MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main St., Scottsdale, AZ 85251
September 14, 2023 at 4:00 PM

Self-Insurance Trust meeting was called to order at **4:02** pm on September 14, 2023.

I. Call to Order – Shannon Crosier, Trust Board Administrator called the meeting to order.

II. Roll Call-
Board Trustees in attendance were, Shannon Crosier, Trust Board Administrator, Melinda Gulick, (Virtual)Trust Chairperson, Zach Lindsay, Trustee. A quorum was present.
Absent: N/A

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Selection of Chairperson (Trust Document 3.4) – Action

Discussion of selection for Chairperson took place with Melinda Gulick chosen to continue.

Zach Lindsay Moved to Approve the selection of Chairperson for the 2023-2024 school year. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3 – 0.

B. Approval of SUSD Self-Insurance Trust Minutes from June 8, 2023 meeting. - Action
No discussion, Minutes stand as submitted.

Zach Lindsay Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of June 8, 2023. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3 – 0.

C. Property/Casualty/Workers Comp Claims Report (ARRT) – Information
Jessica Schuler from the Trust presented Financial reports concerning Property/Casualty and Worker's Compensation.

23/24 Property and Liability Premium: $2,358,995
23/24 Workers' Compensation Premium: $913,306 (Est)
23/24 Health Benefits Premium: $22,219,119 (Est)

- Total number of claims processed as of 8/31/2023: 17
- Total incurred as of 8/31/2023: $436,445

Loyalty Credit 2023-2024

- Alliance Loyalty Credit
  - Opportunity to earn 5% back
- Trust Loyalty Credit
  - Not yet approved by the Trust board
  - Board will reassess in October

Alliance Rating Retrospective Plan

- Scottsdale joined retro plan effective July 1, 2019
- Designed for members with a higher appetite for risk

- Member pays for losses and various expenses (admin, excess insurance, tax, contribution to Surplus)

23/24 Alliance Rating Retrospective Plan	**Estimate**	**Actual (as of 8/31/23)**
○ Incurred Losses*	$636,829	56,987
○ Unallocated Loss Adjustment Expense*	$231,891	11,802
○ Administrative Expense	$ 70,199	70,199
○ Excess Insurance and Tax Expense	$ 55,911	55,911
○ Contribution to Net Position*	$ 18,476	18,476
○ **Total**	**$913,306**	**$213,375**

*Based on actual payroll, to be reported in July 2024

Alliance Rating Retrospective Plan

- As of 8/31/2023, the district is trending at 23% of estimates.
- Alliance staff will continue to provide quarterly updates on Scottsdale's performance.
- A final adjustment based on actual losses and payroll will be conducted in July 2024.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 8/31/2023	Retro Contribution: Original Estimate
2023/2024	Retrospectively Rated	*213,375	913,306
2022/2023	Retrospectively Rated	*687,823	914,446
2021/2022	Retrospectively Rated	*943,873	927,441
2020/2021	Retrospectively Rated	*643,014	860,358
2019/2020	Retrospectively Rated	*445,063	839,973
2018/2019	Guaranteed Cost	958,573	N/A
2017/2018	Guaranteed Cost	877,064	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

PPA/TIP Balances

- Trust Prepaid Account Balance as of 8/31/2023
- $27,613
- Trust Investment Pool Balance as of 8/31/2023
- $42,094

Upcoming Dates:

- Sept. 15: Title IX Coordinator Training – Madison ESD
- Sept 18: Title IS Investigator Training – Madison ESD
- Oct 12: Top 10 Costly HR Missteps to Avoid – Virtual
- Nov 9: Top 10 Pitfalls of Title IX – Procedures/Avoidance – Virtual
- Nov 13-15: Trust/AASBO Leadership Institute – The Prescott Resort

D. Medical Claims/Financial Reports – Information

Rich Hueler and Jennifer Sherman presented financial and health reports from Kairos Health Arizona Plan Overview (Liz Vesely also in attendance)

