

**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 18, 2025, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:00** pm on September 18, 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, & Kathy Steadman, Trustee. A quorum was present.

Absent: All in attendance

Approval of Agenda- Craig Hazeltine moved to approve the agenda as presented, Mike Sharkey seconded the motion. The motion was approved with a vote of 4 – 0.

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from May 29, 2025 Meeting. - Action
No discussion, Minutes stand as submitted.

Mike Sharkey Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of May 29, 2025. Kathy Steadman Seconded the motion. The motion was approved with a vote of 4 -0.

- B. Insurance RFP Update – Information – Shannon Crosier provided an update on the Insurance RFP process. The district is working with **USI**, the consulting firm tasked with reviewing all submitted information and communicating findings to the district team overseeing the RFP.

We remain within one week of our original timeline to initiate the RFP. The RFP will be open for several weeks, with responses due by October 15, 2025 by 1:00 pm.

Once submissions are received, USI will:

- Review all proposals
- Clarify and compare offerings
- Compile the results in a standardized format for evaluation

The review committee will include:

- Two representatives from each employee group
- Staff from the Benefits Department
- The Chief Financial Officer (CFO)
- The Assistant Superintendent of Human Resources

This committee will evaluate the compiled responses and bring forward a recommendation to the Governing Board for final approval.

C. Property/Casualty/Workers Comp Claims Report (ARRT) – Information

Jessica Schuler from the Trust presented financial reports concerning Property/Casualty and Worker's Compensation.

- 25/26 Property and Liability Premium: \$ 2,877,769
- 25/26 Workers' Compensation Premium: \$ 877,348 (Est)
- 25/26 Health Benefits Premium: \$ 20,516,418 (Est)
 - Total number of claims processed as of 8/31/2025: 15
 - Total incurred as of 8/31/2025: \$629,576

2025/2026 Alliance Rating Retrospective Plan	Estimate	Actual (as of 8/31/25)
○ Incurred Losses*	\$611,089	22,780
○ Unallocated Loss Adjustment Expense*	\$132,017	3,855
○ Administrative Expense	\$ 68,288	68,288
○ Excess Insurance and Tax Expense	\$ 47,331	47,331
○ Contribution to Net Position*	\$ 18,358	18,623
○ Total	\$877,348	\$160,871

*Based on actual payroll, to be reported in July 2026 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 8/31/2025, the district is trending at 18% 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 6/30/2025	Retro Contribution: Original Estimate
2024/2025	Retrospectively Rated	*1,069,150	969,937
2023/2024	Retrospectively Rated	*776,832	913,306
2022/2023	Retrospectively Rated	*779,051	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 7/30/2025 - \$ 113,559
- Trust Investment Pool Balance as of 7/30/2025 - \$ 46,322

D. Medical Claims/Financial Reports – Information

Josh Landis and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,860 Employees
- 2,486 Participants
- 41 Average Age
- 1.3 Average Family Size
- 64% Female and 36% Male
- Medical Plan Spend 17% decrease over 23/24
- Pharmacy Spend 1% decrease from 23/24

- Top 5 Providers: Honor Health, Mayo Clinic Hospital, Phoenix Children's Hospital, Alabama Infusion Flexcare Infusion, Chandler Regional Medical
- #1 Condition – Cancer 23/24 \$2,279,811 and 24/25 at \$1,145,110
 - Top 5 Conditions
 - Cancer, Health Status/Encounters, Cardiac Disorders, Musculoskeletal disorders, Gastrointestinal disorders

Plan Cost & Network Utilization

- 2024-2025: \$744 PEPM
- 2023-2024 \$788/ Benchmark: \$1,051
- Prescription Spend
 - Top 5 Traditional: Immunomodulatory Agent, Neuromuscular, Diabetes, Anti-inflammatory
 - Top 5 Drugs: Pomalyst, Spinraza, Mounjaro, Ozempic, Ibrance

Preventive Screenings

- Colorectal Cancer Screen 45+ 6 Point Increase
- Cervical Cancer Screen 21+ 2 Point Increase
- Flu Vaccine 1 Point Decrease
- Mammography Screen 40+ 1 Point Decrease

