

MIAMI BEACH

COMMITTEE MEMORANDUM

TO: Finance and Economic Resiliency Committee Members

FROM: Eric Carpenter, City Manager

DATE: March 26, 2025

TITLE: REFERRAL TO DISCUSS ADDING INFERTILITY TREATMENT AS A BENEFIT FOR PLAN PARTICIPANTS INSURED UNDER THE CITY'S SELF-FUNDED HEALTH PLAN

RECOMMENDATION

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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.

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.

Limits and 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.

Notwithstanding this enhancement, because fertility involves conception as a result of intercourse, the benefit enhancement may not address the family planning needs of all employees - namely single individuals wishing to preserve their fertility or become single parents or same-sex couples.

Alternatives Designed to Meet Diverse Employee Needs

There are a number of third-party vendors that specialize in comprehensive family-building programs that can be considered in lieu of providing coverage through the self-funded plan or as a complement to the health insurance benefit. Conceptually, the benefit would involve a defined subsidy or stipend which can be used to pay for a suite of programs and services offered by the vendor and specifically designed for the City, including more expansive family building options such as surrogacy or adoption. Pricing would depend on the demographic of plan participants, assumed rate of use, and scope of services. As a complement to clinical treatment paid for through the self-funded plan enhancement, these programs can be used to offer concierge care management services focused on education, counseling, support, and monitoring including:

- Advising participants on treatment options based on a review of the member's medical history.
- Assisting participants with provider selection across a network of infertility providers.
- Coordinating treatment plans with the provider to encourage use of up-to-date protocols.
- Providing both benefit education and assistance with questions throughout the process.
- Providing emotional support throughout the participant's journey, as needed.
- Assistance with obtaining and managing any required fertility medications.
- Fertility behavioral coaching

One such provider the City has interviewed is Maven Clinic. A proposal of the family building benefits provided through Maven, including support options such as fertility assistance, maternity support, adoptions, and surrogacy, is attached. The proposal assumes that the City would cover infertility treatment through the City's self-funded plan. These services may have to be procured which would delay implementation into mid-fiscal year 2026. Any new benefit provided by the City to any group of employees may be subject to collective bargaining.

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. The appropriation for the increased costs to the plan can be made through the budget process.

Does this Ordinance require a Business Impact Estimate?
(FOR ORDINANCES ONLY)

The Business Impact Estimate (BIE) was published on .

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

FINANCIAL INFORMATION

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

CONCLUSION

The Committee should discuss and consider enhancing the City's health benefit to include infertility treatments, the fiscal impact on the city's self-funded plan and whether to fund it, and whether to direct the administration to procure third-party vendors to round out the benefit with comprehensive family building services that meet the needs of a diverse 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

Referral to discuss health coverage for fertility benefits. (HR)