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

2023/2024 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*	$ 19,775	19,775
○ **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 **$** 16,528,000.89
  - Property/Casualty **$** 4,876361.13
  - 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. $ 7,279,546.30
  - **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.

Approved December 12, 2024