Challenges facing the health care industry and its leaders require carefully designed compensation programs.

An increasingly complex and highly competitive market for talent is leading to upward movement in compensation for executives.

**Median Total Cash Compensation Increase**

<table>
<thead>
<tr>
<th>Role</th>
<th>Independent Health Systems</th>
<th>Independent Hospitals</th>
<th>System-Owned Hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>6.0%</td>
<td>6.1%</td>
<td>6.5%</td>
</tr>
<tr>
<td>COO</td>
<td>3.0%</td>
<td>3.3%</td>
<td>3.9%</td>
</tr>
<tr>
<td>CFO</td>
<td>4.7%</td>
<td>4.7%</td>
<td>4.7%</td>
</tr>
<tr>
<td>SVPs</td>
<td>3.0%</td>
<td>3.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>VPs</td>
<td>4.2%</td>
<td>3.1%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

CEOs at Independent Health Systems and Hospitals and COOs at Independent Hospitals saw the highest increases in median total cash compensation.

Annual incentive plans continue to be the norm among executives and management to drive and reward performance.

**Annual Incentive Plan Prevalence: Health Systems**

- Executives = 89%
- Management = 74%

**Most Commonly Used Enterprise Performance Measure Categories in Annual Incentive Plans:**

- Financial: 93%
- Quality: 79%
- Patient Experience and Access: 73%
- People: 59%

**Number of Performance Measures Used in Annual Incentive Plans:**

- 1-3: 53%
- 4-6: 27%
- 7-10: 20%

Long-term incentive plan (LTIP) prevalence continues to increase as health care organizations expand their executive compensation packages to focus on multi-year goals and results.

**Cash-Based LTIP Prevalence: Health System Executives**

- Net Revenue <$1B = 3%
- Net Revenue >$1B = 30%
  - Net Revenue >$5B = 47%

**Most Commonly Used Enterprise Performance Measure Categories in Cash-Based LTIPs:**

- Financial: 70%
- Growth: 53%
- Quality: 49%
- Patient Experience and Access: 40%

Learn More: Contact-Us@sullivancotter.com

Purchase a Copy of the 2019 Survey Report

Source: Sullivan Cotter 2019 Manager and Executive Compensation in Hospitals and Health Systems Survey Report