

**MINUTES OF THE SELF-INSURANCE TRUST BOARD MEETING
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48
Ed Center, Room - Old Main, 7575 E. Main, Scottsdale, AZ 85251
March 31, 2022 at 3:00 PM**

The meeting was called to order at **3:04** pm on March 31, 2022.

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

Due to the COVID-19 (aka Coronavirus) emergency, Centers for Disease Control and Prevention guidelines, and pursuant to guidelines from the Arizona Attorney General regarding compliance with the Open Meeting Law during this national emergency, this meeting was conducted in person with masks on, online, or via phone.

- II. Roll Call-

Board Trustees in attendance were (in person, telephonically and/or via Teams video), Shannon Crosier, Trust Board Administrator, Melinda Gulick, Trust Chairperson, Eloy Yndigoyen, Trustee, Valerie Shannon, Trustee.

Patty Beckman, Governing Board Member was not in attendance

INFORMATION/DISCUSSION AND POSSIBLE ACTION

- A. Approval of SUSD Self-Insurance Trust Minutes from January 20, 2022 meeting. - Action
No discussion, Minutes stand as submitted.

Valerie Shannon Moved to Approve the Scottsdale USD Self-Insurance Trust Meeting Minutes of January 20, 2022. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

- B. Approval of Proposed Minimum and Maximum Balances for Self-Insurance Trust – Action

At the January 20, 2022 Self-Insurance Trust meeting, Administration presented information on a Minimum and Maximum Account Balance for each of the individual accounts within the Self-Insurance Trust. It is recommended that the Self-Insurance Trust adopted those proposed amounts.

Medical Insurance – Minimum Balance of \$15,000,000, Maximum Balance of 1.5 times the yearly premium. (20/22 yearly premium is \$16.6 and would be multiplied by 1.5 = just under 25 million plus ancillary)

Property/Casualty – Minimum Balance of 1-year premiums (approximately \$2,000,000), Maximum balance of 2 years premiums (approximately \$4,000,000).

Worker’s Compensation – Minimum Balance 1-year premiums (approximately \$1,000,000), Maximum balance 2 years premiums (approximately \$2,000,000).

Valerie Shannon Moved to Approve the Proposed Minimum and Maximum Balances for Self-Insurance Trust with the amendment of minimum balance of one year premium. Eloy Yndigoyen Seconded the motion. The motion was approved with a vote of 4 – 0.

- C. Approval of Kairos Medical Rate Increase for 2022-2023 – Action

Kairos has proposed a 10% increase for fiscal year 2022-2023. This would represent a \$1.5 million increase. The proposed increase is due to increased costs above the anticipated amount for fiscal year 2021-2022.

Valerie Shannon Moved to Approve the Kairos Medical Rate Increase for 2022-2023. Shannon Crosier Seconded the motion. The motion was approved with a vote of 4 – 0.

D. Approval of Insurance Committee Recommendations for the 2022-2023 School Year – Action

Scottsdale Unified School District's Insurance Committee met on 10/20/2021, 12/8/2021, 1/26/2022, 2/16/2022, and 3/23/2022 to discuss and vote on insurance recommendations for the 2022-2023 school year. Recommendations include:

- Extend Real Appeal Program to Dependents
- Additional Co-Pays to Incentivize Behavior
- Increase Health Savings Limits
- Home Health Care Benefit Limit
- Identity Guard Coverage
- Remove 90-Day Mail Order requirement

Valerie Shannon Moved to Approve the Insurance Committee Recommendations for 2022-2023. Eloy Yndigoyen Seconded the motion. The motion was approved with a vote of 4 – 0.

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

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

21/22 Property and Liability Premium:	\$2,008,533
21/22 Workers' Compensation Premium:	\$927,441 (Est)
21/22 Health Benefits Premium:	\$16,051,022 (Est)

Trust Claims have been trending down since 2017/2018 but a slight increase 19/20 - 20/21. Currently a slight decrease in 21/22.

- Total number of claims processed as of 2/28/2022: 54
- Total incurred as of 2/28/2022: \$869,542

Pre-Paid Legal

- 2020/2021 = Over \$200,000
- 2021-2022 = As of 12/31/2021 = over \$50,000

2022/2023 Renewal: Dates

- 11/1: Trust Values Collection released
- 12/17: Cyber Values Collection released
- 2/15: Alliance Values Collection released
- 3/15: 22/23 contribution estimates sent to members
- 6/30: 22/23 renewal forms due to the Trust

2022/2023 Renewal Updates:

- Liability
 - General: 1.5% rate increase
 - Automobile: 0%
 - Pandemic: -25% contribution decrease (if selected)
 - Cyber: \$62,127 (due to the cyber market)
- Property:
 - TIV Increase: 7.66%

2022/2023 Trust Renewal Updates

- 2022/2023 Contribution Estimate: \$2,095,530
- 2021/2022 Contribution: \$2,008,533
- 4.33% Increase
- Trust Loyalty Credit (5%)
 - District is on track to receive approximately \$100,000
 - Tier 1 (2%): 69.73% 3-year loss ratio (YTD)
 - Tier 2 (3%): 3 of 3 items completed

