

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

2055 State Street  
East Petersburg, PA 17520  
717-560-3863

<http://www.nsinursingsolutions.com/>

## **CFO COMPENSATION AMALGAMATION STUDIES**

### **2009 TRENDING**

©2009 NSI NURSING SOLUTIONS, INC.

# CFO COMPENSATION 2009 FORECAST

NET REVENUES				
	\$50M to \$150M	OVER \$200M	OVER \$300M	ALL HOSPITALS
<b>2009 TRENDED BASE SALARY/TOTAL COMPENSATION</b> <small>N-201</small>				
CFO	\$162.3/\$191.8	\$221.0/\$237	\$261.1/\$299.6	\$184.9/\$231
<b>% INCREASE TOTAL COMPENSATION</b>				
CFO	4.5%	6.5%	7.1%	6.2%
<b>Bonus Program Prevalence</b>				
Bonus Type	Hospitals Using	Systems Using	Effectiveness	
Group Incentives	9%	17%	41%	
Lump Sum	31%	13%	53%	
Gain Sharing	42%	16%	55%	
Non-Cash Recognition	12%	2%	24%	
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				

# CFO

## TENURE AND TURNOVER RATES

N=183

### CFO TENURE

Average Tenure

Median Tenure

### YEARS

5.2 years

4.8 years

### CFO TURNOVER

2008

2009 (forecast)

### PERCENTAGE

28%

26%

Source: Amalgamation Analysis from: HFMA; Watson Wyatt; Modern Healthcare; HealthLeader; AHA; William M. Mercer; SSI Search Solutions; HR Strategic Solutions, Inc

# TOP REASONS FOR CFO TURNOVER

<b>Anticipating Job Change within 5 years</b>	<b>43%</b>
---	------------

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

<b>CFO REASONS FOR TURNOVER</b>	<b>%</b>
<b>Pursuing Advancement</b>	<b>34%</b>
<b>Conflict with CEO</b> (CFO Resignation Requested)	<b>25%</b>
<b>Dissatisfaction with Job</b>	<b>13%</b>
<b>Retirement</b>	<b>11%</b>
<b>Family/Personal</b>	<b>9%</b>

Sources: Amalgamation Analysis from: HFMA, William M. Mercer, HR Strategic Solutions

# CFO PREDICTIONS

## PREDICTIONS

## RESPONSE

2009 Commercial Reimbursement will increase slightly :	61.8%
2009 Commercial Reimbursement will be cut slightly:	29.5%
2009 Medicare Reimbursement will increase slightly:	22%
2009 Medicare Reimbursement will be cut slightly:	60.3%
Medicare 5 Year Forecast:	
1) will be at risk based on performance measures:	74.8%
2) current level of at risk reimbursement:	17.3%
Trends affecting Revenue Stream over the next 5 Years:	
1) Migration of profitable services to physician competition:	35.2%
2) Consumer discretionary/out of pocket services to bottom line:	32.9%
3) Consumer Driven Healthcare:	29.9%
4) Pay for Performance:	24.5%

# CFO PREDICTIONS

<b>2009 Capital Spending Plans:</b>	
1) Flat/Incremental Increase:	36.2%
2) Significant Increase:	34.4%
<b>EBIDA/EBITDA:</b>	
1) More than 5%	54.9%
2) 3.5% to 5%	12.9%
3) Zero to 3.5%	12.9%
4) Less than Zero	7.6%
<b>Impact of non-affiliated OP Centers or Physician Owned Entities:</b>	
1) Very Little:	49.6%
2) Slight to None:	44.5%
3) Significant:	32.4%
<b>Debt Vehicle Use;</b>	
1) Interest Rate Swaps:	33.1%
2) Variable Rate Debt:	33%
3) Off Balance Sheet Financing/Arbitrage:	32.8%

# DEPARTMENTAL ACTIVITIES

<b>Finance Functions Out Sourced to Vendors:</b>	
1) Bad Debt Collection:	67.9%
2) Self-pay Collection:	42.2%
3) None:	19.1%
<b>Other Functions Out Sourced:</b>	
1) Laundry:	35.5%
2) No Out Sourcing:	30.1%
3) Pharmacy:	20.1%
4) Food Service:	24.6%
<b>Finance Department:</b>	
1) will remain flat grow minimally:	92.6%
2) Number of FTEs:	
a) Less than 10	52%
b) 10-20	15%
c) 21-50+	33%
Sources: HFMA; HealthLeaders	

# 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
- HOSPITAL FINANCE MANAGEMENT ASSOCIATION
- WATSON WYATT CO.
- TOWERS PERRIN
- 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
- HEWITT ASSOCIATES
- SULLIVAN COTTER US BUREAU OF LABOR STATISTICS, 2006 REVISION OF US HHS 2003 REPORT

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.

# ***NSI* NURSING SOLUTIONS, INC**

2055 State Street  
East Petersburg, PA 17520  
717-560-3863

<http://www.nsinursingsolutions.com/>

## ***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.