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**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 26-033(S)

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA,
APPROVING NEW ~~18-6~~ -MONTH CONTRACTS **WITH CURRENT**
BENEFITS WITH MODA HEALTH, VSP, AND PRUDENTIAL WITH A
RENEWAL DATE OF JULY 1, 2026.

WHEREAS, Moda Health extended a renewal offer of a ~~9.6~~ **11.3%** medical plan increase for employee healthcare coverage **with current benefits** for and ~~18 6~~ -month period, from July 1, 2026 – December 31, ~~2027~~ **2026**; and

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

WHEREAS, Alaska Municipal Heath Trust (AMHT) declined to quote due to uncompetitive rates; and

WHEREAS, Premera Blue Cross extended a bid offer of a 42.9% increase over current; and

WHEREAS, Aetna extended a bid offer of a 40% increase over current; and

WHEREAS, Moda's Select Health's plan option is 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, approving an ~~18 6~~ -month contract with Moda allows the City to move to a January 1st renewal date each year which will align with deductible and out-of-pocket max renewal dates annually ~~and locks in a rate for an extended period.~~

NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby approves new ~~18 6~~ -month contracts based upon the proposals with terms beginning on July 1, 2026, and authorizes the City Manager to execute the appropriate documents.

PASSED AND ADOPTED by the Homer City Council this 11th day of May, 2026.

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CITY OF HOMER

RACHEL LORD, MAYOR

ATTEST:

AMY WOODRUFF, CITY CLERK

Fiscal Note: \$2,664,417 annual cost of employee health care and life insurance.