- 1,859 Employees
- 2,600 Lives
- 41 Average Age

DRAFT

- 64% Female
- 36% Male
- Medical Plan Spend 1.0% decrease over 21/22 (Through June 30, 2023)
  - Top 5 Providers: HonorHealth JCL Med Center, Mayo Clinic, Scottsdale Healthcare Shea, HonorHealth Osborn, Duke University Hospital
    - #1 Condition – Cancer YTD 22/23 at $2,094,828
- Prescription Spend 37% Increase over 21/22 through June 30, 2023
  - Specialty is 58% of plan spend
- 2022-2023: $516 PMPM (Corrected from PPT. during the meeting)
- 2021-2022 $462/Benchmark: $393 (Corrected amounts during the meeting)

- Prescription Spend –
  - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Hormonal Agents, Pain/Spasms
  - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, Bleeding Disorder, HIV/AIDS
- Preventive Screenings
  - Colorectal Cancer Screen 45+ 16% Increase
  - Cervical Cancer Screen 21+ No Change
  - Flu Vaccine 12% Decrease
  - Mammography Screen 21+ No Change
  - Completed Biometric Exams 2022-2023 = 71
- Discussion of Large Claimants Medical - Top 5
  - Cancer $2,094,828
  - Musculoskeletal disorders $1,060,515
  - Screenings $ 908,671
  - Gastrointestinal disorders $ 861,192
  - Neurological disorders $ 616,728
    - Non-Large Claims: 47%
    - Large Claims over $50K is 53%
- Other Topics:
- Kairos Pro Navigators – Engaged participant count YTD – 64/85 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
  - Year to date 75%
  - Since inception 77%
  - Industry standard 13%
- Individuals engaged by policy year:
  - 2020-2021 = 3
  - 2021-2022 = 61
  - 2022-2023 = 85
- Executive Summary
  - Highlights
    - Pharmacy represents an increase of $1.5M over previous year.
    - Large claims represent almost 53% of spend, with 56 claims over $50K (30 of 56 > $100K)
    - Shock claims decreased, but the spend increased
  - Updates
    - New employee fair: July 27, 11:00 a.m. to 1:00 p.m.
    - Wellness strategy underway for all campuses
    - Nurse navigator's opt-in rate of 68% for outreach

DRAFT

- Recommendations
  - Engagement with clinical and participant advocate teams
  - Education of membership on their benefit offerings
  - Preventive health screenings for early detection and avoidance of high-cost claims
  - Increase participation in biometric screenings

Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2023 as of June 30, 2023 and Fiscal Year 2024 as of August 31, 2023.

- Total in each of the three Checking/Investment accounts as of June 30, 2023:
  - Medical $29,867,355.87
  - Property/Casualty $ 5,662,512.99
  - Workman's Comp $ 9,547,822.49
  - **TOTAL** **$45,037,691.35**
- Total in each of the three Checking/Investment accounts as of August 31, 2023:
  - Medical $32,895,105.23
  - Property/Casualty $ 7,162,597.82
  - Workman's Comp $ 9,619,077.79
  - **TOTAL** **$49,676,780.84**

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.
Three investment accounts as of 8/31/2023:

- Medical- 45 Securities/Accounts – 22.821 million (3.11% Book Yield & Market Yield 5.38%)
  - Unrealized Loss ($611) without accrued Interest.
  - Cash Flow 16,845,000
- Worker's Compensation- 19 Securities/Accounts - 6.933 million (3.32% Book Yield & Market Yield 5.37%)
  - Unrealized Loss ($214) without accrued Interest.
  - Cash Flow $4,547,000
- Property and Casualty – 8 Securities/Accounts – 5.831 million Portfolio Size (3.04% Book Yield & Market Yield 5.29%)
  - Unrealized Loss ($176) without accrued Interest.
  - Cash Flow $4,096,000

E. Future Agenda Items – No items

F. Dates of Upcoming Meetings – Dec. 7, 2023; March 7, 2024; June 6, 2024

G. Adjournment

At **4:55** pm, Melinda Gulick Moved to adjourn the meeting. Zach Lindsay Seconded the motion. The motion was approved with a vote of 3 – 0.

Dated this 14th day of September 2023.
Approved December 7, 2023.

DRAFT