



## MEMORANDUM

**To:** Mayor and City Council

**From:** Vivyon Bowman, Director of Administration and Human Resources

**Date:** September 18, 2017

**Reference:** Approval of Organ Transplant Coverage

**2030:** Top Quality City Workforce

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### **Introduction:**

Please find the attached renewal proposal for Organ transplant coverage from AIG-National Union Fire Insurance in the amount of \$56,252.16 (a slight decrease over last year's cost). This proposal is for a fully insured policy to cover claims for organ transplants.

### **Analysis:**

With few exceptions, most organ transplantation procedures are expensive and because of their high cost, the City of Coppell decided several years ago to carve out the transplant procedure from its self-insurance plan and purchase a fully insured plan as a separate policy. This decision helps protect the City's health plan from a catastrophic transplant claim while insuring the affected employee gets the treatment needed from a designated center of excellence for a set annual fee.

If the City chooses not to purchase this fully insured product, all potential organ transplant claims would be paid out of the Self-Insurance Fund, the fund would be at great risk of potentially one or more catastrophic claims.

### **Legal Review:**

This is a purchase of an insurance product and no agreement is warranted.

### **Fiscal Impact:**

These costs have been budgeted in the City's Medical Self-Insurance Fund.

### **Recommendation:**

The city staff recommends the Mayor and City Council approval of the transplant renewal proposal as outlined above.