

**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
December 7, 2023 at 4:00 PM**

Self-Insurance Trust meeting was called to order at **4:02** pm on December 7, 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, Zach Lindsay, Trustee, Tony Elder, Trustee. A quorum was present.

Absent: Melinda Gulick, Trust Chairperson

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from September 14, 2023 meeting. - Action
No discussion, Minutes stand as submitted.

Zach Lindsay Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of September 14, 2023. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3– 0.

- B. 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 10/31/2023: 39
- Total incurred as of 10/31/2023: \$1,322,159

Pre-Paid Legal Overview

- Costs are down for FY24 as of 10/31/2023

2024/2025 Renewal Dates:

- November: Trust Values Collection released
- December: Cyber Values Collection released
- February: Alliance Values Collection released
- March-April: 24/25 contribution estimates sent to members
- June 30: 24/25 renewal forms due to the Trust

23/24 Alliance Rating Retrospective Plan	Estimate	Actual (as of 10/31/23)
○ Incurred Losses*	\$636,829	115,013

○ Unallocated Loss Adjustment Expense*	\$131,891	23,820
○ 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	\$283,419

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

Alliance Rating Retrospective Plan

- As of 10/31/2023, the district is trending at 31% 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	*283,419	913,306
2022/2023	Retrospectively Rated	*753,554	914,446
2021/2022	Retrospectively Rated	*943,873	927,441
2020/2021	Retrospectively Rated	*643,014	860,358
2019/2020	Retrospectively Rated	*459,925	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 10/31/2023
- \$-68,122
- Trust Investment Pool Balance as of 10/31/2023
- \$42,618

C. Medical Claims/Financial Reports – Information

Jeremy Larson, Jennifer Sherman, and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,937 Employees
- 2,600 Lives
- 41 Average Age
- Medical Plan Spend 9.0% increase over 22/23 (YTD Through September 30, 2023)
 - Top 5 Providers: Scottsdale Healthcare Shea, HonorHealth Scottsdale, Mayo Clinic, NorthBound Treatment Center, BrioVarx Infusion Svc
 - #1 Condition – Cancer YTD 23/24 at \$136,505
- Prescription Spend 9% Increase YTD over 22/23 through September 30, 2023
- 2023-2024: \$243 PEPM
- 2022-2023 \$247/Benchmark: \$315
- Prescription Spend –
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Hormonal Agents, Gastro
 - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, HIV/AIDS, Multiple Sclerosis
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 9% Increase
 - Cervical Cancer Screen 21+ No Change

- Flu Vaccine 13% Decrease
 - Mammography Screen 21+ 10% Increase
- Other Topics:
- Service Calls – 130 Total Participants Assisted YTD
 - Benefits 34%
 - Billing/Claims 26%
 - ID Card Request 15%
 - Provider Issues 13%
 - Clinical Advocacy Referral 8%
 - Enrollment 4%
- Kairos Pro Navigators – Engaged participant count YTD – 31/42 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - Year to date 74%
 - Since inception 76%
 - Industry standard 13%
- Individuals engaged by policy year:
 - 2022-2023 = 85
 - 2021-2022 = 61
 - 2020-2021 = 3
- Nurse Navigator Historical
 - Total 168 with 59 additional needs, 5 declined assistance, 9 no contact number, 68 no needs identified, 28 no response to outreach.
 - Total over 2021-2023 YTD missed opportunities grand total: \$7,934,689
- Executive Summary
 - Highlights
 - Pharmacy traditional spend was \$463,813, while specialty spend is at \$718,440
 - Top traditional spend on pharmacy is related to diabetes
 - Top specialty spend on pharmacy is related to oncology due to cancer
 - Updates
 - Monthly benefit strategy meetings with SUSL team and Kairos
 - Wellness strategy underway for all campuses – began 11/16
 - Recommendations
 - Promote clinical and participant advocate resources
 - Promote employee engagement tools, wellness campaign, and education
 - Promote preventive health screenings

D. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2023 as of November 30, 2023.

- Total Ending Balance in each of the three Checking/Investment accounts as of November 30, 2023:
 - Medical \$12,321,813.38
 - Property/Casualty \$ 58,311.34

- Workman's Comp \$ 2,940,820.89
- **TOTAL** **\$15,320,945.61**
- Total in each of the three Investment accounts as of November 30, 2023:
 - Medical \$22,470,184.82
 - Property/Casualty \$ 4,921,572.34
 - Workman's Comp \$ 6,776,296.16
 - **TOTAL** **\$34,168,053.32**
- **Total All Accounts:**
 - Medical **\$34,791,998.20**
 - Property/Casualty **\$ 4,979,883.68**
 - Worker's Comp. \$ 9,717,117.05
 - **TOTAL** **\$49,488,998.93**

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.
Three investment accounts as of 10/31/2023:

- Medical- 43 Securities/Accounts – 22.892 million (3.38% Book Yield & Market Yield 5.43%)
 - Unrealized Loss (**\$542**) without accrued Interest.
 - Cash Flow 18,159,000
- Worker's Compensation- 18 Securities/Accounts - 6.945 million (3.54% Book Yield & Market Yield 5.50%)
 - Unrealized Loss (**\$202**) without accrued Interest.
 - Cash Flow \$5,057,000
- Property and Casualty – 8 Securities/Accounts – 5.056 million Portfolio Size (2.72% Book Yield & Market Yield 5.39%)
 - Unrealized Loss (**\$161**) without accrued Interest.
 - Cash Flow \$3,820,000

E. Future Agenda Items – No items

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

G. Adjournment

At **5:15** pm, Zach Lindsay Moved to adjourn the meeting. Tony Elder Seconded the motion. The motion was approved with a vote of 3 – 0.

Dated this 7th day of December 2023.

Approved April 18, 2024