

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

Trust Board Regular Meeting
November 17, 2021 4:00 p.m.

Public Notice – Meeting Agenda

Notice of this meeting has been posted consistent with the requirements of A.R.S. §38-431.02. The meeting's location is the East Board Room in the District Office, 7301 N. 58th Avenue. Glendale, AZ 85301.

The Board reserves the right to change the order of items on the agenda, with the exception of public hearings, which are scheduled for a specific time. Board members may participate via telephone conference call, if necessary. At the chair's discretion, the Board may carry over consideration of any business not concluded by 6:00 p.m. to the next regular meeting's agenda.

1. Call to Order and Roll Call

2. Opening Exercises

- a. Adoption of Agenda
- b. Board and Staff Introductions
- c. Pledge of Allegiance

3. Call to the Public

The public is invited to address the Board on any issue within its jurisdiction, subject to reasonable time, place and manner restrictions. Trust Board members are not permitted to discuss or take legal action on matters raised during open call to the public unless the matters are properly noticed for discussion and legal action. However, the law permits Trust Board members to do the following at the conclusion of the open call to the public: (a) Respond to criticism made by those who have addressed the Board; (b) Ask staff to review a matter; or (c) Ask that a matter be put on a future agenda.

Those wishing to address the Trust Board should complete a "Call to the Public" form and submit it to the Trust Board Secretary prior to the start of the meeting. Each speaker will be provided three (3) minutes to address the Trust Board, unless provided other direction by the Board. At the outset of the speaker's remarks, the speaker should state their name and the Trust Board requests that the speaker provide his/her address.

4. Action Items

a. Approval of Minutes

It is recommended the Trust Board approve the minutes of the October 20, 2021, regular meeting and October 20, 2021, Executive Session.

b. Authorization to Settle Workers' Compensation Claims

It is recommended the Trust Board authorize the Assistant Superintendent for Financial and Auxiliary Services, or his designee, to approve any settlement agreement related to workers' compensation claims when it is financially feasible and mitigates ongoing cost.

5. Reports and Informational Items

a. Assistant Superintendent's Update

Administration will present the Trust Board with an update on GESD's business operations.

b. Financial Review - Employee Benefits

The Trust Board will review employee benefits' financial statements for September and October 2021.

c. Claims Experience Review - Workers' Compensation

The Trust Board will review workers' compensation experience for October 2021.

d. Financial Review - Workers' Compensation

The Trust Board will review workers' compensation financial statements September 2021.

e. Financial Review - COVID-19 Legal Defense

The Trust Board will review COVID-19 legal defense financial statements for September 2021.

f. Wellness/Insurance Update

Staff will present the Trust Board with updates on GESD's insurance and wellness programs.

g. VIRTA Presentation

Valley Schools Management Group (VSMG) will present the Trust Board an overview of a Type 2 Diabetes Reversal program offered by VIRTA.

6. Summary of Current Events

a. Trust Board Report

Trust Board Members will present brief summaries of current events, as necessary.

7. Adjournment

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 4.A. TOPIC: Approval of Minutes

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services DATE

ASSIGNED FOR CONSIDERATION: November 17, 2021

RECOMMENDATION:

The minutes of the October 20, 2021, Regular Meeting and October 20, 2021 Executive Session are submitted for approval.

RATIONALE:

The minutes of October 20, 2021, regular meeting are attached and the October 20, 2021, Executive Session minutes will be provided at the meeting.

MINUTES OF THE REGULAR TRUST BOARD MEETING
Glendale Elementary School District No. 40 of Maricopa County, Arizona
District Office, East Board Room 4:00 p.m.
October 20, 2021

Present: Board Members
Mr. Lee Peterson
Ms. Mary Ann Wilson
Mrs. Teresa Wong

Other Attendees:
Mr. Mike Barragan
Ms. Joelein Mendez
Mr. Brian Duguid
Mrs. Cindy Segotta-Jones
Mr. Aaron Brown **arrived at 4:07 p.m.*

Absent: Ms. Bernadette Bolognini

Recorder: Ms. Alejandra Lopez

CALL TO ORDER

Mr. Peterson called the meeting to order at 4:04 p.m. and noted the presence of the three (3) Trust Board members, constituting a quorum.

APPROVAL OF AGENDA

Ms. Wilson motioned to approve the agenda as presented; Mrs. Wong seconded; upon a call to vote, the motion carried with three (3) votes in favor from Mrs. Wong, Ms. Wilson, and Mr. Peterson.

BOARD AND STAFF INTRODUCTIONS

Mr. Peterson welcomed everyone in attendance.

Mr. Brian Duguid introduced himself, shared he is a former GESD student and has been a school administrator for over 40 years.

Mr. Barragan welcomed Ms. Joelein Mendez, Lead Help Desk Specialist, and Mrs. Segotta-Jones, Superintendent.

Mr. Barragan welcomed Mr. Aaron Brown, attorney.

CALL TO THE PUBLIC

Mr. Peterson read the call to the public.

Approval of Minutes

Ms. Wilson motioned to approve the September 22, 2021, minutes; Ms. Wong seconded; with correction to the Approval of Minutes motion. Mrs. Wong seconded the approval of the August 25, 2021, minutes, not Ms. Bolognini. Upon a call to vote, the motion carried with three (3) votes in favor from Mrs. Wong, Ms. Wilson, and Mr. Peterson.

INFORMATIONAL ITEMS

Assistant Superintendent's Update

Mr. Barragan applauded Mrs. Segotta-Jones and the communications team’s effort to bring awareness to breast cancer.

Mr. Barragan spoke about declining enrollment, ESSER III, and working with attorneys regarding School Facilities.

Financial Review - Employee Benefits

Mr. Barragan reported:

The financial report for July 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$16,877,200.66.

The financial report for August 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$26,498,392.92.

Claims Experience Review - Workers’ Compensation

Mr. Barragan reported:

In September, GESD logged 23 incidents and GESD incurred \$37,300 for the month.

GESD has 45 open claims recorded since 2013 and the “Paid” amount is \$2,834,011.78 compared to the “Incurred” of \$3,691,316.24.

GESD has seven (7) claimants above \$75,000 (based on the “Paid” amount) and five (5) above \$150,000. For the purpose of workers’ compensation, the stop-loss-level is \$350,000.

The “Paid” amount for the seven (7) claimants are \$2,617,014.03 or 92% of the total “Paid” amount of \$2,834,011.78 \$3,211,964.37 or 87% of the total “Incurred” amount of \$3,691,316.24.

The average cost per individuals is:

- \$62,978.04 for “Paid”
- \$82,029.25 for “Incurred”

Workers' Compensation Claim Log Summary - Cause	
FY 2021 - 2022 - Quarter 1	
Claim Cause	Claim Reports
Heat Stress (Exhaustion)	2
Lifted/Handled Object	1
Human Bite	4
Strike Falling/Flying Object	2
Trip	3
Fall On Same Level	1
Fall/Slip On/Over Object	4
Body Motion	3

Contact W/Foreign substance	1
Misc. Causes Animal /Insect	2
Fall on different level	1
Struck by student	4
Strike object lifted/handed	1
Lifted/handled walking	1
Lifted or handled object	1
Lifting	2
Sharp Object Exposure	1
Struck or Injured Misc.	1
Fall/Slip on stairs/steps	1
Hit Stationary object	1
Struck object handled by other	1
Fall into opening	1
Patient Restraints	1
Subduing a person	2
Stress/Psych	1
Fall/Slip liquid/grease spills	1
Caught in/bet miscellaneous	1

Mr. Barragan explained the descriptions are directly from Tristar’s claim log report(s).

Mr. Peterson would like to know more about “heat exhaustion”.

Financial Review - Workers’ Compensation

Mr. Barragan reported:

The financial report for July 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$2,197,208.75.

The financial report for August 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$3,171,779.51.

Financial Review - COVID-19 Legal Defense

Mr. Barragan reported:

The financial report for July 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$758,101.83.

The financial report for August 31, 2021 reflects the “Ending net position reserved for claims and expenses” as \$757,376.48.

Executive Session

At this time, the Trust Board will consider voting to recess the regular meeting in order to convene to executive session for the following purpose: discussion or consultation for legal advice with the District’s attorneys pursuant to A.R.S. § 38-431.03(A)(3) regarding the status of:

-
1. *Raymond Witt v. Grand Canyon Council, Boy Scouts of America, et al.*, No. CV2020-017452, Arizona Superior Court, Maricopa County.
 2. Glen Turner Notice of Claim.

Mrs. Wong moved to convene to executive session for the purposes stated and Ms. Wilson seconded; upon a call to vote, the motion carried with three (3) votes in favor from Mrs. Wong, Ms. Wilson, and Mr. Peterson, and the meeting recessed at 4:24 p.m.

Reconvene to Public Session

Ms. Wilson moved to reconvene to public session and Mrs. Wong seconded the motion, upon call to vote, the motion carried in favor from with three (3) votes in favor from Mrs. Wong, Ms. Wilson, and Mr. Peterson, and the reconvened at 4:57 p.m.

Summary of Current Events

Mrs. Wong shared the biometric screening and flu shot clinic was today.

Mrs. Wong shared she attended the American Association of School Personnel Administration (AASPA) 83rd Annual Conference in Washington D.C.

ADJOURNMENT

Ms. Wilson motioned to adjourn, Mrs. Wong seconded; upon a call to vote, the motion carried with three (3) votes in favor from Ms. Wilson, Mrs. Wong, and Mr. Peterson.

There being no further business, the meeting adjourned at 5:00 p.m.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD

ACTION AGENDA ITEM

AGENDA NO: 4.B. TOPIC: Authorization to Settle Workers' Compensation Claims

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

RECOMMENDATION:

It is recommended that the Trust Board authorize the Assistant Superintendent for Financial and Auxiliary Services, or his designee, to approve any settlement agreement related to workers' compensation claims when it is financially feasible and mitigates ongoing costs.

There is a responsibility to reduce ongoing cost and it may be feasible by settling workers' compensation claims when doing so is in the best interest of the District.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.A. TOPIC: Assistant Superintendent's Update

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

The Administration will present the Trust Board with an update on the District's business operations.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.B. TOPIC: Financial Review

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

The financial report for September 30, 2021, reflects the “Ending net position reserved for claims and expenses” as \$25,745,281.70.

The financial report for October 31, 2021, reflects the “Ending net position reserved for claims and expenses” as \$25,271,430.75.



VALLEY SCHOOLS WORKERS'
COMPENSATION GROUP

VALLEY SCHOOLS
INSURANCE GROUP

VALLEY SCHOOLS
EMPLOYEE BENEFITS GROUP

October 18, 2021

Valley Schools Employee Benefits Group Member

Attached is the statement of revenues, expenses and changes in net position for the three months ended September 30, 2021. The financial statement is prepared in accordance with the cash basis of accounting, and does not include any note disclosures.

If you have any questions pertaining to the attached statement, please contact me.

Sincerely,

Laura Felten
Chief Financial Officer

**Valley Schools Employee Benefits Group
Statement of Revenues, Expenses and
Changes in Net Position by District--Cash Basis
For the Three Months Ended September 30, 2021**

	Glendale Elementary
Operating revenues	
Contributions	\$ 10,864,703.39
Total operating revenues	<u>10,864,703.39</u>
Operating expenses	
Paid claims	2,323,372.67
Fixed expense	216,720.00
Dental pool expense	133,332.81
H.S.A. contributions	276,327.66
Health insurance premiums	7,600.54
Short term disability premiums	20,328.90
Dental premiums	3,572.86
Vision plan premiums	19,279.45
Flexible spending premums	0.00
Life insurance premiums	39,557.13
Prepaid legal premiums	0.00
Identity protection premiums	0.00
Wellness	6,608.25
Incentives	0.00
Trust administration & mgmt.	0.00
Member administration expense	0.00
ACA Fees	3,665.22
Total operating expenses	<u>3,050,365.49</u>
Operating income/(loss)	<u>7,814,337.90</u>
Non-operating revenue	
Interest income	111,582.91
Change in market value	<u>(86,705.88)</u>
Total non-operating revenue	<u>24,877.03</u>
Change in net position	<u>7,839,214.93</u>
Beginning net position reserved for claims and expenses	<u>17,906,066.77</u>
Ending net position reserved for claims and expenses	<u>\$ 25,745,281.70</u>

Beginning Net Position and Ending Net Position do not include a Minimum Estimated Operating Reserve. For VSEBG members participating in self-insured medical programs, a Minimum Estimated Operating Reserve will be included on the June 30th financial statement in the amount of 17.63% of the FY2021-22 Contribution Invoice.



VALLEY SCHOOLS WORKERS'
COMPENSATION GROUP

VALLEY SCHOOLS
INSURANCE GROUP

VALLEY SCHOOLS
EMPLOYEE BENEFITS GROUP

November 9, 2021

Valley Schools Employee Benefits Group Member

Attached is the statement of revenues, expenses and changes in net position for the four months ended October 31, 2021. The financial statement is prepared in accordance with the cash basis of accounting, and does not include any note disclosures.

If you have any questions pertaining to the attached statement, please contact me.

Sincerely,

Laura Felten
Chief Financial Officer

**Valley Schools Employee Benefits Group
Statement of Revenues, Expenses and
Changes in Net Position by District--Cash Basis
For the Four Months Ended October 31, 2021**

	Glendale Elementary
Operating revenues	
Contributions	\$ 10,864,703.39
Total operating revenues	<u>10,864,703.39</u>
Operating expenses	
Paid claims	2,626,288.02
Fixed expense	288,960.00
Dental pool expense	177,777.08
H.S.A. contributions	292,928.96
Health insurance premiums	14,768.36
Short term disability premiums	22,455.57
Dental premiums	3,711.69
Vision plan premiums	26,421.59
Flexible spending premiums	0.00
Life insurance premiums	52,523.47
Prepaid legal premiums	(629.00)
Identity protection premiums	0.00
Wellness	7,194.50
Incentives	494.85
Trust administration & mgmt.	0.00
Member administration expense	0.00
ACA Fees	3,665.22
Total operating expenses	<u>3,516,560.31</u>
Operating income/(loss)	<u>7,348,143.08</u>
Non-operating revenue	
Interest income	152,864.52
Change in market value	(135,643.62)
Total non-operating revenue	<u>17,220.90</u>
Change in net position	<u>7,365,363.98</u>
Beginning net position reserved for claims and expenses	<u>17,906,066.77</u>
Ending net position reserved for claims and expenses	<u>\$ 25,271,430.75</u>

Beginning Net Position and Ending Net Position do not include a Minimum Estimated Operating Reserve. For VSEBG members participating in self-insured medical programs, a Minimum Estimated Operating Reserve will be included on the June 30th financial statement in the amount of 17.63% of the FY2021-22 Contribution Invoice.

