



Staff Report

Meeting Date: Nov 18, 2025
Meeting Type: City Council

To: City Council

From: Administration

Item Title: Motion to approve the renewal of the group health insurance policy for employee with Blue Cross Blue Shield for 2026 and to change the drug deductible from \$200 to \$500.

Background: The city originally received a 35% rate increase for next year. Our agent worked with Blue Cross to get the increase limited to 30%. The city's claims are significantly higher than premiums for the last year. The current rates are still about the same as 2021. Over the last 2 years, the city received significant rate reductions, so this increase is putting us back to where we were several years ago.

In reviewing options to control expenses on the city, the administration is recommending to increase the drug deductible from \$200 to \$500. No other changes are recommended, and this keeps us under budget for health insurance expenses for the city budget for FY26.

Recommendation: Approve

Attachments: Renewal Quotes from Blue Cross