

Total
Rewards
2025

Council
Presentation
October 15, 2024

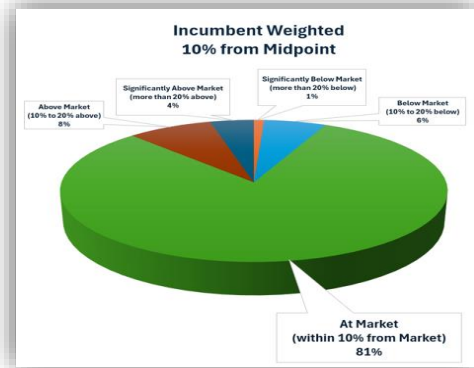
Agenda

- 2024 Compensation Highlights
- Compensation Market Data
- 2025 Compensation Recommendations
- 2024 Benefits Highlights
- Benefits Market Data

Compensation



2024 Compensation Accomplishments



Job Pricing

Input regional entity data to have appropriate County matches outside Utah

100% of Merit position with market data



Base Pay Methodology

Set Base pay according to Knowledge, Skills, and Abilities

New Salary Recommendation Tool



Pay-for-Performance

Design phase nearly complete, to be presented soon

Market Data

100%

Merit jobs priced based on current job descriptions

81%

Merit jobs are found to be within 10% of market reference point with similar number of jobs above and below