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.C. TOPIC: Claims Experience Review – Workers’ Compensation

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

In October, GESD logged 14 incidents and GESD incurred \$4,600 for the month.

GESD has 34 open claims recorded since 2013 and the “Paid” amount is \$2,688,658.58 compared to the “Incurred” of \$3,413,879.12.

GESD has six (6) claimants above \$75,000 (based on the “Paid” amount) and five (5) above \$150,000. For the purpose of workers’ compensation, the stop-loss-level is \$350,000.

The “Paid” amount for the six (6) claimants are \$2,521,719.87 or 94% of the total “Paid” amount of \$2,688,658.58 and \$3,059,301.73 or 90% of the total “Incurred” amount of \$3,413,879.12.

The average cost per individuals is:

- \$ 79,078.19 for “Paid”
- \$100,408.21 for “Incurred”



Claim Log Summary - Body Part and Cause

As of 10/31/2021

Report Fields

Paid: amount paid inception to ending date listed in the report header

Incurred: amount incurred inception to ending date listed in report header

Report Parameters	
Insurer	2528
Adjusting Office	-1
Underwriter	-1
Insured	-1
Insurance Type	ORG1 DESC
Claim Status	
Claimant Type	

Additional Report Parameters	
Additional Parameter	(TRUNC(ADD_DATE) >= to_date('10/01/2021 00:00:00', 'mm/dd/yyyy hh24:mi:ss') AND TRUNC(ADD_DATE) <= to_date('10/31/2021 23:59:59', 'mm/dd/yyyy hh24:mi:ss')) AND (1=1)



Claim Log Summary - Body Part and Cause

As of 10/31/2021

		Status				Paid	Incurred
		Open				0.00	800.00
		Open				165,061.85	180,783.37
		Open				3,644.73	9,800.00
		Open				146.01	870.00
		Open				11,462.02	16,276.64
		Open				679.97	870.00
		Open				606.61	1,000.00
		Open				49,755.43	68,386.77
		Open				0.00	800.00
		Open				389.34	1,000.00
		Open				744,641.19	958,459.20
		Re-Open				1,998.86	3,900.00
		Open				42.85	3,900.00
		Re-Open				519.38	2,800.00
		Open				9,094.42	15,197.76
		Re-Open				6,359.12	8,852.41
		Re-Open				817.20	3,100.00
		Open				0.00	800.00
		Open				0.00	0.00
		Open				0.00	2,000.00
		Open				827.25	3,350.00
		Open				1,519.99	4,450.00
		Open				160,951.11	267,336.20
		Open				75,341.19	134,192.01
		Open				1,116.15	4,500.00
		Open				159,633.27	182,711.60
		Open				601.73	3,350.00
		Re-Open				677.61	4,500.00
		Open				0.00	820.00

Run Date: 11/03/2021 08:11:15

TRISTAR - Confidential

Page 1 of 3

This report may contain confidential information and is intended only for the intended recipient. You are hereby notified that disclosing, copying, distributing or taking any action in reliance on the contents of this report is strictly prohibited.



Claim Log Summary - Body Part and Cause

As of 10/31/2021

		<u>Status</u>				<u>Paid</u>	<u>Incurred</u>
		Open				127.85	7,300.00
Total: 30						1,396,015.13	1,892,105.96
		Open				1,216,091.26	1,335,819.35
Total: 1						1,216,091.26	1,335,819.35
		Open				3,896.19	12,867.49
		Open				2,465.83	5,000.00
Total: 2						6,362.02	17,867.49
		Open				70,190.17	168,086.32
Total: 1						70,190.17	168,086.32
Grand Total: 34						2,688,658.58	3,413,879.12



Claim Log Summary - Body Part and Cause

As of 10/31/2021

Report Fields

Paid: amount paid inception to ending date listed in the report header

Incurred: amount incurred inception to ending date listed in report header

Report Parameters	
Insurer	2528
Adjusting Office	-1
Underwriter	-1
Insured	-1
Insurance Type	ORG1 DESC
Claim Status	
Claimant Type	

Additional Report Parameters	
Additional Parameter	(claimant status desc <> 'Closed') AND (1=1)

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.D. TOPIC: Financial Review - Workers' Compensation

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

The financial report for September 30, 2021, reflects the "Ending net position reserved for claims and expenses" as \$3,122,093.88.



VALLEY SCHOOLS WORKERS'
COMPENSATION GROUP

VALLEY SCHOOLS
INSURANCE GROUP

VALLEY SCHOOLS
EMPLOYEE BENEFITS GROUP

October 20, 2021

Valley Schools Workers' Compensation Group Member

Attached is the statement of revenues, expenses and changes in net position for the three months ended September 30, 2021. The financial statement is prepared in accordance with the cash basis of accounting, and does not include any note disclosures.

If you have any questions pertaining to the attached statement, please contact me.

Sincerely,

Laura Felten
Chief Financial Officer

**Valley Schools Workers' Compensation Group
Statement of Revenue, Expenses and
Changes in Net Position by District--Cash Basis
For the Three Months Ended September 30, 2021**

	Glendale Elementary
Operating revenues	
Contributions	\$ 896,000.00
Cost of re-insurance	(25,074.00)
Total operating revenues	<u>870,926.00</u>
Operating expenses	
Paid claims	180,078.13
Subrogation/restitution/stop loss	(136,607.16)
Trust administration & mgmt.	1,626.00
Consultant service fees	30,000.00
ICA Fees	1,406.97
Total operating expenses	<u>76,503.94</u>
Operating income/(loss)	<u>794,422.06</u>
Non-operating revenue	
Interest income	15,409.43
Change in market value	(15,817.23)
Total non-operating revenue	<u>(407.80)</u>
Change in net position	<u>794,014.26</u>
Beginning net position reserved for claims and expenses	<u>2,328,079.62</u>
Ending net position reserved for claims and expenses	<u>\$ 3,122,093.88</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.E. TOPIC: Financial Review - COVID-19 Legal Defense

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

The financial report for September 30, 2021, reflects the “Ending net position reserved for claims and expenses” as \$754,078.53.



VALLEY SCHOOLS WORKERS'
COMPENSATION GROUP

VALLEY SCHOOLS
INSURANCE GROUP

VALLEY SCHOOLS
EMPLOYEE BENEFITS GROUP

October 19, 2021

Valley Schools Insurance Group Member

Attached is the statement of revenues, expenses and changes in net position for the three months ended September 30, 2021. The financial statement is prepared in accordance with the cash basis of accounting, and does not include any note disclosures.

If you have any questions pertaining to the attached statement, please contact me.

Sincerely,

Laura Felten
Chief Financial Officer

**Valley Schools Insurance Group
Statement of Revenue, Expenses and
Changes in Net Position by District--Cash Basis
For the Three Months Ended September 30, 2021**

	Glendale Elementary
Operating revenues	
Contributions	\$ 0.00
Cost of re-insurance	0.00
Total operating revenues	<u>0.00</u>
Operating expenses	
Paid claims - liability	0.00
Paid claims - auto liability	0.00
Paid claims - property	0.00
Paid claims - under \$10,000	0.00
Subrogation/restitution/stop loss	0.00
Insurance premiums	0.00
Safety and loss control	0.00
Trust administration & mgmt.	0.00
Consultant service fees	0.00
Total operating expenses	<u>0.00</u>
Operating income/(loss)	<u>0.00</u>
Non-operating revenue	
Interest income	3,951.03
Change in market value	(3,698.84)
Rental income	0.00
Rental expense	0.00
Depreciation expense	0.00
Total non-operating revenue	<u>252.19</u>
Change in net position	<u>252.19</u>
Beginning net position reserved for claims and expenses	<u>753,826.34</u>
Ending net position reserved for claims and expenses	<u>\$ 754,078.53</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.F. TOPIC: Insurance and Wellness Update

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

Human Resources staff will present the Trust Board with Wellness and Insurance updates.

GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

7301 N. 58TH AVENUE, GLENDALE, ARIZONA 85301 • (623) 237-7100 • www.gesd40.org



Benefits Team Highlights

Goals: Compliance / Benefits & Financial Literacy / Building Strong Partnerships

October / November 2021

- Attended the Valley Schools Provider Showcase
- Discussed the Virta Program with Valley Schools
- Discussed billing process with Colonial
- 1095-C process training with Valley Schools
- Hosted a #KnowYourBenefits webinar with Mark Baggot from United Healthcare and Davita Solter, Wellness Program Specialist
- #KnowYourBenefits email campaigns sent out:
 - Health Savings Account (HSA) Wellness Exam Incentive reminders
 - Information on Interface Behavioral Health (EAP)
 - Information on Medicare Advocate
 - United Healthcare Premium Medical Providers Save You Money
 - United Healthcare Tier 1 Doctors Save You Money
 - Information on upcoming Preventive Vaccine / Biometric Health Screening clinic
 - Know Your Medical Care Options
 - GESD/UHC Webinar Announcement / Reminder

Wellness Updates

- Fall Break - We had many activities over Fall Break that our employees and their families could take part in: (each time the employee attended an activity, they earned a ticket for the FitBit drawing)
 - Hiking
 - Walking
 - Archery
 - Financial Planning
 - Disc Golf



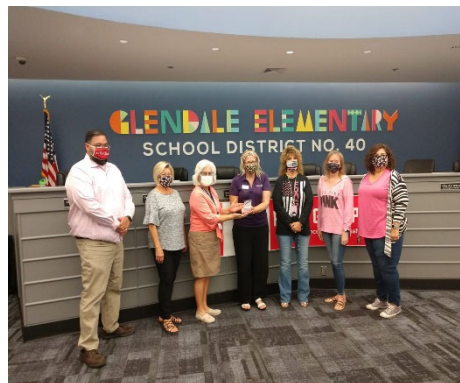
ALL IN FOR ALL KIDS

GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

7301 N. 58TH AVENUE, GLENDALE, ARIZONA 85301 • (623) 237-7100 • www.gesd40.org



- Preventive Vaccine Clinic / Biometric Screenings – On October 20, we offered free flu shots, COVID-19 vaccines and booster shots for all employees as well as biometric screenings for benefited employees. We were able to accommodate 79 employees for biometric screenings, 139 flu shots and 42 COVID-19 booster shots.
- Vitalant Recognition – The GESD staff and community were recognized by Vitalant Blood Services for continuing to have blood drive during 2020. So many organizations had to put a hold on their blood drives, but we had five during the pandemic year. Our Vitalant representative stopped by the last board meeting to give us a special award.



- Upcoming events:
 - Hike at Veterans Trail – November 6
 - Preventive Clinic (flu, COVID-19 vaccines / boosters) at the District Office – November 9
 - Archery at Corner Archery – November 11
 - Walk at the Paseo – November 21

ALL IN FOR ALL KIDS

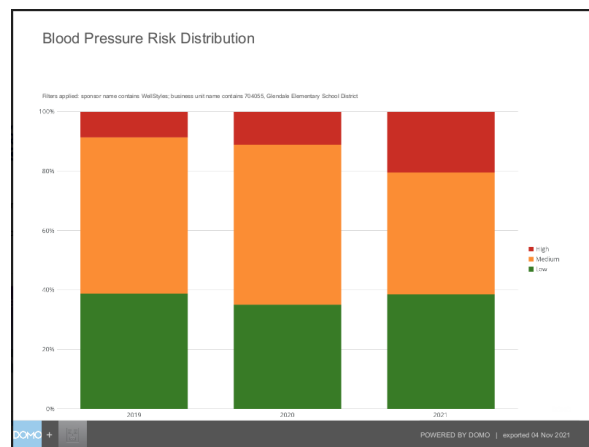
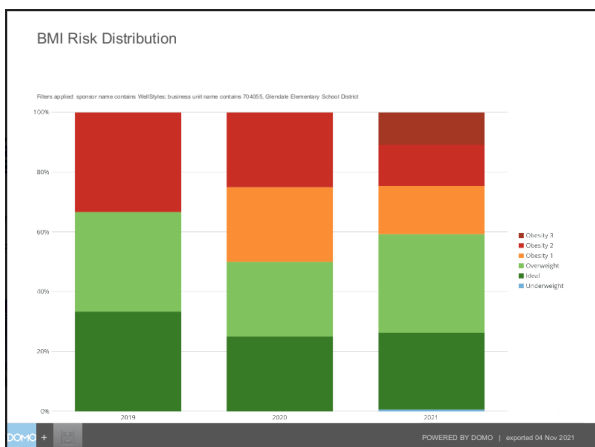
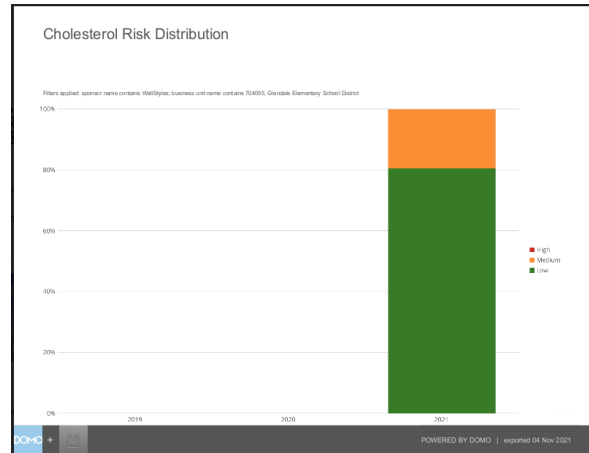
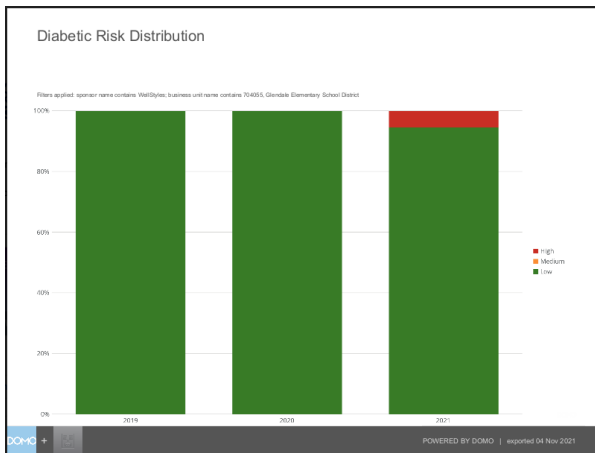
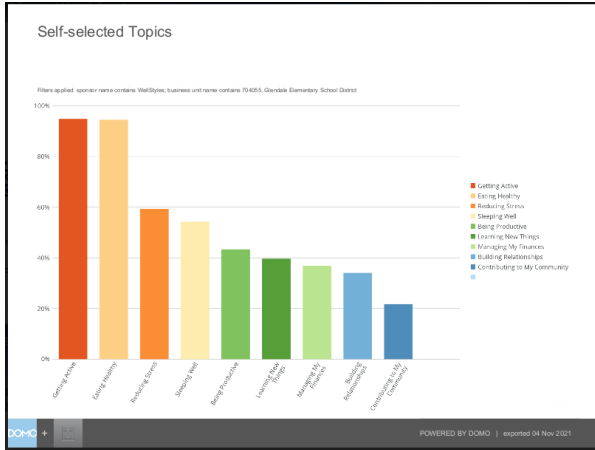
GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

