

Scottsdale *Unified*
SCHOOL DISTRICT



because
kids!

SUSD SELF-INSURANCE TRUST BOARD MEETING December 12, 2024

SHANNON CROSIER, ADMINISTRATOR
SCOTTSDALE UNIFIED DISTRICT
7575 E. Main Street



Thursday, December 12, 2024
Scottsdale USD Self-Insurance Trust Board

SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed. Center 7575 E. Main Street, Room Old Main, Scottsdale, Arizona 85251

4:00 PM

TRUSTEES - 2024-2025 Self-Insurance Trust Board:

Shannon Crosier, Trust Board Administrator and Chairperson
Carine Werner, Trustee and Governing Board Member
Tony Elder, Trustee
Craig Hazeltine, Trustee
Kathy Steadman, Trustee

PURSUANT TO A.R.S. Section 38-431.02, notice is hereby given to the Scottsdale Self-Insurance Trust Board and to the general public that the Self Insurance Trust Board will hold a public Meeting at 4:00 pm, Ed Center, 7575 E. Main Street, Room Old Main, Scottsdale, AZ 85251.

Members of the SUSD Self-Insurance Trust Board and non-Board member participants may participate in the meeting in-person, via an online platform, or may participate by telephonic communication. Persons with a disability may request reasonable accommodations by contacting Ms. Jill Olivas, Senior Executive Assistant to the Chief Financial Officer, at 480-484-6147. Accommodations should be requested two working days prior to the meeting to allow time for the District to arrange for the accommodation.

1. MEETING NOTICES

A. Please Note: PURSUANT TO A.R.S. §38-431.03(A)(3), THE SELF INSURANCE TRUST BOARD MAY VOTE TO CONVENE IN EXECUTIVE SESSION, WHICH WILL NOT BE OPEN TO THE PUBLIC, FOR DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE GOVERNING BOARD'S ATTORNEY ON AN ITEM THAT IS LISTED ON THIS AGENDA.

B. BOARD PACKET MATERIAL AVAILABLE TWENTY-FOUR (24) HOURS IN ADVANCE OF THE MEETING, AT THE SCOTTSDALE UNIFIED SCHOOL DISTRICT, ED CENTER, 7575 E. MAIN STREET, SCOTTSDALE, AZ 85251.

C. Public Comments at Self-Insurance Trust Board Meetings

2. OPENING OF MEETING

A. Call to Order

B. Roll Call

C. Approval of Agenda - Board Action Required

D. Public Comments

3. BUSINESS OF THE MEETING

- A. Approval of Minutes from September 26, 2024 Meeting - ACTION
- B. Property/Casualty/Workers Comp Claims Report (ARRT) - INFORMATION
- C. Medical Claims/Financial Reports - INFORMATION
- D. Trust Financial Update - INFORMATION
- E. Authorize Up to \$2 Million toward the cost of Medical Insurance for FY25/26 - ACTION
- F. Future Agenda Items
- G. Dates of Upcoming Meetings - March 27, 2025; May 29, 2025
- H. Adjournment

NOTICE AND AGENDA
SELF-INSURANCE TRUST BOARD MEETING SCOTTSDALE
UNIFIED SCHOOL DISTRICT NO. 48

**Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251
December 12, 2024 at 4:00 PM**

PURSUANT TO A.R.S. §38-431.02, notice is hereby given to the members of the Scottsdale Self-Insurance Trust Board and to the general public that the Self-Insurance Trust Board will hold a public Meeting on **Thursday, December 12, 2024 at 4:00 PM, Ed Center, 7575 E. Main Street, Room Old Main, Scottsdale, AZ 85251.**

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- A. Call to Order
- B. Roll Call
- C. Approval of Agenda – Board Action Required – Action
- D. Public Comments
 - a. Public Comments on Agenda, Non-Agenda Items, Information/Discussion Items, and Action Items

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of Minutes from September 26, 2024 Meeting – Action
- B. Property/Casualty/Workers Compensation Claims Report (ARRT) – Information
- C. Medical Claims/Financial Reports – Information
- D. Trust Financial Update – Information
- E. Authorize Up to \$2 Million Toward the Cost of Medical Insurance for FY25/26 - Action
- F. Future Agenda Items
- G. Dates of upcoming Meetings – March 27, 2025 and May 29, 2025
- H. Adjournment

PURSUANT TO A.R.S. §38-431.03(A)(3), THE SELF INSURANCE TRUST BOARD MAY VOTE TO CONVENE IN EXECUTIVE SESSION, WHICH WILL NOT BE OPEN TO THE PUBLIC, FOR DISCUSSION OR CONSULTATION FOR LEGAL ADVICE WITH THE GOVERNING BOARD'S ATTORNEY ON AN ITEM THAT IS LISTED ON THIS AGENDA.

BOARD PACKET MATERIAL AVAILABLE TWENTY-FOUR (24) HOURS IN ADVANCE OF THE MEETING, AT THE SCOTTSDALE UNIFIED SCHOOL DISTRICT, ED CENTER, 7575 E. MAIN STREET, SCOTTSDALE, AZ 85251.

Date Posted December 6, 2024

Action:

Approval of Self-Insurance Trust Meeting Minutes of September 26, 2024.

Submitted by:

Shannon Crosier, Administrator

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve the Self-Insurance Trust Meeting Minutes of September 26, 2024.

BACKGROUND:

Minutes were taken at the September 26, 2024 Self-Insurance Trust Board meeting.

**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 26, 2024, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:00** pm on September 26, 2024.

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

II. Roll Call-

The Board Trustees in attendance were, Shannon Crosier, Trust Board Administrator, Tony Elder, Trustee (Virtual at 4:02 pm), Kathy Steadman, Trustee & Craig Hazeltine, Trustee

A quorum is present.

Absent: Carine Werner, Trustee

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

The following amendments to the agenda were made:

- A motion to amend the agenda as follows:
 - Move agenda item F before agenda item A. Trust Financial Update by Wells Fargo (Tyler Tayrien) to the beginning of the meeting to present financials.
- Shannon Crosier moved to approve the Agenda as amended. Kathy Steadman Seconded the motion. The motion was approved with a vote of 3-0. Tony Elder joined virtually after the motion and vote.

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.

Three investment accounts as of 08/30/2024:

- Medical - 19 Securities/Accounts – 17,163 million (3.68% Book Yield & Market Yield 5.00%)
 - Unrealized Loss (\$194) without accrued Interest.
 - Cash Flow 14,962,000
- Worker's Compensation - 10 Securities/Accounts - 7.175 million (3.57% Book Yield & Market Yield 4.97%)
 - Unrealized Loss (\$76) without accrued Interest.
 - Cash Flow \$7,185,000
- Property and Casualty – 4 Securities/Accounts – 2.806 million Portfolio Size (2.42% Book Yield & Market Yield 4.81%)
 - Unrealized Loss (\$47) without accrued Interest.
 - Cash Flow \$1,815,000

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

Discussion of selection for Chairperson took place with Shannon Crosier chosen as Chairperson for 2024-2025.

Tony Elder Moved to Approve the selection of Chairperson for the 2024-2025 school year. Kathy Steadman Seconded the motion. The motion was approved with a vote of 4 – 0.

- B. Approval of SUSD Self-Insurance Trust Minutes from June 18, 2024 meeting. - Action
No discussion, Minutes stand as submitted.

Tony Elder Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of June 18, 2024. Craig Hazeltine Seconded the motion. The motion was approved with a vote of 4– 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.

24/25 Property and Liability Premium: \$ 2,744,960
24/25 Workers' Compensation Premium: \$ 969,937 (Est)
24/25 Health Benefits Premium: \$21,099,818 (Est)

- Total number of claims processed as of 8/31/2024: 18
- Total incurred as of 8/31/2024: \$546,437

Pre-Paid Legal Overview

- Costs are down for FY25 as of 8/31/2024

2024/2025 Alliance Rating Retrospective Plan	Estimate	Actual (as of 8/31/24)
○ Incurred Losses*	\$685,825	70,687
○ Unallocated Loss Adjustment Expense*	\$142,039	14,370
○ Administrative Expense	\$ 74,213	74,213
○ Excess Insurance and Tax Expense	\$ 50,704	50,704
○ Contribution to Net Position*	<u>\$ 19,775</u>	<u>19,775</u>
○ Total	\$972,555	\$229,748

*Based on actual payroll, to be reported in July 2025 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 8/31/2024, the district is trending at 24% 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 2025.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 5/31/2024	Retro Contribution: Original Estimate
2024/2025	Retrospectively Rated	*229,748	972,555
2023/2024	Retrospectively Rated	*783,304	913,306
2022/2023	Retrospectively Rated	*781,243	914,446
2021/2022	Retrospectively Rated	*884,324	927,440
2020/2021	Retrospectively Rated	*643,014	860,973
2019/2020	Guaranteed Cost	433,325	839,973
2018/2019	Guaranteed Cost	958,573	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

PPA/TIP Balances

- Trust Prepaid Account Balance as of 07/30/2024 - \$113,119
- Trust Investment Pool Balance as of 07/30/2024 - \$ 44,330

D. Medical Claims/Financial Reports – Information

Tanya Buffi and Jeremy Larson presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,946 Employees
- 2,707 Lives
- 41 Average Age
- Medical Plan Spend 1.5% increase over 22/23 (YTD Through June 30, 2024)
 - Top 5 Providers: Mayo Clinic Hospital, Honor Health J.C. Lincoln, Scottsdale Healthcare Shea, HonorHealth Osborn, Banner University
- #1 Condition – Cancer 22/23 \$1,713,412 and 23/24 at \$2,279,811
 - Top 5 Conditions
 - Cancer, Health Status/Encounters, Gastrointestinal Disorders, Musculoskeletal Disorders, & Neurological Disorders
 - Prescription Spend 2.0% Decrease over 22/23 through June 30, 2024
 - 2023-2024: \$570 PEPM
 - 2022-2023 \$585/Benchmark: \$507
- Prescription Spend
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Pain/Spasms, Hormonal Agents
 - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, HIV/AIDS, Multiple Sclerosis
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 2 Point Increase
 - Cervical Cancer Screen 21+ 1 Point Decrease
 - Flu Vaccine 3 Point Decrease
 - Mammography Screen 40+ 1 Point Increase
- Other Topics:
- Teladoc 1/1/2024 – 6/30/2024
 - General Medicine – 274 (Savings - \$200,323)
 - Mental Health – 20 (Savings - \$8,602)
 - Dermatology – 26 (Savings - \$3,196)
- Kairos Pro Navigators – Engaged participant count 2023/2024 – 129/172 (Successful/Overall); 2022/2023 – 114/149 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - 2023/2024 75%
 - 2022-2023 75%
 - Industry standard 13%
- Customer Service – 139 Total Participants Assisted
 - Cobra 10%
 - Benefits 56%
 - ID Card 17%
 - Claims 15%
 - Portal Issues 4%
 - Other 37%
- Executive Summary
 - Highlights
 - Pharmacy represents a decrease in paid benefits by 2.0%

- Large claims represent 56% of spend, with 75 claims over \$50K; however, the average cost of those claims has decreased
- Updates
 - Education campaign went well and is being reflected in calls to the Kairos team
 - New Kairos Monthly Wellness Newsletter begins in October for Breast Cancer Awareness
 - Flu clinic scheduled
- Recommendations
 - Engagement with clinical and participant advocate teams
 - Preventive health screenings for early detection and avoidance of high-cost claims

E. Discussion of the research to move money from Worker's Compensation into Property Casualty Account – Information

Shannon Crosier presented information concerning the research to move money from Worker's Compensation into Property Casualty Account. If the board decides to move monies from Worker's Compensation into Property Casualty, it can be done through Board action.

F. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2023-2024 as of June 30, 2024 and fiscal year 2024-2025 as of August 31, 2024.

- Total Ending Balance in each of the three Checking accounts as of June 30, 2024:
 - Medical \$ 240,061.16
 - Property/Casualty \$ 58,311.34
 - Workman's Comp \$ 1,166,865.46
 - **TOTAL \$ 1,465,237.96**
- Total in each of the three Investment accounts as of June 30, 2024:
 - Medical \$ 16,287,939.73
 - Property/Casualty \$ 4,818,049.79
 - Workman's Comp \$ 7,030,312.13
 - **TOTAL \$ 28,136,301.85**
- **Total All Accounts:**
 - Medical \$ 16,528,000.89
 - Property/Casualty \$ 4,876,361.13
 - Worker's Comp. \$ 8,197,177.79
 - **TOTAL \$ 29,601,539.81**
- Total Ending Balance in each of the three Checking accounts as of August 31, 2024:
 - Medical \$ 1,417,768.07
 - Property/Casualty \$ 76,075.34
 - Workman's Comp \$ 180,881.25
 - **TOTAL \$ 1,674,724.66**
- Total in each of the three Investment accounts as of August 31, 2024:
 - Medical \$ 16,968,897.64
 - Property/Casualty \$ 2,759,125.70
 - Workman's Comp \$ 7,098,665.05
 - **TOTAL \$ 26,826,688.39**

- **Total All Accounts:**

○ Medical	\$ 18,386,665.71
○ Property/Casualty	\$ 2,835,201.04
○ Worker's Comp.	\$ <u>7,279,546.30</u>
○ TOTAL	\$ 28,501,413.05

G. Future Agenda Items

- a. How many EAP sessions are offered to plan participants?
- b. Are co-pays the same for the insurance plan as they are for TeleDoc visits

H. Dates of Upcoming Meetings – Dates FY25 – December 12, 2024, March 27, 2025, & May 29, 2025.

I. Adjournment

At **5:20** pm, Kathy Steadman Moved to adjourn the meeting. Tony Elder Seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 26th day of September 2024.

Information/Discussion:

Property/Casualty/Worker's Comp Claims Report (ARRT)

Submitted by:

Shannon Crosier, Administrator

BACKGROUND:

Financial reports and presentations concerning Property/Casualty and Worker's Compensation from The Trust – Jessica Schuler, Ryan Cole, or Kendra Callaghan.

Scottsdale Unified School District Trust Board Meeting

Trust and Alliance

December 12, 2024



Note: Approval of membership in the three pools may be granted by the Scottsdale Governing Board.