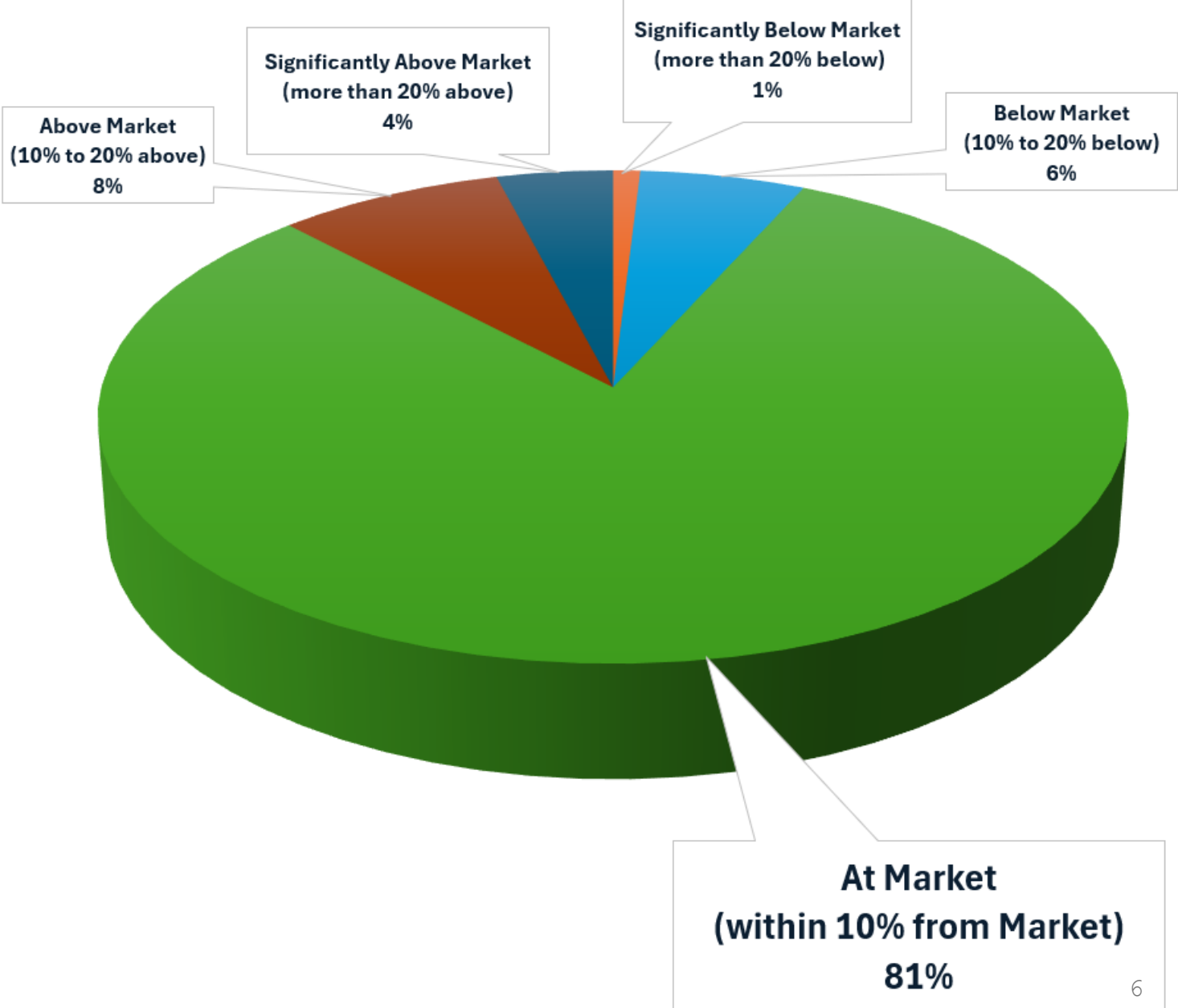
0.234

Overall slightly above market, weighted by position and grade

2024

Market comparison to existing rates, without projected 2025 increases

Position
Weighted
2024 Market
Pricing

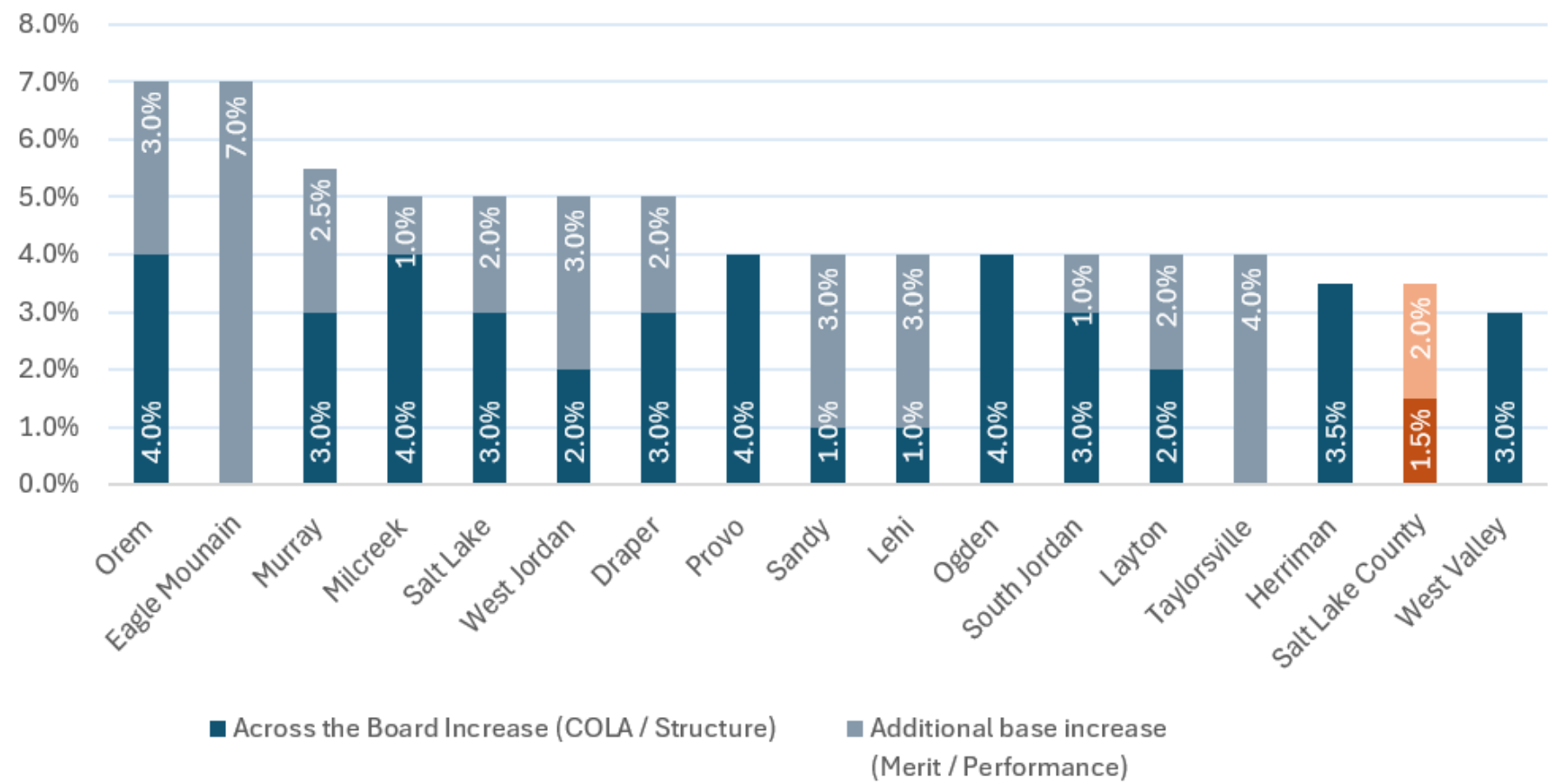


Market Considerations

Salt Lake County Living Wage	Local Government Pay Increases - July 2024	External Market Projections for 2025
<ul style="list-style-type: none"> 2024 MIT Living wage for Salt Lake County \$22.77 per