7301 N. 58TH AVENUE, GLENDALE, ARIZONA 85301 • (623) 237-7100 • www.gesd40.org



WellStyles

- Enrollments: We currently have 53% (669) of our members enrolled in the WellStyles program:



ALL IN FOR ALL KIDS

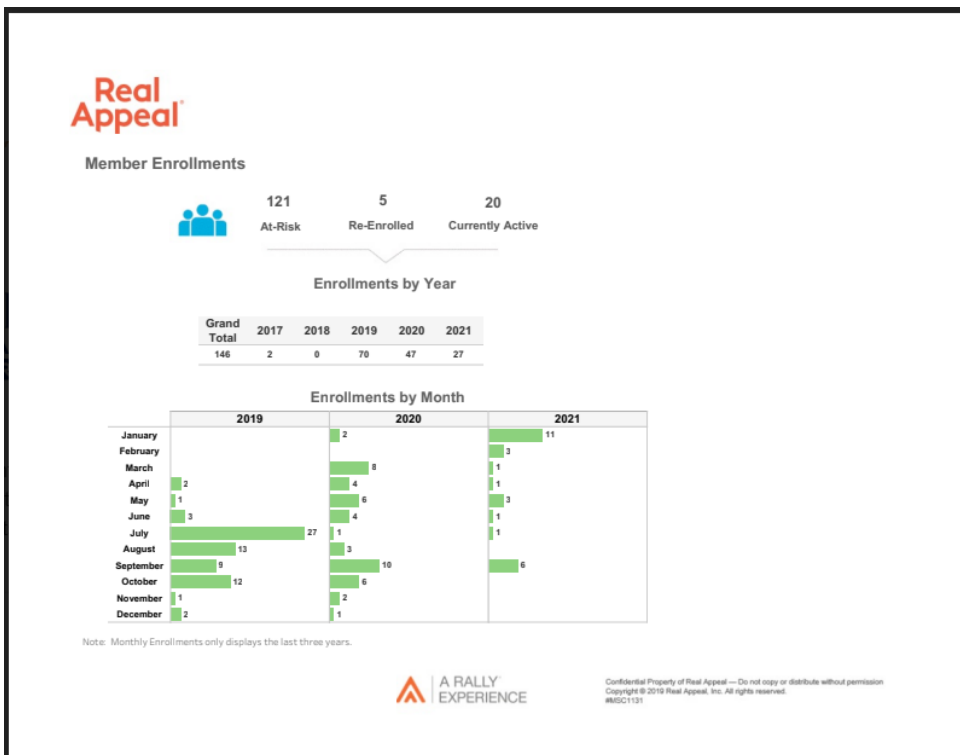
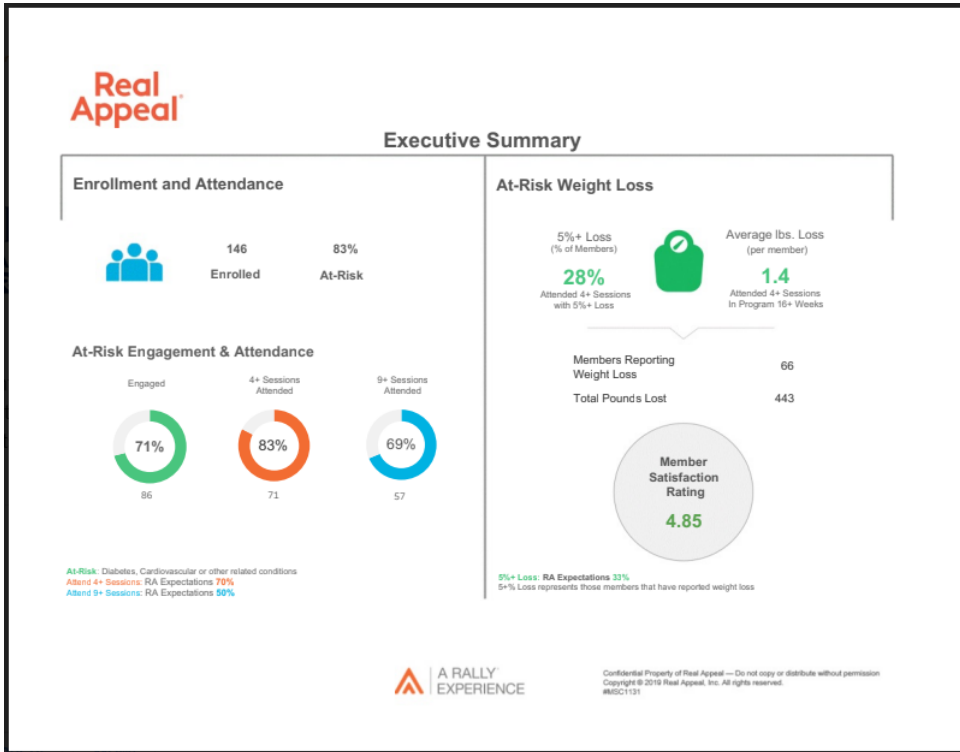
GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

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Real Appeal

- Real Appeal participation data through October 31, 2021:
 - 146 Employees have enrolled
 - Cumulative total weight loss of 443 pounds for all members to-date



ALL IN FOR ALL KIDS

GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 5.G. TOPIC: VIRTA Presentation

SUBMITTED BY: Mrs. Teresa Wong, Human Resources Technician

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

Chronic diseases have significant health costs and the District's leading drivers of prevalence and spend last year was around hypertension, diabetes and intervertebral disc disorder. We know by managing or improving employee health will not only be a benefit for the employee, but overall the healthcare plan since the District is self-insured. Last year, adults with diabetes accounted for 31% of our medical spend, 47% of pharmacy spend and 43% of members (employees or their dependents) with diabetes have one or more comorbid conditions that accounts for 54% of the total paid for members with diabetes. According to the adult disease progression model, if those with diabetes or a metabolic disease don't manage their health, we can expect to see an additional cost of \$343,899 in disease progression in the following year. In addition, chronic kidney disease due to progressed diabetes continues to be present in GESD's high cost claims which are claims over \$50,000. Diabetic medications to continue to be in both top 10 drugs by volume and spend. This totaled to \$1.4 million in spend. We see the need to have a program in place to help our employees. VIRTA offers the first clinically-proven treatment to reverse type 2 diabetes. They pair science-backed nutritional therapy with advanced telehealth to deliver outcomes.

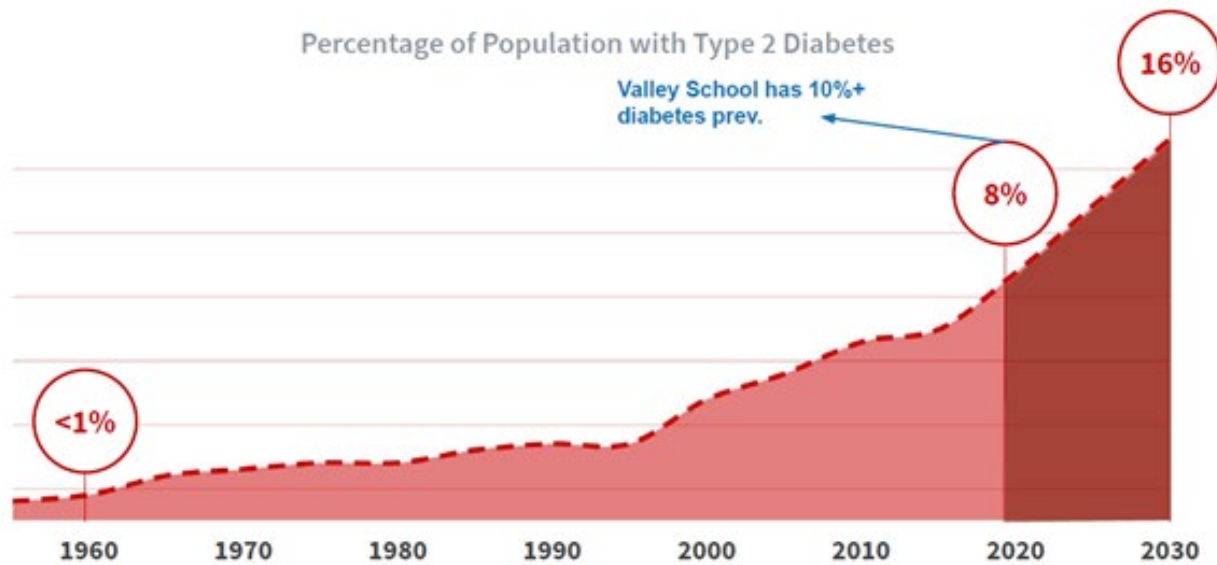
This program would be available to any employee or dependent (18+) who is insured by the District's United Healthcare plan. The breakdown of the program cost is as follows:

Implementation Fee: \$0

Participation: \$269 per participant per month for the first six (6) months, then \$199 per participant per month, thereafter.

With an estimated return on investment set at 1.6, this could lead to a cost savings vs. expenditure on the overall budget. The anticipated cost savings for GESD year 1 is anticipated to be a gross savings of \$152,660.

Diabetes prevalence expected to double in next decade



Source: Centers for Disease Control and Prevention. Long Term Trends in Diabetes. April 2017; Rowley, WR et al, Diabetes 2030: Insights from Yesterday, Today, and Future Trends. Population Health Management. 2017 Feb 1; 20(1): 6-12.





