

**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
March 27, 2025, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:15** pm on March 27, 2025.

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, Mike Sharkey Trustee and Governing Board Vice President, & Craig Hazeltine, Trustee. A quorum was present.
Absent: Tony Elder, Trustee, Kathy Steadman, Trustee

The Following request was made to amend the agenda:

- Shannon Crosier requested to table C – Open Meeting Law Overview until the May 29, 2025 meeting due to the absence of Trustees.

Shannon Crosier moved to table C – Open Meeting Law Overview until the May 29, 2025 meeting.
Mike Sharkey seconded the motion. The motion was approved with a vote of 3-0.

Approval of Agenda- Shannon Crosier moved to approve the agenda as amended, Craig Hazeltine seconded the motion. The motion was approved as amended 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 December 12, 2024 meeting. - Action
No discussion, Minutes stand as submitted.

Mike Sharkey moved to approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of December 12, 2024. Craig Hazeltine Seconded the motion. The motion was approved with a vote of 3– 0.

- B. Approval of SUSD Special Self-Insurance Trust Minutes from January 23, 2025 meeting. - Action
No discussion, Minutes stand as submitted.

Craig Hazeltine Moved to Approve the Scottsdale USD Special Self-Insurance Trust Meeting Minutes of January 23, 2025. Mike Sharkey Seconded the motion. The motion was approved with a vote of 3– 0.

- C. Open Meeting Law Overview – Information
This agenda item was tabled until May 29, 2025.

- D. Property/Casualty/Workers Comp Claims Report (ARRT) – Information
Lily Leonard (In for 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 2/28/2025: 59
- Total incurred as of 2/28/2025: \$1,163,742

2025/2026 Trust Renewal Updates

Coverage	2025/2026 Trust Rates	2025/2026 Commercial Market*
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General/Professional Liability	~8%	Flat to 30% increase
Auto Liability	~2%	Flat to 30% increase
Property	~3%	5% to 20% increase
Cyber Liability	~5%	1% decrease to 1% increase

2025/2026 Trust Renewal Updates

- Trust Loyalty Credit (3%)
 - District is on track to receive approximately \$82,349
 - Tier 1 (3%): 3 of 3 items completed
- March-April: 25/26 contribution estimates sent to members
- June 30: 25/26 renewal forms due to the Trust

2024/2025 Alliance Rating Retrospective Plan	Estimate	Actual (as of 2/28/25)
◦ Incurred Losses*	\$685,825	442,412
◦ Unallocated Loss Adjustment Expense*	\$142,039	90,141
◦ 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	\$678,244

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

Alliance Rating Retrospective Plan

- As of 2/28/2024, the district is trending at 70% 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	*678,244	972,555
2023/2024	Retrospectively Rated	*804,566	913,306
2022/2023	Retrospectively Rated	*785,352	914,446
2021/2022	Retrospectively Rated	*884,769	927,440
2020/2021	Retrospectively Rated	*643,014	860,358
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 Balance

- Trust Prepaid Account Balance as of 2/28/2025 - \$ 99,452
- Trust Investment Pool Balance as of 2/28/2025 - \$ 45,598

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

E. Medical Claims/Financial Reports – Information

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

- 1,806 Employees
- 2,417 Lives
- 41 Average Age

- Medical Plan Spend 26% decrease over 23/24 (YTD through February 31, 2024)
 - Top 5 Providers: Mayo Clinic Hospital, Scottsdale Healthcare Shea, Honor Health Osborn, Honor Health J.C. Lincoln, Scottsdale Healthcare Thompson Peak
 - #1 Condition – Cancer 23/24 \$1,858,215 and 24/25 at \$757,544
 - Top 5 Conditions
 - Cancer, Health Status/Encounters, Gastrointestinal disorders, Musculoskeletal disorders, Cardiac Disorders

