

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
January 19, 2023 at 4:00 PM

Self-Insurance Trust meeting was called to order at **4:06** pm on January 19, 2023.

I. Call to Order – Shannon Crosier, Administrator called the meeting to order.

II. Roll Call-

Board Trustees in attendance were, Shannon Crosier, Trust Board Administrator, Eloy Yndigoyen, Trustee, Valerie Shannon, Trustee, and Zach Lindsay, Trustee.

Absent: Melinda Gulick, Trust Chairperson

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Approval of SUSD Self-Insurance Trust Minutes from September 29, 2022 meeting. - Action
No discussion, Minutes stand as submitted.

Valerie Shannon Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of September 29, 2022. Zach Lindsay Seconded the motion. The motion was approved with a vote of 4 – 0.

B. Approval of the Amended Investment Guidelines - Action

Shannon Crosier, Chief Financial Officer, presented the amendment to the Investment Guidelines. Omitting #2 in the footnotes: "Up to 15% of funds may be invested in corporate bonds with ratings between and including Baa1/BBB+ and V3/BBB by Moody's or Standard & Poor's, and an equivalent by a second NRSRO*."

Zach Lindsay Moved to Approve the Amended Investment Guidelines. Valerie Shannon Seconded the motion. The motion was approved with a vote of 4 – 0.

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

Ryan Cole from the Trust presented Financial reports concerning Property/Casualty and Worker's Compensation.

22/23 Property and Liability Premium:	\$2,147,843
22/23 Workers' Compensation Premium:	\$914,446 (Est)
22/23 Health Benefits Premium:	\$17,701,135 (Est)
• Total number of claims processed as of 12/31/2022:	55
• Total incurred as of 12/31/2022:	\$907,231

2023/2024 Renewal: Dates

- November: Trust Values Collection released
- December: Cyber Values Collection released
- February: Alliance Values Collection released
- March–April: 23/24 contribution estimates sent to members
- June 30: 23/24 renewal forms due to the Trust

Alliance Rating Retrospective Plan

- Scottsdale joined retro plan effective July 1, 2019

- Designed for members with a higher appetite for risk
- Member pays for losses and various expenses (admin, excess insurance, tax, contribution to Surplus)

Alliance Rating Retrospective Plan	Actual
○ Incurred Losses*	\$713,290
○ Unallocated Loss Adjustment Expense*	\$120,704
○ Administrative Expense	\$ 81,343
○ Excess Insurance and Tax Expense	\$ 61,409
○ Contribution to Net Position	\$ 18,561
○ Total	\$995,307

As of 12/31/2022

Alliance Contribution History

Year	Rating Model	Contribution
2022/2023	Retrospectively Rated	*462,833
2021/2022	Retrospectively Rated	*956,992
2020/2021	Retrospectively Rated	*648,490
2019/2020	Retrospectively Rated	*430,866
2018/2019	Guaranteed Cost	958,573
2017/2018	Guaranteed Cost	877,064

*Estimated contribution. Loss elements are adjusted for 5 years

PPA/TIP Balances

- Trust Prepaid Account Balance as of 11/30/2022
- \$40,218*
- Trust Investment Pool Balance as of 11/30/2022
- \$40,863

D. Medical Claims/Financial Reports – Information

Jeremy Larson and Jennifer Sherman presented financial and health reports from Kairos Health Arizona (Chris Marler and Mary Moreno also in attendance)

- Plan Overview
 - 1,894 Employees
 - 2,656 Lives
 - 41 Average Age
 - Medical Plan Spend 1.25% decrease over 21/22
 - Top 5 Providers: Duke University Hospital, Mayo Clinic, HonorHealth JCL Med Center, HonorHealth Osborn, Scottsdale Healthcare Shea
 - #1 Condition – Cancer YTD 22/23 at \$818,431
 - Pharmacy Spend 52.88% increase over 21/22
 - Specialty is 62.3% of plan spend (14.9% greater than benchmark)
- Executive Summary
 - Pharmacy spend has increase significantly due to increased cost of specialty medications
 - Medical claims have decreased slightly but large claims represent almost 50% of spend
- Discussion of Large Claimants - Top 10 (9 out of 10 are ongoing claims)
 - Systemic Sclerosis \$416,553
 - Spinal Muscular Atrophy \$274,863
 - HIV \$259,375
 - Breast Cancer \$256,505

- Endometrial Cancer \$233,320
- Aplastic Anemia \$231,101
- Obstruction of Bile Duct \$177,841
- Breast Cancer \$120,302
- Breast Cancer \$104,147
- Lung/Brain Cancer \$101,695

- Other Topics:
- Clinical Care Advocacy – Engaged participant count – 31
- Prescription Spend –
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Hormonal Agents, Pain/Spasms
 - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, Bleeding Disorder, HIV/AIDS

E. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2021 and 2022 as of December 31, 2022.

- Total in each of the three Checking/Investment accounts as of December 31, 2022:
 - Medical \$30,463,616.72
 - Property/Casualty \$ 5,518,730.04
 - Workman’s Comp \$ 8,593,129.32
 - TOTAL \$44,575,476.08

Tyler Tayrien from Wells Fargo is presenting the Financial Market Investment Update. Three investment accounts as of 12/30/2022:

- Medical- 48 Securities/Accounts – 29.885 million (2.45% Book Yield & Market Yield 4.45%)
 - Unrealized Loss (\$843) without accrued Interest.
 - Cash Flow 21,278,000
- Worker’s Compensation- 13 Securities/Accounts - 6.879 million (2.56% Book Yield & Market Yield 4.46%)
 - Unrealized Loss (\$252) without accrued Interest.
 - Cash Flow \$4,393,000
- Property and Casualty – 12 Securities/Accounts – 5.759 million Portfolio Size (1.65% Book Yield & Market Yield 4.48%)
 - Unrealized Loss (\$225) without accrued Interest.
 - Cash Flow \$3,208,000

F. Future Agenda Items – No items

G. Dates of Upcoming Meetings –March 9, 2023, & June 8, 2023

H. Adjournment

At **5:15** pm, Zach Lindsay Moved to adjourn the meeting. Valerie Shannon seconded the motion. The motion was approved with a vote of 4 – 0.

Dated this 19th day of January 2023.

Approved March 9, 2023.