

**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 17, 2026, at 4:00 PM**

The Self-Insurance Trust meeting was called to order at **4:02** pm on September 17, 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, Jake Seltzer, Trustee, Regan Butcher, Trustee

A quorum was present.

Absent: Erika Miller Coombs, Trustee

Approval of Agenda- Mike Sharkey moved to approve the agenda as presented, Shannon Crosier 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 of May 28, 2026, Meeting. - Action
No discussion, Minutes stand as submitted.

Mike Sharkey Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of May 28, 2026. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 - 0.

- B. Selection of a Self-Insurance Trust Chair – Action
Discussion took place and nominations were presented.

Jake Seltzer Moved to Select and Approve Shannon Crosier as Self-Insurance Trust Board Chair. Mike Sharkey Seconded the motion. The motion was approved with a vote of 4 - 0.

- C. Approval of Amendment to Trust Agreement – Action
Shannon Crosier presented the information on the amended Trust Agreement. Questions and clarifications were addressed. Board would like to see the amounts broken down separately, but combining the accounts is appropriate. This would be one checking account and one investment account.

Jake Seltzer Moved to Approve the Trust Agreement as amended. Regan Butcher Seconded the motion. The motion was approved with a vote of 4-0.

- D. Authorization to use Wellness Credits – Action
Shannon Crosier presented the information concerning Wellness Credits and answered questions. This would include a Wellness Coordinator at a .5.

Regan Butcher Moved to Authorize the use of Wellness Credits. Jake Seltzer Seconded the motion. The motion was approved with a vote of 3 – with 1 abstention from Mike Sharkey.

- E. 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: \$ 3,124,423
 25/26 Workers' Compensation Premium: \$ 896,298 (Est)

- Total number of claims processed as of 8/31/2026: 14.
- Total incurred as of 8/31/2026: \$431,761

2026/2027 Alliance Rating Retrospective Plan	Estimate	Actual (as of 8/31/26)
○ Incurred Losses*	\$622,469	15,460
○ Unallocated Loss Adjustment Expense*	\$141,510	3,514
○ Administrative Expense	\$ 67,497	68,236
○ Excess Insurance and Tax Expense	\$ 46,350	47,378
○ Contribution to Net Position*	<u>\$ 18,472</u>	<u>18,623</u>
○ Total	\$896,298	\$153,211

*Based on actual payroll, to be reported in July 2027 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 8/31/2026, the district is trending at 17% 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 2027.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 6/30/2026	Retro Contribution: Original Estimate
2025/2026	Retrospectively Rated	*681,900	877,384
2024/2025	Retrospectively Rated	*1,226,867	969,337
2023/2024	Retrospectively Rated	*759,894	913,306
2022/2023	Retrospectively Rated	*761,868	914,446
2021/2022	Retrospectively Rated	*876,697	927,440

*Estimated contribution. Loss elements are adjusted for 5 years.

PPA/TIP Balance

- Trust Prepaid Account Balance as of 7/30/2026 - \$ (75,797)
- \$300,000 deposit on 8/3/26
- Trust Investment Pool Balance as of 7/30/2026 - \$ 48,236

F. Medical Claims/Financial Reports – Information 7/1/2026 – 8/31/2026 Allison Sparks from CapFi Consulting presented information.

2026-2027 Renewal Decisions: Medical

- Combined Admin + Stop loss PEPM \$132.65 – 115.72 = -\$16.93
- Total Plan Cost Change +10.3%
- Specific Stop Loss – Lo aggregate – no lasers \$300,000
- New TPA Network and PBM – BCBSAZ

2026/2027 Renewal Decisions: Medical

-\$16.93

Combined Admin + Stop Loss PEPM
\$132.65 → \$115.72

+10.3%

Total Plan Cost Change
\$17,286,097 → \$19,070,982

\$300,000

Specific Stop Loss
No aggregate · no lasers

BCBSAZ

New TPA, Network and PBM
Kairos contract terminated

Cost Comparison: Current (Kairos / UMR) vs. Sold Option (BCBSAZ)

Component	Current (Kairos / UMR)	Sold Option (BCBSAZ)	Est. Annual	% Chg
Third-Party Administration (PEPM)	\$61.39 · UMR	\$31.09 · BCBSAZ TPA	\$592,824*	n/a
Stop Loss (\$300K specific, no aggregate)	\$71.26 PEPM	\$84.63 PEPM (Opt. 1b, bundled)	\$1,613,725	+18.8%
Combined Admin + Stop Loss (PEPM)	\$132.65	\$115.72	-\$16.93	-12.8%
Total Plan Cost (admin + stop loss + claims)	\$17,286,097	\$19,070,982	+\$1,784,885	+10.3%

*Estimated annual TPA spend at the sold BCBSAZ PEPM.

