be entered in the minute books of the Employer.

WHEREAS, the Employer previously adopted a **Health Care Reimbursement Account** (the "HCRA"), a Code Section 105 health care reimbursement plan, so that its eligible employees who elected to participate could receive tax-free reimbursement for certain eligible expenses; and

WHEREAS, the Employer desires to amend the HCRA as set forth in the attached amendment in order to comply with the HIPAA Security Rules set forth in 45 CFR 164.302 et seq; and

NOW, THEREFORE, BE IT RESOLVED that the authorized individual, Officers, Board of Directors or Committee of the Employer hereby adopts the attached amendment effective as of the date set forth in the attached amendment;

BE IT FURTHER RESOLVED that the authorized individual, Officers, Board of Directors or Committee of the Employer are authorized and directed to take any and all action as may be necessary to effectuate this Resolution.

Passed and adopted this 24<sup>th</sup> day of April 2006.

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Gregory P. Myers, Mayor

Attest:

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Sandra M. Ingram, City Clerk

Approved as to form:

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Kaye K. Vance, City Attorney

**AMENDMENT TO THE  
HEALTH CARE REIMBURSEMENT ACCOUNT**

This Amendment to the **Health Care Reimbursement Account** (the "Plan") is adopted by the Employer named below (the "Employer"), effective as of the dates set forth herein.

**NOW, THEREFORE**, effective April 20, 2006, the following provisions are to be added to the Plan:

Furthermore, the Employer agrees to implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of electronic PHI that the Employer creates, receives, maintains or transmits on behalf of the Plan, and to report to the Plan any Security Incidents (as defined in 45 CFR 164.304) of which it becomes aware.

The Plan shall also designate a Security Official, who will be responsible for the Plan's compliance with the security provisions of HIPAA. The Security Official may contract with or otherwise utilize the services of attorneys, accountants, brokers, consultants, or other third party experts as the Security Official deems necessary or advisable. In addition, and notwithstanding any provision of this Plan to the contrary, the Security Official shall have the authority to and be responsible for:

- (a) Accepting and verifying the accuracy and completeness of any certification provided by the Employer;
- (b) Transmitting the certification to any third parties as may be necessary to permit them to disclose electronic PHI to Employer;
- (c) Establishing and implementing policies and procedures with respect to electronic PHI that are designed to ensure compliance by the Plan with the security requirements of HIPAA;
- (d) Establishing and overseeing proper training of the Plan, or Employer personnel who will have access to electronic PHI;
- (e) Any other duty or responsibility that the Security Official, in his or her sole capacity, deems necessary or appropriate to comply with the security provisions of HIPAA.

IN WITNESS WHEREOF, this amendment to the Plan is executed on behalf of the Corporation on the date specified below.

Employer: City of Cedarburg

By: \_\_\_\_\_

Title: Mayor

Date: April 24, 2006