Valley Schools

Launch Pilot January 2022

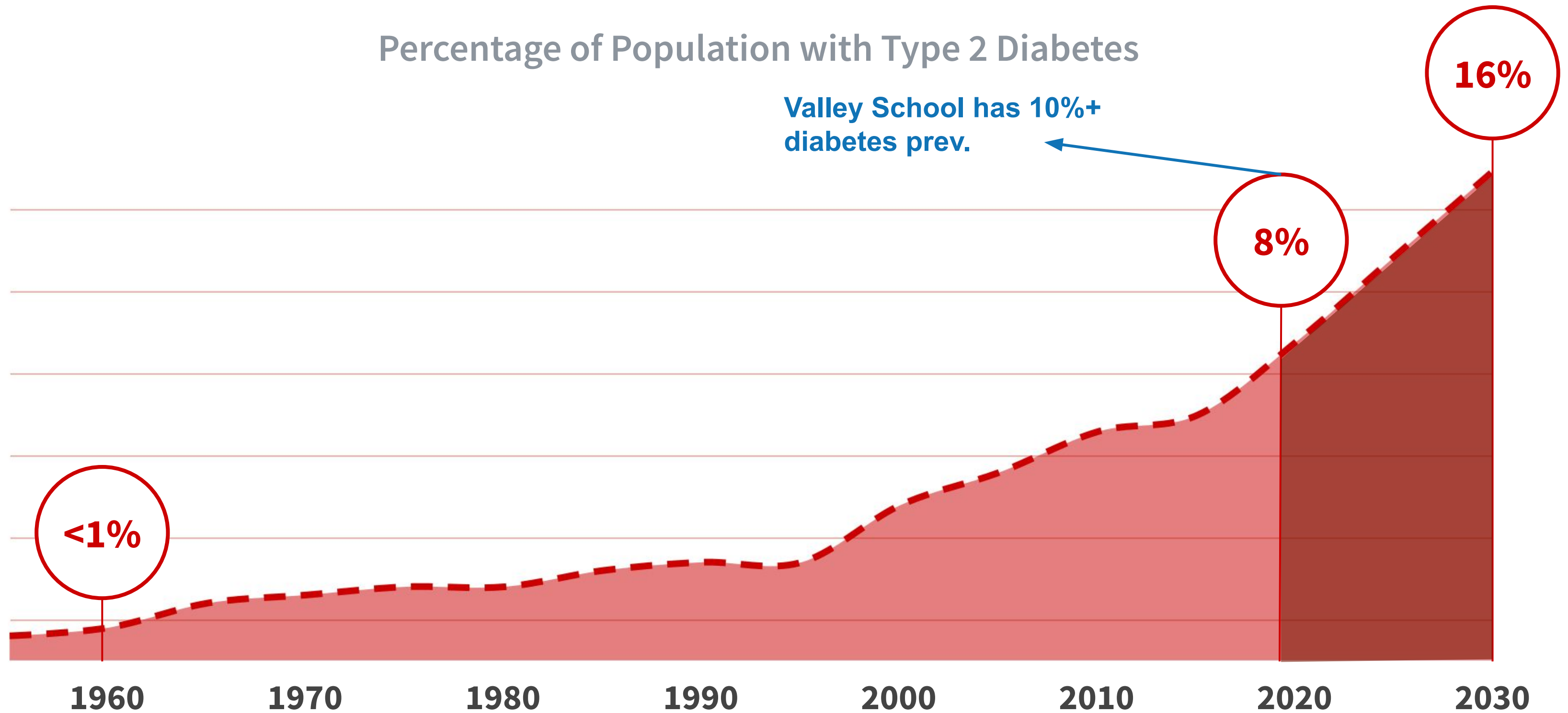
Pilot with Glendale Elementary

- **Why Virta**
- Outcomes You Can Expect
- Value-Based Pricing & Implementation



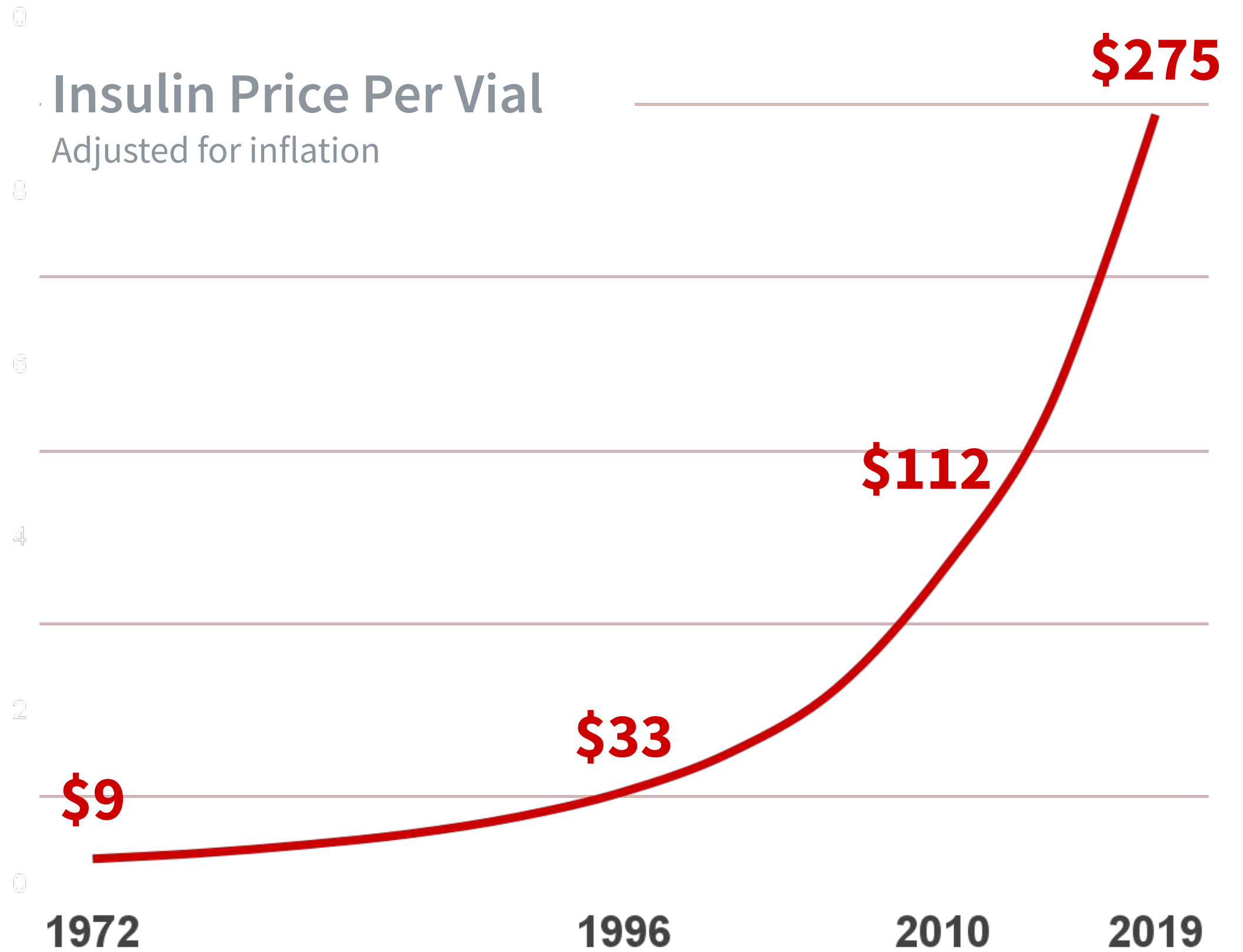
Diabetes prevalence expected to double in next decade

Percentage of Population with Type 2 Diabetes

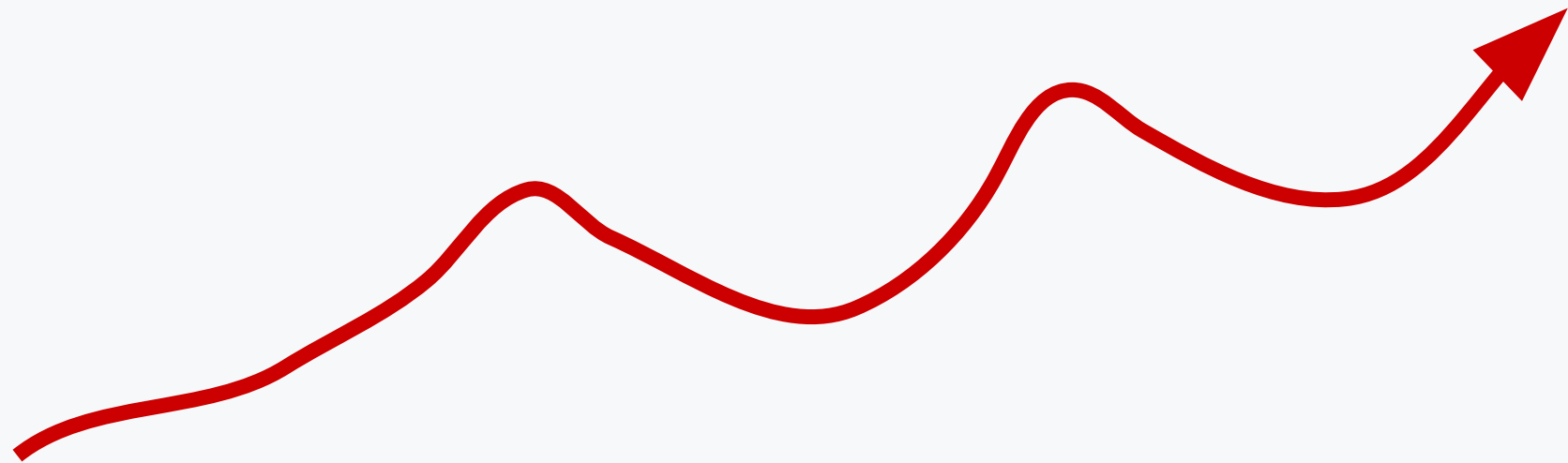


Source: Centers for Disease Control and Prevention. Long Term Trends in Diabetes. April 2017; Rowley, WR et al, Diabetes 2030: Insights from Yesterday, Today, and Future Trends. Population Health Management. 2017 Feb 1; 20(1): 6-12.

Drug prices are skyrocketing with no end in sight

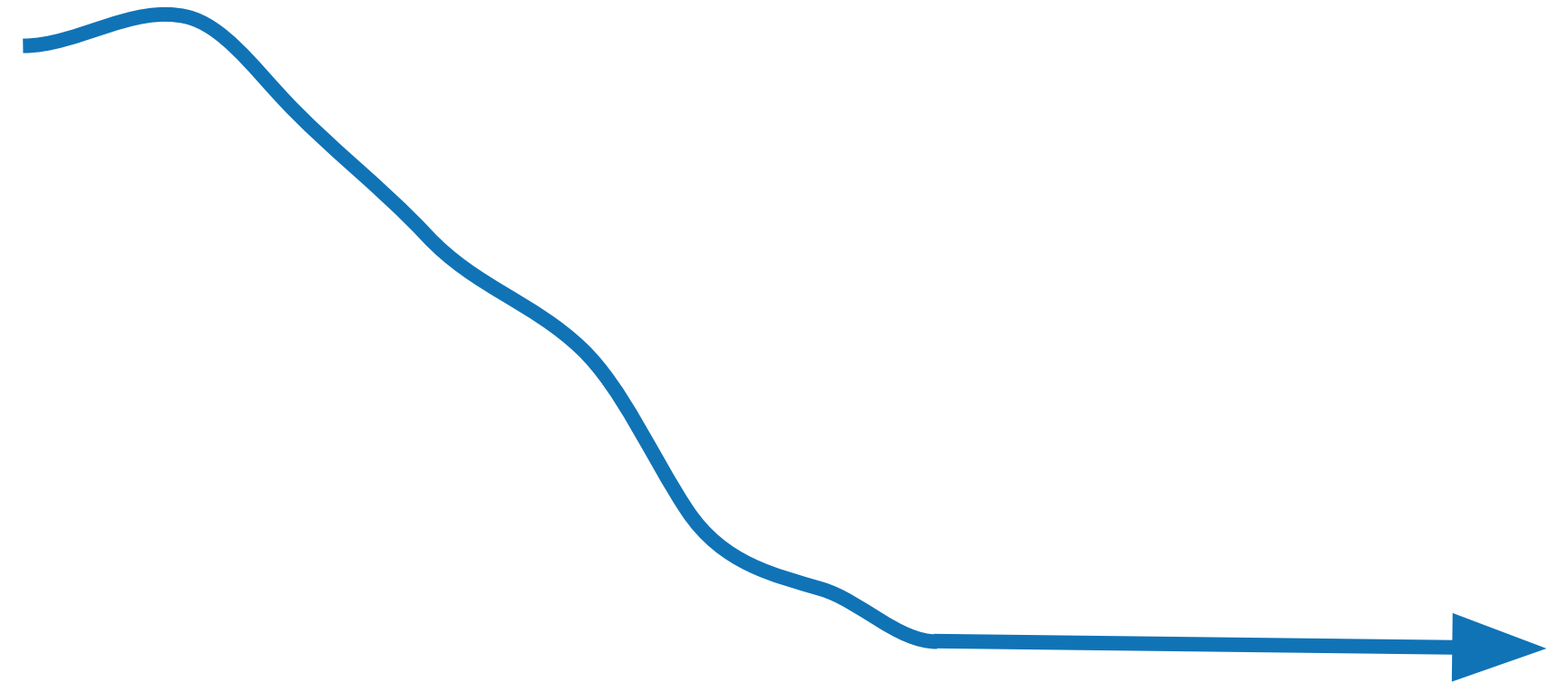


Source: Right Care Alliance. Why do Drug Makers Keep Raising the Price of Insulin? March 2018.



Traditional Diabetes Management

SANOFI  Livongo®  NOVARTIS *Lilly*



Diabetes Reversal


virta

1 Virta offers the first clinically-proven treatment to reverse type 2 diabetes.

2 We pair science-backed nutritional therapy with advanced telehealth to deliver sustained, breakthrough outcomes.

3 Virta clinical trial has 9 peer-reviewed and validated publication and included in the ADA Standards of Medical Care (2019, 2020, 2021)



New message to members:

“You can reverse your T2; it’s not something you have to live with forever.”



