

**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 12, 2026, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:02** pm on March 12, 2026.

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 and John Carey, Trustee.

A quorum was present.

Absent: Kathy Steadman and John Carey

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 3-0.

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from December 11, 2025, Meeting. - Action
No discussion, Minutes stand as submitted.

Mike Sharkey Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of December 11, 2025. Craig Hazeltine Seconded the motion. The motion was approved with a vote of 3 - 0.

- B. Authorize Up to \$2 Million Toward the Cost of Medical Insurance for FY26/27 – Action

Discussion took place, if the district's claims came in lower than projected, the money would stay in the investment accounts to be used in the future.

Shannon Crosier Moved to Approve \$2 Million Toward the cost of medical Insurance for FY26/27. Mike Sharkey Seconded the motion. The motion was approved with a vote of 3-0.

- C. Insurance RFP Update – Information

Shannon Crosier gave an Insurance RFP update to include Direct Contract with Blue Cross Blue Shield of Arizona as our new insurance carrier beginning July 1, 2026. Ancillaries will include Prudential, EMI, Delta Dental, EyeMed, Nationwide and United Pet Insurance, Inspira is cobra and FSA, Health Equity will be through BCBS, and virtual physical therapy will be through Hinge Health. EAP will be Compsych.

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

Kyla Ferry 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 1/31/2026: 54
- Total incurred as of 1/31/2026: \$2,625,627

2026/2027 Trust Renewal Updates

- General/Professional Liability ~10%
- Auto Liability ~4.5%
- Property ~2%
- Workers Comp ~2%

2026/2027 Trust Renewal Updates

- Trust Loyalty Credit (3%)
 - District is on track to receive approximately \$86,333
 - Tier 1 (3%): 3 of 3 items completed
- March-April: 26/27 contribution estimates sent to members
- June 30: 26/27 renewal forms due to the Trust

2025/2026 Alliance Rating Retrospective Plan	Estimate	Actual (as of 1/31/26)
◦ Incurred Losses*	\$611,089	249,773
◦ Unallocated Loss Adjustment Expense*	\$132,017	53,951
◦ Administrative Expense	\$ 68,288	68,288
◦ Excess Insurance and Tax Expense	\$ 47,331	47,331
◦ Contribution to Net Position*	<u>\$ 18,358</u>	<u>18,623</u>
◦ Total	\$877,348	\$437,960

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

Alliance Rating Retrospective Plan

- As of 1/31/2026, the district is trending at 50% 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 2026.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 1/31/2026	Retro Contribution: Original Estimate
2025/2026	Retrospectively Rated	*437,960	877,348
2024/2025	Retrospectively Rated	*1,287,225	969,937
2023/2024	Retrospectively Rated	*760,546	913,306
2022/2023	Retrospectively Rated	*771,927	914,446
2021/2022	Retrospectively Rated	*876,364	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 1/31/2026 - \$ (157,956)
- Trust Investment Pool Balance as of 1/31/2026 - \$ 47,329

2026/2027 Renewal: Dates

- November: Trust Values Collection released
- December: Cyber Values Collection released
- February: Alliance Values Collection released
- March-April: 26/27 contribution estimates sent to members
- June 30: 26/27 renewal forms due to the Trust

E. Medical Claims/Financial Reports – Information 7/1/2025 – 1/31/2026

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

- 1,740 Employees prior 1,819
- 2,279 Participants prior 2,428
- 41 Average Age prior 42
- 1.3 Average Family Size
- 64% Female and 36% Male
- Medical Plan Spend 22% increase over 24/25
- Pharmacy Spend 13% increase from 24/25

Top 5 Providers: Honor Health, Mayo Clinic Arizona, Alabama Infusion, Banner Desert Medical, UCSD Medical Center

- #1 Condition – Cancer 25/26 \$883,219 and 24/25 at \$693,346

Top 5 Conditions

- Cancer, Health Status/Encounters, Neurological disorders, Musculoskeletal disorders, Cardiac Disorders

