

**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 12, 2024, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at 4:11 pm on December 12, 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 (Via Teams), Trustee, Kathy Steadman (Via Teams @ 4:10 pm), Trustee & Craig Hazeltine 4:17 pm, Trustee
A quorum is present.

Absent: Carine Werner, Trustee

Approval of Agenda- Shannon Crosier moved to approve the agenda as presented, Tony Elder seconded the motion. The motion was approved with a vote of 3– 0.

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from September 26, 2024 meeting. - Action
No discussion, Minutes stand as submitted.

Tony Elder Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of September 26, 2024. Kathy Steadman 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.

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 11/30/2024: 33
- Total incurred as of 1/30/2024: \$646,567

Pre-Paid Legal Overview

- Costs are down for FY25 as of 11/30/2024

2024/2025 Alliance Rating Retrospective Plan	Estimate	Actual (as of 11/30/24)
○ Incurred Losses*	\$685,825	382,764
○ Unallocated Loss Adjustment Expense*	\$142,039	77,912
○ 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	\$605,268

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

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 5/31/2024	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	*884,324	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 11/30/2024 - \$ 43,024
- Trust Investment Pool Balance as of 11/30/2024 - \$ 44,863

2025/2026 Renewal Dates

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

C. Medical Claims/Financial Reports – Information

Tonya Buffi and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,946 Employees
- 2,707 Lives
- 41 Average Age
- Medical Plan Spend 43% decrease over 23/24 (YTD through October 31, 2024)
 - Top 5 Providers: Mayo Clinic Hospital, Scottsdale Healthcare Shea, Honor Health J.C. Lincoln, Chandler Regional, St Joseph's Hospital
 - #1 Condition – Health Status/Encounters 23/24 \$265,524 and 24/25 at \$193,429 as of Oct. 31
 - Top 5 Conditions
 - Health Status/Encounters, Neurological Disorders, Cardiac Disorders, Cancer, spine-related Disorders
 - Prescription Spend 19% Decrease over 23/24 (YTS through October 31, 2024)

Plan Cost & Network Utilization

- 2024-2025: \$288 PMPM
- 2023-2024 \$398/ Benchmark: \$283
- 2024-2025: 99% In-Network Utilization
- Prescription Spend
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Pain/Spasms, Immunizing Agents
 - Top 5 Specialty: Chronic Inflammatory Disease, Oncology, HIV/AIDS, Other – Misc. Class, Pulmonary Fibrosis (59% of the spend)
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 4 Point Increase
 - Cervical Cancer Screen 21+ 3 Point Increase
 - Flu Vaccine 5 Point Decrease
 - Mammography Screen 40+ 1 Point Increase
- Other Topics:
- Teladoc 1/1/2024 – 10/2024
 - General Medicine – 429 (Savings - \$278,243)
 - Mental Health – 41 (Savings - \$13,221)
 - Dermatology – 41 (Savings - \$5,093)
- Kairos Pro Navigators – Engaged participant count 2023/2024 – 129/172 (Successful/Overall);

2022/2023 – 114/149 (Successful/Overall)

- Participant Engagement Rate – Closed Cases
 - 2024/2025 89%
 - 2023/2024 75%
 - Industry standard 13%
- Customer Service – 17 Total Participants Assisted
 - Benefits 9
 - ID Card 5
 - Nurse Navigator 1
 - Claims 1
 - Cobra 1
- Executive Summary
 - Highlights
 - Pharmacy and Medical claims are trending downward.
 - Large claims represent 28% of spend, representing a decline from 2023-2024.
 - EAP utilization is very low comparatively – Need additional communication
 - Updates
 - Kairos Board Meetings: 12/19/2024, 2/13/2025 (Rates and Renewals discussion)
 - Synergy Summit: 2/7/2025
 - New PBM negotiations resulted in a savings of approximately \$800K to SUSP eff 10/1/2024
 - 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 – 6 free visits for each incident per person per incident.

D. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2024-2025 as of November 30, 2024.

- Total Ending Balance in each of the three Checking accounts as of November 30, 2024:
 - Medical \$7,682,006.90
 - Property/Casualty \$ 76,075.34
 - Workman's Comp \$ 200,339.08
 - **TOTAL \$ 6,391,463.32**
- Total in each of the three Investment accounts as of November 30, 2024:
 - Medical \$ 17,175,674.41
 - Property/Casualty \$ 2,787,591.33
 - Workman's Comp \$ 7,184,319.00
 - **TOTAL \$ 27,147,584.74**
- **Total All Accounts:**
 - Medical \$ 24,857,581.31
 - Property/Casualty \$ 2,863,666.67
 - Worker's Comp. \$ 7,384,658.08
 - **TOTAL \$ 35,106,006.06**

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

Three investment accounts as of 10/31/2024:

- Medical - 14 Securities/Accounts – 17,261 million (3.66% Book Yield & Market Yield 4.63%)
 - Unrealized Loss (\$158) without accrued Interest.
 - Cash Flow 15,058,000
- Worker's Compensation - 9 Securities/Accounts - 7.217 million (3.57% Book Yield & Market Yield 4.65%)
 - Unrealized Loss (\$59) without accrued Interest.
 - Cash Flow \$7,225,000

- Property and Casualty – 3 Securities/Accounts – 2.814 million Portfolio Size (2.94% Book Yield & Market Yield 4.57%)
 - Unrealized Loss (\$36) without accrued Interest.
 - Cash Flow \$1,822,000

E. Authorize Up to \$2 Million Toward the Cost of Medical Insurance for FY25/26 – Action

Shannon Crosier presented the information concerning the recommendation to offset the rising cost of medical insurance for fiscal year 2025-2026 with up to \$2 million. Discussion took place and the board decided to table the agenda item for additional information.

Shannon Crosier Moved to table “E. Authorize Up to \$2 Million Toward the Cost of Medical Insurance for FY25/26 agenda item to bring additional information and discussion at a special meeting in January 2025.

Kathy Steadman Seconded the motion. The motion was approved with a vote of 4– 0. (Mr. Hazeltine joined the meeting at 4:17 after the initial votes which makes it a 4-0 vote)

F. Future Agenda Items- Schedule a Special Self-Insurance Trust meeting in January 2025 and bring back the tabled agenda item - Authorize Up to \$2 Million Toward the Cost of Medical Insurance for FY25/26.

G. Dates of Upcoming Meetings – January 2025 Special Meeting, March 27, 2025, & May 29, 2025.

H. Adjournment

At 5:34 pm, Craig Hazeltine Moved to adjourn the meeting. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 12th day of December 2024.

Approved March 27, 2025.