hour Represents a 50% increase from the 2021 Living Wage 	<ul style="list-style-type: none"> Largest cities along the Wasatch front 2.72% Structure/COLA Additional Merit/Performance State of Utah 3.0% Increase (additional performance-based) 	<ul style="list-style-type: none"> Government Sector 3.75% - 4.1% Increase Overall United States (across all sectors)* 3.4% - 3.9% Increase Federal planned increases

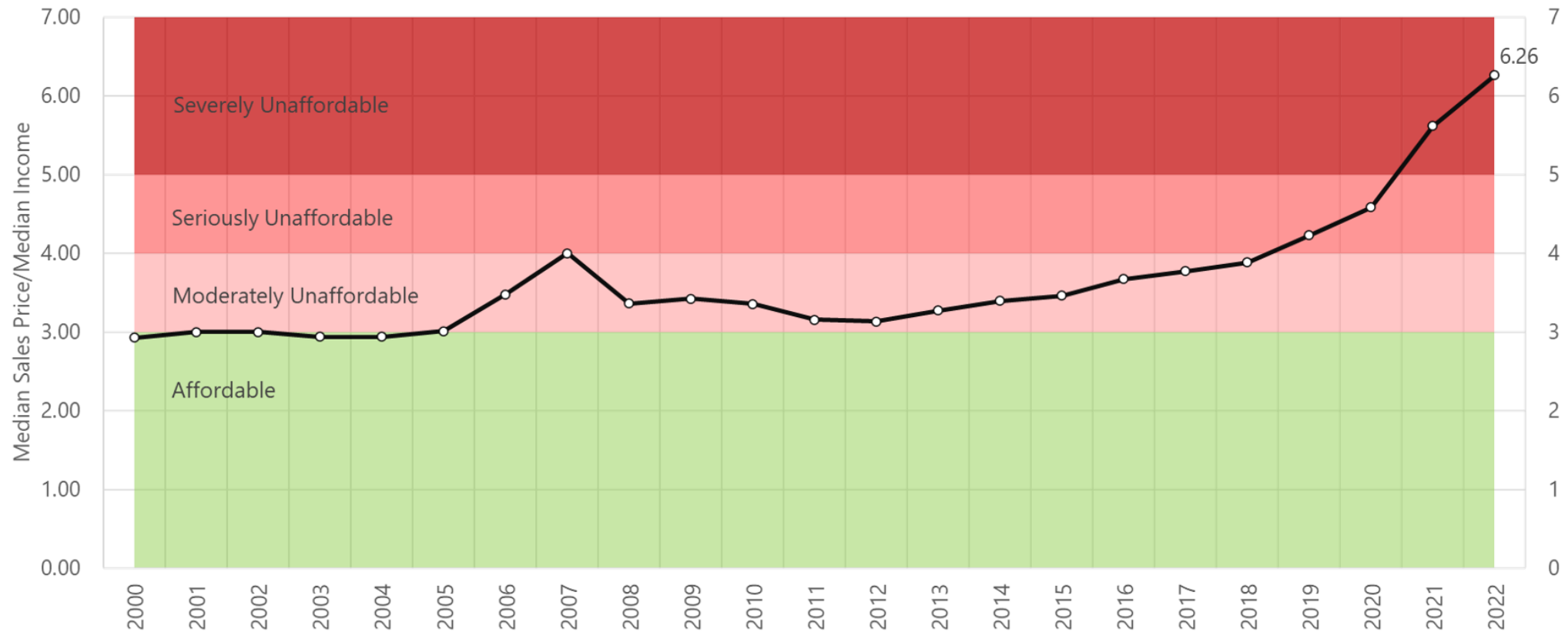
Market Conditions (*External Factors*)

