



The 2020 survey reflects pre-COVID-19 compensation actions and contains the last set of benchmark data available prior to the onset of the pandemic

Prior to COVID-19, median salary increase budgets for health care executives had been fairly consistent since 2008 - hovering around 3%

Median Executive Salary Increase Budgets (2020)



2.7%
for health system executives

3.0%
for hospital executives



Median base salary increased by 3%, with more variation by entity type and role

Salary Increase 2020 vs 2019	Independent Health Systems		System-Owned Hospitals	
	Med.	Avg.	Med.	Avg.
Chief Executive Officer	5.6%	4.1%	0.8%	3.6%
Hospital Administrator			4.1%	3.1%
Chief Operating Officer	3.5%	4.1%	2.5%	2.8%
Chief Financial Officer	3.4%	4.5%	2.2%	3.0%
Senior Vice Presidents	4.5%	4.4%	3.8%	3.6%
Vice Presidents	3.6%	3.7%	2.9%	2.5%
Management	2.9%	2.8%	2.6%	2.6%

As it relates to total cash compensation (TCC), executive annual incentive plans are still the norm as organizations are increasingly focused on system-wide alignment

Annual Incentive Plan Prevalence by Organization Type

■ Independent Health Systems
■ System-Owned Hospitals



Considerations for Using 2020 Survey Benchmark Data



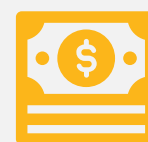
Pre-pandemic, an **increasingly complex** and **highly competitive market for talent** was pushing compensation for executives in independent health systems upward



2020 TCC data should be **cautiously considered** due to the significant impact of COVID-19 on executive incentive plans



2020 base salary survey data may be helpful and relevant indicators of competitiveness in today's market - however, a **lower "aging" factor** may be more appropriate



TCC data may be useful in **testing the structural competitiveness** of the cash compensation program elements

Considerations for Navigating Future Pay Decisions

1

Be mindful of how to appropriately use the 2020 survey data - understand the timing of the data and **consider what you are trying to assess** before using them

4

For FY2021, plan to **revisit incentive performance goals** to ensure they are tailored to the current environment

2

2020 survey data can be used to benchmark the **competitiveness of program elements and award opportunities**

5

Assess the broader impact of COVID-19 on the **executive talent strategy and review the compensation philosophy and program design**

3

For FY2020, **rely on sound business judgement and discretion** when evaluating base salary actions and incentives

6

With continued uncertainty in FY2021 and beyond, **remain mindful of the environment and be flexible**

Source: SullivanCotter 2019 and 2020 Manager and Executive Compensation in Hospitals and Health Systems Survey Reports

Learn More:
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