

MIAMI BEACH

COMMISSION MEMORANDUM

TO: Honorable Mayor and Members of the City Commission

FROM: Eric Carpenter, City Manager

DATE: April 23, 2025

TITLE: A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING THE RECOMMENDATION OF THE FINANCE AND ECONOMIC RESILIENCY COMMITTEE, MADE AT ITS MARCH 26, 2025 MEETING, AND DIRECTING THE CITY ADMINISTRATION TO ADD INFERTILITY TREATMENT AS A NEW BENEFIT AVAILABLE TO PARTICIPANTS OF THE CITY'S SELF-FUNDED HEALTH PLANS BEGINNING WITH THE UPCOMING PLAN YEAR STARTING OCTOBER 1, 2025.

RECOMMENDATION

The Administration recommends enhancing the City's self-funded health plans by providing coverage for infertility treatments starting the upcoming plan year beginning October 1, 2025 with the lifetime cap to be discussed as part of the fiscal year 2026 budget process.

BACKGROUND/HISTORY

At the February 26, 2025 City Commission meeting, the Mayor and the City Commission approved a referral (Item C4 AL) to the Finance and Economic Resiliency Committee (FERC or Committee) to discuss adding infertility as a health insurance benefit to the City's self-funded health plan. FERC discussed the item at their March 26, 2025 meeting and voted favorably to return the item to Commission for consideration by the full Commission.

ANALYSIS

The City offers eligible employees and their dependents health insurance through a self-funded plan administered by Cigna. As a self-insured plan, it is entirely up to the City to determine whether and to what extent to cover infertility treatment since it bears the full risk of paying for the cost of medical care of its plan participants as opposed to paying for coverage through a fully-insured plan.

Presently, the City's health plan does not cover infertility treatment once a diagnosis of infertility is made.

Prior to the diagnosis of infertility, the plan will cover treatment for underlying medical conditions. There are numerous medical conditions that may be the underlying cause of infertility which if treated may result in conception. The plan would cover these underlying conditions as any other illness.

Once a diagnosis of infertility is made, the plan will not cover testing performed specifically to identify the cause of infertility, treatment or procedures performed specifically to restore fertility, or assistive reproductive treatments such as intrauterine insemination (IUI), invitro fertilization (IVF), embryo transfer, or gamete (sperm and ova) in-vivo fertilization (GIFT), to list a few. The plan defines infertility as

- the inability of opposite-sex partners to achieve conception after at least one year of unprotected intercourse;
- the inability of opposite-sex partners to achieve conception after six months of unprotected intercourse, when the female partner trying to conceive is age 35 or older;
- the inability of a woman, with or without an opposite-sex partner, to achieve conception after at least six [self-funded] trials of medically supervised artificial insemination over a one-year period.

Costs of Adding Benefit to Plan

In response to the city's inquiry about adding infertility treatment benefits, CIGNA, the third-party administrator, proposes the below changes to amend the City's plan:

- Testing performed specifically to determine the cause of infertility.
- Treatment and/or procedures performed specifically to restore fertility (i.e., procedures to correct an infertility condition)
- Artificial/Intrauterine Insemination (IUI)
- In-vitro fertilization (IVF)
- GIFT (gamete intrafallopian transfer)
- ZIFT (zygote intrafallopian transfer)
- Cryopreservation (upon request)
- \$20,000 Lifetime Maximum, including infertility specialty/injectable drugs

If the Commission so desires to amend the city's health plan and approves a budget inclusive of these costs, the plan description can be amended and participants notified of the change in benefits, perhaps as early as August 2025 open enrollment for this upcoming plan year starting October 1, 2025. There is no other known fiscal, regulatory, or administrative requirements that would impede the provision of these benefit enhancements by the next fiscal year.

FISCAL IMPACT STATEMENT

The inclusion of this benefit is projected to cost the plan between 1% and 2% of claims plus 3% over the individual stop loss rate for an estimated cost to the plan of \$579,000. The appropriation for the increased costs to the plan would be made through the FY 26 budget process.

Does this Ordinance require a Business Impact Estimate?

(FOR ORDINANCES ONLY)

If applicable, the Business Impact Estimate (BIE) was published on:

See BIE at: <https://www.miamibeachfl.gov/city-hall/city-clerk/meeting-notice/>

FINANCIAL INFORMATION

The City's health insurance is funded in the 1791 Risk Benefits Fund and has sufficient reserves to cover the cost of enhancing the benefit.

CONCLUSION

The Commission should discuss and consider enhancing the City's health benefit to include infertility treatments and the fiscal impact on the city's self-funded plan to round out the benefit with a more comprehensive health plan to meet the needs of its workforce.

Applicable Area

Citywide

Is this a "Residents Right to Know" item, pursuant to City Code Section 2-17?

No

Is this item related to a G.O. Bond Project?

No

Was this Agenda Item initially requested by a lobbyist which, as defined in Code Sec. 2-481, includes a principal engaged in lobbying? No

If so, specify the name of lobbyist(s) and principal(s):

Department

Human Resources

Sponsor(s)

Commissioner Alex Fernandez

Co-sponsor(s)

Condensed Title

Accept Rec/Add Infertility Treatment to City's Self-funded Insurance Plans. (Fernandez) HR

Previous Action (For City Clerk Use Only)