Pay Increases for largest Cities
Effective July 1, 2024



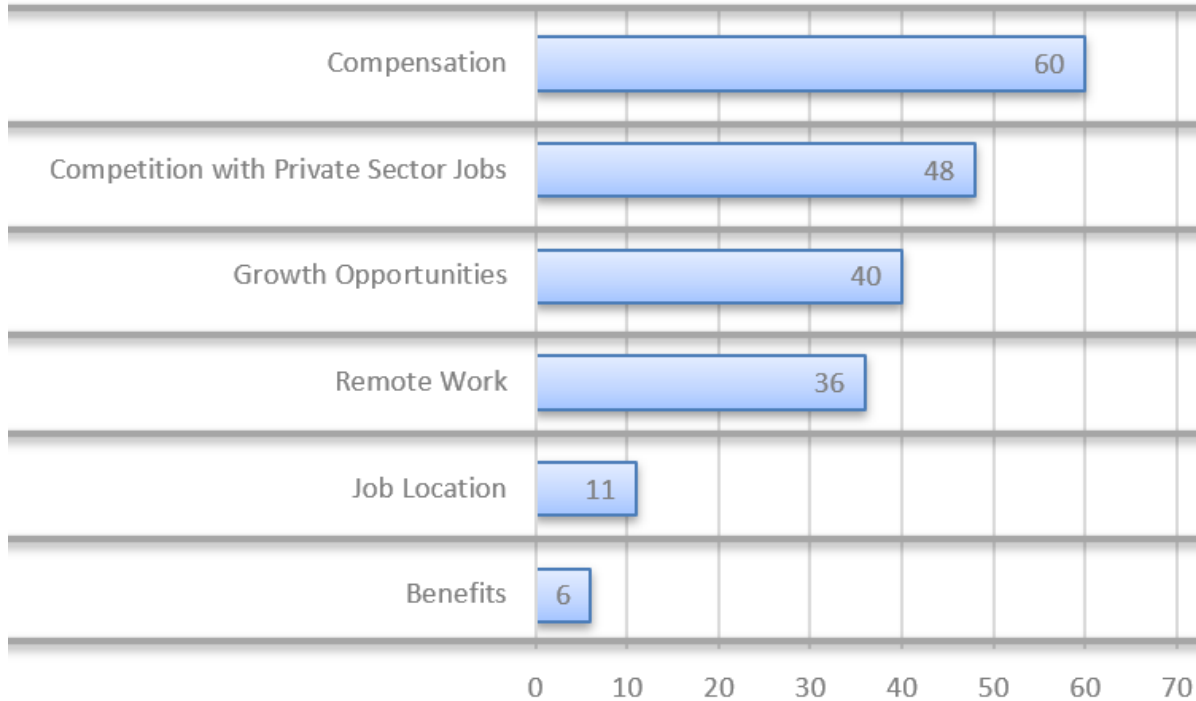
Market Conditions – Housing

Utah's Most Unaffordable Market in History Utah Median Multiple Affordability Rating, 2000-2022

