

***NSI* NURSING SOLUTIONS, INC.**

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CEO-COO COMPENSATION AMALGAMATION STUDIES

**2009
TRENDING**

CEO COMPENSATION 2009 FORECAST

	NET REVENUES			
	\$50M to \$150M	OVER \$200M	OVER \$300M	ALL HOSPITALS
2009 TRENDED BASE SALARY/TOTAL COMPENSATION N-761				
CEO	\$292.1/\$343.8	\$331.2/\$431.9	\$445.1/\$587.9	\$336.1/\$479
COO	\$185.4/\$214.6	\$273.3/\$331.4	\$346.7/\$431.8	\$288/\$355.9
% INCREASE TOTAL COMPENSATION				
CEO	5.9%	7.4%	9.6%	7.7%
COO	3.3%	6.9%	5.19%	5.1%
Bonus Program Prevalence				
Bonus Type	Hospitals Using	Systems Using	Effectiveness	
Group Incentives	9%	17%	41%	
Lump Sum	31%	13%	53%	
Gain Sharing	42%	16%	55%	
Key Contributor	14%	0	30%	
Profit Sharing	8%	7%	52%	
Source: Amalgamation Analysis from: Towers Perrin; William M. Mercer; Watson Wyatt; Segal & Co; Hay Surveys; HR Strategic Solutions, Inc.; SSI Search Solutions, Inc				

CEO

TENURE AND TURNOVER RATES

N-689

CEO TENURE

Years

➤ Average Tenure	5.6
➤ Median Tenure	3.6
➤ < 2 Years	24.4%
➤ 2 to 5 Years	25.9%
➤ 5 to 10 Years	21.9%
➤ 10+ Years	27.8%

CEO TURNOVER

PERCENTAGE

➤ 2008	16.7%
➤ 2009	16.1%

Source: Amalgamation Analysis from: ACHE; AHA; Watson Wyatt; Modern Healthcare; AH; SSI Search Solutions; HR Strategic Solutions, Inc

TOP REASONS FOR CEO TURNOVER

❑ Anticipating Job Change within 5 years*	38.2%
❑ In-Transition	12.9%
❑ Actively Networking	43.6%

**For Free Networking Assistance,
 CEO-COO Job Leads, Network Contacts, Salary Data, or
 Sample CEO Employment Contracts, call
 Marco Colosi at 717-471-7404**

REASONS FOR TURNOVER	%
❑ Career Advancement (Larger or more Complicated Hospital, or Better Environment). Other Voluntary Resignations	16% 11%
❑ In-Voluntary Resignation: (Conflict with Board, Medical Staff, System or Financial Instability) (Source: M. Weirsema, 2002)	71%
❑ Retirement* (25.79% CEOs anticipate retiring over the next 5 years)	2%

Sources: Amalgamation Analysis from: ACHE; William M. Mercer; HR Strategic Solutions; Watson Wyatt

THE EFFECTS OF CEO TURNOVER

People, Visions, Philosophies, Plans and Management Styles Change, causing Management Turnover and Elevated Market Competitiveness.

IMPACT OF CEO TURNOVER ON:

- C-Suite (Vice Presidents): 97%
- Chief Medical Officer (CMO): 77%
- Chief Operating Officer (COO): 52%
- Chief Financial Officer (CFO): 42%

- Competitors Raiding of Physicians, Patients and Key Employees: 39% to 45%
- Strategic Plans are Disrupted or Halted: 30%
- New Service Development Stalled/Nixed: 29%

INSTITUTIONS WITH MULTIPLE CEOs OVER A 5 YEAR PERIOD

Number of CEOs

Percentage

1 CEO:	43%
2 CEOs:	33%
3 CEOs:	17%
4 CEOs:	5%
5 CEOs:	3%

NOTE: THAT 25% of the hospitals reported that their institution had 3 plus CEOs over a 5 year period.

Source: ACHE, The Impact of Hospital CEO Turnover in U.S. Hospitals; HealthLeaders

CEO BONUS PROGRAM BASIS

□ Financial Performance:	72.9%
□ Quality and Patient Safety:	53.2%
□ Patient Satisfaction:	50.2%
□ Operational Efficiency:	44.4%
□ Employee Satisfaction:	35.9%
□ Physician Satisfaction:	31.9%

Source: Amalgamation Analysis from: HealthLeaders, November, 2007; Towers Perrin; William M. Mercer; Watson Wyatt; Segal & Co; Hay Surveys; NSI Nursing Solutions, Inc.

SOURCES

- MODERN HEALTHCARE, BY THE NUMBERS AND DAILY DOSE
- AMERICAN SOCIETY OF HEALTHCARE HUMAN RESOURCES ADMINISTRATION (ASHHRA)
- SARATOGA INSTITUTE
- WILLIAM M. MERCER CO.
- HAY GROUP
- WATSON WYATT CO.
- TOWERS PERRIN
- HEWITT ASSOCIATES
- HRSA BUREAU OF WORKFORCE STUDIES, THE NATIONAL SAMPLE SURVEY OF RNs, 2007-08
- HOSPITALS & HEALTH NETWORKS
- AMERICAN COLLEGE OF HEALTHCARE EXECUTIVES
- HOSPITAL & HEALTH COMPENSATION SERVICES
- US BUREAU OF LABOR STATISTICS, 2006 REVISION OF US HHS 2003 REPORT
- SULLIVAN COTTER

All survey information and data is obtained from: consulting firms and other published data, professional journals, white papers, professional associations and governmental websites, NSI surveys, etc., and all are coalesced, amalgamated and as applicable are trended and forecasted in the variously published NSI surveys and reports.

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NEED NURSES?

- ***NSI*** NURSING SOLUTIONS, INC is a 9 year old national high volume U.S. nurse recruitment firm; that recruits only within the continental U.S. for American *Experienced Nurses*, as your core employee staff, in an average **time-to-fill of 32 days**.
- ***NSI*** is not a foreign recruiter nor a travel or temporary agency.
- The partnership is "RISK FREE, since you must hire the nurses BEFORE ***NSI*** is paid.
- The relationship is also a "**WIN-WIN**", since not only are the nurses guaranteed for 6 months, ***NSI*** provides "On-Boarding Coaching" for the nurses, for 365 days.