

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

Self-Insurance Trust meeting was called to order at **4:02** pm on June 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

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 April 18, 2024 meeting. - Action
No discussion, Minutes stand as submitted.

Melinda Gulick Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of April 18, 2024. Shannon Crosier Seconded the motion. The motion was approved with a vote of 3-0.

B. Approval of Proposed Self-Insurance Trust Board Meeting Dates for 2024-2025 – Action

Shannon Crosier Moved to Approve the Proposed Self-Insurance Trust Board Meeting Dates for 2024-2025. Tony Elder Seconded the motion. The motion was approved with a vote of 3-0.

C. Approval of Worker’s Compensation Premium FY24/25 – Action

Jessica Schuler presented the information for the Worker's Compensation Premium.

Shannon Crosier Moved to Approve Worker’s Compensation Premium FY24/25. Tony Elder Seconded the motion. The motion was approved with a vote of 3-0.

D. Approval of Property and Casualty Premium FY24/25 – Action

Jessica Schuler presented the information for the Property and Casualty Premium.

Melinda Gulick Moved to Approve Property and Casualty Premium FY24/25. Tony Elder Seconded the motion. The motion was approved with a vote of 3-0.

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

Jessica Schuler 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 5/31/2024: 102
- Total incurred as of 5/31/2024: \$1,974,757

Pre-Paid Legal Overview

- Costs are down for FY24 as of 5/31/2024

2024/2025 Renewal Updates:

- 2024/2025 Contribution Estimate: \$2,774,960
- 2023/2024 Contribution: \$2,406,995
- 14.04% Increase

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 5/31/24)
○ Incurred Losses*	\$636,829	550,036
○ Unallocated Loss Adjustment Expense*	\$131,891	113,916
○ Administrative Expense	\$ 70,199	70,199
○ Excess Insurance and Tax Expense	\$ 55,911	55,911
○ Contribution to Net Position*	<u>\$ 18,476</u>	<u>18,476</u>
○ Total	\$913,306	\$808,538

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

Alliance Rating Retrospective Plan

- As of 5/31/2024, the district is trending at 89% 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 5/31/2024	Retro Contribution: Original Estimate
2023/2024	Retrospectively Rated	*808,538	913,306
2022/2023	Retrospectively Rated	*773,294	914,446
2021/2022	Retrospectively Rated	*917,557	927,441
2020/2021	Retrospectively Rated	*643,014	860,358
2019/2020	Retrospectively Rated	*433,325	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

Alliance 2024/2025 Renewal

- Estimated Payroll: \$158,198,475
- Estimated Contribution: \$ 969,937
 - 6.2% increase, subject to final underwriting

PPA/TIP Balances

- Trust Prepaid Account Balance as of 05/31/2024 - \$160,362
- Trust Investment Pool Balance as of 05/31/2024 - \$ 43,344

F. Medical Claims/Financial Reports – Information

Jeremy Larson and Elizabeth Vesely presented financial and health reports from Kairos Health Arizona Plan Overview

- 1,915 Employees
- 2,631 Lives
- 39 Average Age
- Medical Plan Spend 12.9% increase over 22/23 (YTD Through May 31, 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 \$1,805,352
 - Top 5 Conditions
 - Cancer, Health Status/Encounters, Gastrointestinal Disorders, Musculoskeletal Disorders, & Neurological Disorders
- Prescription Spend 6.4% Decrease YTD over 22/23 through May 31, 2024
- 2023-2024: \$497 PEPM
- 2022-2023 \$485/Benchmark: \$422
- Prescription Spend
 - Top 5 Traditional: Diabetes, Allergy/Asthma/Cold, Mental Health, Hormonal Agents, Immunizing agents
 - Top 5 Specialty: Oncology, Chronic Inflammatory Disease, Orphan Drugs, HIV/AIDS, Multiple Sclerosis
- Preventive Screenings
 - Colorectal Cancer Screen 45+ 3 Point Increase
 - Cervical Cancer Screen 21+ No Change
 - Flu Vaccine 4 Point Decrease
 - Mammography Screen 21+ 1 Point Increase
- Other Topics:
- Teladoc 1/1/2024 – 4/30/2024
 - General Medicine – 190 (Savings - \$131,114)
 - Mental Health – 14 (Savings - \$4,681)
 - Dermatology – 14 (Savings - \$1,698)
- Real Appeal Enrollment
 - 118 Members enrolled
 - 96 identified as at-risk
 - 4 re-enrolled
 - 12 currently engaged
- Kairos Pro Navigators – Engaged participant count YTD – 119/160 (Successful/Overall)
- Participant Engagement Rate – Closed Cases
 - Year to date 74%
 - Since inception 75%
 - Industry standard 13%
- Customer Service – 83 Total Participants Assisted YTD
 - Cobra 4%
 - Benefits 14%
 - ID Card 16%