Scottsdale USD Governing Board

Scottsdale USD Trust



Property and liability coverage A.R.S. 11-952.01(A)

Coverages provided:

- General Liability
- Professional Liability
- Auto Liability
- Excess Liability
- Administrative Practices Liability
- Cyber Liability
- Auto Physical Damage
- All-Risk Property
- Commercial Crime
- Equipment Breakdown
- Storage Tank Liability
- Pre-Paid Legal Services
- Unemployment Insurance
- Pandemic Liability Coverage

24/25 premium: \$2,744,960



Workers' compensation coverage A.R.S. 11-952.01(B)

Coverages provided:

- Workers' Compensation
- Employer's Liability

24/25 premium: \$969,937 (est)



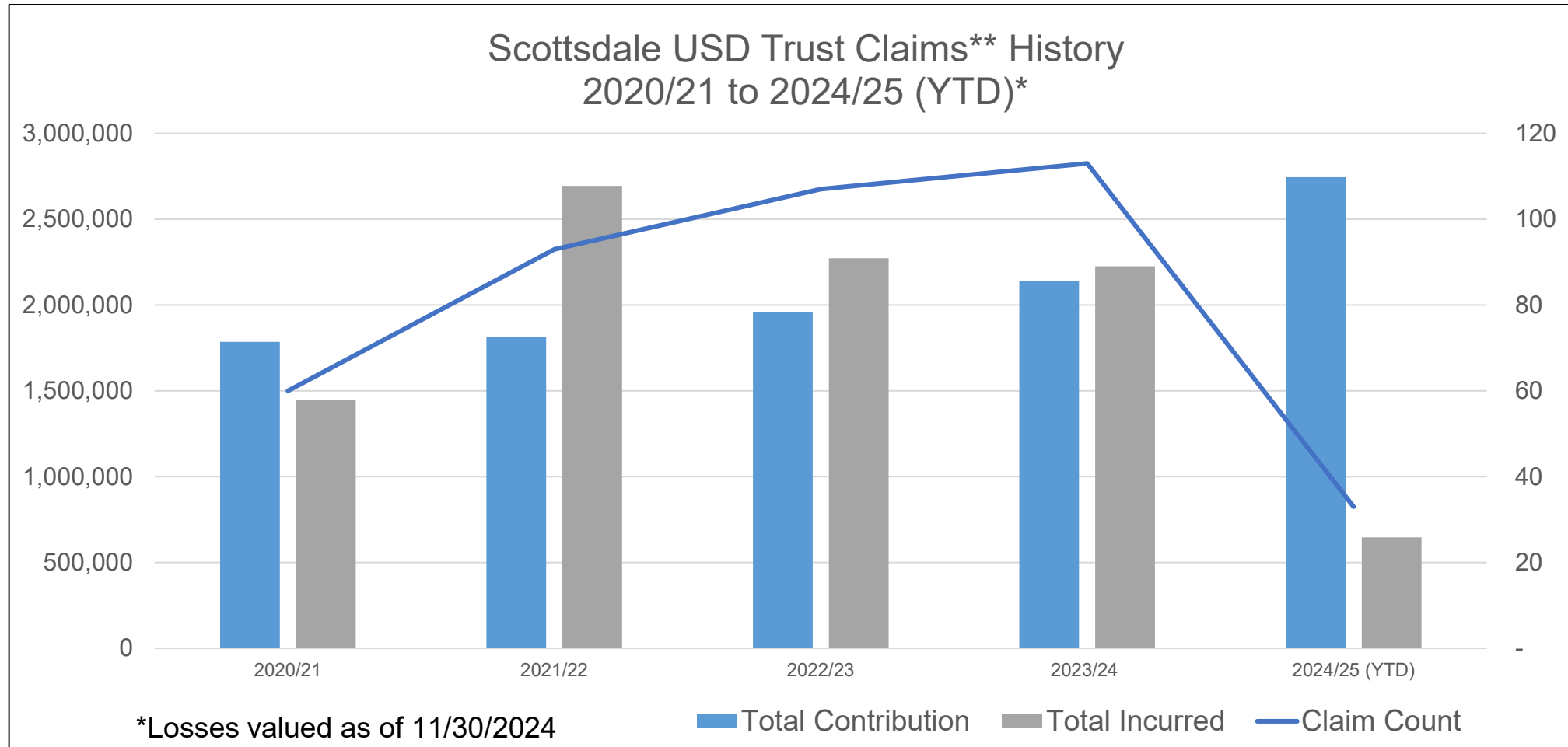
Health benefits coverage A.R.S. 11-952.01(C)

Coverages provided:

- Medical/Pharmacy
- Health Savings Account
- Dental
- Vision
- Basic Life Insurance
- Voluntary Life Insurance
- Accidental Death Insurance
- Short Term Disability
- Accident Insurance
- Hospital Indemnity
- Critical Illness
- Legal Assistance
- Pet Insurance
- Employee Assistance Program
- Cobra Administration
- Flexible Spending Account

24/25 premium: \$21,099,818 (est)

Trust Claims



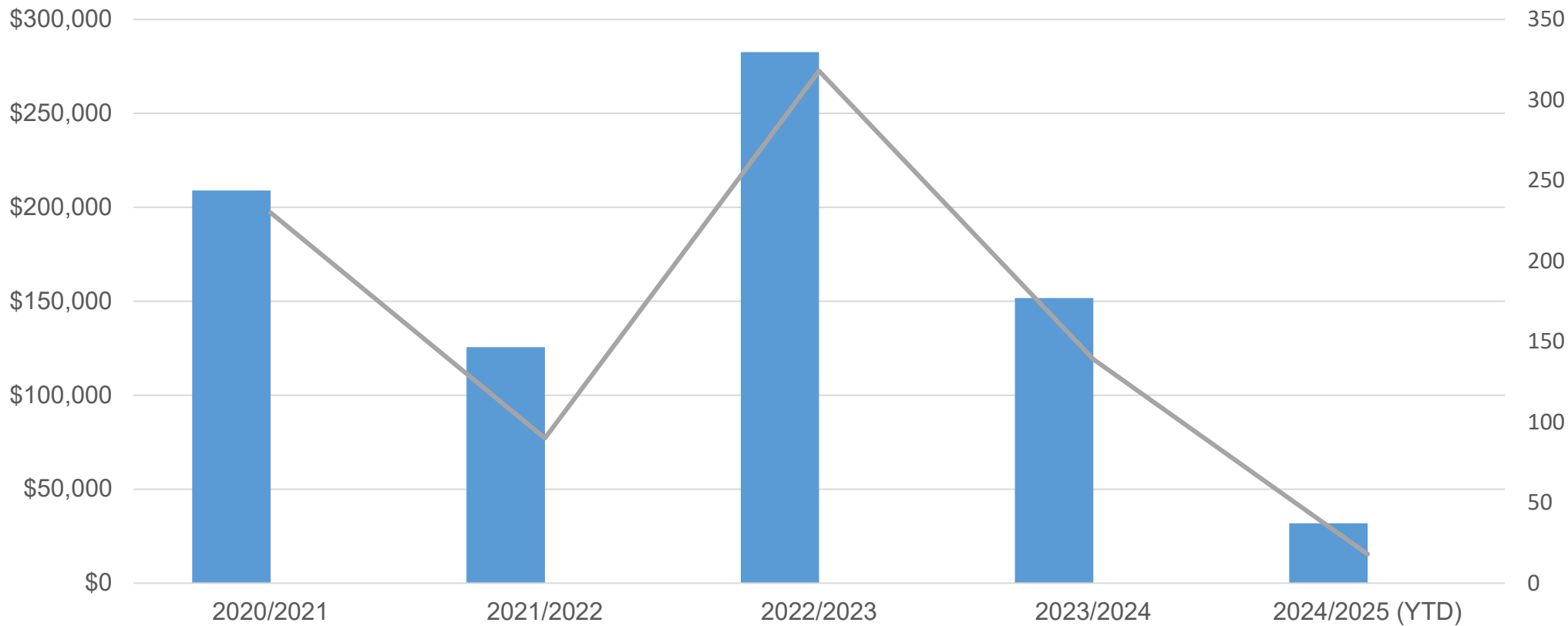
**Does not include Prepaid Legal

Trust Claims Summary for 2024/2025

- Total number of claims processed as of 11/30/2024: 33
- Total incurred as of 11/30/2024: \$646,567

Trust Pre-Paid Legal Overview

2020/21 to 2024/25 (YTD)*



*Valued as of 11/30/2024

Incurred PPL File Count

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)

Alliance Rating Retrospective Plan

2024/2025 retrospective rating program contribution

• Incurred Losses*	\$685,825
• Unallocated Loss Adjustment Expense*	\$142,039
• Administrative Expense	\$74,213
• Excess Insurance and Tax Expense	\$50,704
• Contribution to Net Position	<u>\$19,775</u>
• Total	\$972,555

*Loss rated at 90%



Alliance Rating Retrospective Plan

Rating Element	Estimate	Actual (as of 11/30/2024)
Incurred Losses & ALAE	685,825	382,764
ULAE	142,039	77,912
Admin Expense*	74,213	74,213
Excess Insurance & Tax Expense*	50,704	50,704
Contribution to Net Position*	19,775	19,755
Total	972,555	605,268

*Based on actual payroll, to be reported in July 2025.



Alliance Rating Retrospective Plan

- As of 11/30/2024, the district is trending at 62% 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 2025.



Alliance Contribution History

Year	Rating Model	Contribution: Valued as of 11/30/2024	Retro Contribution: Original Estimate
2024/2025	Retrospectively Rated	605,268*	972,555
2023/2024	Retrospectively Rated	835,106*	913,306
2022/2023	Retrospectively Rated	780,842*	914,446
2021/2022	Retrospectively Rated	884,769*	927,440
2020/2021	Retrospectively Rated	643,014*	860,358
2019/2020	Retrospectively Rated	433,325	839,973
2018/2019	Guaranteed Cost	958,573	N/A

*Estimated contribution. Loss elements are adjusted for 5 years.



PPA/TIP Balances

- Trust Prepaid Account Balance as of 10/31/2024
 - \$43,024
- Trust Investment Pool Balance as of 10/31/2024
 - \$44,863



2025/2026 Renewal: Dates

- November: Trust Values Collection released
- December: Cyber Values Collection released
- February: Alliance Values Collection released
- March-April: 25/26 contribution estimates sent to members
- June 30: 25/26 renewal forms due to the Trust



Contact Information

Jessica Schuler

jschuler@the-trust.org

602.200.2405



Information/Discussion:

Kairos Health of Arizona Report

Submitted by:

Shannon Crosier, Administrator

BACKGROUND:

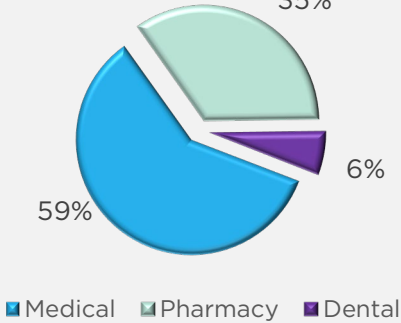
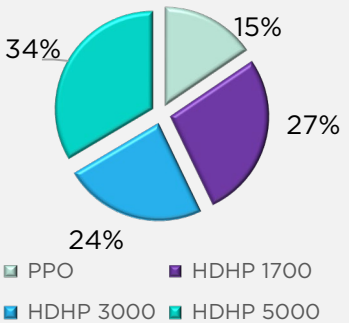
Presentation of financial and health reports from Kairos Health Arizona – Tanya Edward, Jeremy Larson, Jennifer Sherman, Chris Marler, Elizabeth Vesely, and Tonya Buffi.

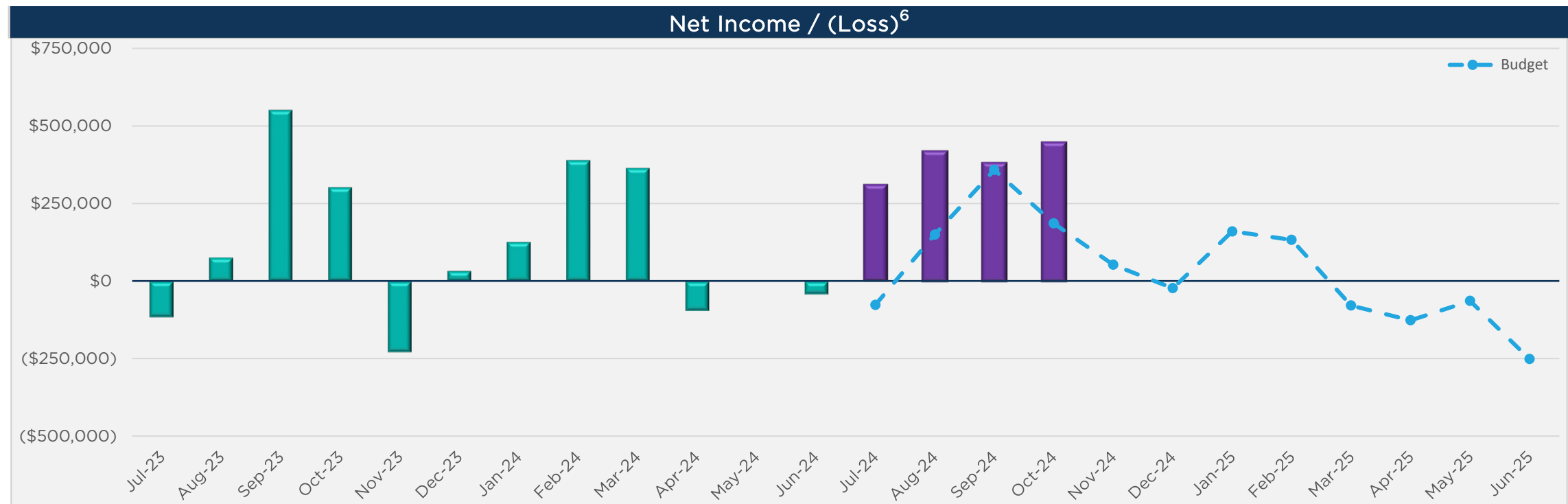
Scottsdale USD Benefit Plan Reporting

Reporting period 7/1/24–10/31/24

December 12, 2024

FINANCIALS

Financial Performance				Cost by Program		Plan Participation	
	YTD Actual	YTD Budget	YTD Prior Year				
Gross Contributions	\$ 6,734,326	\$ 6,840,372	\$ 7,479,858				
Less: Cost of Excess Insurance	(381,411)	(416,330)	(406,429)				
Less: Cost of Ancillary Insurance	(378,728)	(396,331)	(396,519)				
Less: Loss Expense	(4,326,688)	(5,238,104)	(5,754,918)				
Less: Administration & Other	(166,589)	(173,342)	(160,761)				
Non-Operating Revenue (Loss) ⁴	72,866	-	51,503				
Net Income (Loss) ⁵	\$ 1,553,776	\$ 616,265	\$ 812,734				



Loss Ratio ¹	Expense Ratio ²	Combined Ratio ³	YTD Increase in Net Position	Net Position	YTD Net Investment Income	Employees	Lives
68.1%	7.1%	75.2%	\$1,553,776	\$3,992,453	\$72,866	1,766	2,404

¹ Calculated as (net incurred losses) / (net contributions).