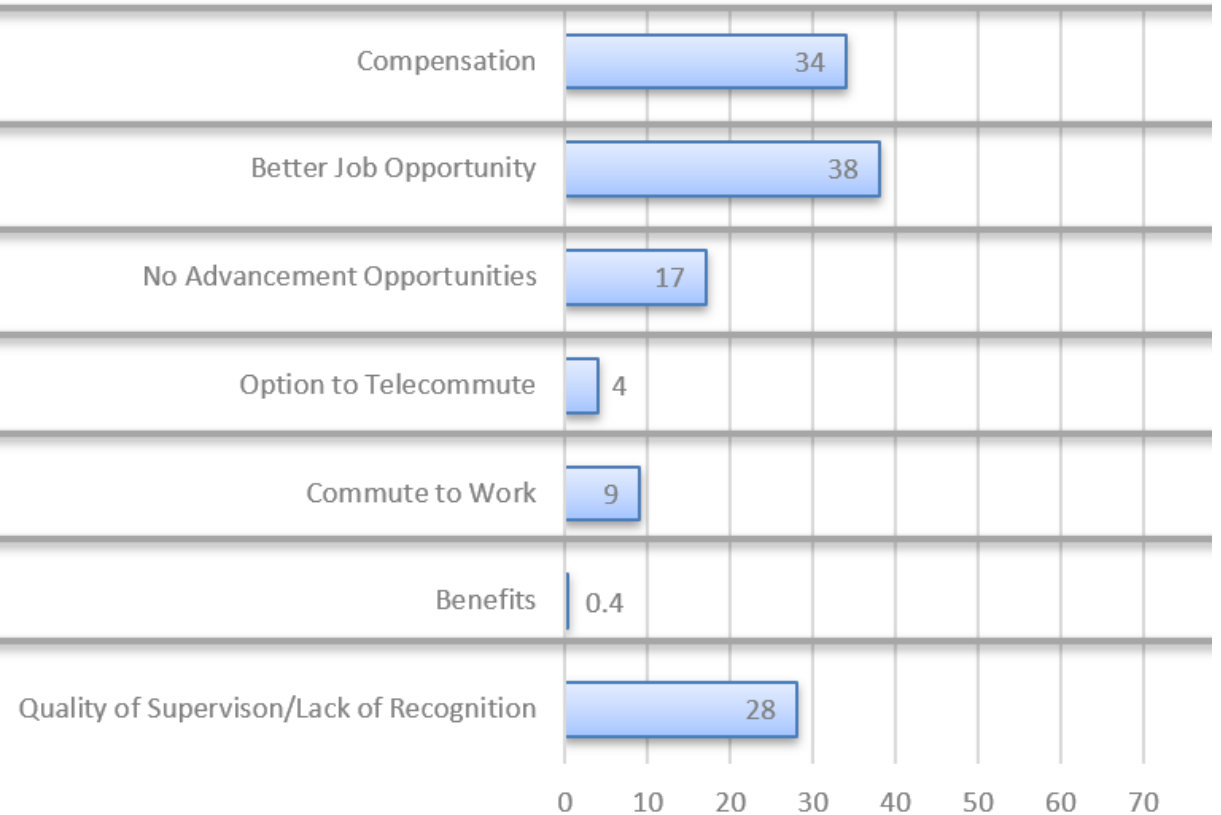


Market Conditions – Turnover

NeoGov 2024 Public Sector Hiring Report
Percentage indicating the reasons for leaving



SLCO Exit Interview data 2021-2024
Percentage indicating the reasons for leaving*



*Data based on completion of optional of exit interview, excludes retirees



2025

Recommendations

- Salary structure increase
- Grade progression increase
- Classifications significantly below market moved

Benefits



5 Year Strategy & Goals

The Benefits Department strategy is based on the following three tenets:

01

Utilize data-driven resources and tools to reduce the costs of healthcare and other benefits

02

Attract and retain talent by offering a robust, relevant and accessible benefits package

03

Develop programs that support employees' physical, emotional and financial health

Initiatives and objectives set over the next five years will be in direct support of these overarching goals:

