



City of Valdez City Council Meeting

3/17/2026

HEALTH PLAN STRUCTURE

- + Self-funded
 - Offers flexibility with plan design
 - Reduces cost with eliminating premium and state taxes
- + City and School purchase stop loss to mitigate risk
 - Stop loss renewal 27%
- + Admin costs are a small percentage of total costs
 - Meritain will have a slight increase of 1.4% - with the recommendation of moving Case Management from Personify to Meritain. This switch will also result in a one-time \$5,000 Healthy Merit Credit
 - Meritain Dental/Vision no admin rate change
 - The Hartford life and disability in rate guarantee to 2027

CLAIMS EXPERIENCE

- + Total health plan costs fluctuate from year to year
- + Large claims are the drivers of cost fluctuations
 - 37% of claims are above \$62,500

STOP LOSS RFP

- + For 2026 we sent out an RFP for Stop Loss carriers. Tokio Marine is the current Stop Loss carrier.
 - Most carriers declined to quote.
 - Berkley was the one carrier that did quote, however, moving to them would result in a 43% increase from current.

FUTURE TRENDS

- + Pipeline of expensive gene therapies
- + GLP-1 influence on prescription costs
- + Cost pressure on hospital systems and contracting will increase health plan costs
- + Higher health plan trends