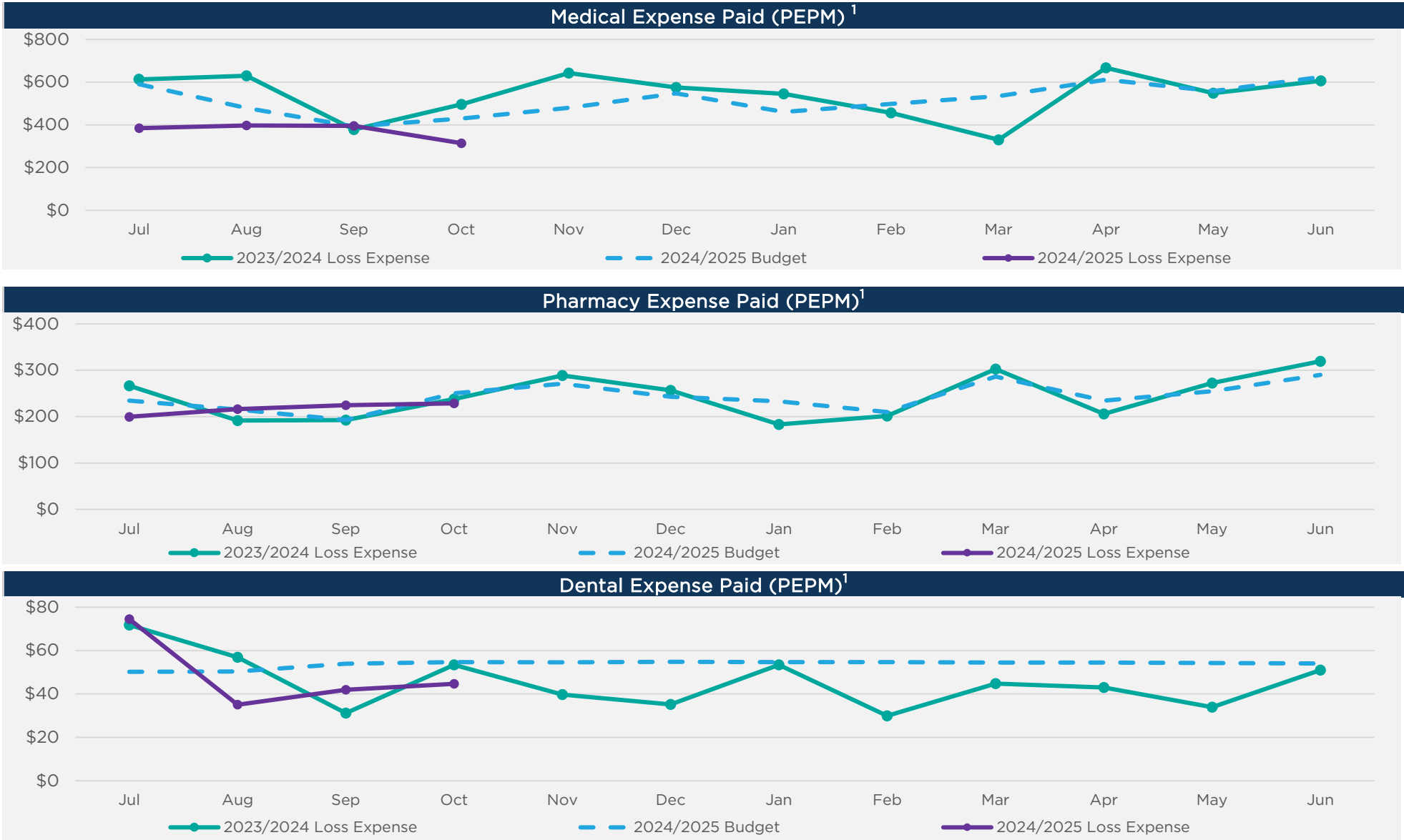
² Calculated as (non-loss expenses) + (loss adjustment expense) / (net contributions).

³ Calculated as (loss ratio + expense ratio). Investment Income is not included in the calculation.

⁴ Kairos does not budget for Self-Funded investment income.

⁵ Due to Scottsdale USD holding a large medical trust balance, Scottsdale USD has strategically decided to limit annual rate increases to lower this trust balance.

⁶ May 2024 Net Loss too small to be reflected on the chart.



¹ Loss expense and budget excludes IBNR and Rx rebates.

CLAIMS REVIEW

PLAN OVERVIEW

ENROLLMENT

1,946
Employees

2,707
Participants

Average Age:
41

Average Family
Size: 1.34

65% Female
35% Male

Medical Plan Spend

\$2,543,700



YTD 2023-2024

\$1,456,788

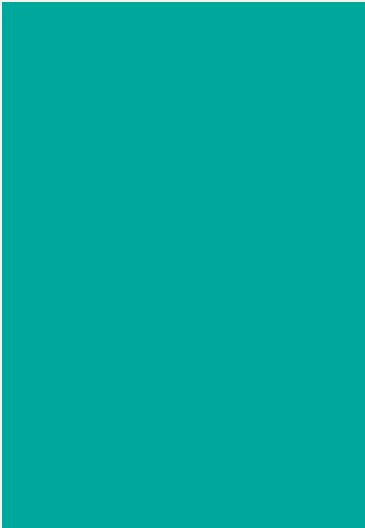


YTD 2024-2025

43%
decrease

Pharmacy Spend

\$1,626,189



YTD 2023-2024

\$1,321,071



YTD 2024-2025

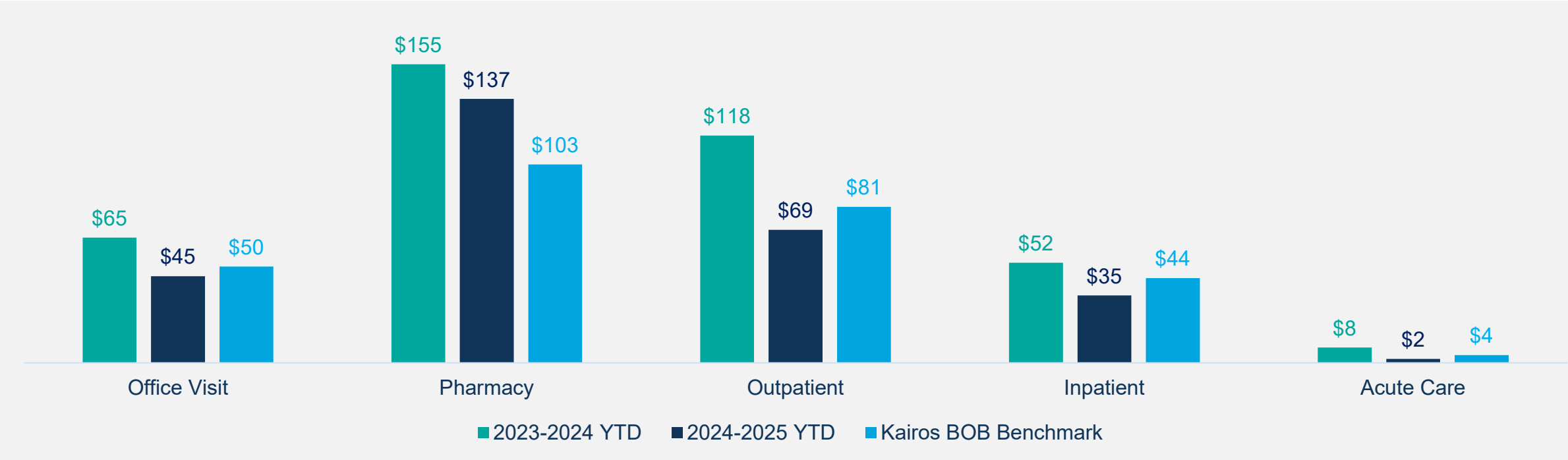
19%
decrease

Medical claims reflected through October 31, 2024; pharmacy spend through October 31, 2024

PLAN COST & NETWORK UTILIZATION

2024–2025: \$288 PMPM
2023-2024: \$398 / Benchmark: \$283

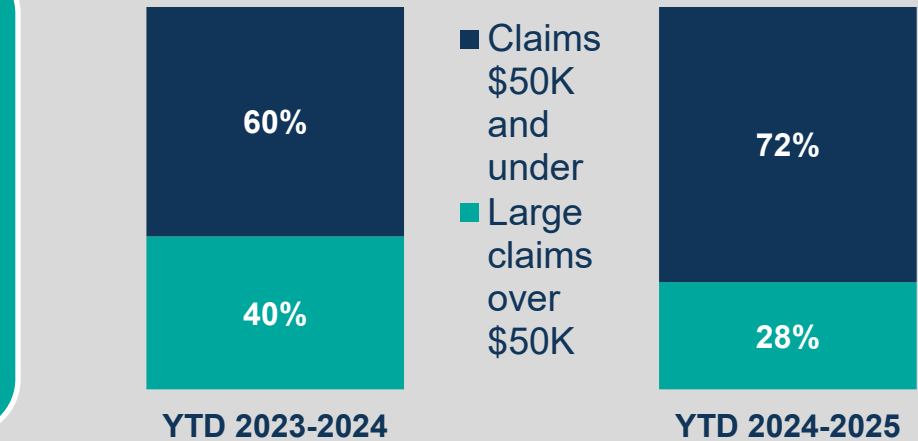
2024–2025: 99% In-Network Utilization
2023-2024: 99% / Benchmark: 99%



LARGE CLAIMS

Top 10	Medical Paid	Pharmacy Paid	Total Paid
Bone cancer	\$4,558	\$152,825	\$157,383
Coronary artery disease	\$86,068	\$20,861	\$106,929
Multiple sclerosis	\$99,257	\$0	\$99,257
Spinal stenosis	\$98,788	\$362	\$99,150
Narcolepsy	\$1,844	\$67,958	\$69,802
Lung cancer	\$2,568	\$65,226	\$67,794
Endometrial cancer	\$67,230	\$25	\$67,255
Breast cancer	\$500	\$53,382	\$53,882
Pulmonary fibrosis	\$658	\$50,420	\$51,078

PLAN SPEND



STATS

	YTD 2023-2024	YTD 2024-2025
Threshold	\$50,000	\$50,000
Number of claimants	17	9
Average cost	\$96,852	\$85,837

MEDICAL SPEND

TOP 5 PROVIDERS



TOP 5 CONDITIONS

	YTD 2023–2024	YTD 2024–2025	Prior Rank
Health status/Encounters	\$265,524	\$193,429	3
Neurological disorders	\$176,465	\$172,363	5
Cardiac disorders	\$283,394	\$158,551	2
Cancer	\$500,040	\$125,857	1
Spine-related disorders	\$65,107	\$113,768	13

PRESCRIPTION SPEND

Top 5 traditional classes

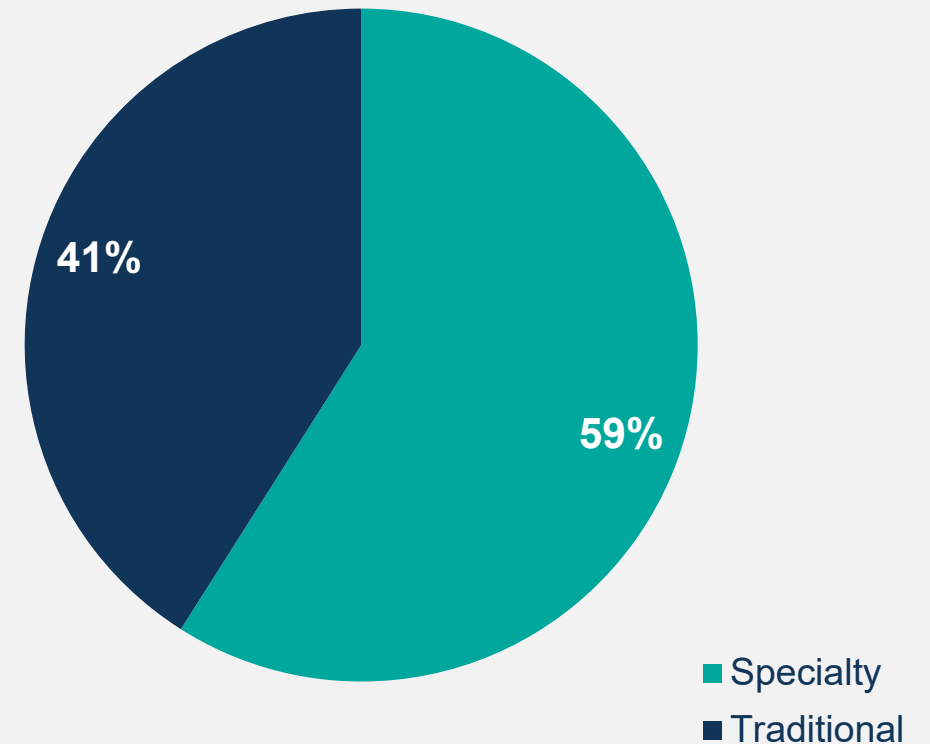
Diabetes
Allergy/Asthma/Cold
Mental health
Pain/Spasms
Immunizing agents