- Reduce Rx drug costs by 20%
- Maintain YOY increases of <10%
- Reduce risk through

Offer employees a Total Rewards package with core benefits that measure in the 75th percentile

Engage 30% of the 'high risk' population in health intervention tools and activities

2024 Prescription Savings

SLCO Savings from
Canadian and
Domestic Brand Drug
Sourcing:

**\$372,881 through
August**



Savings from
requiring
applications for
Specialty Drug
Patient Assistance:

**\$837,549 through
August**



SLCO Savings from
utilization of PEHP's
no-cost insulin
option:

**\$155,054 through
August**

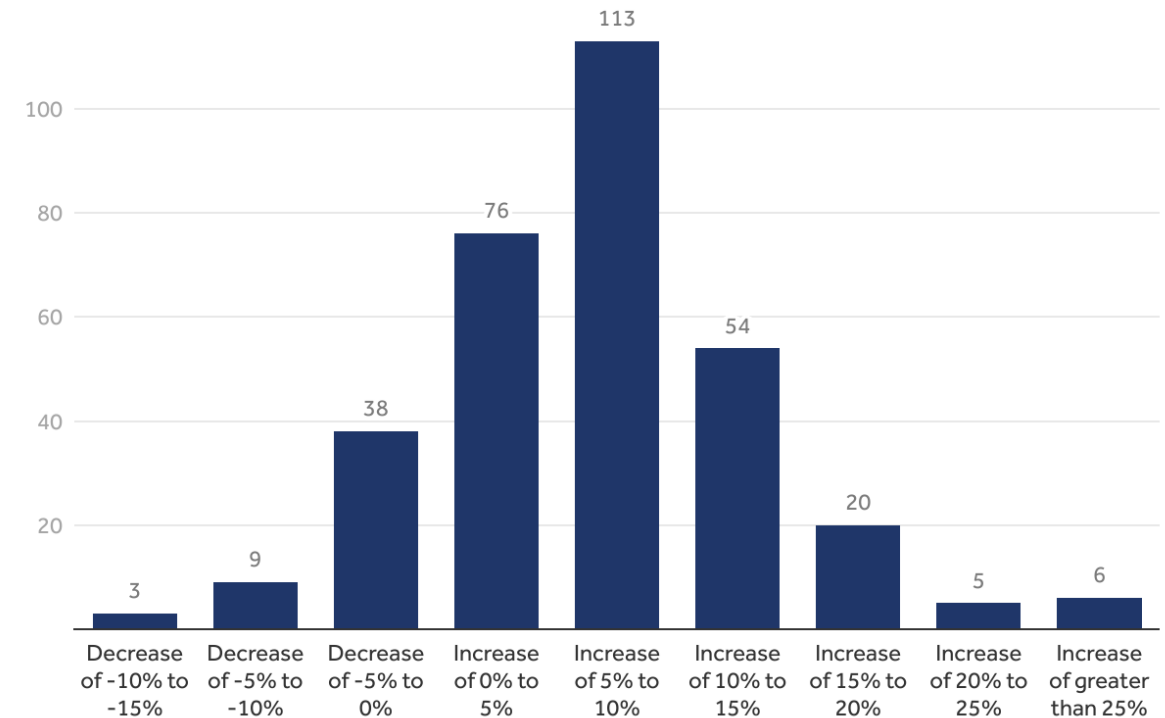


Projected annual savings: \$1.7M – 13% Savings

Rising Healthcare Costs

- Medical care typically outpaces other costs
 - June medical prices grew by 3.3% from prior year vs. the 3% overall inflation rate
- Median premium increase of 7% across 324 ACA Marketplace providers
- Increase attributed to:
 - Inflation
 - Hospital market consolidation and workforce shortages
 - Weight loss and other specialty drugs

Distribution of proposed 2025 rate changes among 324 reviewed ACA Marketplace insurers



Note: 7% is the median increase.

