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Contact: Mary Kelley
Sullivan, Cotter and Associates, Inc.
(312) 564-5883
MaryKelley@sullivancotter.com

SullivanCotter's 2014 Manager and Executive Compensation Survey Highlights

CHICAGO (November 4, 2014) – Sullivan, Cotter and Associates, Inc., a human resources and total compensation consulting firm, released the results of its 2014 *Manager and Executive Compensation in Hospitals and Health Systems Survey*, the largest survey of its kind for hospitals and health systems nationwide.

According to the 2014 research findings, the average base salary rose 3.1% for executives among hospitals and health systems that also participated in 2013. On average, total cash compensation levels for hospital executives decreased 0.4%, while levels for health system executives increased by 0.9% due to lower average payouts under annual incentive plans. In 2014, 12% of organizations reported no payouts for the annual incentive plan. Long-term incentive plans (LTIPs) are growing in prevalence, especially among larger health systems. In 2014, 57% of health systems with more than \$3 billion in net revenue have an LTIP in place.

“This year’s survey shows moderate changes in both median and average executive compensation, but a greater emphasis is being placed on performance,” said Managing Principal Tom Pavlik.

“We continue to see smaller hospitals transitioning into health systems and creating large, mega-systems,” said SullivanCotter’s Executive Compensation Practice Leader Kathy Hastings. “Consolidation and integration within the health care industry continues to influence compensation and drive how executives are paid by both the level and manner of pay.”

The 2014 survey report contained data from over 1,500 organizations comprising more than 370 health systems and 1,150 hospitals, including data for nearly 23,500 executives and managers. Now in its 22nd year, the survey provides data to help health care industry leaders meet the challenges of regulatory compliance and performance-driven executive compensation.

For more information on SullivanCotter’s surveys, please visit our website at www.sullivancotter.com or contact us by phone at 888.739.7039.



About SullivanCotter

SullivanCotter is the leading independent consulting firm in the assessment and development of tailored total compensation and reward programs for tax-exempt, not-for-profit organizations. For more than 20 years, the firm has provided executive, physician and employee compensation and governance counsel to a wide variety of health care and higher education organizations, public charities, associations and foundations. A recognized leader in compensation benchmarking, trends and analyses, SullivanCotter has also developed the most widely recognized physician and health care executive compensation surveys in the United States. Building from this unparalleled data, the firm works closely with executives, boards and compensation committees to devise innovative solutions to attract and retain talent while satisfying not-for-profit missions and regulatory requirements.