Top 5 specialty classes

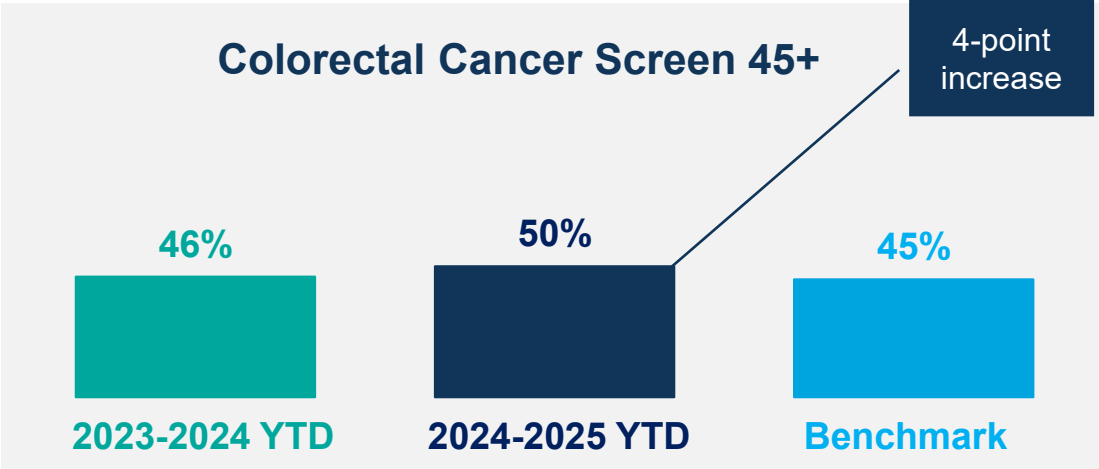
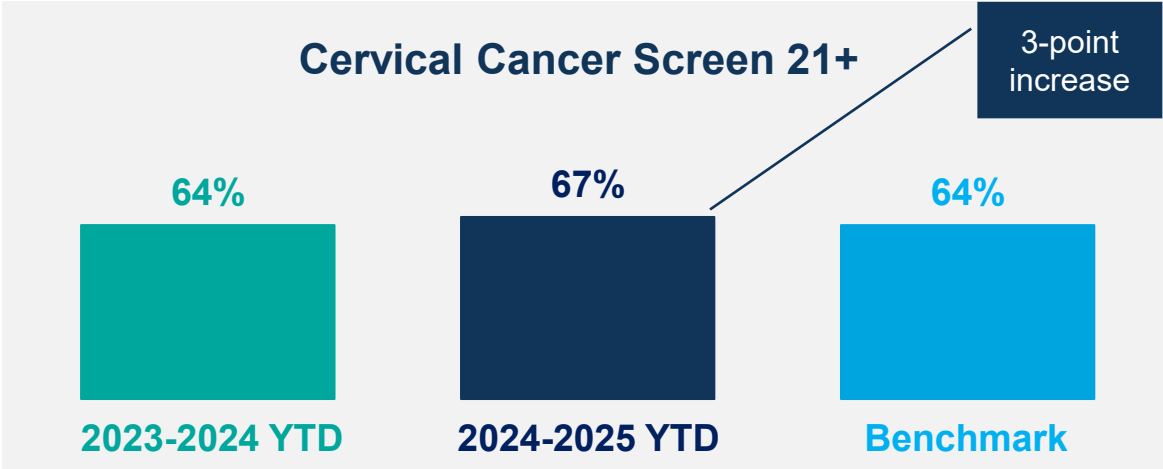
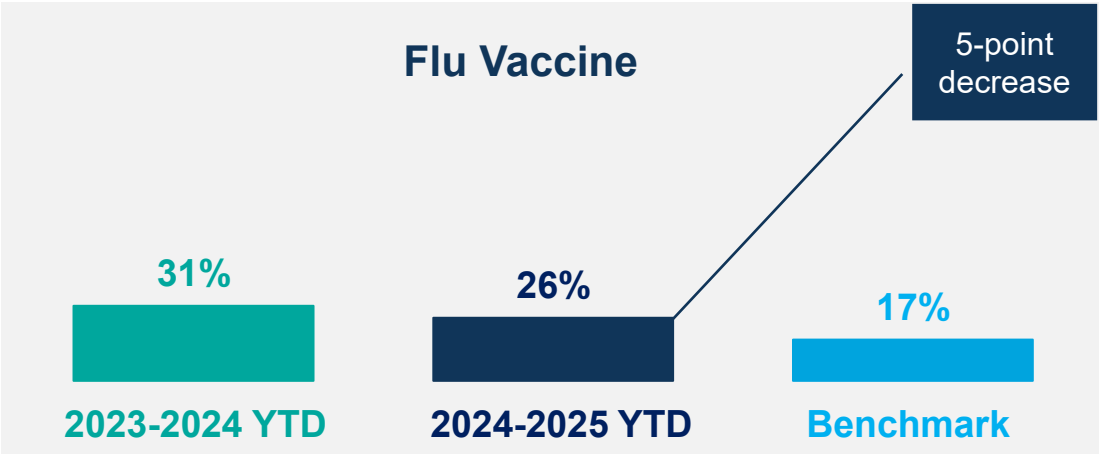
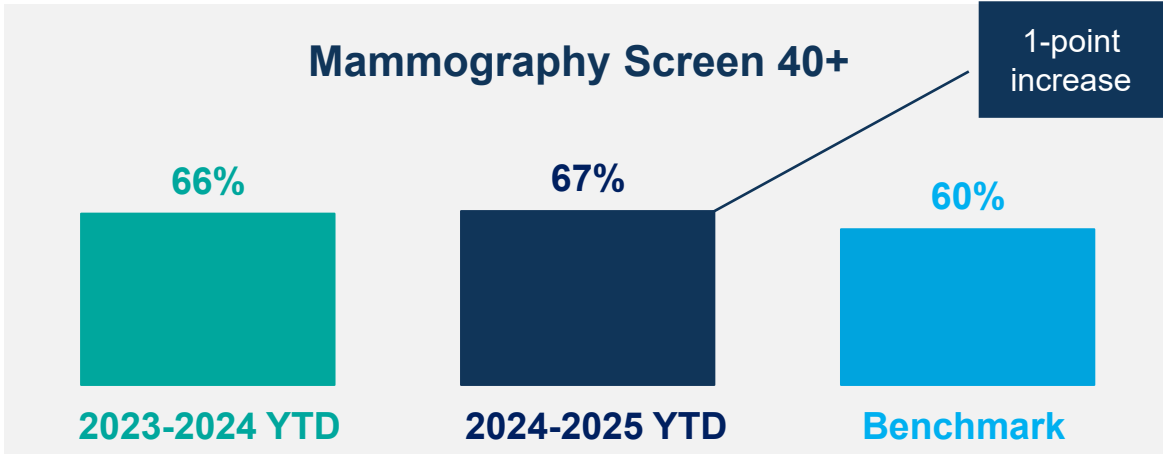
Chronic inflammatory disease
Oncology
HIV/AIDS
Other—Misc. class
Pulmonary fibrosis

Specialty is 59% of plan spend

2% lower than comparison period



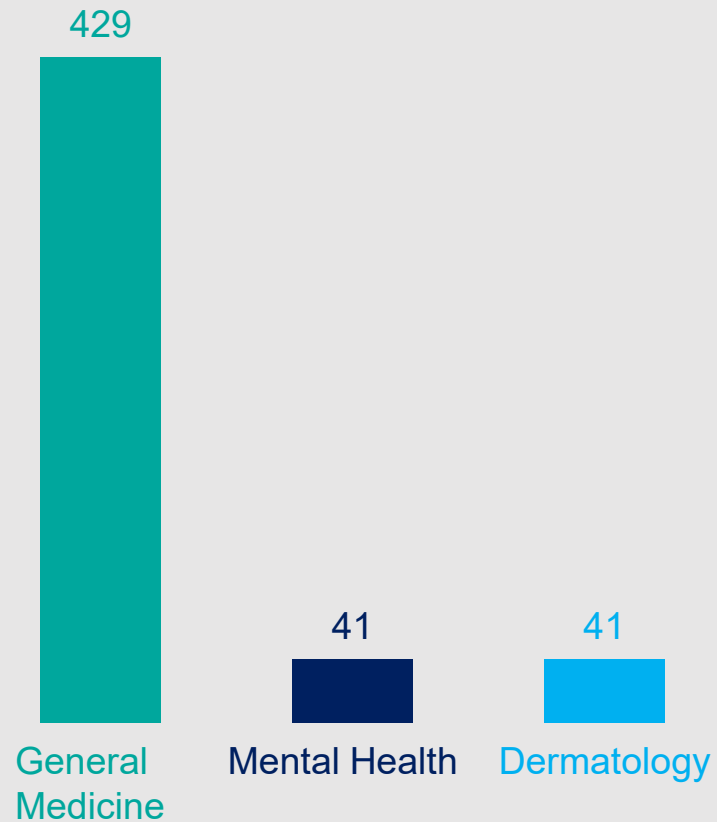
PREVENTIVE SCREENINGS



TELADOC

TELADOC

Visit Type: Jan–Oct 2024



Estimated Net Claim Savings

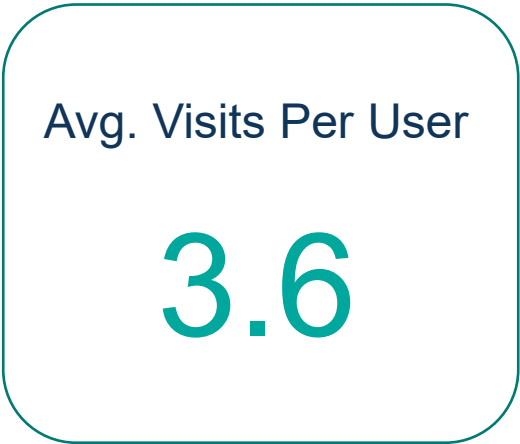
General medicine	\$278,243
Mental health	\$13,221
Dermatology	\$5,093

Top Diagnosis

Urinary tract infection
Acute sinusitis
Rash, other unspecified skin eruption
Lower abdominal pain

TELADOC, CONT'D

Mental Health Report: YTD 2024



Top Diagnoses
General anxiety disorder
Major depressive disorder, recurrent, moderate
Body dysmorphic disorder
Anxiety disorder, unspecified
Post-traumatic stress disorder, chronic

EAP UTILIZATION

COMPSYCH EAP SERVICE

34 total member engagement
(7/1/24–10/31/24)

Categories of service

- Counseling/Behavioral Health: 30
- Family Source: 1
- Financial Connect: 0
- Global Connect: 0
- Health and Well-Being: 2
- Health Care Navigation: 0
- Legal Connect: 1



KAIROSPRO

NAVIGATORS

PARTICIPANT ENGAGEMENT RATE

CLOSED CASES

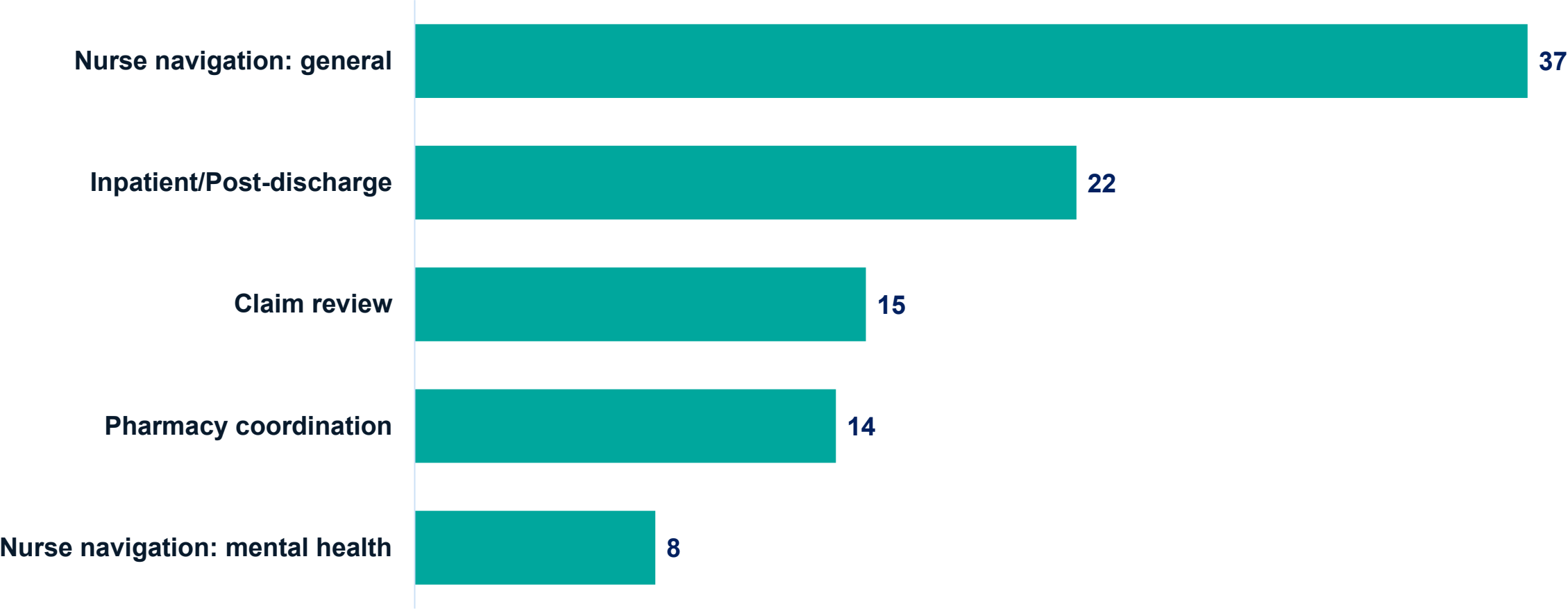


Engagement, 2024–2025 YTD[†] = 33/37 (successful/overall)
Engagement, plan year 2023–2024 = 129/172 (successful/overall)

*Kairos’s superior engagement rate vs. the industry reflects a primary reliance on telephone outreach rather than mail outreach.