Gilbert Y

Pima County for 25 years,
on Virta for 5 months

Lost 74 pounds

**Reduced average fasting
glucose by 80 mg/dL**

**Has increased energy and
feels incredible**





Robin

On Virta for 3 months

**Lower blood sugar and A1c
to healthy levels**

Lost 15 pounds

**Stopped taking Invokana and
lowered injectable insulin
dosage**

How Virta works

NUTRITIONAL THERAPY

Reduces blood sugar and eliminates medications



ADA validated



Low carb approach



Tailored to n=1



ADVANCED TELEHEALTH

Ensures engagement and sustainability



Intensive coaching

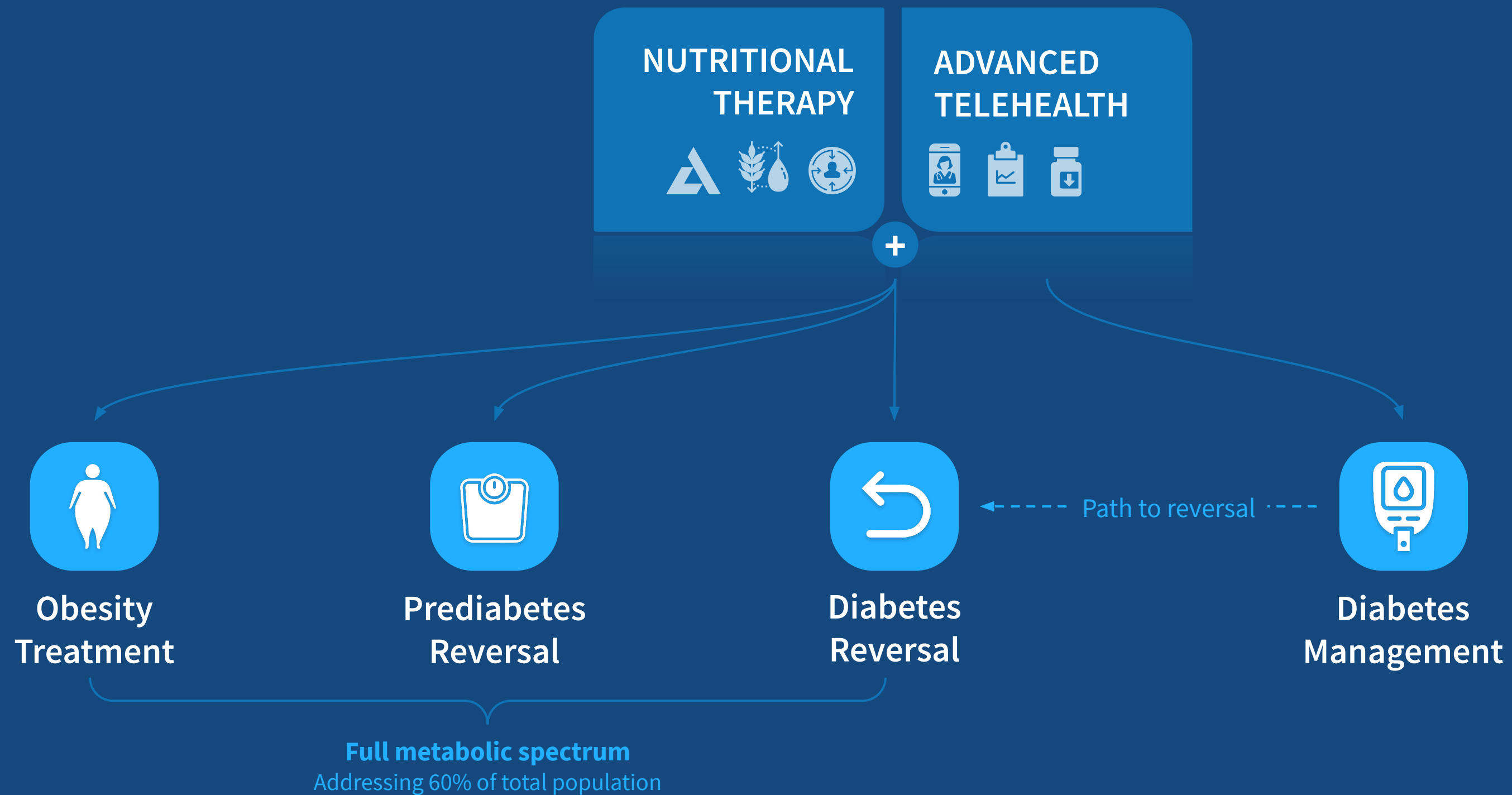


Remote monitoring



Medication reduction

Virta Solutions



- Why Virta
- **Outcomes You Can Expect**
- Value-Based Pricing & Implementation



Our outcomes are peer-reviewed and validated

Diabetes Impact & Prevention

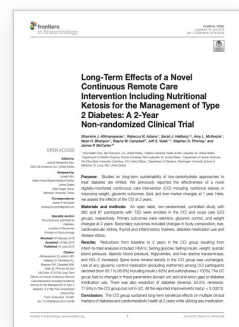


Rapid Impact on Type 2 Diabetes
10 week outcomes



Sustainability of Improved Health Outcomes (T2D Reversal)

1-year and 2-year outcomes



Diabetes Prevention
2-year outcomes

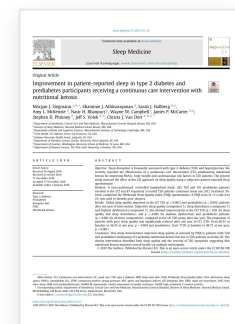
Related Comorbidity Improvements



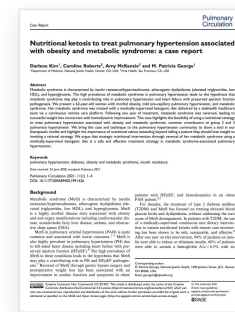
Cardiovascular Risk Factors
1-year and 2-year outcomes



NAFLD
1 year outcomes



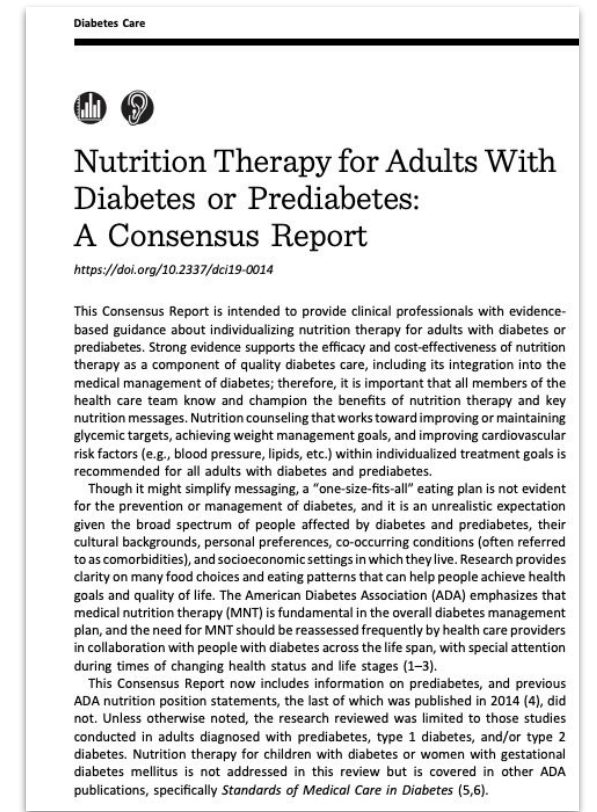
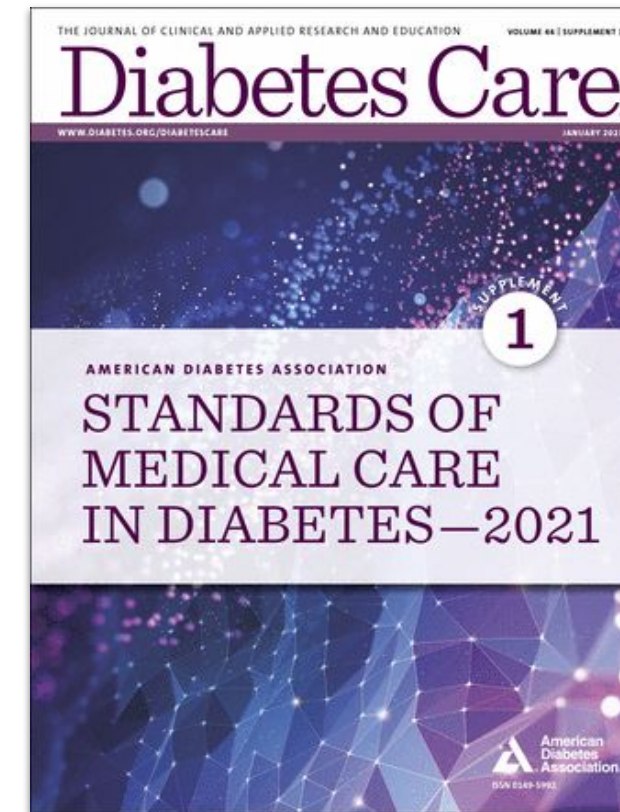
Sleep Quality
1 year outcomes



Pulmonary Hypertension
Case Report



ADA's Evidence-Based Standards of Care

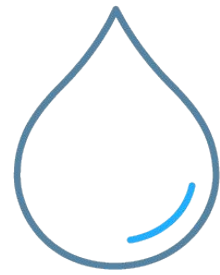


“For people with type 2 diabetes, low-carbohydrate and very-low-carbohydrate eating patterns, in particular, have been found to reduce A1C and the need for antihyperglycemic medications.”

“Carbohydrate-restricted eating pattern... does not appear to increase overall cardiovascular risk.”

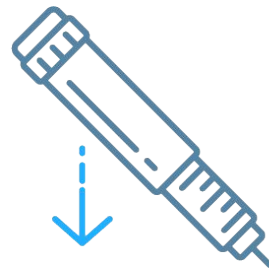
Virta Clinical Trial Demonstrates Reversal of Type 2 Diabetes Status after 1 Year

- **Physician oversight daily**
- **ADA Validation**
- **Coach support 2-4x/day**
- **Root cause of disease**
- **Blood sugar drops w/o Rx**
- **Eliminate medications**



Diabetes Reversal

60% of patients reverse diabetes and eliminated medication



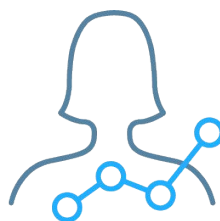
Medication Reduction

94% of insulin users reduced or eliminated usage



Weight Loss

12% average weight loss (30 pounds)



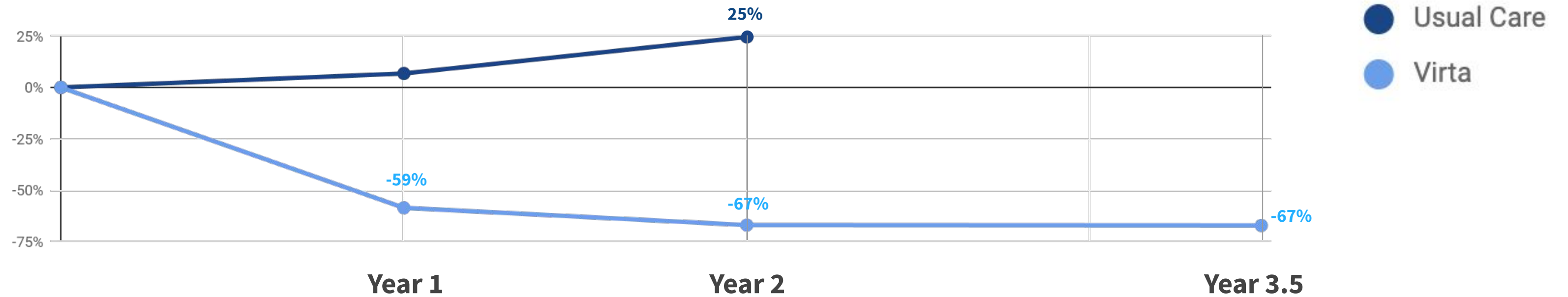
CVD Risk Improvement including Dyslipidemia

12% improvement in 10-year ASCVD Risk Score

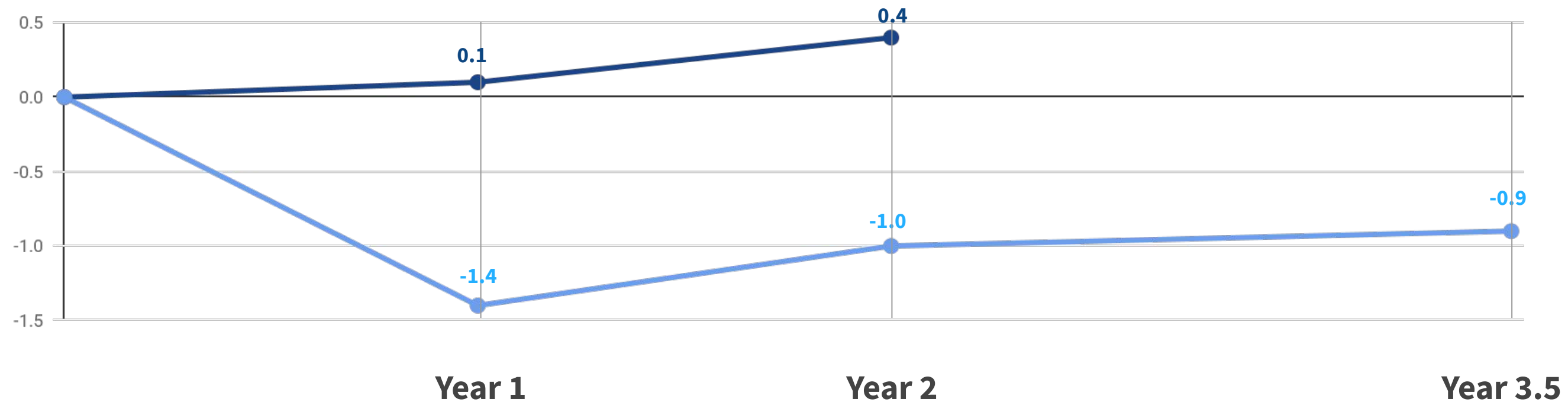
22 of 26 risk factors show significant improvement

Sustained outcomes at 3.5 years

Diabetes Prescriptions
Percent Change from Baseline



HbA1c
Point Change from Baseline



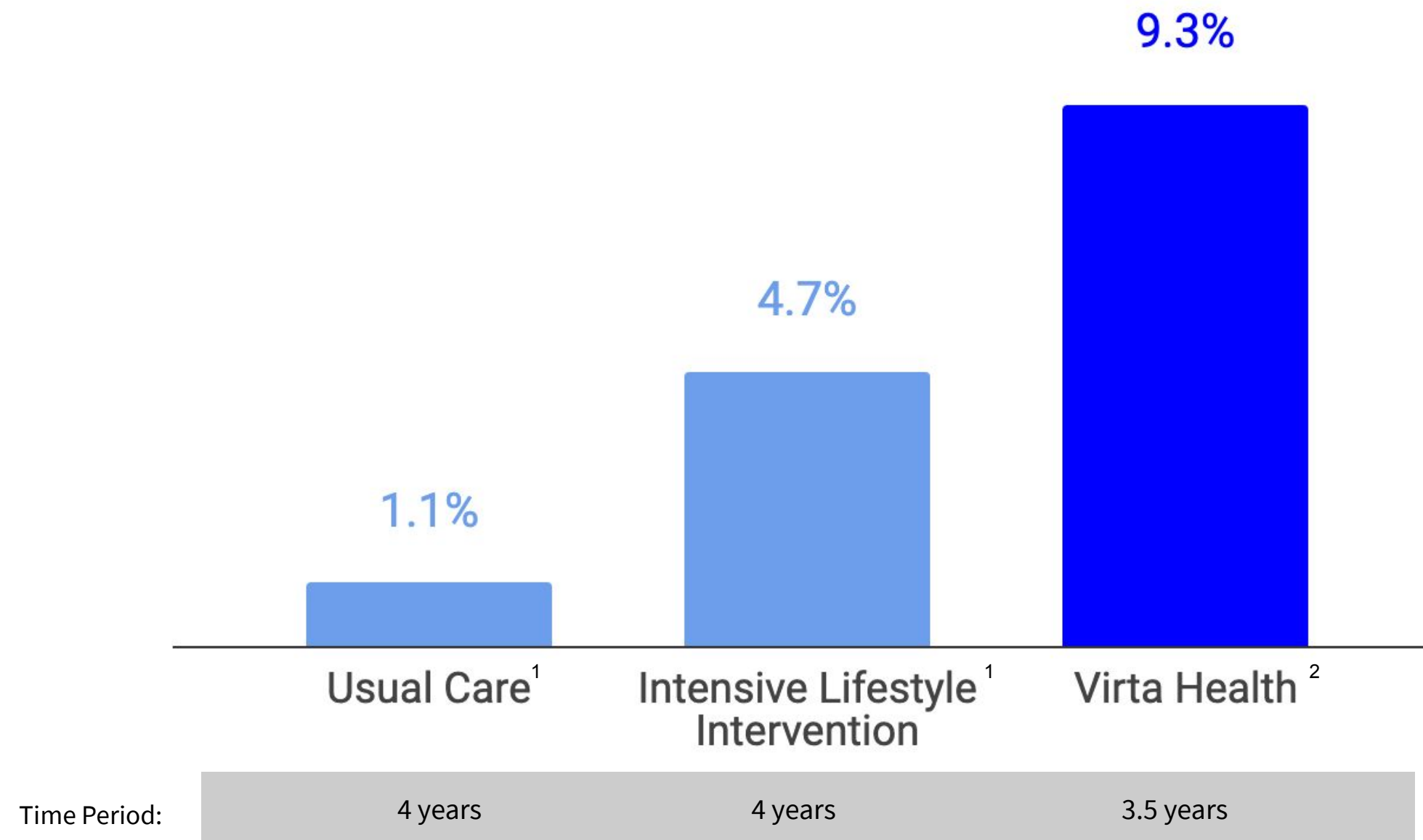
Note: Year 0-2 data came from clinical trial with control group. Year 2+ data came from follow-up study without control group.



