



MEMORANDUM

To: Mayor and City Council

From: Matia Messemer, Director of Employee Experience

Date: September 27, 2022

Reference: Consider approval of renewal for fully insured organ transplant coverage with Tokio Marine HCC in the amount of \$71,012 as budgeted in FY 2022-2023.

2040: Sustainable Government

Introduction:

The purpose of this agenda item is renewal of the attached proposal for Organ transplant coverage from Tokio Marine HCC in the amount of \$71,012 (+0% increase over current year's cost). There is no change to the summary of coverage. 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 Coppel 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:

The Holmes Murphy compliance/legal team has reviewed the attached renewal proposal document.

Fiscal Impact:

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

Recommendation:

Staff recommends approval of the transplant renewal proposal as outlined above.