Source: KFF analysis of data from [rateview.healthcare.gov](https://www.healthcare.gov/rate-review/) and insurer rate filings

Peterson-KFF
Health System Tracker

Additional Findings

- PwC's Health Research Institute (HRI) estimates commercial health care spending to grow to its highest level in 13-years, driven by:
 - Inflationary pressure
 - Prescription drug spending
 - Behavioral health utilization
- **Nationally, group healthcare costs expected to grow 8% in 2025**
- **GLP-1 demand and innovation in prescription drugs for chronic conditions continue to drive overall medical costs**

Healthcare Observations

- Increased utilization still deemed driven by care that was deferred during the pandemic
- Cancer remains top condition, and increasingly prevalent among the younger workforce
- Cardiovascular conditions in the top 3 cost drivers for 40% of employers vs 30% in 2023

Broker Experience

- Increases of +11% across book of business for same period
 - +12% Medical, +10% Rx
- Number of "Shock claimants" increased by 9% (claims over \$25,000)
- Cancer top diagnosis, with breast cancer most prevalent



2025

Renewals

Biggest impact on renewal is increase in "shock claims" (claims over \$25,000)

- +60% increase claims & claims costs over prior year
- 184 Additional claimants, representing \$15.5M
- Everyday utilization

Large Claimants

July 2023 - June 2024



Shock Claimant Members & Costs



	Members	Plan Paid
Non-Shock	9,010	\$20.19M
Dependent	78	\$6.89M
Spouse	143	\$13.70M
Employee	261	\$17.80M
Total	9,492	\$58.57M

Top Shock Claimant Summary

Members	Top Diagnosis	Total Claims
2	Cardiac Disorders	\$2.87M
2	Trauma/Accidents	\$1.68M
2	Cancer	\$1.48M
2	Infections	\$1.25M
2	Endocrine/Metabolic Disorders	\$841K