Outcomes from a 2-year clinical trial were previously reported in Hallberg SJ et al. Diabetes Therapy. 2018; 9:583-612 and Athinarayanan SJ et al. Frontiers in Endocrinology. 2019; 10:348 where 262 participants selected the Virta Treatment and 87 participants selected to receive usual care. At the end of the 2-year trial, 169 of 194 Virta group participants consented to participate in a 3-year follow up study. Outcomes 1.5 years into follow up (3.5 years since initial trial enrollment) were presented at ENDO 2020 (McKenzie AL et al. Journal of the Endocrine Society. 2020; 4(Supplement 1):SUN-LB113). "Diabetes-Specific Prescriptions" is defined as the total number of diabetes medications prescribed to the group, excluding metformin.

Virta delivers significant and sustained weight loss through 3.5 years

Weight Loss as a Percentage of Starting Weight



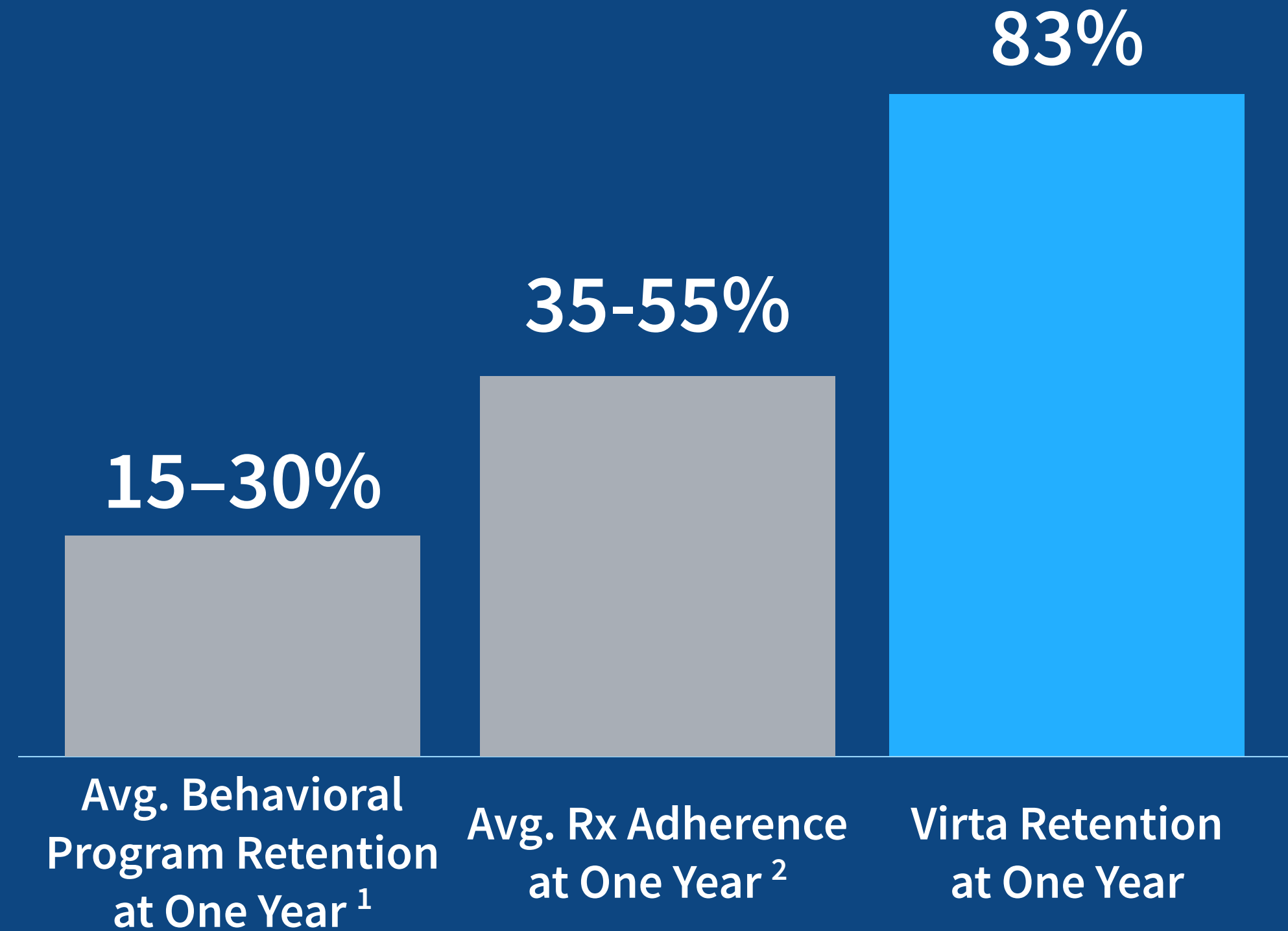
About the research

- The federally-funded Look AHEAD study evaluated long-term success of 5,145 overweight and obese men and women with type 2 diabetes
- Patients randomly assigned to an intensive lifestyle intervention (n = 2,570) modeled after the Diabetes Prevention Program or a usual care group (n= 2,575) focused on general behavioral coaching and instruction
- Virta data from Virta's clinical trial 3.5 year outcomes (n=143)

¹ Wadden TA, Neiberg RH, Wing RR, et al. Four-year weight losses in the Look AHEAD study: factors associated with long-term success. *Obesity (Silver Spring)*. 2011;19(10):1987-1998. doi:10.1038/oby.2011.230.

² 3.5 years since initial trial enrollment) were presented at ENDO 2020 (McKenzie AL et al. *Journal of the Endocrine Society*. 2020; 4(Supplement 1):SUN-LB113). "Diabetes-Specific Prescriptions" is defined as the total number of diabetes medications prescribed to the group, excluding metformin.

Sustained Success



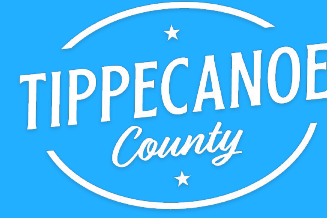





What drives Virta retention?

- Promise of Reversal (hope)
- Rapid Health Improvement in 90 days
- Continuous Remote Care Team (2-4 touches/day)
- Ongoing coach, education and community support

1. Martin CK. Weight loss and retention in a commercial weight loss program. Int J Obesity. 2010 Apr; 34(4): 742-750; Curkendall SM, Thomas N, Bell KF, Juneau PL, Weiss AJ. Predictors of medication adherence in patients with type 2 diabetes mellitus. Curr Med Res Opin. 2013;29(10):1275-1286

Commercial Case Studies

						
A1c	↓ 0.9	↓ 1.7	↓ 1.4	↓ 1.4	↓ 1.1	↓ 1.4
Rx Cost	↓ 57%	↓ 63%	↓ 71%	↓ 69%	↓ 55%	↓ 58%
Weight Loss	↓ 28 lbs	↓ 27 lbs	↓ 26 lbs	↓ 13 lbs	↓ 25 lbs	↓ 18 lbs
Timeframe	1 yr	1 yr	6 mo	1 yr	1 yr	6 mo

Virta commercial results. All Rx reductions shown are Rx cost reductions, except Comcast which is Rx dosage reduction.

Virta Diabetes Reversal Cohort in AZ

180 Day Outcomes

eA1c Improvement

-1.5

point average eA1c decrease
at 180 days

Medication

46%

of diabetes specific
prescriptions have been
eliminated at 180 days

Weight

-7%

average weight loss at 180
days

Retention

81%

average retention at 180 days

- Why Virta
- Outcomes You Can Expect
- **Value-Based Pricing & Implementation**



Lofty Performance Guarantees



A1c Target

1.0 Reduction



Weight Target

5% Weight Loss



Diabetes Med Target

40% Cost Reduction

Highlights:

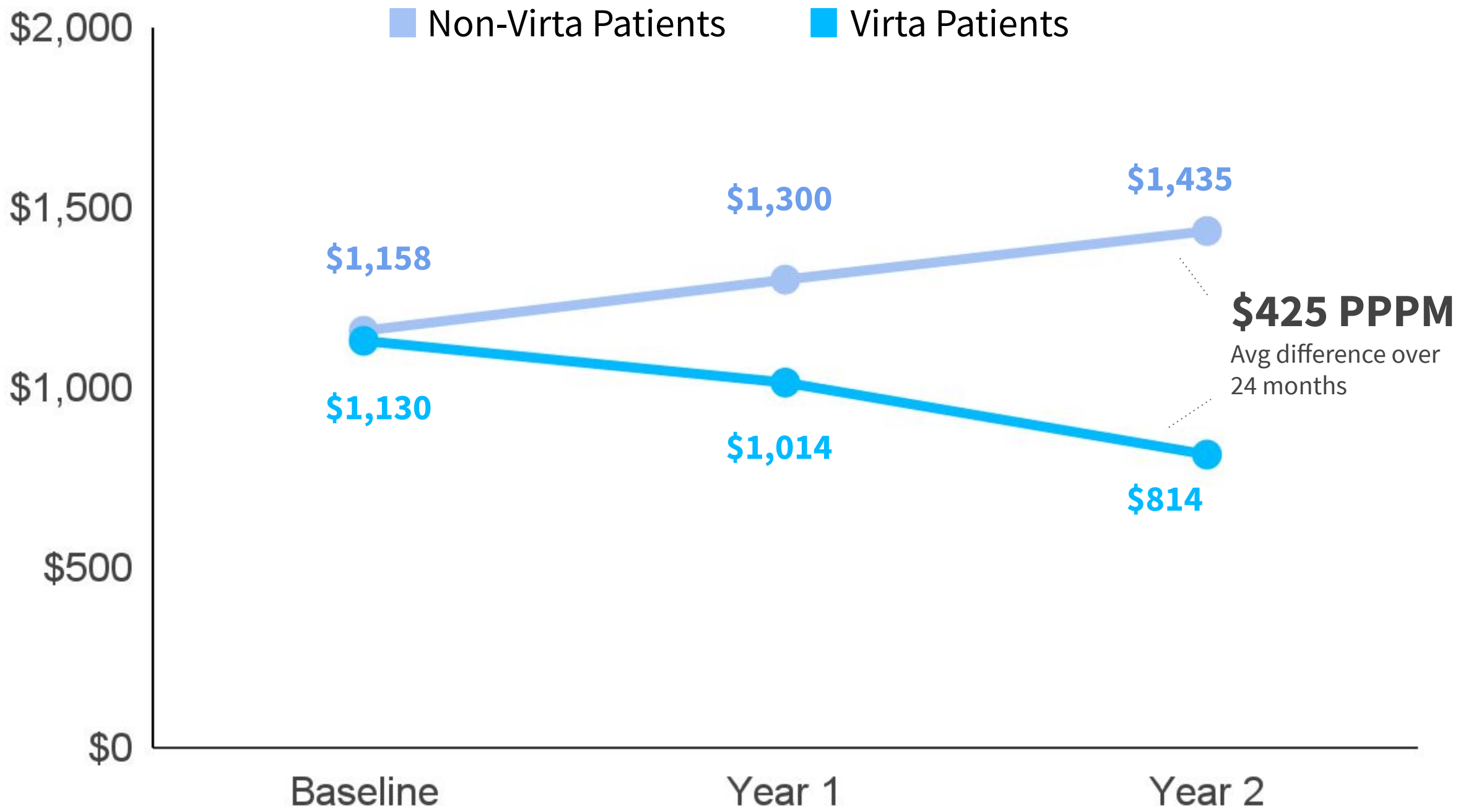
- 100% at risk
- Fees capped
- Virta is 40% cheaper
- Per patient (not member)

No fees for:

- Implementation
- Marketing
- Engagement

Analysis with **Milliman-validated methodology** shows savings of **\$425 PPPM** over 2 years

