

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 25-051

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROVING NEW ONE-YEAR CONTRACTS WITH MODA HEALTH,
VSP, AND PRUDENTIAL WITH A RENEWAL DATE OF JULY 1, 2025.

WHEREAS, Moda Health extended a renewal offer of a 10.9% medical plan increase for employee healthcare coverage for the 2025-26 plan year; and

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

WHEREAS, Aetna declined to quote due to uncompetitive rates; and

WHEREAS, Premera Blue Cross extended a bid offer with a 35% increase over Moda's medical plan renewal bid; and

WHEREAS, Alaska Municipal Health Trust (AMHT) extended a bid offer with a 32% increase over Moda's medical plan renewal bid; and

WHEREAS, Moda Health's plan options are the most competitive; and

WHEREAS, The City already has a rate lock with VSP for vision and Prudential for Life Insurance, which provide the best rates for those benefits; and

WHEREAS, The Employee Committee reviewed the benefit coverage and cost projections for the July 1st, 2025 renewal, and would like to stay with Moda Health and the current plan/ renewal option.

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves new one-year contracts based upon the proposals with terms beginning on July 1, 2025, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 27th day of May, 2025.

39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55

CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

RENEE KRAUSE, CITY CLERK

Fiscal Note: \$2,306,727 annual cost of employee health care and life insurance.