Plan Cost & Network Utilization

- 2024-2025: \$498 PMPM
- 2023-2024 \$549/ Benchmark: \$499
- Prescription Spend
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Pain/Spasms, Immunizing Agents
 - Top 5 Specialty: Chronic Inflammatory Disease, Oncology, HIV/AIDS, Orphan Drugs, (62% of the spend)
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 6 Point Increase
 - Cervical Cancer Screen 21+ 3 Point Increase
 - Flu Vaccine No Change
 - Mammography Screen 40+ 1 Point Increase
- EAP utilization – ComPsych Service – 73 total member engagement (7/1/24-2/28/25)
 - Counseling/Behavioral Health: 57
 - Family source: 2
 - Financial connect: 0
 - Health and Well-Being: 2
 - Health Care Navigation: 0
 - Legal Connect: 12
- Kairos Pro Navigators – Engaged participant count 2024-2025 YTD – 129/172 (Successful/Overall), 2023/2024 – 129/172 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - 2024/2025 83%
 - 2023/2024 75%
 - Industry standard 13%
- Customer Service – 35 Total Participants Assisted
 - Benefits 15
 - Nurse Navigator 10
 - ID Card 6
 - Claims 3
 - Cobra 1
- Executive Summary
 - Highlights
 - Pharmacy claims have remained consistent compared to last year.
 - Medical claims are trending downward.
 - Large claims represent 46% of spend, down from 55% from 2023-2024.
 - Updates
 - Basic Life coverage has decreased by 5% effective 7/1/2025
 - Aware virtual physical therapy pilot began 2/1/25, on-site appointments scheduled for 3/3/1/25
- Recommendations
 - Engagement with nurse navigator and participant advocate teams
 - Preventive health screenings for early detection and avoidance of high-cost claims
 - Promotion of EAP services

F. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2024-2025 as of February 28, 2025.

- Total Ending Balance in each of the three Checking accounts as of February 28, 2025:

- Medical \$ 2,797,317.78
- Property/Casualty \$ 76,075.34
- Workman's Comp \$ 221,685.08
- **TOTAL** **\$ 3,095,078.20**
- Total in each of the three Investment accounts as of February 28, 2025:
 - Medical \$ 17,361,111.20
 - Property/Casualty \$ 2,819,455.12
 - Workman's Comp \$ 7,265,768.20
 - **TOTAL** **\$ 27,446,334.52**
- **Total All Accounts:**
 - Medical \$ 20,158,428.98
 - Property/Casualty \$ 2,895,530.46
 - Worker's Comp. \$ 7,487,453.28
 - **TOTAL** **\$ 30,541,412.72**

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

Three investment accounts as of 02/28/2025:

- Medical - 12 Securities/Accounts – 17,471 million (3.42% Book Yield & Market Yield 4.29%)
 - Unrealized Loss (\$112) without accrued Interest.
 - Cash Flow 16,004,000
- Worker's Compensation - 9 Securities/Accounts - 7.300 million (3.21% Book Yield & Market Yield 4.32%)
 - Unrealized Loss (\$35) without accrued Interest.
 - Cash Flow \$7,305,000
- Property and Casualty – 2 Securities/Accounts – 2.845 million Portfolio Size (3.03% Book Yield & Market Yield 4.26%)
 - Unrealized Loss (\$26) without accrued Interest.
 - Cash Flow \$2,852,000

G. Appropriate Minimum and Maximum of the Trust Accounts – Information

Discussion took place on how the minimums and maximums were originally set by the Self-Insurance Trust Board. Currently we will drop below the minimum in the Medical Account this year and next year we may drop below the minimum in the Property Casualty Account.

H. Future Agenda Items – Action item for the Minimum and Maximum of the Trust Accounts on May 29th meeting. Action item for the Dates for 2025 – 2026 FY.

I. Dates of Upcoming Meetings – May 29, 2025.

J. Adjournment –

At 6:00 pm, Mike Sharkey Moved to adjourn the meeting. Craig Hazeltine Seconded the motion.

The motion was approved with a vote of 3 – 0.

Dated this 27th day of March 2025.

Approved May 29, 2025.