Medical costs per participant per month

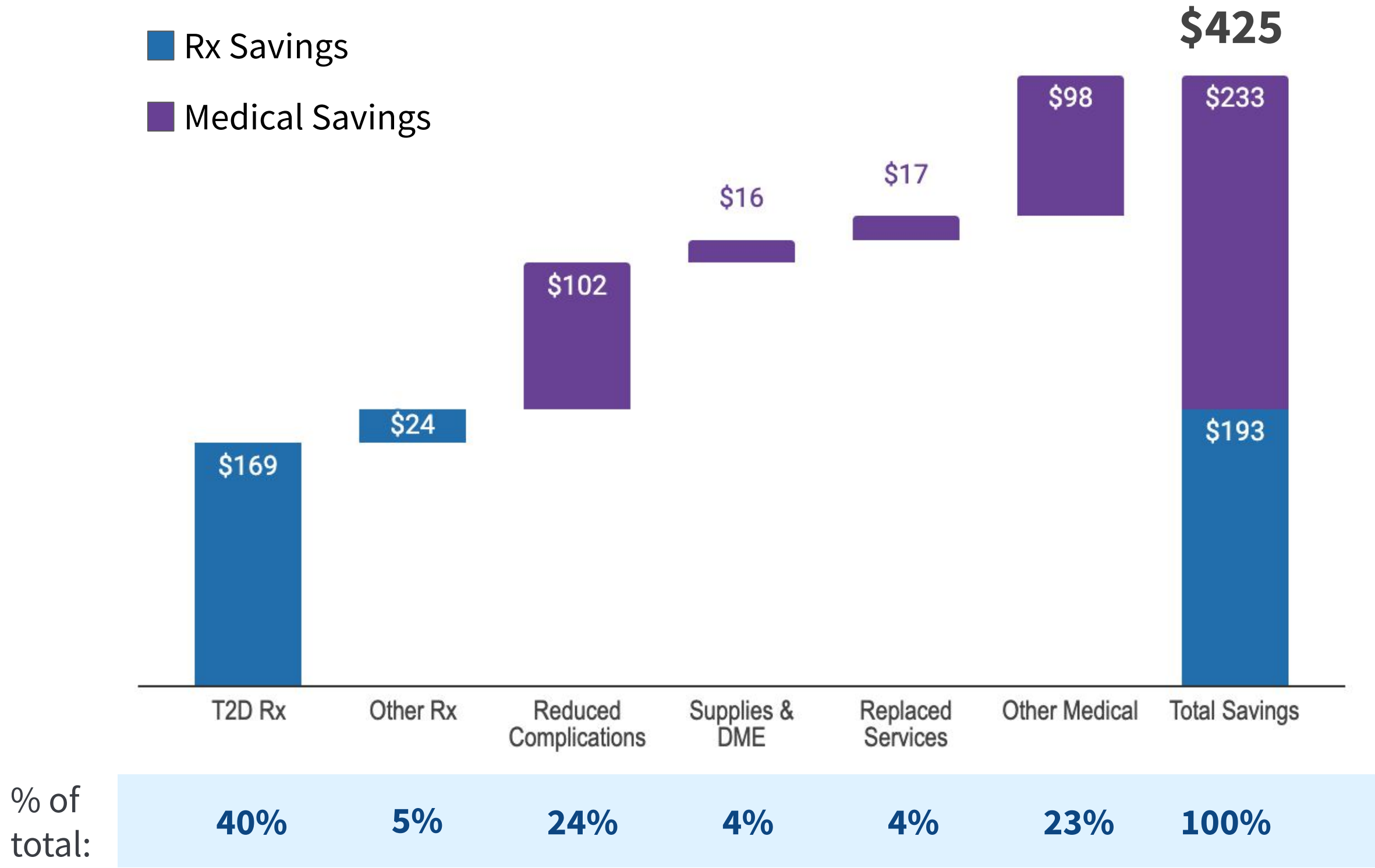


About this analysis:

- Virta Health actuaries conducted this retrospective analysis using a Milliman-validated methodology and real-world claims data from 3 large commercial deployments
- Analysis included data from 435 Virta patients, from 2017 through 2020 and includes patients across 30+ states from rural, urban, and suburban areas
- Savings are calculated by analyzing the difference-in-differences in allowed claims cost between Virta and non-Virta type 2 diabetes members
- Reference group of non-Virta patients was made up of patients within same customer to minimize differences in plan design

All Virta savings are observed in real world, and ~50% come from elimination of expensive medications

Breakdown of gross savings, per participant per month



About the savings categories:

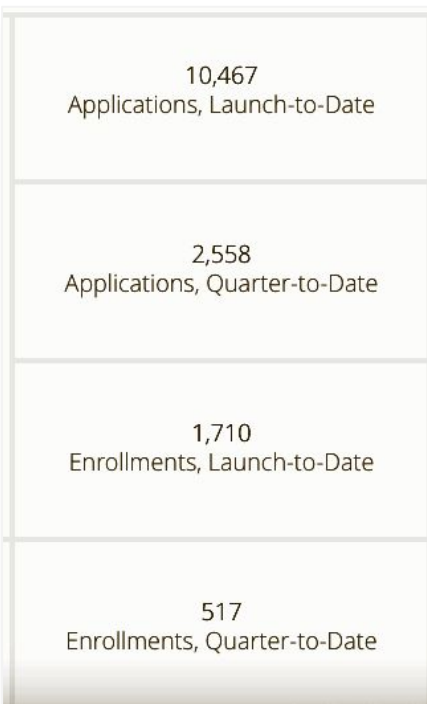
- T2D Rx includes insulin, GLP-1, DPP-4, SGLT-2, Sulfonylureas, TZD, metformin
- Reduced Complications includes inpatient claims, ED visits
- Supplies/DME include testing supplies including blood glucose monitor as well as non-diabetes supplies
- Replaced services includes office visits and labs – services replaced by the Virta treatment that are typically covered through medical insurance
- Other Medical includes medical services for commonly associated conditions and comorbidities, including behavioral health, podiatry, and other ancillary services

Client Report Example Views

Reports are designed to be frequent, informative, and actionable

Engagement

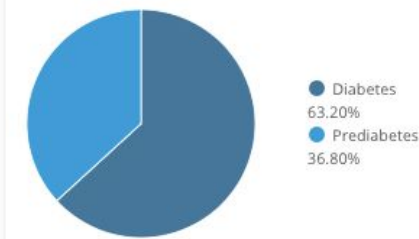
Application to Enrollment



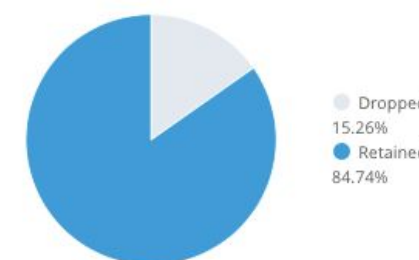
Patient Engagement



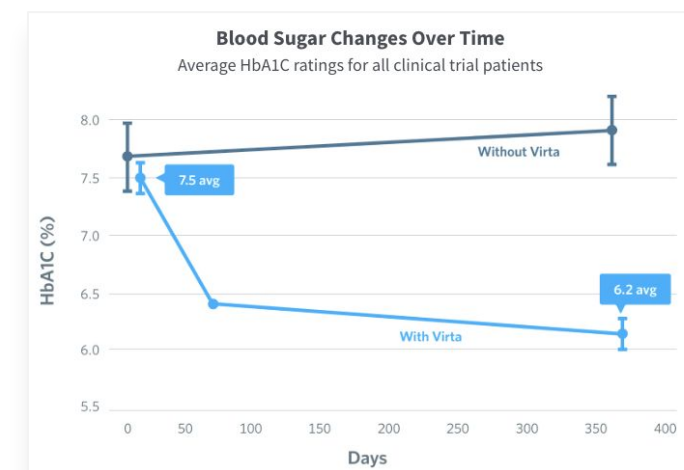
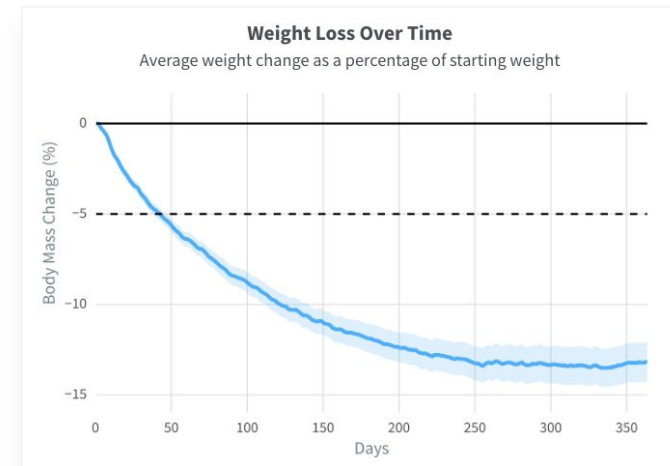
Enrollment by Dx



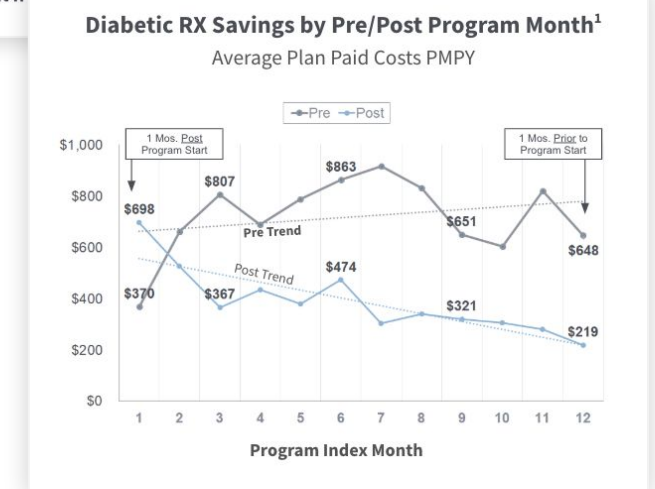
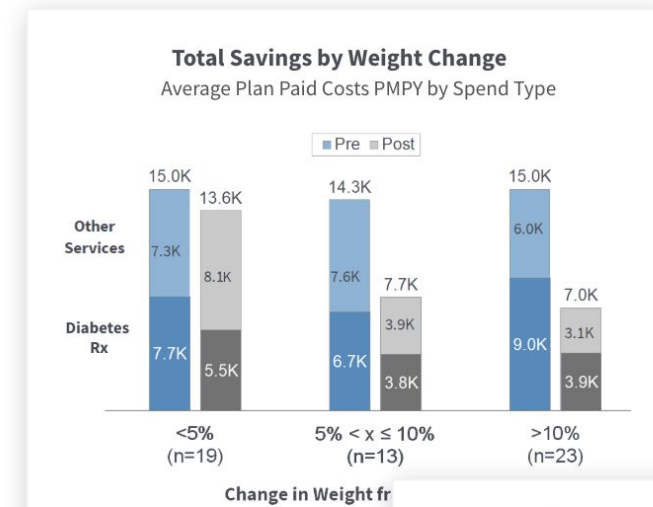
Patient Retention



Clinical



Economic



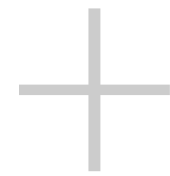
Note: Views are illustrative of reporting capabilities and do not represent actual outcomes.



Final Steps to Launch January 2022

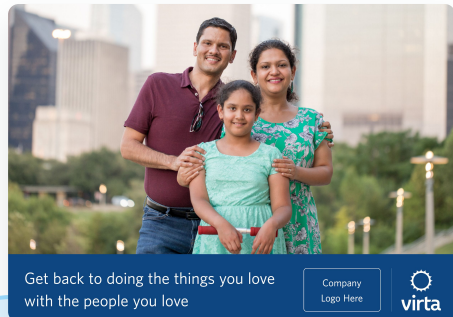
	Service	Status	What we need from you
Account Services	Customer Success	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> ■ Launch Diabetes Reversal pilot - January 2022 ■ Virta reports back 90-day, 180-day, 12-month outcomes
	Marketing & Communications	<input type="checkbox"/>	<ul style="list-style-type: none"> ■ Marketing channels, messaging integration & contact file ■ GOAL - 25 patients by Feb/March 2022
Enrollment Services	Eligibility Checking	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> ■ Eligibility via Change Healthcare and UNet or UHC
	Contracting	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> ■ Agreements in place with Valley Schools
Billing Services	One Bundled Fee with PGs	<input checked="" type="checkbox"/>	<ul style="list-style-type: none"> ■ Billing monthly via Valley Schools





Available Marketing Channels

- ❖ Email
- ❖ Home Mailers
- ❖ HubSpot
- ❖ Virgin Pulse
- ❖ Print Materials (Posters & Flyers)
- ❖ What else can we help support?



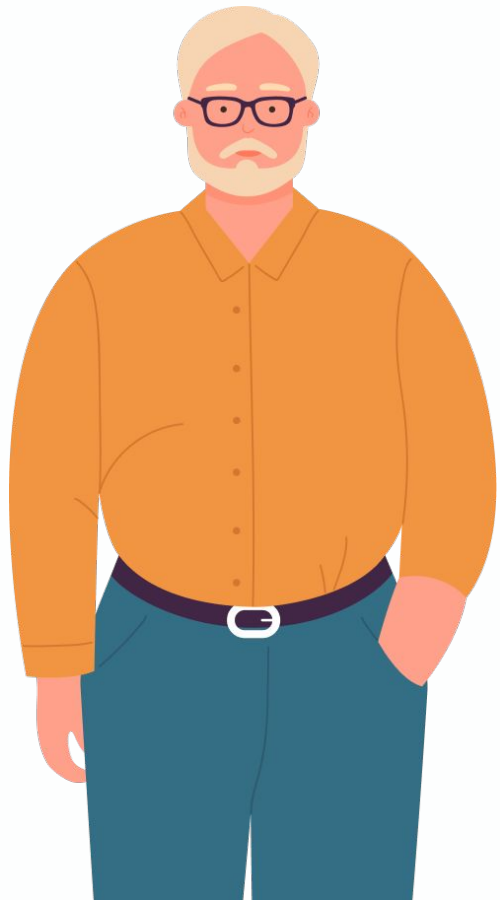
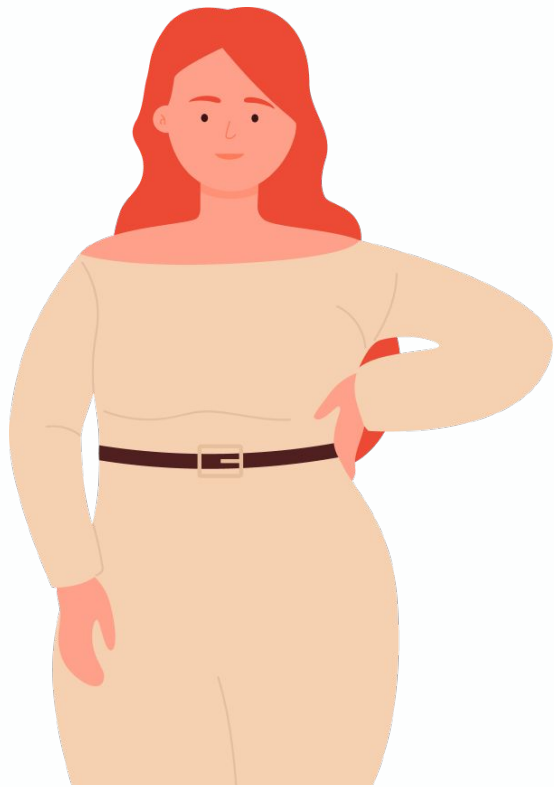
I want to lose weight

I want to be there for grandchildren in the future

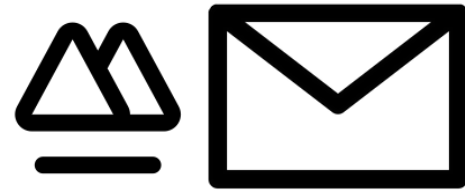
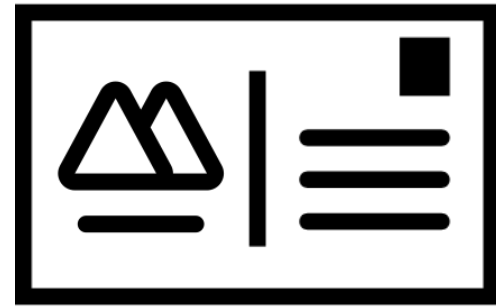
I don't want to keep having to take all my diabetes meds...

