

**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
April 18, 2024 at 4:00 PM**

Self-Insurance Trust meeting was called to order at **4:04** pm on April 18, 2024.

I. Call to Order – Melinda Gulick, Trust Chairperson called the meeting to order.

II. Roll Call-

The Board Trustees in attendance were, Melinda Gulick, Trust Chairperson, Shannon Crosier, Trust Board Administrator, Tony Elder, Trustee (Virtual)

A quorum present.

Absent: Carine Werner, Trustee

Public Comments – There were no public comments

INFORMATION/DISCUSSION AND POSSIBLE ACTION

A. Approval of SUSD Self-Insurance Trust Minutes from December 7, 2023 meeting. - Action
No discussion, Minutes stand as submitted.

Shannon Crosier Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of December 7, 2023. Tony Elder Seconded the motion. The motion was approved with a vote of 3– 0.

B. Approval of SUSD Self-Insurance Trust Special Meeting Minutes from February 22, 2024. - Action
No discussion, Minutes stand as submitted.

Shannon Crosier Moved to Approve the Scottsdale USD Self-Insurance Trust Special Meeting Minutes of February 22, 2024. Tony Elder Seconded the motion. The motion was approved with a vote of 3– 0.

C. Approval of SUSD Self-Insurance Trust Minutes from March 28, 2024 meeting. - Action
No discussion, Minutes stand as submitted.

Shannon Crosier Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of March 28, 2024. Tony Elder Seconded the motion. The motion was approved with a vote of 3– 0.

D. Property/Casualty/Workers Comp Claims Report (ARRT) – Information
Kendra Callaghan from the Trust presented Financial reports concerning Property/Casualty and Worker’s Compensation.

23/24 Property and Liability Premium:	\$ 2,358,995
23/24 Workers’ Compensation Premium:	\$ 913,306 (Est)
23/24 Health Benefits Premium:	\$22,219,119 (Est)
• Total number of claims processed as of 2/29/2024:	76
• Total incurred as of 2/29/2024:	\$1,597,403

Pre-Paid Legal Overview

- Costs are down for FY24 as of 2/29/2024

2024/2025 Renewal Updates:

COVERAGE	2024/2024 TRUST RATES	2024/2025 COMMERCIAL MARKET*
General/Professional Liability	0%	5% to 15%
Auto Liability	0%	5% to 15%
Property**	13.1%	7% to 50%
Cyber Liability	-3% to 4%	0% to -20%

2024/2025 Trust Renewal Updates

- Trust Loyalty Credit (3%)
 - District is on track to receive approximately \$70,770
 - Tier 1 (3%): 3 of 3 items completed

2023/2024 Alliance Rating Retrospective Plan	Estimate	Actual (as of 2/29/24)
○ Incurred Losses*	\$636,829	376,706
○ Unallocated Loss Adjustment Expense*	\$131,891	78,018
○ Administrative Expense	\$ 70,199	70,199
○ Excess Insurance and Tax Expense	\$ 55,911	55,911
○ Contribution to Net Position*	\$ 18,476	18,476
○ Total	\$913,306	\$599,310

*Based on actual payroll, to be reported in July 2024 *Loss rated at 90%

Alliance Rating Retrospective Plan

- As of 2/29/2024, the district is trending at 66% 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 2024.

Alliance Contribution History

Year	Rating Model	Contribution Valued as of 2/29/2024	Retro Contribution: Original Estimate
2023/2024	Retrospectively Rated	*599,310	913,306
2022/2023	Retrospectively Rated	*746,677	914,446
2021/2022	Retrospectively Rated	*917,055	927,441
2020/2021	Retrospectively Rated	*643,014	860,358
2019/2020	Retrospectively Rated	*454,908	839,973
2018/2019	Guaranteed Cost	958,573	N/A
2017/2018	Guaranteed Cost	877,064	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

PPA/TIP Balances

- Trust Prepaid Account Balance as of 02/29/2024
- \$4,450
- Trust Investment Pool Balance as of 02/29/2024
- \$43,344