Program Structure Effective 7/1/2026

Component	2026-27 Selection
Third-Party Administrator	BCBSAZ, replacing UMR under the terminated Kairos contract
Pharmacy Benefit Manager	OptumRx, accessed through BCBSAZ
Network	BCBSAZ, with BlueCard for out-of-Arizona claims
Prosano Network Assignment	Statewide for PPO 2000, HDHP 1700, HDHP 3400 and HDHP 5000 · Alliance for PPO 7000
Stop Loss	Bundled with BCBSAZ · \$300,000 specific · no aggregate coverage · no lasers

2026-2027 Renewal Decisions: Ancillary

Employer-Paid Ancillary Lines: Annual Cost Comparison

Benefit Line	2025-26 Carrier	2026-27 Carrier	Current Annual	New Annual	% Chg
Dental DHMO	Kairos (TDA)	AHP / EMI Health (TDA)	\$30,089	\$34,382	+14.3%
Dental PPO	Kairos (Delta Dental)	Delta Dental	\$946,109	\$917,439	-3.0%
Vision	Kairos (VSP)	EyeMed	\$139,362	\$125,412	-10.0%
Basic Life / AD&D	Kairos (MetLife)	Prudential	\$144,405	\$88,644	-38.6%
Voluntary Short-Term Disability	Kairos (MetLife)	Prudential	\$242,522	\$211,842	-12.7%
Employee Assistance Program	Kairos (ComPsych)	ComPsych	\$26,004	\$28,344	+9.0%
HSA Administration	Kairos (HealthEquity)	BCBSAZ (HealthEquity)	Incl. in medical	\$45,212	n/a
FSA / POP Administration	Kairos (HealthEquity)	Inspira Financial	\$4,840	\$3,597	-25.7%
COBRA Administration	Kairos	Inspira Financial	\$7,801	\$6,501	-16.7%
Total Employer-Paid Ancillary			\$1,541,132	\$1,461,373	-5.2%

Voluntary (Employee-Paid) Lines

Voluntary Line	2026-27 Carrier	Notes
Voluntary Life / AD&D	Prudential	Employee-paid · spouse guarantee issue raised from \$30,000 to \$100,000
Voluntary Accident	Prudential	Employee-paid · annual volume approximately \$25,004
Voluntary Hospital Indemnity	Prudential	Employee-paid · annual volume approximately \$30,712
Voluntary Critical Illness	Prudential	Employee-paid · rates confirmed at finalist stage
Prepaid Legal / ID Theft / Pet	Unchanged	ARAG-type legal, Aura, United Pet Care and Nationwide · fully voluntary