I want to improve my eating lifestyle for good!

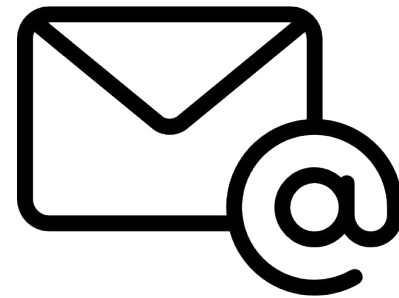
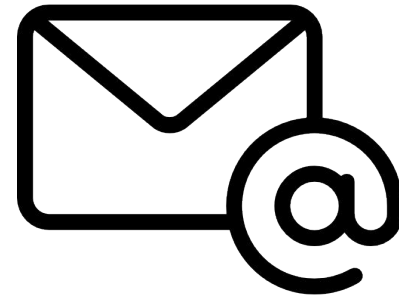
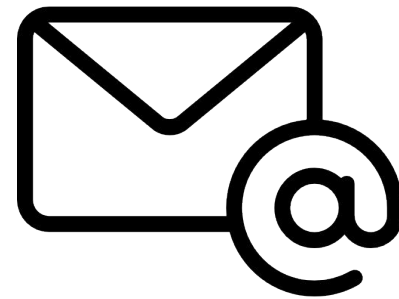
I've taken insulin for so many years now...



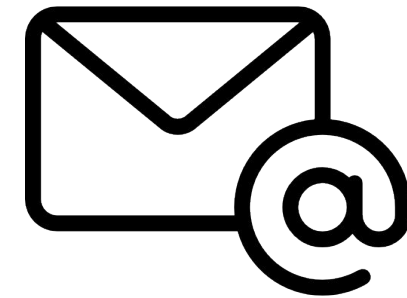
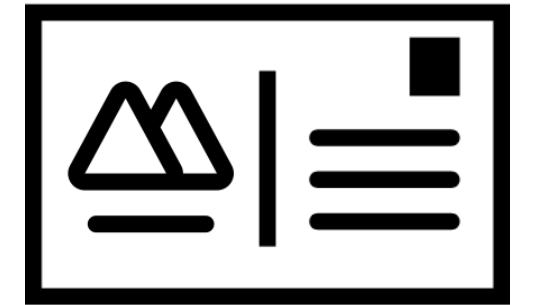
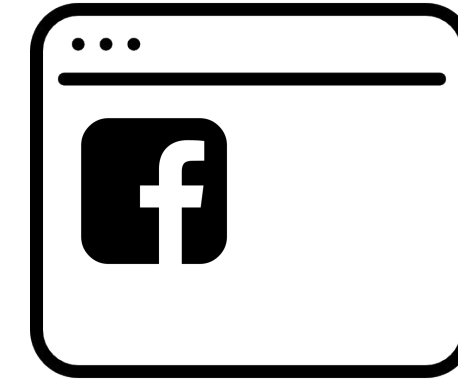
A successful communication strategy has 3 key features



**Variety of
Content**



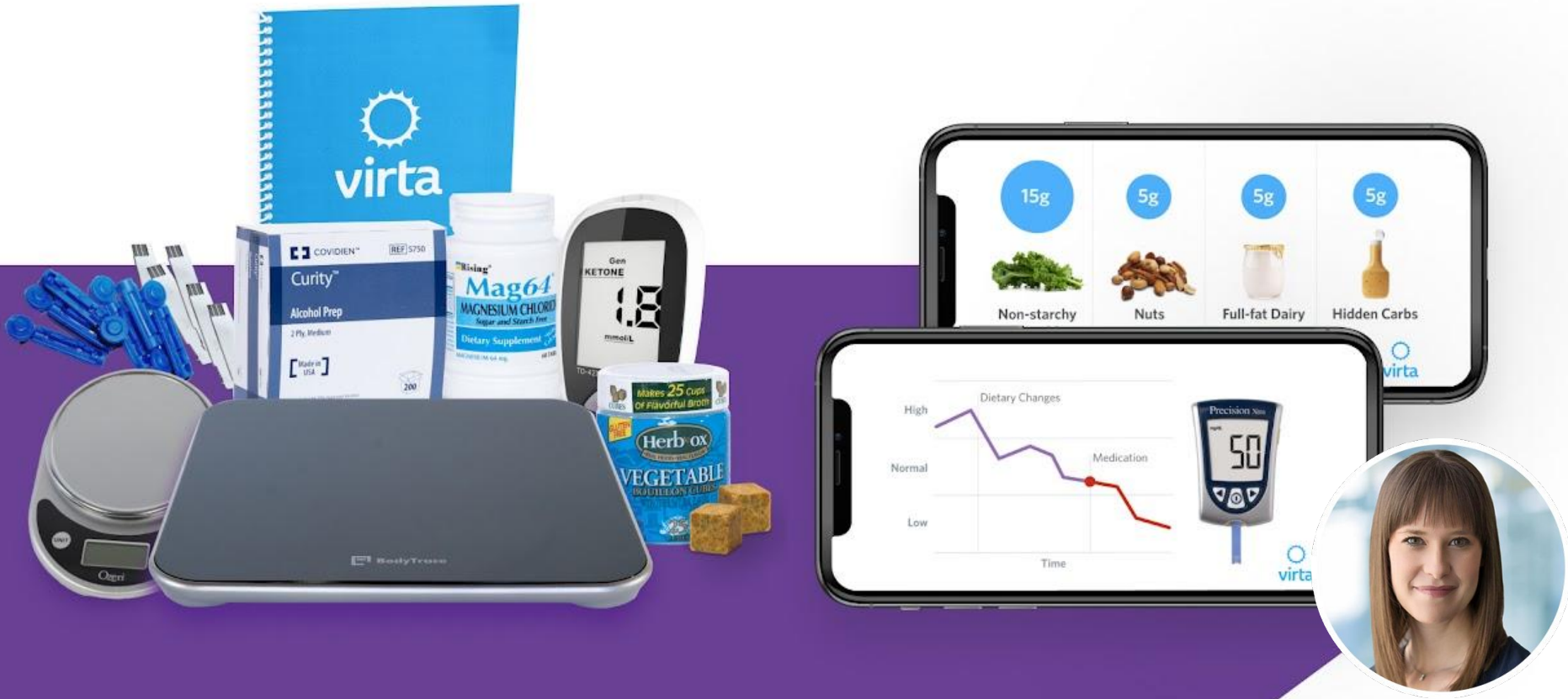
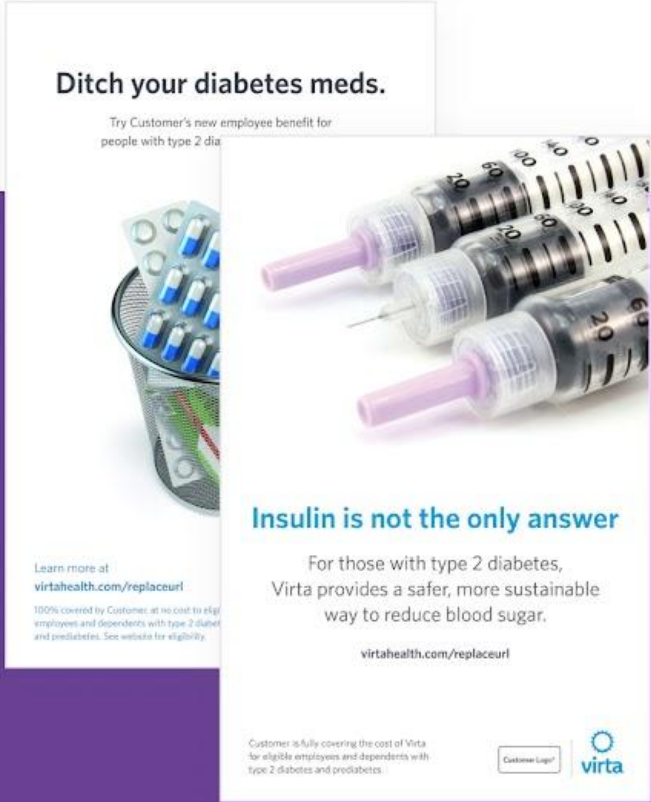
Frequency



**Multiple
Channels**

APPENDIX

Onboarding Diabetes Members



Marketing, Application & Enrollment

Intake, screening and intro to Clinical Team

Durable medical equipment to track biomarkers
(all supplies included!)

Guided education curriculum and daily Care Team interactions

Individualizing MNT & Continuous Engagement from Care Team:

Rapid & Sustainable Diabetes Reversal



Individualized Nutrition Protocol

- No calorie counting
- Eat until full
- Maps to unique patient needs & preferences

2-4 coaching interactions averaged per day (vs 15 mins every 6 mo with PCP)

Biomarker logging with blood glucose normalizing rapidly

Physician-led de-prescription & reporting outcomes to the PCP

Virta is additive to the patient's existing care team, reporting progress frequently

Virta doesn't require any additional work from PC.

Focused on diabetes reversal, elimination of Rx.

- Virta manages diabetes and glycemic control medications
- PCP maintains relationship, managing comorbidities
- Provider to Provider consultation (*as needed*)

Virta Reporting to PCPs

Virta intro letter at enrollment, & will fax at 14 days, 30 days, & every 30 days thereafter.

- Results from labs tests Virta orders
A1c, lipid panel, glucose, weight, other T2D info
- Comparison to prior values
- Rx changes



All that is included in Virta's Bundled Monthly Rate

Remote Patient Monitoring & Education

- Patient receives glucose/ketone reader, unlimited access to refills for strips & lancets, scale and blood pressure cuff (if patient is hypertensive)
- Daily tracking of blood glucose, blood ketones and weight
- Guided educational curriculum, menus, recipes and shopping lists
- Baseline and ongoing labs every 6 months

Implementation

- Designated project manager to implement Virta for your population
- Designated Customer Success Manager (day to day contact)
- Virta includes client success, patient marketing team, analytics team and physicians into quarterly and yearly report meetings

Daily Health Coach Support

- Development of individualized nutrition plan
- Daily support, encouragement, education, and problem solving
- On average, health coaches interact with patients 2-4 times per day (text or phone)

Marketing & Member Comms

- Virta leads marketing initiatives and joint development of marketing strategy
- Virta will pay for home-mailers and digital ads to message Virta to members

Reporting

- Monthly enrollment updates
- Quarterly clinical outcomes
- Annual economic reporting

Provider Oversight

- Patient intake with Provider via telemedicine visit
- Ongoing, daily Provider oversight through machine learning and AI
- On average, Providers make 5-10 Rx adjustments within the first 10 weeks

100% Fees at Risk

Guaranteed Outcomes and Reporting

- Guaranteed Outcomes for diabetes reversal
 - 5% weight loss
 - 40% Rx savings
 - 1.0% drop in A1c



Why Virta?

No Budget Impact

Since Virta is a medical practice, we can **bill through claims**.

100% Value-Based Pricing with Hard Dollar ROI

100% Y1 fees at risk. No startup costs. No imp fees. No minimums.

2:1 ROI (70% **hard dollar** cost savings with year one payback).

100% Fees Tied to Outcomes: **40% Rx savings, 1.0 A1c drop and 5% weight loss.**

Positive Human Impact

We change lives, serving as a tremendous internal PR and recruitment tool to share the life-changing effects of Diabetes Reversal.

Patient Choice - **members want the choice to reverse their condition** and get off Rx.

NPS of 84 and 83% patient retention at 1 year.

Equity

Minority ethnic groups have higher prevalence rates in diabetes and pred; ensure all members have equal benefits based on their conditions.

‘Easy Button’

Virta does the heavy lifting unlike wellness program setups. We require very little involvement from your team, requesting a single, Virta-supplied content push up-front to alert your workforce of Virta availability. Virta handles patient marketing, intake, treatment and reporting. You show up to one 30 min weekly call.



GLENDALE ELEMENTARY SCHOOL DISTRICT
TRUST BOARD
INFORMATIONAL AGENDA ITEM

Reports, presentations and other similar items are submitted to the Trust Board as information and do not require action.

AGENDA NO: 6.A. TOPIC: Trust Board Report

SUBMITTED BY: Mr. Mike Barragan, Assistant Superintendent for Finance and Auxiliary Services

DATE ASSIGNED FOR CONSIDERATION: November 17, 2021

The Trust Board will present brief summaries of current events, if necessary.