- Claims 18%
- Portal Issues 5%
- Other 43%
- Executive Summary
 - Highlights
 - 7 out of 10 high-dollar claims are related to cancer
 - Pharmacy claims have decreased for the 2nd quarter in a row
 - Medical spend increased by \$1M compared to last year
 - What's New
 - Carrum will be launching 7/1/2024
 - The implementation and portal build for WEX is complete
 - Health Equity has taken over for FSA and Section 125
 - Vendors scheduled to attend the new employee kick-off
 - All members of SUSD are now eligible for contact by nurse team, unless they have opted out
 - Recommendations
 - Suggest utilizing GoodRx and Maxor Plus applications to save on prescription costs
 - Promote the use of Teladoc for virtual health care consultations with no cost share
 - Utilize wellness team to kick off a Real Appeal challenge at the beginning of the school year

G. 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 accounts along with information on the Five-Year Retrospective of the Medical Budget. Can we move money from Worker's Compensation into Property Casualty? The district will research the topic.

H. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2024 as of May 31, 2024.

- Total Ending Balance in each of the three Checking accounts as of May 31, 2024:
 - Medical \$ 2,224,608.00
 - Property/Casualty \$ 58,311.34
 - Workman's Comp \$ 1,156,831.28
 - **TOTAL \$ 3,439,750.62**
- Total in each of the three Investment accounts as of May 31, 2024:
 - Medical \$ 21,097,957.13
 - Property/Casualty \$ 4,794,640.30
 - Workman's Comp \$ 6,927,000.19
 - **TOTAL \$ 32,819,597.62**
- **Total All Accounts:**
 - Medical \$ 23,322,565.13
 - Property/Casualty \$ 4,852,951.64
 - Worker's Comp. \$ 8,083,831.47
 - **TOTAL \$ 36,259,348.24**
 -

- **Anticipated Expenditure \$ 7,000,000.00**
- **Anticipated Revenue \$ 250,000.00**
- **Total \$ 16,572,565.13**

Tyler Tayrien from Wells Fargo presented the Financial Market Investment Update. Three investment accounts as of 05/31/2024:

- Medical- 34 Securities/Accounts – 21.404 million (3.69% Book Yield & Market Yield 5.27%)
 - Unrealized Loss (\$306) without accrued Interest.
 - Cash Flow 19,100,000
- Worker’s Compensation- 17 Securities/Accounts - 7.046 million (3.54% Book Yield & Market Yield 5.30%)
 - Unrealized Loss (\$119) without accrued Interest.
 - Cash Flow \$5,137,000
- Property and Casualty – 8 Securities/Accounts – 4.880 million Portfolio Size (2.61% Book Yield & Market Yield 5.26%)
 - Unrealized Loss (\$84) without accrued Interest.
 - Cash Flow \$3,890,000

I. Future Agenda Items

Research the ability to move money from the Worker’s Compensation into the Property Casualty account.

J. Dates of Upcoming Meetings – Dates FY25 – September 26, 2024, December 12, 2024, March 27, 2025, & May 29, 2025.

K. Adjournment

At **5:19** pm, Melinda Gulick Moved to adjourn the meeting. Tony Elder Seconded the motion. The motion was approved with a vote of 3 – 0.

Dated this 18th day of June 2024.