

1 **CITY OF HOMER**
2 **HOMER, ALASKA**

3 City Manager

4 **RESOLUTION 21-040**

5
6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
7 APPROVING NEW ONE-YEAR CONTRACTS WITH PREMIERA BLUE
8 CROSS, VSP, AND PRUDENTIAL WITH A RENEWAL DATE OF
9 AUGUST 1, 2021.

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12 WHEREAS, Premera Blue Cross extended an initial renewal offer of 25.2% increase to
13 Medical/ Rx costs and a 5% increase to Dental costs for the 2021-22 plan year; and

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15 WHEREAS, USI conducted a targeted market review and solicited bids for healthcare
16 from multiple carriers; and

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18 WHEREAS, Premera Blue Cross submitted a second proposal for Medical/ Rx and
19 Dental, which would move the City to Premera's Political Subdivision plan, but retain the same
20 network coverage; and

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22 WHEREAS, VSP extended a rate pass for Vision, and these rates were offered with a two-
23 year rate guarantee, which provides the City with the best rate for those benefits; and

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25 WHEREAS, Prudential extended a 40% decrease to the Life/ AD&D plan for Life
26 Insurance and a rate pass to the Voluntary Life/ AD&D plan, and these rates were offered with
27 a two-year rate guarantee, which provides the best rate for those benefits; and

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29 WHEREAS, Renewing the contract with Premera Blue Cross effective August 1st, 2021
30 results in an overall health care increase of 4.3% based on current enrollment and rates, and a
31 9.4% increase over original FY2021 budget; and

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33 WHEREAS, The Employee Committee reviewed the benefit coverage and cost
34 projections for the August 1st, 2021 renewal, and supports this recommendation.

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36 NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves new
37 one-year contracts based upon the proposals with terms beginning on August 1, 2021, and
38 authorizes the City Manager to execute the appropriate documents.

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40 PASSED AND ADOPTED by the Homer City Council this 14th day of June, 2021.
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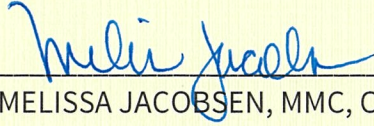
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CITY OF HOMER



KEN CASTNER, MAYOR

ATTEST:



MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: \$2,055,110 annual cost of employee health care and life insurance.