Plan Cost & Network Utilization

- 2025-2026: \$616 PMPM
- 2024-2025 \$483/ Benchmark: \$555

Prescription Spend

- Top 5 Traditional: Neuromuscular, Immunomodulatory Agent, Diabetes (2), Immunosuppressant
- Top 5 Drugs: Spinraza, Pomalyst, Mounjaro, Skyrizi on body, Ozempic

Large Claimants – 25/26 - 47% over \$50K

- Neurological Disorder (2), Vascular Cancer, Brain Cancer, Cardiac, Trauma/Accident, Ovarian Cancer, Renal/Urologic Disorder

Preventive Screenings

- Colorectal Cancer Screen 45+ 4 Point Increase
- Cervical Cancer Screen 21+ 2 Point Decrease
- Flu Vaccine 1 Point Decrease
- Mammography Screen 40+ Even
- EAP Utilization – ComPsych Service – 30 total member engagement (7/1/25-1/31/26)
 - Counseling/Behavioral Health: 19
 - Family source: 0
 - Financial connect: 10
 - Health and Well-Being: 0
 - Legal Connect: 1
- Aware Health Telehealth Physical Therapy – 178 SUSD members have used Aware Health, totaling 721 visits
 - Prior to Using Aware Health – 41 members considered surgery, 37 members considered imaging, 92 considered in-person physical therapy.
 - By choosing Aware Health, an estimated: \$554,678 was avoided in surgery costs, \$11,432 was avoided in imaging costs, \$43,309 was avoided in-person physical therapy costs
 - Estimated YTD Savings Impact = \$610,217
- Customer Service – 23 Total Participants Assisted
 - Enrollment 1
 - COBRA 3
 - Claims 1
 - ID Cards 2
 - Benefits 11
 - Nurse Navigator 5

Executive Summary

- Highlights
 - Medical claim spend has increased by 22%
 - Pharmacy claims show a 13% increase
 - Cancer related claims have reduced by \$1.1M over last plan year
- Updates
 - Kairos received termination letter and has begun the vendor notification process

F. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2025-2026 as of February 28, 2026. *Diligent platform has an incorrect page of SUSD's financials. The corrected page is posted on Scottsdale's website. Below are the corrected financials as gone over in the meeting.*

- Total Ending Balance in each of the three Checking accounts as of February 28, 2026:
 - Medical \$ 6,783,209.39
 - Property/Casualty \$ 250,000.34
 - Workman's Comp \$ 94,077.00
 - **TOTAL \$ 6,299,971.00**
- **TOTAL WITH BEG. BAL: \$ 7,127,286.73**
- Total in each of the three Investment accounts as of February 28, 2026:
 - Medical \$ 18,033,234.27
 - Property/Casualty \$ 1,574,085.14
 - Workman's Comp \$ 7,445,152.02
 - **TOTAL \$ 27,052,40.43**
- Total All Accounts as of February 28, 2026:
 - Medical \$ 24,816,443.66
 - Property/Casualty \$ 1,824,084.48
 - Worker's Comp. \$ 7,539,229.02
 - **TOTAL \$ 34,179,757.16**

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

Three investment accounts as of 2/27/2026

- Medical - 23 Securities/Accounts – 18,027 million (3.50% Book Yield & Market Yield 3.68%)
 - Unrealized Loss (\$10) without accrued Interest.
 - Cash Flow 13,846,000
- Property and Casualty – 1 Securities/Accounts – 1.574 million Portfolio Size (3.58% Book Yield & Market Yield 3.58%)
 - Unrealized 0 without accrued Interest.
 - Cash Flow \$1,574,000
- Worker's Compensation - 2 Securities/Accounts – 7,335 million (3.67% Book Yield & Market Yield 3.63%)
 - Unrealized Gain 2 without accrued Interest.
 - Cash Flow \$7,423,000

G. Future Agenda Items

H. Dates of Upcoming Meetings – May 28, 2026.

I. Adjournment –

At 5:14 pm, Mike Sharkey Moved to adjourn the meeting. Craig Hazeltine Seconded the motion. The motion was approved with a vote of 3 – 0.