E. Medical Claims/Financial Reports – Information

Jennifer Sherman presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,899 Employees
- 2,703 Lives
- 41 Average Age
- Medical Plan Spend 12.6% increase over 22/23 (YTD Through February 28, 2024)
 - Top 5 Providers: Mayo Clinic Hospital, Honor Health J.C. Lincoln, Scottsdale Healthcare Shea, HonorHealth Osborn, Banner University
 - #1 Condition – Cancer YTD 23/24 at \$1,549,890
 - Top 5 Conditions
 - Cancer, Gastrointestinal Disorders, Screenings, Musculoskeletal Disorders, & Neurological Disorders
- Prescription Spend 13.2% Decrease YTD over 22/23 through February 28, 2024
- 2023-2024: \$454 PEPM
- 2022-2023 \$459/Benchmark: \$386
- Prescription Spend
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Immunizing agents, Mental Health, Hormonal Agents
 - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, HIV/AIDS, Multiple Sclerosis
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 4 Point Increase
 - Cervical Cancer Screen 21+ No Change
 - Flu Vaccine 5 Point Decrease
 - Mammography Screen 21+ 2 Point Increase
- Other Topics:
- Service Calls – 62 Interactions with SUSD Members
 - Benefits 20%
 - Billing/Claims 20%
 - ID Card Request 17%
 - Portal Assistance 7%
 - Clinical Advocacy Referral 36%
- Kairos Pro Navigators – Engaged participant count YTD – 93/127 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - Year to date 73%
 - Since inception 75%
 - Industry standard 13%
- Individuals engaged by policy year:
 - 2023-2024 = 134
 - 2022-2023 = 87
 - 2021-2022 = 65
 - 2020-2021 = 3
- Nurse Navigator Historical
 - Category of service 07/01/2023 – 2/28/2024
 - Site of Care 14, Mental Health 34, Pharmacy Coordination 36, Worker's Compensation 46, Post-discharge 81, & General 84.

- Executive Summary
 - Highlights
 - Medical spend has increased by nearly 13%
 - Almost 50% of the total spend is attributed to large claims, with 37 claims exceeding \$50K
 - Pharmacy claims have decreased by approximately 13%
 - The SUSD campus education initiative has been successfully completed
 - What's New
 - The Carrum COE has been approved by the Kairos board
 - The Employee Network discount program has been added and will be effective 3/7/1/2024
 - WEX has been selected as the new COBRA service provider to replace BASIC
 - Health Equity will be the new FSA provider
 - Recommendations
 - Emphasize the importance of preventive screenings to help reduce health care costs
 - Encourage the use of GoodRx and Maxor Plus applications to save on prescription drugs
 - Promote Teladoc for virtual health care consultations with no cost share

F. Discussion of MIN and MAX Account Balance of Self-Insurance Trust – Information

Shannon Crosier presented information concerning the minimum and maximum account balances for Self-Insurance Trust. The minimum account balance was set at 15 million originally but 2 million was used to help with rising health costs for the fiscal year 2024-2025.

- The district averages 8 million per year from the trust.

G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2024 as of February 29, 2024.

- Total Ending Balance in each of the three Checking accounts as of February 29, 2024:
 - Medical \$ 5,894,778.81
 - Property/Casualty \$ 58,311.34
 - Workman's Comp \$ 1,138,090.77
 - **TOTAL \$ 7,091,180.91**
- Total in each of the three Investment accounts as of February 29, 2024:
 - Medical \$20,898,753.26
 - Property/Casualty \$ 4,738,742.20
 - Workman's Comp \$ 6,875,760.43
 - **TOTAL \$ 32,495,255.89**
- **Total All Accounts:**
 - Medical **\$26,793,532.07**
 - Property/Casualty **\$ 4,797,053.54**
 - Worker's Comp. **\$ 7,995,851.20**
 - **TOTAL \$39,586,436.81**

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update.
Three investment accounts as of 02/29/2024:

- Medical- 34 Securities/Accounts – 21.245 million (3.69% Book Yield & Market Yield 5.16%)
 - Unrealized Loss (\$346) without accrued Interest.
 - Cash Flow 18,954,000
- Worker’s Compensation- 18 Securities/Accounts - 6.996 million (3.54% Book Yield & Market Yield 5.18%)
 - Unrealized Loss (\$137) without accrued Interest.
 - Cash Flow \$5,103,000
- Property and Casualty – 8 Securities/Accounts – 4.850 million Portfolio Size (2.61% Book Yield & Market Yield 5.17%)
 - Unrealized Loss (\$110) without accrued Interest.
 - Cash Flow \$3,863,000

H. Future Agenda Items

- a. 5-year retrospective of medical budget.
- b. Possible move of the June 6th Self-Insurance Trust meeting

I. Dates of Upcoming Meetings – June 6, 2024

J. Adjournment

At 5:27 pm, Tony Elder Moved to adjourn the meeting. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3 – 0.

Dated this 18th day of April 2024.