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

- 2021/2022 Retrospective Rating Program Contributions
 - Incurred Losses* \$665,157
 - Unallocated Loss Adjustment Expense* \$112,559
 - Administrative Expense \$ 75,500
 - Excess Insurance and Tax Expense \$ 56,997
 - Contribution to Net Position \$ 17,228
 - **Total** **\$927,441**
- Loss Rated at 90%

Alliance Rating Retrospective Plan

	Estimate	Actual (As of 2/28/2022)
○ Incurred Losses*	\$665,157	\$430,326
○ Unallocated Loss Adjustment Expense*	\$112,559	\$ 72,820
○ Administrative Expense	\$ 75,500	\$ 75,500
○ Excess Insurance and Tax Expense	\$ 56,997	\$ 56,997
○ Contribution to Net Position	\$ 17,228	\$ 17,228
○ Total	\$927,441	\$652,870

As of 2/28/2021 District is trending at 65% of estimates

Alliance Contribution History

Year	Rating Model	Contribution	Retro Contribution: Original Estimate
2021/2022	Retrospectively Rated	*660,814	927,441
2020/2021	Retrospectively Rated	*626,193	860,358
2019/2020	Retrospectively Rated	*408,788	839,973
2018/2019	Guaranteed Cost	958,573	N/A
2017/2018	Guaranteed Cost	877,064	N/A
2016/2017	Guaranteed Cost	873,457	N/A

*Estimated contribution. Loss elements are adjusted for 5 years

Alliance 2022/2023 Renewal

- Estimated payroll:
- \$139,000,000 (1% increase assumed)
- Estimated contribution:
- \$857,000 (approximate, pending payroll estimates from district)
- 7% decrease, subject to final underwriting

PPA/TIP Balances

- Trust Prepaid Account Balance as of 2/28/2022
- \$118,441
- Trust Investment Pool Balance as of 2/28/2022
- \$40,637

Upcoming Dates: 2022/2023 Renewal

- April 30: 22/23 Alliance estimated payroll due
- June 30: 22/23 renewal forms due to the Trust

F. Medical Claims/Financial Reports – Information – Jeremy Larson, Tanya Edwards, Chris Marler, and Jennifer Sherman presented financial and health reports from Kairos Health Arizona

- Discussion of Large Claimants (7/1/2021 – 2/28/2022) several large claimants
- Clinical Advocacy Engagement
 - 28 Closed Cases: 23 engaged, 4 unable to reach, 1 declined
 - 6 Open Cases: 3 Post-discharge outreach, 3 low-value outreach
 - Shock Claims > \$100K: 13 claims = \$2,226,446
- COVID Reporting
 - Confirmed Diagnosis – Members 137 - \$122,796 (2021) \$112,908 (2022)
 - Testing – Members 1,094 - \$101,478 (2021), \$75,376 (2022)
 - Vaccination – Members 1,200 - \$44,285 (2021) \$7,626 (2022) District Honor Health Clinic not included in these numbers
 - ER Visit – Members 28
 - Inpatient – Members 8
 - Ventilators – 0
 - ICU – Members 2
 - Vaccinations –

COVID-19 Vaccination Summary (Medical data through 3/12/2022; Rx data through 2/28/2022. See Appendix for detailed criteria)

Vaccine Manufacturer	# Partially Vaccinated	# Fully Vaccinated	# Received Booster	Total Members Any Vax Status	Total # of Doses	Total Paid	Paid per Dose
Pfizer	618	109	312	1,039	1,146	\$44,567	\$38.89
Moderna	99	26	27	150	176	\$6,915	\$39.29
Janssen (J&J)	n/a	9	2	11	11	\$429	\$39.01
All Vaccines	717	483	341	1,200	1,333	\$51,911	\$38.94

G. Trust Financial Update – Information

Shannon Crosier presented the Checking and Investments Accounts for Fiscal Year 2021 and 2022 as of February 28, 2022.

- Accounts are growing on average. Total in each of the three accounts are:
 - Medical - \$36,245,642.02
 - Property/Casualty - \$ 7,763,057.33
 - Workman's Comp - \$ 7,995,060.15

Tyler Tayrien from Wells Fargo is presenting the Financial Market Investment Update. Three investment accounts as of 2/28/2022:

- Medical- 59 Securities/Accounts - 60,023 million (.79% Book Yield)
 - Unrealized Loss (\$438) without accrued Interest.
 - Cash Flow \$27,439,000
 - *Medical information is incorrect – Will be update at the next meeting. Tyler caught during the meeting.
- Property and Casualty – 16 Securities/Accounts - 7.855 million Portfolio Size (.81 Book Yield)
 - Unrealized Loss (89) without accrued Interest.
 - Cash Flow \$4,169,000
- Worker's Compensation- 15 Securities/Accounts - 6.7336 million (.57 Book Yield)
 - Unrealized Loss \$ (100) without accrued Interest.
 - Cash Flow \$3,769,000

G. Future Agenda Items –

- IT Presentation
- Change the time of Self-Insurance Trust meetings and don't schedule on half days
- Pandemic Coverage

H. Adjournment

At 4:59 pm, Valerie Shannon Moved to adjourn the meeting. Eloy Yndigoyen seconded the motion.

The motion was approved with a vote of 4 – 0.

Dated this 31st day of March 2022.