Self-Funded VS. Fully Insured Equivalent: 2026/2027

63.5%

Of Maximum Liability
Year to date, Jul-Aug 2026

\$2,139,129

YTD Total Plan Paid
Fixed costs plus net claims

\$2,161,895

YTD Fully Insured Equivalent
Same enrollment and tiers

-\$22,766

Self-Funding Advantage
YTD vs. fully insured

Monthly Funding Detail: Plan Year 7/1/2026 – 6/30/2027

Month	Admin	HSA	Stop Loss	Total Fixed	Net Claims	Total Paid	Max Cost	% of Max	PEPM	FI Equivalent
Jul-26	46,410	3,164	130,923	180,497	724,808	905,305	1,686,555	53.7%	\$585.20	\$1,081,647
Aug-26	46,350	3,078	130,753	180,181	1,053,643	1,233,824	1,684,374	73.3%	\$798.59	\$1,080,249
Sep-26	—	—	—	—	—	—	—	—	—	—
Oct-26	—	—	—	—	—	—	—	—	—	—
Nov-26	—	—	—	—	—	—	—	—	—	—
Dec-26	—	—	—	—	—	—	—	—	—	—
Jan-27	—	—	—	—	—	—	—	—	—	—
Feb-27	—	—	—	—	—	—	—	—	—	—
Mar-27	—	—	—	—	—	—	—	—	—	—
Apr-27	—	—	—	—	—	—	—	—	—	—
May-27	—	—	—	—	—	—	—	—	—	—
Jun-27	—	—	—	—	—	—	—	—	—	—
Total YTD	\$92,760	\$6,242	\$261,676	\$360,678	\$1,778,451	\$2,139,129	\$3,370,929	63.5%	\$450.25	\$2,161,895

Based on fully insured / COBRA equivalent rates and enrollment. Does not include run-out claims paid in FY27.

Self-Funded VS. Fully Insured Equivalent: 2025/2026

111.1%

Of Maximum Liability
FY 2025-26, all 12 months

\$20,990,347

Total Plan Paid
Jul 2025 – Jun 2026

\$1,006.92

Average PEPM
Total paid per employee

+\$2,093,311

vs. Fully Insured Equivalent
Above the FI comparison

Monthly Funding Detail: Plan Year 7/1/2025 – 6/30/2026

Month	Admin	HSA	Stop Loss	Total Fixed	Net Claims	Total Paid	Max Cost	% of Max	PEPM	FI Equivalent
Jul-25	101,171	—	117,436	218,607	1,852,249	2,070,856	1,493,995	138.6%	\$1,256.59	\$1,493,995
Aug-25	106,327	—	123,422	229,750	1,186,181	1,415,931	1,570,145	90.2%	\$817.51	\$1,570,145
Sep-25	107,064	—	124,277	231,342	1,249,695	1,481,037	1,581,023	93.7%	\$849.22	\$1,581,023
Oct-25	107,862	—	125,204	233,066	1,352,872	1,585,938	1,592,809	99.6%	\$902.64	\$1,592,809
Nov-25	108,231	—	125,631	233,862	1,095,293	1,329,155	1,598,248	83.2%	\$753.92	\$1,598,248
Dec-25	108,108	—	125,489	233,597	1,570,712	1,804,309	1,596,435	113.0%	\$1,024.59	\$1,596,435
Jan-26	106,819	—	123,992	230,811	1,714,558	1,945,369	1,577,397	123.3%	\$1,118.03	\$1,577,397
Feb-26	106,819	—	123,992	230,811	1,189,481	1,420,292	1,577,397	90.0%	\$816.26	\$1,577,397
Mar-26	106,819	—	123,992	230,811	1,523,407	1,754,218	1,577,397	111.2%	\$1,008.17	\$1,577,397
Apr-26	106,819	—	123,992	230,811	1,554,171	1,784,982	1,577,397	113.2%	\$1,025.85	\$1,577,397
May-26	106,819	—	123,992	230,811	1,923,623	2,154,434	1,577,397	136.6%	\$1,238.18	\$1,577,397
Jun-26	106,819	—	123,992	230,811	2,013,015	2,243,826	1,577,397	142.2%	\$1,289.56	\$1,577,397
Total FY	\$1,279,675	—	\$1,485,415	\$2,765,089	\$18,225,258	\$20,990,347	\$18,897,033	111.1%	\$1,006.92	\$18,897,036

Based on fully insured / COBRA equivalent rates and enrollment. Does not include run-out claims paid in FY27.

2026-2027 Medical Plan Validation

\$114,408

Total Dollars at Risk
Across all performance guarantees

21

Performance Guarantees
In the 2026-27 contract

40%

Weighted to Clinical Outcomes
\$45,763 tied to Prosano Health

Programs to Move the Needle

- 1

Prosano
Primary/preventive care and network steerage
451 registrations / 51 members engaged
- 2

Teladoc Chronic Care Management
Ongoing condition support
1 member registered – Prediabetes Management Solutions
- 3

Telehealth by AZ Blue
24/7 virtual access
- 4

Hinge Health
MSK and physical therapy virtual care
25 engaged members

Clinical-Weighted Performance Guarantees

Category	# PGs	\$ at Risk	Per Guarantee
Onboarding / Implementation	6	\$22,882	\$3,814 each
Account Management	3	\$17,161	\$5,720 / \$5,720 / \$5,721*
Operational	6	\$28,602	\$4,767 each
Clinical (Prosano Health)	6	\$45,763	\$7,627 each, one at \$7,628*
Total	21	\$114,408	

*Rounding applied to the final guarantee in the category.

