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## Position Summary

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| **SubroPoint Event #:** | 148714545 | **Date of Accident:** | 6/6/2023 |
| **Recovery Specialist:** | Scott Manitz | **Treatment Status:** | Completed Treatment |
| **Plan Sponsor:** | City of Vicksburg | **Coverage Status:** | Active |
| **Group Number:** | 767000413295 | **Total Global Settlement:** | $200,000.00 |
| **Type of Accident:** | Property Accident | **Subrogation Interest:** | $29,433.29 |

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| **Action Needed:** | Please confirm if the Plan agrees with Optum's recommendation as outlined below. If you do not agree with the proposal and would like to discuss other options available to the plan, please reach out to debra.schlag@optum.com. |
| **Description of Accident:** | The member was involved in a property accident, in which they slipped/fell due to an oil substance. |
| **Injuries Sustained:** | The member sustained an injury of a sprained right knee, which caused the need for surgical intervention.<br><br>The member is no longer treating; therefore, the Plan will not incur any future exposure. |

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| **Legal Standards:** | This is a Self-Funded Non-ERISA plan, in which the accident occurred in the state of Louisiana. Therefore, the Plan's reimbursement rights are governed by Louisiana state law.<br><br>Pursuant to Directive 175 from the Louisiana Insurance Commissioner, as a matter of public policy, health plans may not contract around the made whole doctrine. The Louisiana Insurance Commissioner will no longer approve language which attempts to contract around made whole. *Benefit Recovery, Inc. v. Donelon*, 521 F.3d 326 (5th Cir. 2008) (holding that insured ERISA plans do not preempt this Directive.) LSA-R.S. 22:862.<br><br>Health plans of State and Political subdivisions are not defined as "insurance" and may contract out of made whole as they do not fall under the authority of the Commissioner of Insurance Directive 175. LA Rev Stat. § 22:46 (9)(a).<br><br>Pursuant to Directive 175 from the Louisiana Insurance Commissioner, as a matter of public policy, health plans are obligated to share in the legal expenses incurred by the insured. The Louisiana Insurance Commissioner will no longer approve plan language which attempts to contract around paying a share of the insured's legal expenses. See also Benefit Recovery, Inc. v. Donelon, 521 F.3d 326 (5th Cir. 2008) (holding that insured ERISA plans do not preempt this Directive). |

| **Recovery Sources:** | **Source:** | **Availability:** | **Amount:** | **Policy Limits?** |
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| | 3rd Party General Liability Insurance | Yes | $200,000.00 | Yes/No |

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| **Medical Billings:** | The medical billings incurred total $53,358.36. From this amount, the Plan has paid $29,433.29 for accident-related treatment. The difference between these amounts is due to provider discounts and amounts subject to co-pays and deductibles. |
| **Economic Damages:** | The economic damages provided by the member's attorney specific to this case are listed below. |

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| | • The member has incurred out-of-pocket expenses, which includes co-pays, deductibles, and/or co-insurance.<br><br>• In addition, the member also has $529.00 in outstanding medicals |
| **Attorney Fees/Costs:** | The attorney is deducting $80,600.00 from the settlement proceeds to cover their contingency fee. The case expenses total $3,503.38. |

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| **Summary of Negotiations** | The member is receiving $200,000.00 from the liability carrier. This amount is not policy limits and there is no other recovery source.<br><br>The member's attorney offered the Plan $20,000.00 in full/final payment, which represents a reduction for attorney fees/costs and 68% of the Plan's subrogation interest. |

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| **Recommended Proposal** | **To obtain a recovery without delay and to avoid the risks in litigating the matter, we recommend accepting $20,000.00 as full/final resolution of the Plan's interest in this matter,** which represents 68% of the Plan's subrogation interest. |
| **Justification for the Reduction Recommendation** | Pursuant to Louisiana state law, the Plan is subject to an attorney fee reduction. |
| ***You may be required to reimburse some or all of this settlement to your Stop Loss carrier. Please refer to your carrier agreement for further information.*** | |

Approved and Accepted by:

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Willis Thompson, Mayor

Date: November 17, 2025

ATTEST:

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Deborah A. Kaiser-Nickson, City Clerk