[†]2024–2025 YTD = 07/01/24–10/31/24

**CATEGORY OF SERVICE
OPEN AND CLOSED CASES, PLAN YEAR
2024–2025 (7/1/24–10/31/24)**



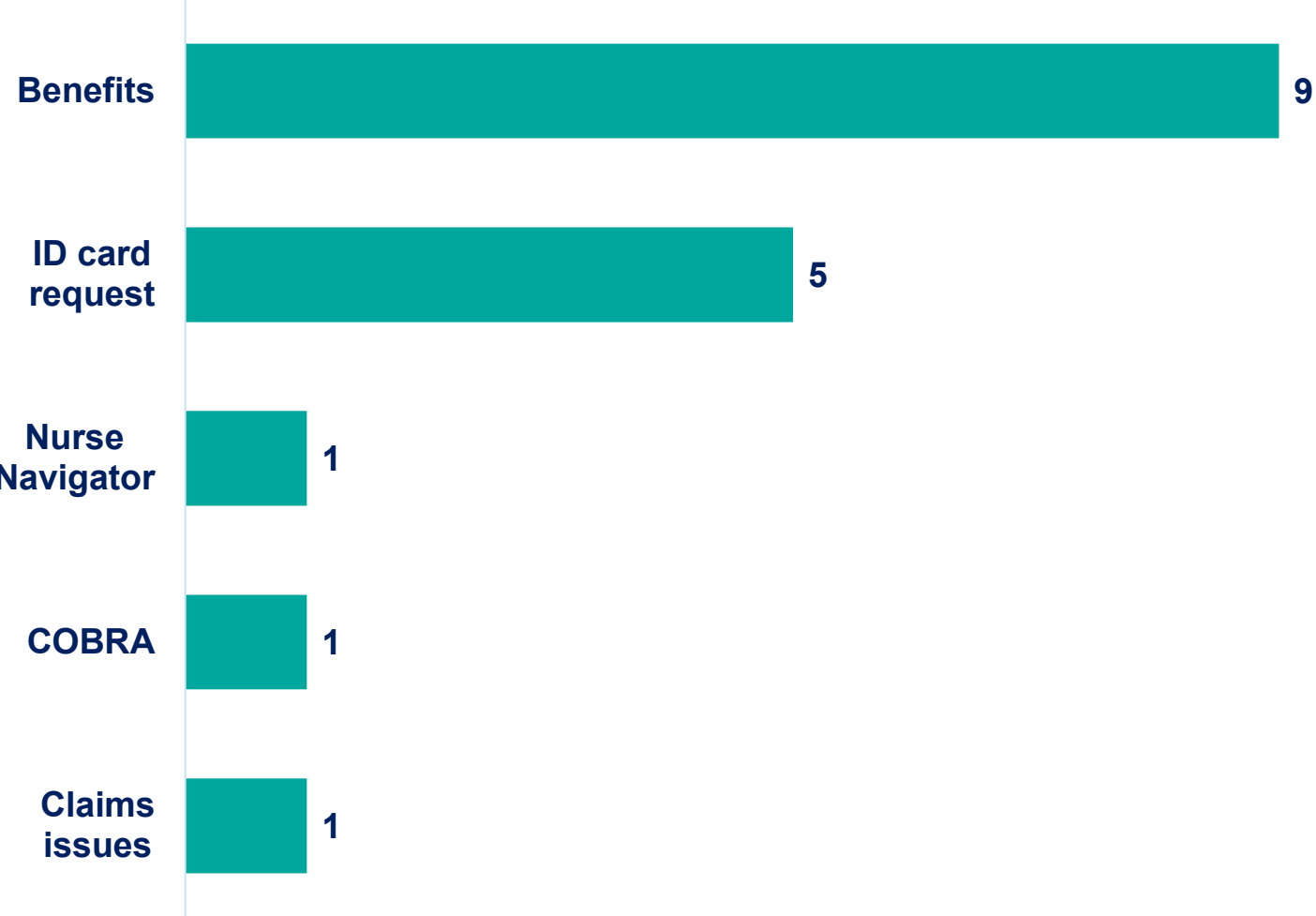
NURSE NAVIGATOR SUCCESS STORIES

- **Member savings**→ Member reached out to Kairos Nurse Navigators for assistance with a wig claim. Member had attempted to appeal denial, but UMR never received the appeal. Working with member and UMR, Kairos nurse was able to get the claim reprocessed, and a check for \$2,900 was sent to the member.
- **Advocacy**→ Nurse Navigator was made aware of a member who had experienced the loss of her baby. Kairos mental health nurse reached out to the member to offer support.

PARTICIPANT ADVOCATES

CUSTOMER SERVICE

PARTICIPANT ADVOCATE CALLS TAKEN, YTD



17 interactions with
SUSD members

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

- Highlights
 - Medical and pharmacy claims are trending downward
 - Large claims represent 28% of spend, representing a decline from 2023–2024
 - EAP utilization is very low comparatively
- Updates
 - Kairos Board Meetings: 12/19/24, 2/13/25
 - Synergy Summit: 2/7/25
 - New PBM negotiations resulted in a savings of approximately \$800K to SUSD eff 10/1/24
 - Kairos is evaluating several strategic initiatives, more info to share in March
- Recommendations
 - Engagement with clinical and participant advocate teams
 - Preventive health screenings for early detection and avoidance of high-cost claims
 - Promote EAP services

Information:

Scottsdale Unified School District Trust Financial Update

Submitted by:

Shannon Crosier, Chief Financial Officer/ Trust Administrator

RECOMMENDATION:

Shannon Crosier, Chief Financial Officer/ Trust Administrator will present a review of the investment accounts for Fiscal Year 2024-2025 as of November 30, 2024. Wells Fargo will then follow up with a financial market forecast.

Self-Insurance Trust Balances

Fiscal Year 2024-2025

As of November 30, 2024

Checking

	Medical Insurance	Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2024)	\$ 240,061.16	\$ 58,311.34	\$ 1,166,865.46	\$ 1,465,237.96
Revenue YTD	\$ 13,802,453.28	\$ 2,690,514.00	\$ 29,636.39	\$ 16,522,603.67
Expenditures YTD	\$ 6,360,507.54	\$ 2,672,750.00	\$ 996,162.77	\$ 10,029,420.31
Ending Balance	\$ 7,682,006.90	\$ 76,075.34	\$ 200,339.08	\$ 7,958,421.32
				\$ 6,391,463.91

Investment Accounts

	Medical Insurance	Property/Casualty	Workmans Comp	Total
Beginning Balance (July 1, 2024)	\$ 16,287,939.73	\$ 4,818,049.73	\$ 7,030,312.33	\$ 28,136,301.79
Deposits & Withdraws	\$ 625,477.49	\$ (2,058,445.50)	\$ 53,919.45	\$ (1,379,048.56)
Interest	\$ 29,655.34	\$ 2,417.29	\$ 4,944.70	\$ 37,017.33
Mutal Funds Dividends	\$ 232,601.85	\$ 25,569.81	\$ 95,142.52	\$ 353,314.18
Ending Balance	\$ 17,175,674.41	\$ 2,787,591.33	\$ 7,184,319.00	\$ 27,147,584.74
Total All Accounts	\$ 24,857,681.31	\$ 2,863,666.67	\$ 7,384,658.08	\$ 35,106,006.06

Year-Over-Year Balance Change	\$ 8,329,680.42	\$ (2,012,694.40)	\$ (812,519.71)	\$ 5,504,466.31
Balance as of 7-1-2021	\$ -	\$ -	\$ -	\$ -
Change as of 7-1-2024	\$ 24,857,681.31	\$ 2,863,666.67	\$ 7,384,658.08	\$ 35,106,006.06
Premium	\$ 22,219,119.00	\$ 2,358,995.00	\$ 913,306.00	
Minimum	\$ 15,000,000	\$ 2,358,995	\$ 913,306	
Maximum	\$ 26,551,703	\$ 4,717,990	\$ 1,826,612	
Minimum Regulation	\$ 15,000,000	1 Year Premium	1 Year Premium	
Maximum Regulation	1.5 X Yearly Premium	2 Year Premium	2 Year Premium	

Fixed Income Strategy

WELLS
FARGO

Scottsdale USD Medical

Analysis Date: 11/5/2024
Portfolio as of: 10/31/2024
Market Data as of: 10/31/2024

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tyler.tayrien@wellsfargo.com

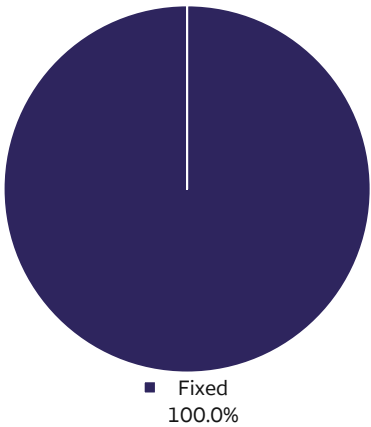
Portfolio Summary

Portfolio Snapshot	
Number of Positions	14
Par (\$000)	17,261
Book Value (\$000)	17,261
Mkt Value w/o Accrd (\$000)	17,103
Unrlzd Gain / Loss (\$000)	(158)
Coupon	3.66

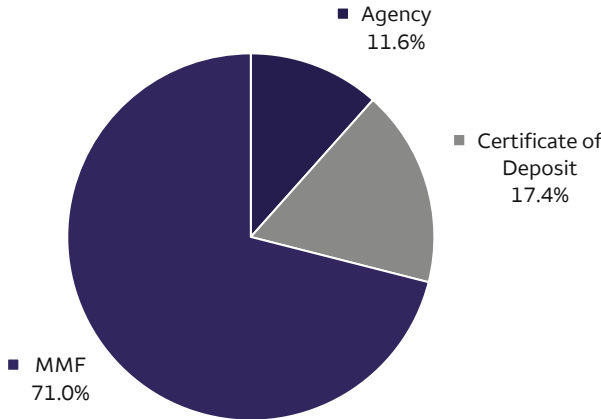
Characteristics	
Book Yield	3.66
Market Yield	4.63
Wgt Avg Maturity	0.3
Average Life	0.3
Effective Duration	0.3
Effective Convexity	0.0

12M Projected Cash Flow (\$000)	
Overnight Funds Principal	12,261
Overnight Funds Interest	2
Term Securities Principal	2,750
Term Securities Interest	45
Total Cash Flow	15,058

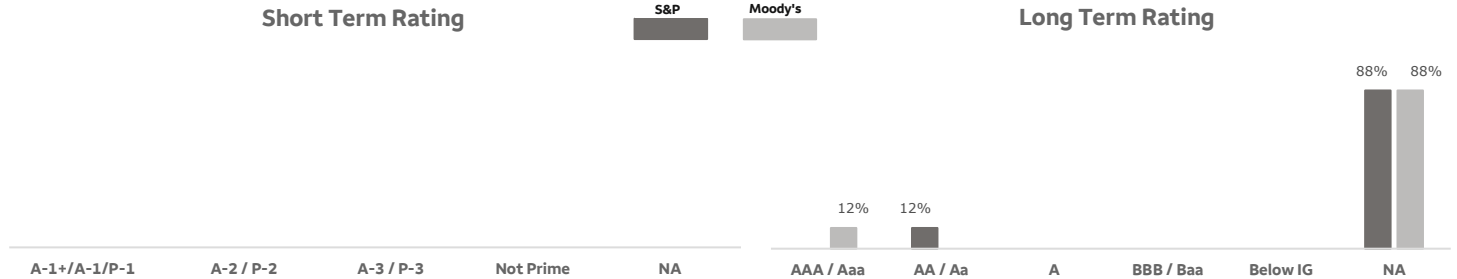
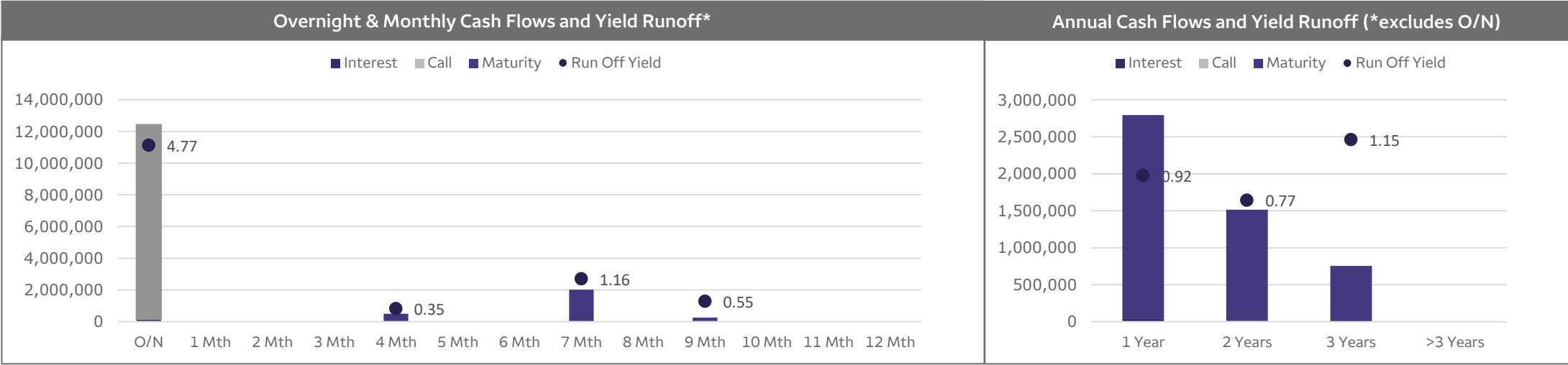
Coupon Structure