Blue Cross Blue Shield

Inpatient Detail:

Top Diagnoses		Allowed PMPM	Admits /1000
CERTAIN INFECTIOUS AND PARASITIC DISEASES		\$18	0.43
DISEASES OF THE CIRCULATORY SYSTEM		\$15	0.22
DISEASES OF THE DIGESTIVE SYSTEM		\$14	0.22
MENTAL, BEHAVIORAL AND NEURODEVELOPMENTAL DISORDERS		\$10	1.30
PREGNANCY, CHILDBIRTH AND THE PUERPERIUM		\$3	0.22
SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LAB FINDINGS		\$2	0.22
FACTORS INFLUENCING HEALTH STATUS AND CONTACT WITH HEALTH SERVICES		\$2	0.43
Total		\$64	3.03

Provider Name	Admits	Claimants	Allowed	Admits/ 1000	Allowed/ Admit	Allowed PMPM
HONORHEALTH SCOTTSDALE SHEA MEDICAL CENTER	3	3	\$84,736	0.6	\$28,245	\$18
HONORHEALTH JOHN C LINCOLN MEDICAL CENTER	1	1	\$68,216	0.2	\$68,216	\$15
HONORHEALTH SCOTTSDALE OSBORN MEDICAL CENTER	1	1	\$50,519	0.2	\$50,519	\$11
ALSANA	4	1	\$39,906	0.9	\$9,977	\$9
MAYO CLINIC HOSPITAL	1	1	\$31,340	0.2	\$31,340	\$7
HONORHEALTH SCOTTSDALE THOMPSON PEAK MEDICAL CENTER	1	1	\$11,320	0.2	\$11,320	\$2
VIA LINDA BEHAVIORAL HOSPITAL	1	1	\$4,325	0.2	\$4,325	\$1
VIEWPOINT CENTER LLC	1	1	\$3,582	0.2	\$3,582	\$1
SANTE OF NORTH SCOTTSDALE	1	1	\$1,624	0.2	\$1,624	\$0
Total	14	11	\$295,567	3.0	\$21,112	\$64

Outpatient Detail:

Top Diagnoses	Allowed PMPM	Visits / 1000
DISEASES OF THE NERVOUS SYSTEM	\$30	7
FACTORS INFLUENCING HEALTH STATUS AND CONTACT WITH HEALTH SERVICES	\$21	34
SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$19	26
DISEASES OF THE DIGESTIVE SYSTEM	\$11	16
DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE	\$10	14
DISEASES OF THE GENITOURINARY SYSTEM	\$8	14
DISEASES OF THE CIRCULATORY SYSTEM	\$7	3
NEOPLASMS	\$6	12
PREGNANCY, CHILDBIRTH AND THE PUERPERIUM	\$2	15
DISEASES OF THE SKIN AND SUBCUTANEOUS TISSUE	\$2	2
Others	\$6	29
Total	\$122	37.2

Provider Name	Visits	Claimants	Allowed	Visits/ 1000	Allowed/ Visit	Allowed PMPM
MAYO CLINIC HOSPITAL	26	20	\$201,360	5.6	\$7,745	44
HONORHEALTH SCOTTSDALE OSBORN MEDICAL CENTER	13	12	\$62,065	2.8	\$4,774	13
HONORHEALTH JOHN C LINCOLN MEDICAL CENTER	5	4	\$61,493	1.1	\$12,299	13
HONORHEALTH SCOTTSDALE SHEA MEDICAL CENTER	34	21	\$58,642	7.4	\$1,725	13
BANNER DESERT MEDICAL CENTER	3	3	\$23,806	0.6	\$7,935	5
Others	91	75	\$155,387	19.7	\$1,708	34
Total	172	135	\$562,754	37.2	\$3,272	\$122

Top 5 claimants Based on Paid Amount:

