

2008 Healthcare Executive Compensation Survey

Chief Operating Officer (COO)

Job Code: 8001

Under guidance of the CEO, responsible for planning, organizing, direction, and control of all or most operations of the system or hospital. (This position is the number two position immediately under the CEO.)

	Number of:		** Salary (\$000's / Yr.)**					***** Bonus Data *****				** Total Comp (\$000's / Yr.) **				* * Range (\$000's / Yr.) * *		
	Firms	EEs	25P	Avg	Wtd Avg	Median	75P	# Firms	Avg Target	Incentive Paid Median	Avg	25P	Avg	Median	75P	Avg Min	Avg Mid	Avg Max
Hospitals	26	29	127.9	202.1	218.6	152.2	290.6	6	19.0%	43.3	60.3	127.9	216.0	167.2	309.2	150.4	196.0	226.5
Clinics	5	5	*	182.9	182.9	151.1	*	*	*	*	*	*	223.6	180.0	*	*	*	*
All Organizations	34	37	129.0	198.5	211.8	152.7	278.3	9	23.9%	46.5	69.2	129.0	216.8	177.5	309.2	152.6	197.5	229.7
Data by Number of Employees																		
<i>176 to 300 FTEs</i>	7	7	105.0	127.6	127.6	114.4	140.9	*	*	*	*	105.0	127.6	114.4	140.9	*	*	*
<i>301 to 500 FTEs</i>	8	8	127.0	153.7	153.7	137.4	150.8	*	*	*	*	127.0	182.3	137.4	178.7	*	*	*
<i>501 to 1,700 FTEs</i>	8	8	146.1	206.9	206.9	199.1	273.5	*	*	*	*	147.3	228.2	199.1	320.6	*	*	*
<i>1,701 or more FTEs</i>	8	11	260.0	316.9	329.1	319.6	364.7	*	*	*	*	260.0	344.8	338.0	370.0	*	*	*
Data by Company Revenue																		
<i>Up to \$20 Million</i>	5	5	*	141.6	141.6	118.7	*	*	*	*	*	*	147.4	118.7	*	*	*	*
<i>\$20 Million to \$39.9 Million</i>	9	9	112.4	131.9	131.9	130.0	140.5	*	*	*	*	112.4	131.9	130.0	140.5	*	*	*
<i>\$40 Million to \$199.9 Million</i>	12	12	137.2	188.6	188.6	167.1	235.8	5	36.7%	40.0	62.7	137.2	214.7	177.5	287.1	143.5	181.7	215.0
<i>\$200 Million or more</i>	8	11	301.9	323.9	334.2	319.6	364.7	*	*	*	*	309.2	358.9	359.4	370.0	*	*	*
Data by Geographic Area																		
<i>Twin Cities Metro (District 4)</i>	8	8	135.3	254.5	254.5	288.0	355.5	5	32.5%	57.0	96.8	142.5	315.0	361.3	431.1	173.0	210.8	257.9
<i>All MN Organizations</i>	19	19	114.4	189.6	189.6	140.9	285.0	6	29.3%	51.8	87.4	114.4	217.2	140.9	357.0	138.9	185.7	207.6
<i>West (MT, ND, SD, NE, TX)</i>	5	5	*	195.5	195.5	218.3	*	*	*	*	*	*	210.2	218.3	*	166.3	207.9	249.5
<i>Upper Midwest (MN, IA, ND, SD)</i>	26	26	124.9	193.0	193.0	147.2	278.3	8	26.7%	51.8	74.7	124.9	216.0	151.3	311.9	151.1	196.8	226.2
<i>East (WI, MI, OH)</i>	7	10	150.0	228.1	268.2	226.0	314.2	*	*	*	*	175.0	231.7	226.0	314.2	155.2	199.0	236.1

Notes:

1. Data not shown if fewer than 5 firms reported base salary or bonus data.
2. 25th and 75th Percentile data not shown if fewer than 6 firms reported data.
3. Bonus data includes only firms which paid a bonus.
4. Total Compensation includes all firms matching the job, including firms not paying a bonus.

Chief Operating Officer (COO)

Statistical Estimates of Base Salary:

Generally, compensation for executive positions such as those included in the survey varies with an organization's size. By testing the strength of this relationship it becomes possible to estimate, or "predict" the level of compensation associated with a specific size organization. This evaluation has been completed for this position. Results are shown below.

Relationship Between Base Salary and Organization 2007 Net Revenues:

Correlation: 0.81 This is a 'Good' statistical relationship.

Salary Estimation Formula:

Multiply Net Revenue in \$ Millions by: 294.09
Then Add: \$146,424

Examples:

Predicted Salary for \$20 MM Organization: \$152,305
Predicted Salary for \$50 MM Organization: \$161,128
Predicted Salary for \$150 MM Organization: \$190,537
Predicted Salary for \$500 MM Organization: \$293,468

Relationship Between Base Salary and Total FTE Employees:

Correlation: 0.81 This is a 'Good' statistical relationship.

Salary Estimation Formula:

Multiply Total FTEs by: 42.4
Then Add: \$143,083

Examples:

Predicted Salary for Organization with 150 FTEs: \$149,442
Predicted Salary for Organization with 300 FTEs: \$155,802
Predicted Salary for Organization with 750 FTEs: \$174,881
Predicted Salary for Organization with 1,500 FTEs: \$206,679

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