Portfolio Allocation



Credit Exposure



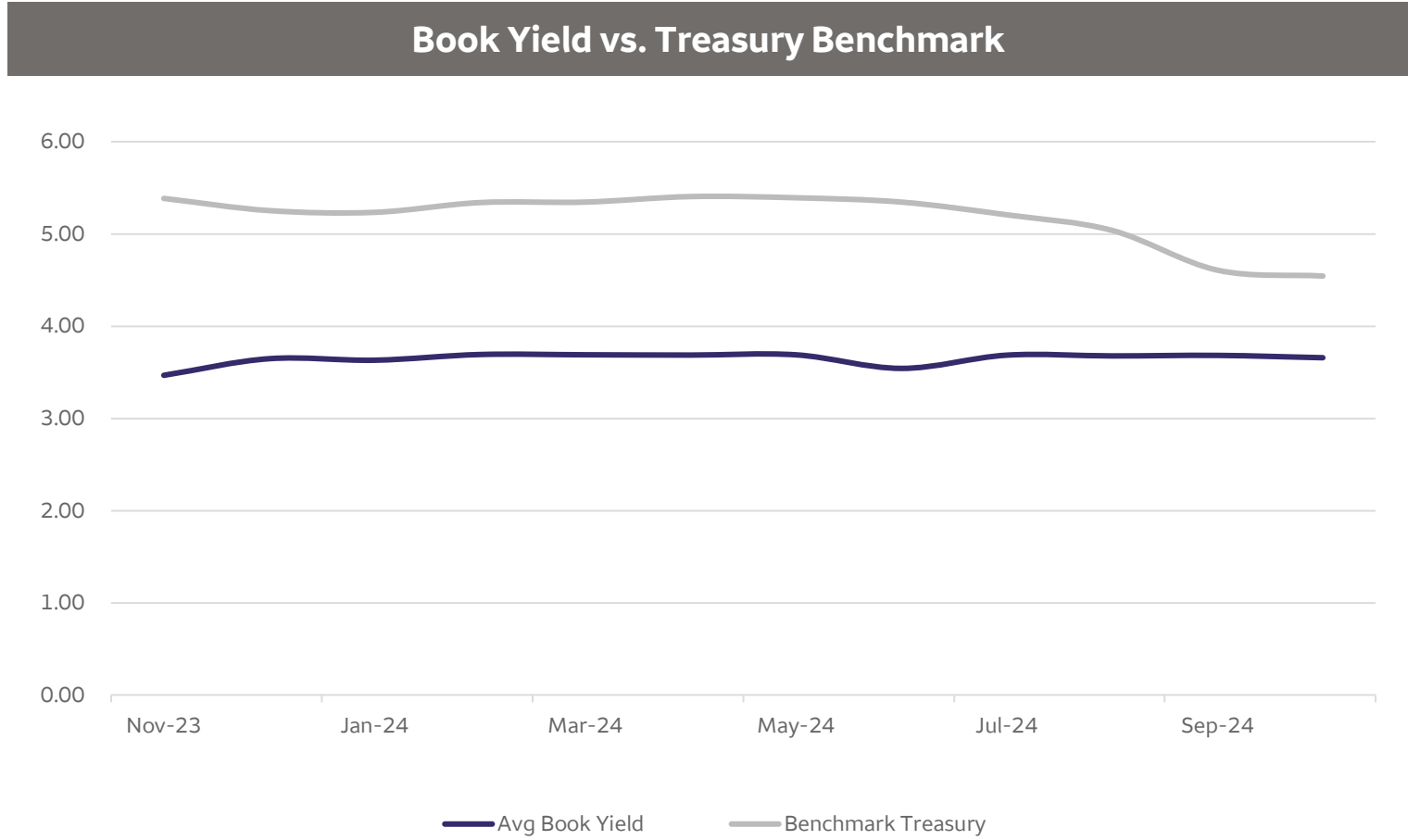
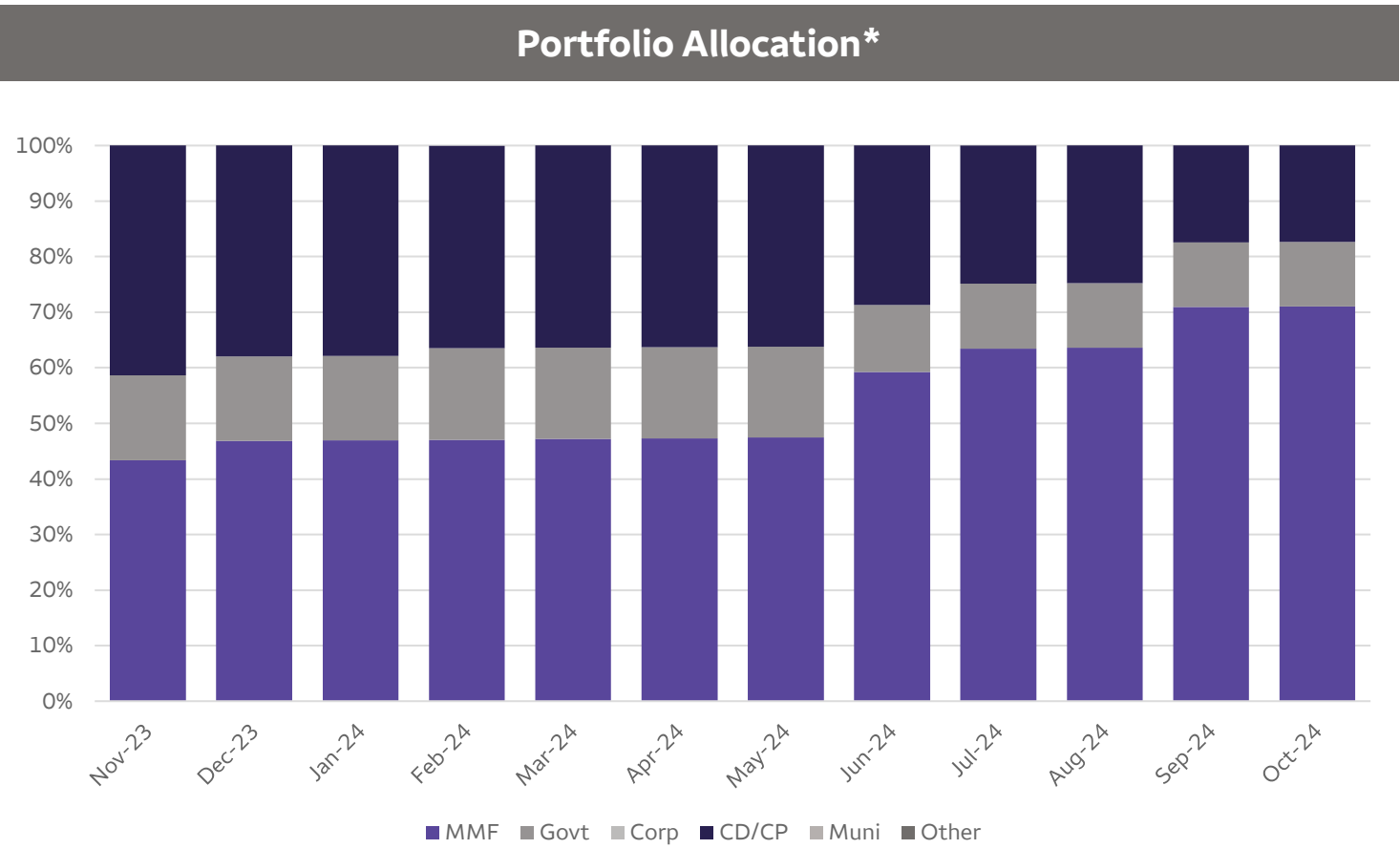
*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		1,602	0	12,261,108	4.77	12,262,710	12,262,710
	Nov-24	17,788	0	0	0.00	17,788	12,280,497
	Dec-24	750	0	0	0.00	750	12,281,247
	Jan-25	1,938	0	0	0.00	1,938	12,283,185
	Feb-25	1,250	0	500,000	0.35	501,250	12,784,435
	Mar-25	688	0	0	0.00	688	12,785,122
	Apr-25	688	0	0	0.00	688	12,785,810
	May-25	17,725	0	2,000,000	1.16	2,017,725	14,803,535
	Jun-25	688	0	0	0.00	688	14,804,222
	Jul-25	1,986	0	250,000	0.55	251,986	15,056,208
	Aug-25	573	0	0	0.00	573	15,056,781
	Sep-25	573	0	0	0.00	573	15,057,354
Year 1	Oct-25	573	0	0	0.00	573	15,057,927
	Nov-25	6,000	0	500,000	0.83	506,000	15,563,927
	Dec-25	417	0	250,000	0.75	250,417	15,814,344
	Jan-26	1,448	0	0	0.00	1,448	15,815,792
	Feb-26	260	0	0	0.00	260	15,816,052
	Mar-26	260	0	250,000	0.50	250,260	16,066,312
	Apr-26	156	0	0	0.00	156	16,066,469
	May-26	4,469	0	0	0.00	4,469	16,070,937
	Jun-26	156	0	0	0.00	156	16,071,094
	Jul-26	1,344	0	500,000	0.85	501,344	16,572,437
	Aug-26	0	0	0	0.00	0	16,572,437
	Sep-26	0	0	0	0.00	0	16,572,437
Year 2	Oct-26	0	0	0	0.00	0	16,572,437
	Nov-26	4,313	0	750,000	1.15	754,313	17,326,750
	Dec-26	0	0	0	0.00	0	17,326,750
	Jan-27	0	0	0	0.00	0	17,326,750
	Feb-27	0	0	0	0.00	0	17,326,750
	Mar-27	0	0	0	0.00	0	17,326,750
	Apr-27	0	0	0	0.00	0	17,326,750
	May-27	0	0	0	0.00	0	17,326,750
	Jun-27	0	0	0	0.00	0	17,326,750
	Jul-27	0	0	0	0.00	0	17,326,750
	Aug-27	0	0	0	0.00	0	17,326,750
	Sep-27	0	0	0	0.00	0	17,326,750
Year 3	Oct-27	0	0	0	0.00	0	17,326,750

Historical Performance

Date	# Line Items	Avg Coupon	Total Par (\$000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
10/31/24	14	3.66	17,261	(158)	3.66	4.63	4.54	0.3	0.3	Aaa	AA+	71%	12%	0%	17%	0%	0%
09/30/24	14	3.68	17,214	(164)	3.68	4.64	4.61	0.3	0.3	Aaa	AA+	71%	12%	0%	17%	0%	0%
08/31/24	19	3.68	17,163	(194)	3.68	5.00	5.04	0.3	0.3	Aaa	AA+	64%	12%	0%	25%	0%	0%
07/31/24	19	3.68	17,114	(234)	3.69	5.10	5.21	0.4	0.4	Aaa	AA+	63%	12%	0%	25%	0%	0%
06/30/24	21	3.54	16,566	(278)	3.54	5.22	5.35	0.4	0.4	Aaa	AA+	59%	12%	0%	29%	0%	0%
05/31/24	34	3.71	21,404	(306)	3.69	5.27	5.39	0.4	0.3	Aaa	AA+	47%	16%	0%	36%	0%	0%
04/30/24	34	3.70	21,341	(324)	3.69	5.25	5.41	0.4	0.4	Aaa	AA+	47%	16%	0%	36%	0%	0%
03/31/24	34	3.71	21,292	(336)	3.69	5.19	5.35	0.5	0.4	Aaa	AA+	47%	16%	0%	36%	0%	0%
02/29/24	34	3.71	21,245	(346)	3.69	5.16	5.34	0.5	0.4	Aaa	AA+	47%	16%	0%	36%	0%	0%
01/31/24	38	3.64	23,096	(346)	3.63	5.04	5.23	0.5	0.5	Aaa	AA+	47%	15%	0%	38%	0%	0%
12/31/23	38	3.66	23,040	(400)	3.65	5.12	5.25	0.6	0.5	Aaa	AA+	47%	15%	0%	38%	0%	0%
11/30/23	41	3.48	22,950	(480)	3.47	5.33	5.39	0.6	0.5	Aaa	AA+	43%	15%	0%	41%	0%	0%



* Portfolio Allocation is a new addition to portfolio analysis. Data will be added over time.

Scottsdale USD Workers Compensation

Analysis Date: 11/5/2024
Portfolio as of: 10/31/2024
Market Data as of: 10/31/2024

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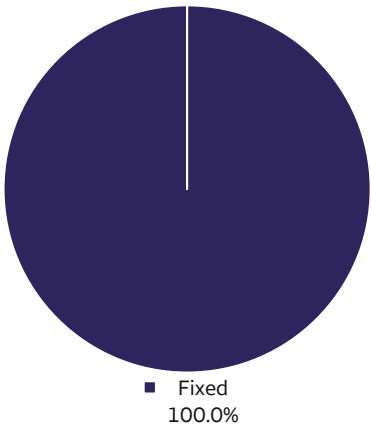
Portfolio Summary

Portfolio Snapshot	
Number of Positions	9
Par (\$000)	7,217
Book Value (\$000)	7,217
Mkt Value w/o Accrd (\$000)	7,158
Unrlzd Gain / Loss (\$000)	(59)
Coupon	3.57

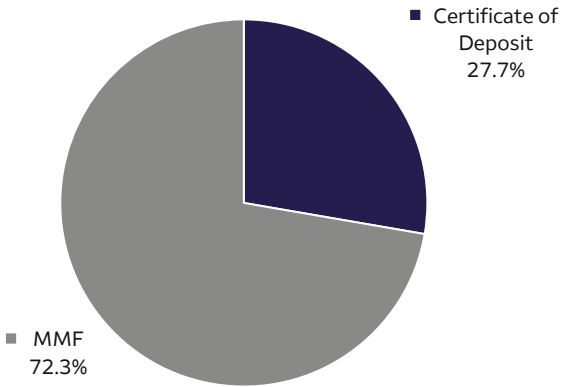
Characteristics	
Book Yield	3.57
Market Yield	4.65
Wgt Avg Maturity	0.2
Average Life	0.2
Effective Duration	0.2
Effective Convexity	0.0

12M Projected Cash Flow (\$000)	
Overnight Funds Principal	5,217
Overnight Funds Interest	1
Term Securities Principal	2,000
Term Securities Interest	7
Total Cash Flow	7,225

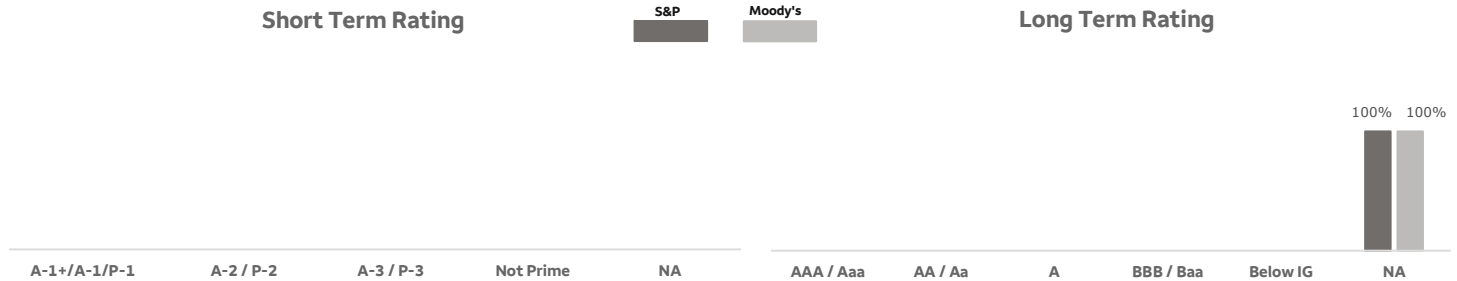
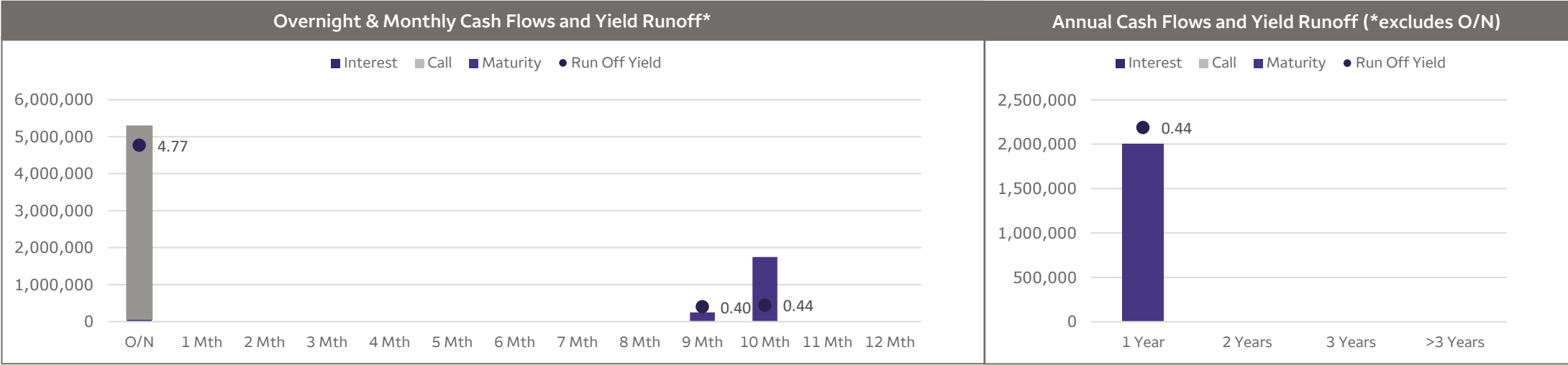
Coupon Structure



