



MEMORANDUM

To: Mayor and City Council

From: Vivyon V. Bowman, Director of Administration and Human Resources

Date: September 25, 2018

Reference: Approval of Organ Transplant Coverage

2030: Top Quality City Workforce

Introduction:

Consider approval of renewal proposal for organ transplant coverage from Tokio Marine HCC-Stop Loss Group in the annual amount of \$57,138 as budgeted and authorizing the City Manager to sign all necessary documents.

Analysis:

This proposal is for a fully insured policy to cover claims for organ transplants with a 0% increase over the current fiscal year. 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.

It is important to note that due to Tokio Marine HCC-Stop Loss Group acquiring the AIG Transplant book of business, the insurance carrier has changed in name only. The policy remains the same.

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.