- EAP utilization – ComPsych Service – 116 total member engagement (7/1/24-6/30/25)
 - Counseling/Behavioral Health: 90
 - Family source: 8
 - Financial connect: 2
 - Health and Well-Being: 3
 - Health Care Navigation: 0
 - Legal Connect: 13
- Aware Health Telehealth Physical Therapy – 100 SUSD members have used Aware Health, totaling 542 visits
 - Prior to Using Aware Health – 43 members considered surgery, 37 members considered imaging, 77 considered in-person physical therapy.
 - By choosing Aware Health, an estimated: \$424,083 was avoided in surgery costs, \$8,505 was avoided in imaging costs, \$42,582 was avoided in in-person physical therapy costs
 - Estimated YTD Savings Impact = \$478,000
- Kairos Nurse Navigators – Engaged participant count 2024-2025 YTD
- Participant Engagement Rate – Closed Cases – 224/261
 - 2024/2025 86%
 - 2023/2024 75%
 - Industry standard 40%
- Customer Service – 224 Total Participants Assisted
 - Nurse Navigator 116
 - Inpatient/Post-discharge 60
 - HCC Claim Review 37
 - Pharmacy Coordination 24
- Executive Summary
 - Highlights
 - Pharmacy claims have remained almost even with last year's spend, seeing slight decrease.
 - Medical claim spend decrease overall 17%
 - SUSD Aware participation and utilization are performing exceptionally well
 - Cancer related claims have reduced by \$1.1M over last plan year

○ Updates

- Scottsdale Robotics, and AZGYN contracted directly with Kairos as preferred vendors
- Aware on-site visit scheduled 9/25/2025

- Strategic Board Retreat 10/9/25
- Benefits Insight 10/23/25
- Recommendations
 - Encourage annual well checks, cancer screenings
 - Encourage engagement of Aware virtual physical therapy
 - Continue to reinforce the value and expertise of the Nurse Navigators

E. Trust Financial Update – Information

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

- Total Ending Balance in each of the three Checking accounts as of June 30, 2025:
 - Medical \$ 2,788,882.43
 - Property/Casualty \$ 1,363,475.34
 - Workman's Comp \$ 662,783.63
 - **TOTAL \$ 4,815,141.40**
- Total in each of the three Investment accounts as of April 30, 2025:
 - Medical \$ 17,597,449.31
 - Property/Casualty \$ 2,859,315.19
 - Workman's Comp \$ 7,368,176.05
 - **TOTAL \$ 27,824,940.55**
- **Total All Accounts as of April 30, 2025:**
 - Medical \$ 20,386,331.74
 - Property/Casualty \$ 4,222,790.53
 - Worker's Comp. \$ 8,030,959.68
 - **TOTAL \$ 32,640,081.95**

Shannon Crosier presented the Checking and Investment Accounts for Fiscal Year 2025-2026 as of August 31, 2025.

- Total Ending Balance in each of the three Checking accounts as of August 31, 2025:
 - Medical \$ 3,900,277.97
 - Property/Casualty \$.34
 - Workman's Comp \$ 10,511.97
 - **TOTAL \$ 3,910,740.28**
- Total in each of the three Investment accounts as of August 31, 2025:
 - Medical \$ 17,688,212.60
 - Property/Casualty \$ 1,544,768.50
 - Workman's Comp \$ 7,193,233.68
 - **TOTAL \$ 26,406,214.78**
- **Total All Accounts as of August 31, 2025**
 - Medical \$ 21,568,440.57
 - Property/Casualty \$ 1,544,768.84
 - Worker's Comp. \$ 7,203,745.65
 - **TOTAL \$ 30,316,955.06**

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

Three investment accounts as of 08/29/2025:

- Medical - 26 Securities/Accounts – 17,697 million (3.56% Book Yield & Market Yield 3.99%)
 - Unrealized Loss (\$54) without accrued Interest.
 - Cash Flow 11,860,000
- Worker's Compensation - 2 Securities/Accounts – 7,175 million (3.98% Book Yield & Market Yield 4.04%)
 - Unrealized Loss (\$4) without accrued Interest.
 - Cash Flow \$7,351,000
- Property and Casualty – 2 Securities/Accounts – 1.553 million Portfolio Size (1.99% Book Yield & Market Yield 4.36%)
 - Unrealized Loss (\$9) without accrued Interest.
 - Cash Flow \$1,557,000

F. Future Agenda Items – No items added

L. Dates of Upcoming Meetings –December 11, 2025, March 12, 2026, & May 28, 2026.

M. Adjournment –

At 5:29 pm, Mike Sharkey Moved to adjourn the meeting. Kathy Steadman Seconded the motion.
The motion was approved with a vote of 4 – 0.

Dated this 18th day of September 2025.

Approved December 11, 2025