■ Medical Claims ■ Rx Claims

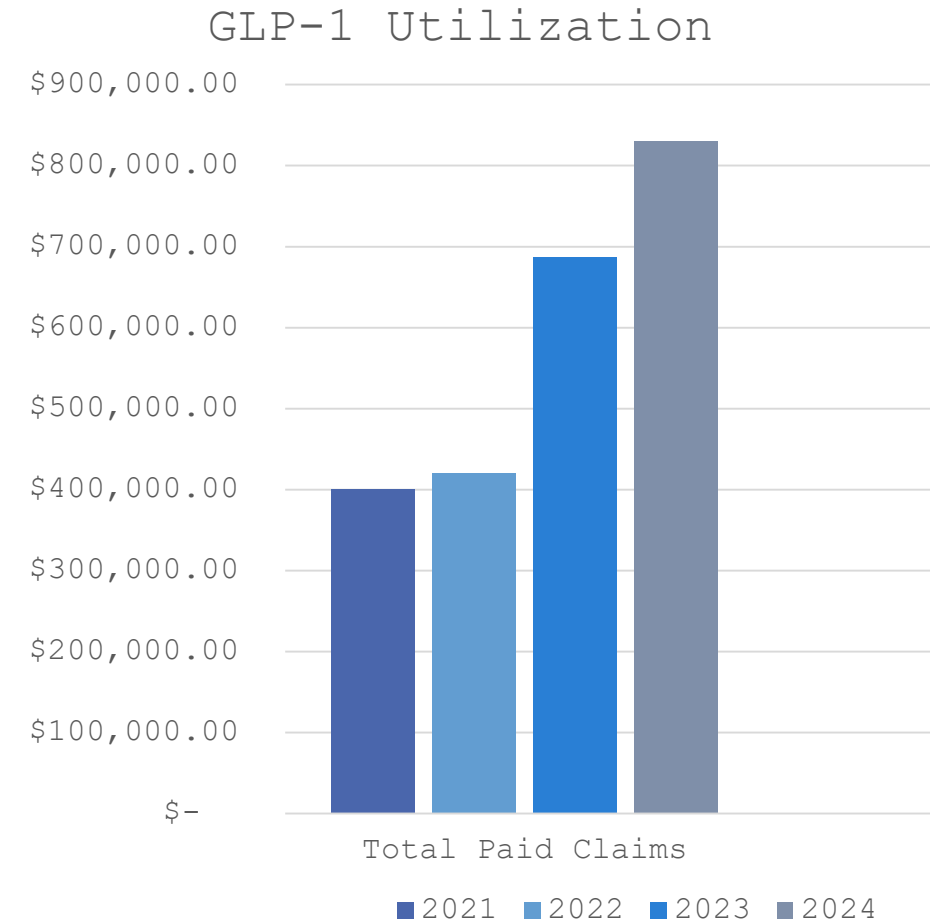
Insights & Trends

- 482 Shock claimants \$25K+ (5.08% of membership) accounted for 65.54% of gross claims (up from 59.18%) in the past 12 months
- Shock claimant costs \$25K+ (\$38.39M) are up +\$15.52M (+68%), which is +\$224 PEPM (+36.4%)

Salt Lake County Usage

County utilization aligns with national findings:

- GLP-1 usage has doubled over the past 4-years
- Cancer accounts for 9% of our large claims, with 11% under age 40
 - Treatment costs rose 55% between 2021 and 2023
 - Current claims outpacing prior year's costs
- Mental health claims grew +60% in last 4-years



Appendix



Top Wasatch Front Cities

Largest Wasatch Front Cities by Population		
City	Across the Board Increase (COLA / Structure)	Additional base increase (Merit / Performance)
Salt Lake	3.0%	2.0%
West Valley	Pos. based - 3% or more	0.0%
West Jordan	2.0%	Perf. based - up to 6%
Provo	4.0%	0.0%
Orem	Pos. based - up to 8%	3.0%
Sandy	1.0%	3.0%
Lehi	1.0%	3.0%
Ogden	New Ranges - 4% or more	Initial placement
South Jordan	3.0%	1.0%
Layton	2.0%	Perf. based - 2-3%
Milcreek	4.0%	Perf. based - up to 1.5%
Herriman	3.5%	0.0%
Taylorsville	0.0%	Perf. Based - 4-7%
Eagle Mounain	0.0%	Mkt Based - 3-17.5%
Draper	3.0%	2.0%
Murray	3.0%	Pos. based - 2.5% - 5%

Effective
July 1, 2024

Average STR Increase: 2.72%

Market Conditions (*External Factors*)

MIT Living Wage

Household Living Wage for each working adult	No Children				
	2021	2022	2023	2024	% ↑ from 2021
One Adult	15.11	17.59	18.06	22.77	16.41%
Two Adults (one working)	24.88	27.25	28.90	31.86	9.53%
Two Adults (both working)	12.44	13.63	14.45	15.93	9.57%

Household Living Wage for each working adult	One Child				
	2021	2022	2023	2024	% ↑ from 2021
One Adult	30.69	33.54	37.23	38.74	9.29%
Two Adults (one working)	29.38	32.48	36.33	37.78	10.55%
Two Adults (both working)	16.85	18.55	20.72	21.70	10.09%

Household Living Wage for each working adult	Two Children				
	2021	2022	2023	2024	% ↑ from 2021
One Adult	37.82	41.57	47.24	48.08	9.92%
Two Adults (one working)	33.15	38.12	41.53	42.79	14.99%
Two Adults (both working)	20.88	23.69	25.87	26.74	13.46%

Additional Benefits Strategy Activities - 2024

- Promotion of VEST's services, employee education and agency support activities has driven strong EAP participation by members and agencies
 - 23.1% Engagement in 24-hour Care Center (where norm is single digits)
 - One-third of employees have downloaded and use the member app
 - Conducted fifteen onsite events through September 2024
 - Developed a collaborative partnership with Sheriff's Office
- Performed multiple audits across health and retirement plans to assure compliance with legislation and County policy, and financial

Projected Benefits Strategy Activities - 2025

- ROI and process reviews for HealthyMe clinic ahead of 2026 RFP
- Identify Pharmacy Benefit Manager (PBM) requirements and develop the design of a carve-out Rx drug program as a means for continued cost management
- Identify County-specific health trends through claims data as well as gaps in preventive care activities. Collaborate with Healthy Lifestyles on employee education.
- Continue to explore internal and community solutions for employee childcare needs