2025 Executive Compensation Insights

While the health care industry has seen modest financial recovery, organizations continue to operate in a highly dynamic environment shaped by regional operating margin variability, federal policy shifts, and rising cost pressures. These factors are directly influencing executive compensation levels, performance priorities, and talent strategies as health systems work to balance financial resilience with leadership continuity.

Dive deeper into these industry-leading benchmarks to see how health systems are prioritizing financial sustainability, seeking new opportunities for growth, redesigning their operating models, and looking to optimize their resources.

Learn more or purchase the survey!

SullivanCotter

SullivanCotter's 2025 *Health Care Management and Executive Compensation Survey* includes data from more than 3,300 organizations on nearly 48,000 incumbents.

Pay Actions and Trends

Health systems are experiencing the greatest pressure at the top – where **retaining critical leadership roles is essential** to staying competitive and navigating a complex operating environment.

Note: Data reflects organizations that participated in both 2024 and 2025. TDC = Total Direct Compensation: Base salary plus annual and long-term incentives.

Median Movement (2024-2025)	Base Salary	TDC
Chief Executive Officer	7.1%	10.2%
Chief Operating Officer	10.8%	15.5%
Chief Financial Officer	5.8%	10.5%
Chief Medical Officer	3.0%	10.9%
Senior Vice Presidents	6.1%	12.3%
Vice Presidents	5.1%	8.5%

Talent Strategy

With leadership roles shifting, competencies changing, and other demographic challenges, the current market for executives is limited. As a result, organizations are **prioritizing high-demand roles** in the following areas – all of which have seen a median base salary increase of 7% or greater.

Business and Operations
- Chief Operating Officer
- Top Ambulatory Care Executive
- Top Pharmacy Executive

IT, Digital, and Strategy
- Chief Information and Digital Officer
- Chief Strategy Officer
- Top Managed Care Executive

Workforce and Patient Experience
- Top Quality Executive (MD)
- Chief Learning/Organization Development Officer
- Chief Patient Experience Officer

Regulatory and Compliance
- Top Legal Services Executive
- Top Risk Management Executive

Evolving Long-Term Incentive Measures and Practices

Incentive plan designs must adapt to a dynamic operating environment in which health systems are prioritizing consumer experience, advancing population health, and accelerating digital and AI adoption. At the same time, **rising cost pressures and funding reductions heighten the need for efficiency and affordability**, requiring incentive structures that align leadership performance with these evolving strategic imperatives.

Overall Measure Categories Included in Cash-Based LTIPs	Parent Organizations			
	2020		2025	
	Prevalence	Weight	Prevalence	Weight
Financial	72%	44%	75%	37%
Quality	43%	31%	43%	31%
Growth	42%	41%	47%	41%
Patient Experience and Access	32%	37%	38%	23%
Strategic Initiatives	28%	28%	40%	32%
People	21%	29%	29%	27%

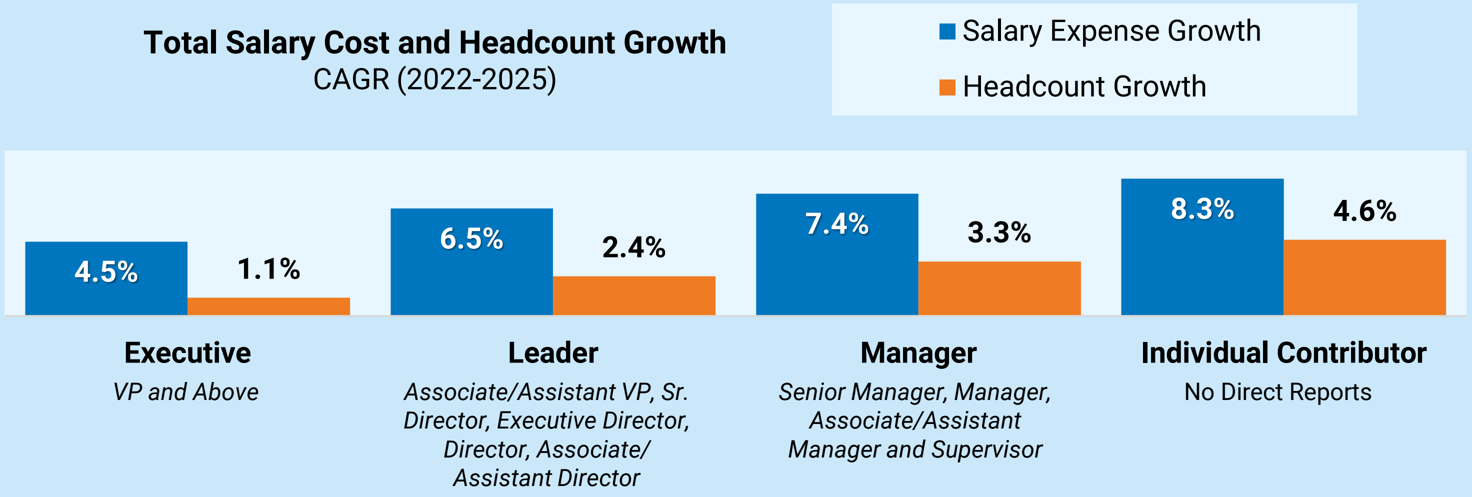
Post-COVID Focus

Strategic Initiatives continues to be the measure with the largest increase in prevalence

Organizational Design and Workforce Analytics

Even though salaries are increasing, the executive workforce experienced lower annualized total salary cost and headcount growth than any other career level. This reflects design in action: balancing efficiency with the need to invest in top talent. It shows that organizations are focused on **optimizing spans of control, reducing layers and clarifying job levels, and being disciplined about executive and leadership headcount.**

Total Salary Cost and Headcount Growth
CAGR (2022-2025)



Source: SullivanCotter's 2020 - 2025 *Health Care Management and Executive Compensation Survey*