Portfolio Allocation



Credit Exposure



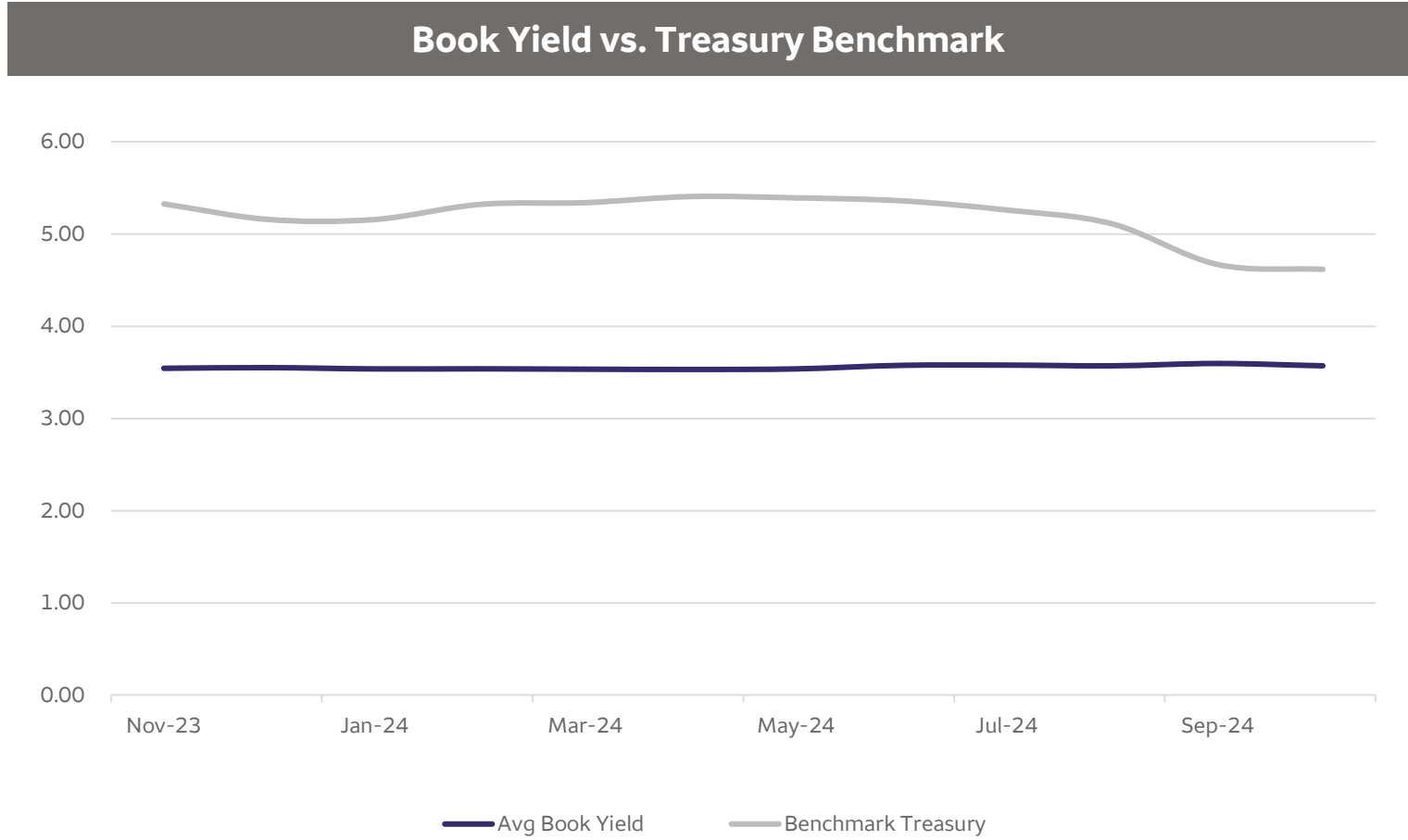
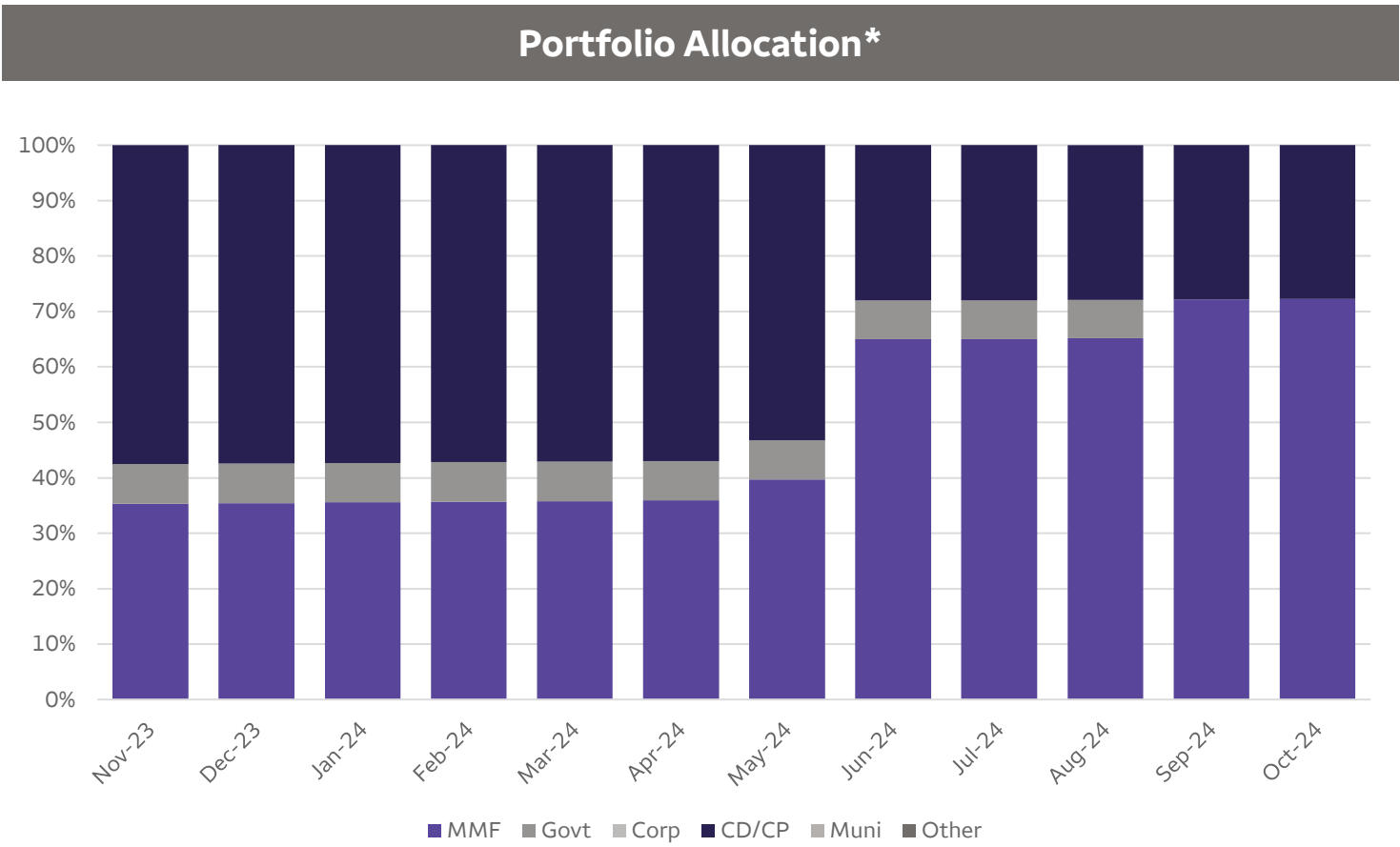
*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		682	0	5,217,175	4.77	5,217,856	5,217,856
	Nov-24	635	0	0	0.00	635	5,218,492
	Dec-24	635	0	0	0.00	635	5,219,127
	Jan-25	635	0	0	0.00	635	5,219,763
	Feb-25	1,198	0	0	0.00	1,198	5,220,961
	Mar-25	635	0	0	0.00	635	5,221,596
	Apr-25	635	0	0	0.00	635	5,222,231
	May-25	635	0	0	0.00	635	5,222,867
	Jun-25	635	0	0	0.00	635	5,223,502
	Jul-25	635	0	250,000	0.40	250,635	5,474,138
	Aug-25	1,115	0	1,750,000	0.44	1,751,115	7,225,252
	Sep-25	0	0	0	0.00	0	7,225,252
Year 1	Oct-25	0	0	0	0.00	0	7,225,252

Historical Performance

Date	# Line Items	Avg Coupon	Total Par (\$000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
10/31/24	9	3.57	7,217	(59)	3.57	4.65	4.62	0.2	0.2	N/A	N/A	72%	0%	0%	28%	0%	0%
09/30/24	9	3.59	7,197	(62)	3.60	4.63	4.67	0.2	0.2	N/A	N/A	72%	0%	0%	28%	0%	0%
08/31/24	10	3.54	7,175	(76)	3.57	4.97	5.11	0.3	0.3	Aaa	AA+	65%	7%	0%	28%	0%	0%
07/31/24	10	3.55	7,153	(91)	3.58	5.12	5.26	0.3	0.3	Aaa	AA+	65%	7%	0%	28%	0%	0%
06/30/24	10	3.55	7,139	(108)	3.57	5.24	5.36	0.3	0.3	Aaa	AA+	65%	7%	0%	28%	0%	0%
05/31/24	17	3.55	7,046	(119)	3.54	5.30	5.39	0.4	0.4	Aaa	AA+	40%	7%	0%	53%	0%	0%
04/30/24	18	3.55	7,022	(125)	3.53	5.26	5.41	0.4	0.4	Aaa	AA+	36%	7%	0%	57%	0%	0%
03/31/24	18	3.55	7,006	(132)	3.53	5.23	5.34	0.5	0.5	Aaa	AA+	36%	7%	0%	57%	0%	0%
02/29/24	18	3.55	6,996	(137)	3.54	5.18	5.32	0.5	0.5	Aaa	AA+	36%	7%	0%	57%	0%	0%
01/31/24	18	3.54	6,982	(137)	3.54	5.03	5.16	0.6	0.6	Aaa	AA+	36%	7%	0%	57%	0%	0%
12/31/23	18	3.55	6,968	(153)	3.55	5.12	5.16	0.7	0.6	Aaa	AA+	35%	7%	0%	57%	0%	0%
11/30/23	18	3.54	6,957	(179)	3.54	5.36	5.33	0.7	0.7	Aaa	AA+	35%	7%	0%	58%	0%	0%



* Portfolio Allocation is a new addition to portfolio analysis. Data will be added over time.

Fixed Income Strategy

WELLS
FARGO

Scottsdale USD Property & Casualty

Analysis Date: 11/5/2024
Portfolio as of: 10/31/2024
Market Data as of: 10/31/2024

Tyler Tayrien
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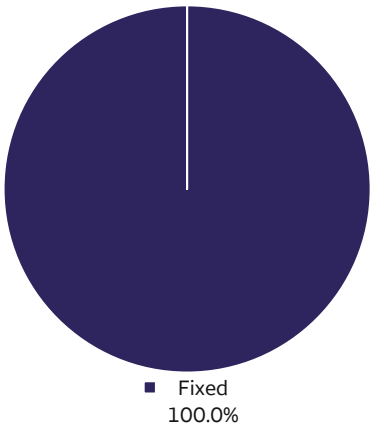
Portfolio Summary

Portfolio Snapshot	
Number of Positions	3
Par (\$000)	2,814
Book Value (\$000)	2,814
Mkt Value w/o Accrd (\$000)	2,778
Unrlzd Gain / Loss (\$000)	(36)
Coupon	2.94

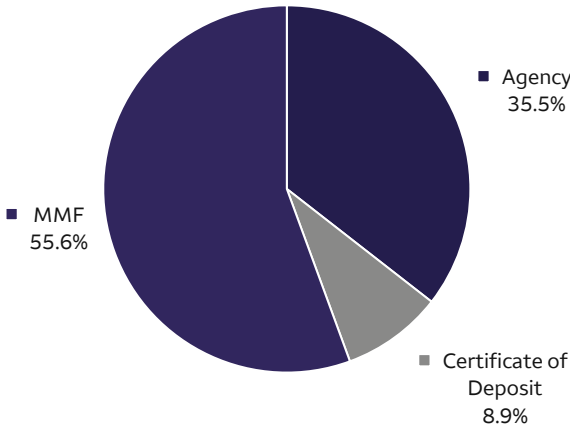
Characteristics	
Book Yield	2.94
Market Yield	4.57
Wgt Avg Maturity	0.4
Average Life	0.4
Effective Duration	0.4
Effective Convexity	0.0

12M Projected Cash Flow (\$000)	
Overnight Funds Principal	1,564
Overnight Funds Interest	0
Term Securities Principal	250
Term Securities Interest	8
Total Cash Flow	1,822