Leading Clinical Conditions per Contract								
Member	Relationship	Member State	Employee Status	Leading Clinical Category	Paid	IP Paid	OP Paid	PR Paid
1	Subscriber	AZ	Active	DISEASES OF THE GENITOURINARY SYSTEM DISEASES OF THE NERVOUS SYSTEM ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$122,612	\$0	\$122,536	\$77
2	Subscriber	AZ	Active	DISEASES OF THE CIRCULATORY SYSTEM DISEASES OF THE MUSCULOSKELETAL SYSTEM AND CONNECTIVE TISSUE MENTAL, BEHAVIORAL AND NEURODEVELOPMENTAL DISORDERS SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$65,377	\$63,583	\$0	\$1,794
3	Subscriber	AZ	Active	DISEASES OF THE CIRCULATORY SYSTEM DISEASES OF THE DIGESTIVE SYSTEM FACTORS INFLUENCING HEALTH STATUS AND CONTACT WITH HEALTH SERVICES SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$65,329	\$62,719	\$0	\$2,611
4	Subscriber	AZ	Active	DISEASES OF THE DIGESTIVE SYSTEM NEOPLASMS SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$59,822	\$0	\$4,462	\$55,359
5	Subscriber	AZ	Active	DISEASES OF THE RESPIRATORY SYSTEM FACTORS INFLUENCING HEALTH STATUS AND CONTACT WITH HEALTH SERVICES MENTAL, BEHAVIORAL AND NEURODEVELOPMENTAL DISORDERS NEOPLASMS SYMPTOMS, SIGNS, AND ABNORMAL CLINICAL AND LABORATORY FINDINGS	\$58,189	\$0	\$0	\$58,189

Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2025-2026 as of June 30, 2026

- Total Ending Balance in each of the three Checking accounts as of June 30, 2026:
 - Medical \$ 505,033.73
 - Property/Casualty \$.34
 - Workman's Comp \$ 78,860.50
 - **TOTAL** **\$ 583,894.57**
- Total in each of the three Investment accounts as of June 30, 2026:
 - Medical \$ 17,005,019.92
 - Property/Casualty \$ 1,592,502.12
 - Workman's Comp \$ 7,375,979.69
 - **TOTAL** **\$ 25,973,501.73**
- Total All Accounts as of June 30, 2026:
 - Medical \$ 17,510,053.65
 - Property/Casualty \$ 1,592,502.46
 - Worker's Comp. \$ 7,454,840.19
 - **TOTAL** **\$ 26,557,396.30**
- Total Ending Balance in each of the three Checking accounts as of August 31, 2026:
 - Medical \$ 1,370,181.68
 - Property/Casualty \$.34
 - Workman's Comp \$ 306,926.78
 - **TOTAL** **\$ 1,677,108.80**
- Total in each of the three Investment accounts as of August 31, 2026:
 - Medical \$ 15,138,130.69
 - Property/Casualty \$ 561,506.26
 - Workman's Comp \$ 6,583,158.64
 - **TOTAL** **\$ 22,282,795.59**
- Total All Accounts as of August 31, 2026:
 - Medical \$ 16,508,312.37
 - Property/Casualty \$ 561,506.60
 - Worker's Comp. \$ 6,890,085.42
 - **TOTAL** **\$ 23,959,904.39**

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

Three investment accounts as of 8/31/2026

- Medical - 14 Securities/Accounts – 15,156 million (3.51% Book Yield & Market Yield 3.81%)
 - Unrealized Loss (**\$67**) without accrued Interest.
 - Cash Flow 13,851,000
- Property and Casualty – 1 Securities/Accounts – 562 million Portfolio Size (3.57% Book Yield & Market Yield 3.57%)
 - Unrealized 0 without accrued Interest.
 - Cash Flow 562,000
- Worker's Compensation - 1 Securities/Accounts – 6,583 million (3.57% Book Yield & Market Yield 3.57%)
 - Unrealized Gain 0 without accrued Interest.
 - Cash Flow \$6,584,000

G. Future Agenda Items – No items discussed.

H. Dates of Upcoming Meetings – December 10, 2026, March 4, 2027, June 3, 2027

I. Adjournment –

At **5:30** pm, Regan Butcher Moved to adjourn the meeting. Mike Sharkey Seconded the motion.
The motion was approved with a vote of 4 – 0.

Dated 17th day of September 2026.

DRAFT