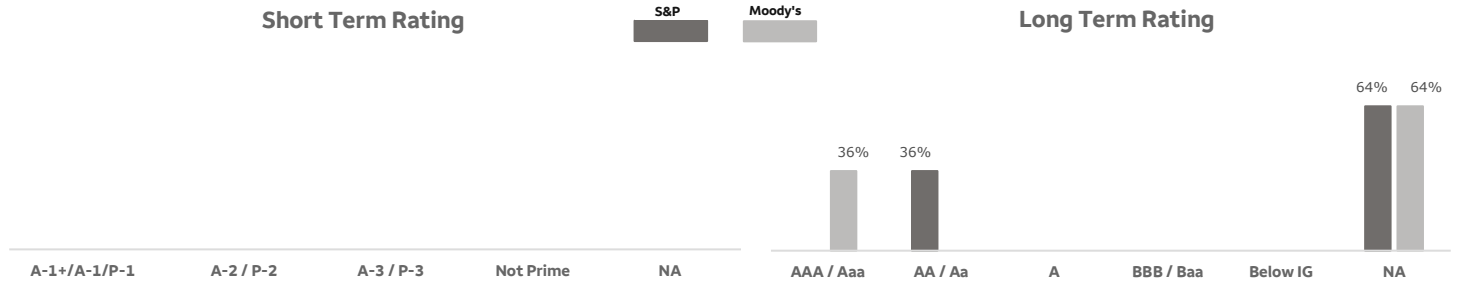
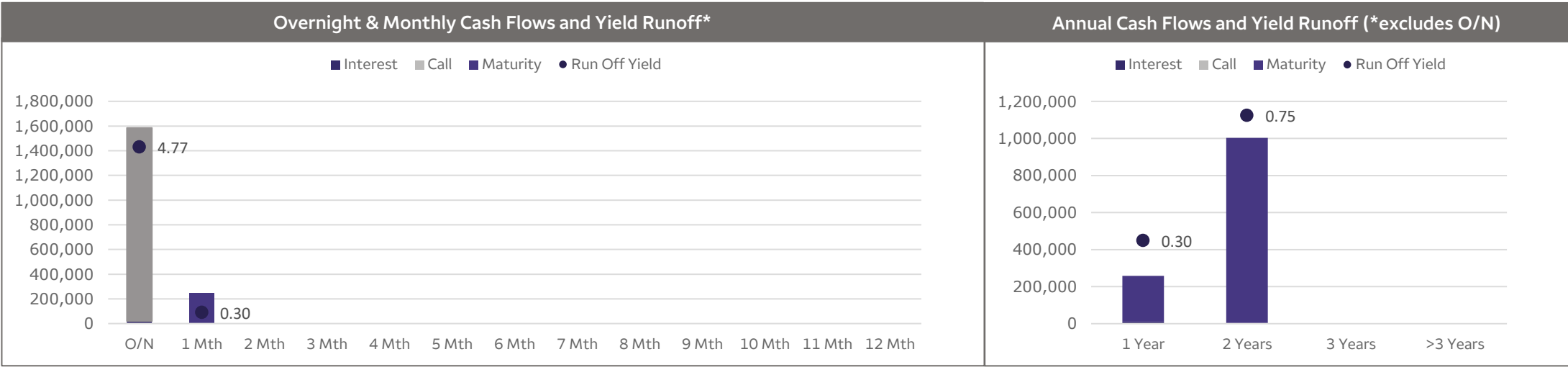
Coupon Structure



Portfolio Allocation



Credit Exposure



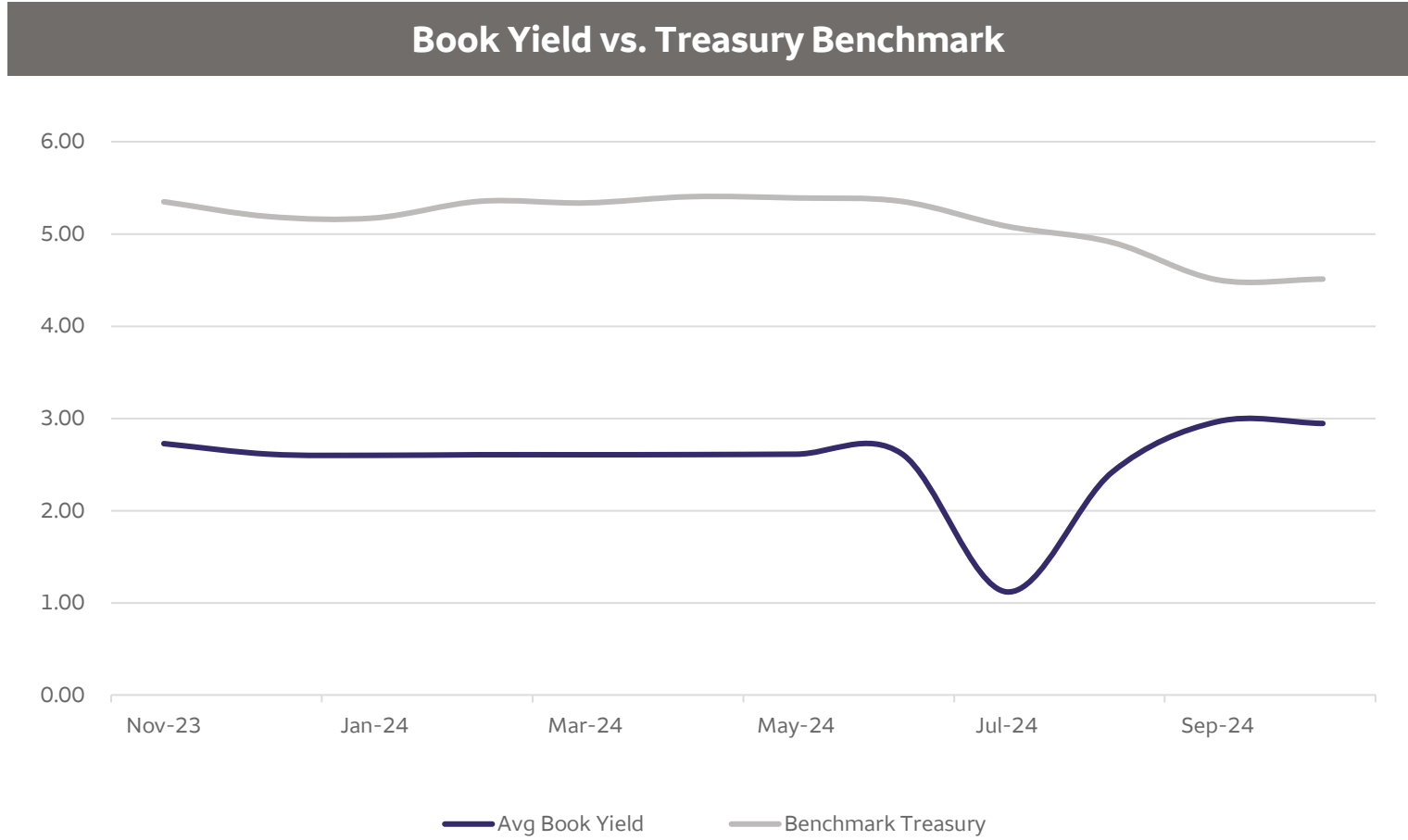
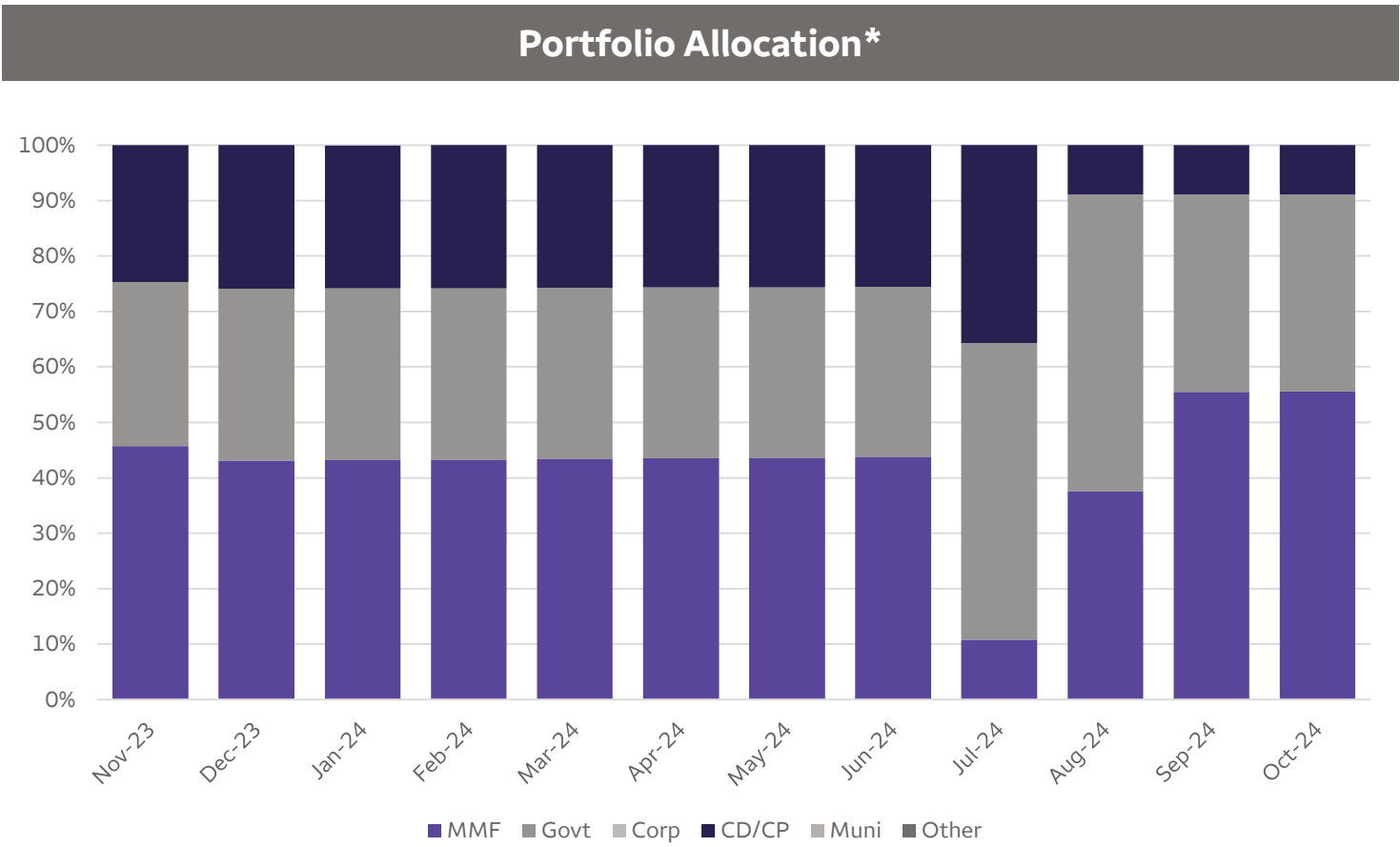
*Cash Flow Projections Chart - 1 Year Cash flow does not include O/N Cash Flow or Run Off Yield

Cash Flow Projections

Time Period	Date	Interest (\$)	Call (\$)	Maturity (\$)	Run Off Yield (%)	Monthly Total (\$)	Cumulative Total (\$)
O/N		204	0	1,564,429	4.77	1,564,633	1,564,633
	Nov-24	188	0	250,000	0.30	250,188	1,814,821
	Dec-24	3,750	0	0	0.00	3,750	1,818,571
	Jan-25	0	0	0	0.00	0	1,818,571
	Feb-25	0	0	0	0.00	0	1,818,571
	Mar-25	0	0	0	0.00	0	1,818,571
	Apr-25	0	0	0	0.00	0	1,818,571
	May-25	0	0	0	0.00	0	1,818,571
	Jun-25	3,750	0	0	0.00	3,750	1,822,321
	Jul-25	0	0	0	0.00	0	1,822,321
	Aug-25	0	0	0	0.00	0	1,822,321
	Sep-25	0	0	0	0.00	0	1,822,321
Year 1	Oct-25	0	0	0	0.00	0	1,822,321
	Nov-25	3,125	0	1,000,000	0.75	1,003,125	2,825,446
	Dec-25	0	0	0	0.00	0	2,825,446
	Jan-26	0	0	0	0.00	0	2,825,446
	Feb-26	0	0	0	0.00	0	2,825,446
	Mar-26	0	0	0	0.00	0	2,825,446
	Apr-26	0	0	0	0.00	0	2,825,446
	May-26	0	0	0	0.00	0	2,825,446
	Jun-26	0	0	0	0.00	0	2,825,446
	Jul-26	0	0	0	0.00	0	2,825,446
	Aug-26	0	0	0	0.00	0	2,825,446
	Sep-26	0	0	0	0.00	0	2,825,446
Year 2	Oct-26	0	0	0	0.00	0	2,825,446

Historical Performance

Date	# Line Items	Avg Coupon	Total Par (\$000)	G / L	Avg Bk Yield	Avg Mkt Yield	Bnchmrk Tsy Yield	Wgt Avg Maturity	Eff Dur	Ratings		Portfolio Allocation*					
										Moody's	S&P	MMF	Govt	Corp	CD/CP	Muni	Other
10/31/24	3	2.94	2,814	(36)	2.94	4.57	4.51	0.4	0.4	Aaa	AA+	56%	36%	0%	9%	0%	0%
09/30/24	3	2.96	2,810	(38)	2.96	4.54	4.50	0.4	0.4	Aaa	AA+	56%	36%	0%	9%	0%	0%
08/31/24	4	2.35	2,806	(47)	2.42	4.81	4.91	0.5	0.5	Aaa	AA+	38%	53%	0%	9%	0%	0%
07/31/24	7	1.05	2,802	(58)	1.12	5.06	5.08	0.5	0.5	Aaa	AA+	11%	54%	0%	36%	0%	0%
06/30/24	8	2.58	4,893	(74)	2.62	5.27	5.35	0.4	0.3	Aaa	AA+	44%	31%	0%	26%	0%	0%
05/31/24	8	2.57	4,880	(84)	2.61	5.26	5.39	0.4	0.4	Aaa	AA+	44%	31%	0%	26%	0%	0%
04/30/24	8	2.57	4,870	(97)	2.61	5.29	5.40	0.5	0.4	Aaa	AA+	44%	31%	0%	26%	0%	0%
03/31/24	8	2.57	4,859	(103)	2.61	5.21	5.34	0.5	0.5	Aaa	AA+	43%	31%	0%	26%	0%	0%
02/29/24	8	2.57	4,850	(110)	2.61	5.17	5.35	0.6	0.4	Aaa	AA+	43%	31%	0%	26%	0%	0%
01/31/24	8	2.56	4,840	(113)	2.60	5.02	5.17	0.6	0.5	Aaa	AA+	43%	31%	0%	26%	0%	0%
12/31/23	8	2.57	4,830	(123)	2.61	5.07	5.19	0.6	0.6	Aaa	AA+	43%	31%	0%	26%	0%	0%
11/30/23	8	2.69	5,066	(143)	2.73	5.27	5.35	0.7	0.6	Aaa	AA+	46%	30%	0%	25%	0%	0%



* Portfolio Allocation is a new addition to portfolio analysis. Data will be added over time.

Action:

Authorize Up to \$2 Million Towards the Cost of Medical Insurance for FY25/26.

Submitted by:

Shannon Crosier, Administrator

Project Lead:

Shannon Crosier, Administrator/Chief Financial Officer

RECOMMENDATION:

It is recommended that the Self-Insurance Trust Board approve authorization of up to \$2 million towards the cost of medical insurance for fiscal year 2025-2026.

FINANCIAL IMPACT:

Up to \$2 million

BACKGROUND:

The district would like to offset the rising cost of medical insurance for fiscal year 2025-2026.