



STRENGTHENING GOVERNANCE

Yaffe & Company, Inc. 2011 Executive Compensation Report for Non-Profit Rehabilitation Hospitals

January 2012

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Introduction



Yaffe & Company is pleased to present its 2011 Executive Compensation Report for Non-Profit Rehabilitation Hospitals. 72 organizations from across the country were invited to participate, and over 16% responded. Being that the survey is in its inaugural year, the results are being provided at no cost to all participants and invited organizations. In future years, the complimentary report will only be available to participating organizations.

This year's report includes data on 9 executive positions from 12 non-profit rehabilitation hospitals. The survey report presents base salary, total cash compensation and benefits information. In addition, the survey report provides information on the prevalence and practices of the following:

- Incentive plans
- Benefits programs, including basic life insurance, and long term disability
- Supplemental Retirement programs
- Contract Information
- Perquisites, including automobile, club memberships, financial counseling, etc.

The data compiled for this survey is effective August 1, 2011. To ensure confidentiality, no data is reported when there are fewer than five data points for a position.

We hope you find this survey report to be a valuable reference for information on executive compensation in non-profit rehabilitation healthcare organizations. If you have any questions or suggestions on ways to improve the survey, please contact Walter Farber at wfarber@yaffeco.com.

Thank you for participating in our survey.

Yaffe & Company, Inc.
January 2012

If you are interested in speaking with a Yaffe & Company representative about creating a custom survey report for your organization, please contact Walter Farber at wfarber@yaffeco.com or (410) 494-4120.

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This survey has been prepared based on the responses received by Yaffe & Company, Inc. Although Yaffe & Company believes that the data provided by participants is accurate and reliable, the survey results are provided for informational purposes only and without warranty of any kind. The results represented in this report should be considered in light of your organization’s mission, tax-exempt status, charitable purpose and strategic objectives.

Survey data reflects salaries in effect as of August 1, 2011
Publication Date: January 2012

Participant Listing



Institution Name

City, State

Bacharach Institute for Rehabilitation

Pomona, NJ

Brooks Rehabilitation

Jacksonville, FL

Good Shepherd Rehabilitation Hospital

Allentown, PA

Madonna Rehabilitation Hospital

Lincoln, NE

Mary Free Bed Rehabilitation Hospital

Grand Rapids, MI

Partners Continuing Care

Boston, MA

Rehabilitation Hospital of Indiana

Indianapolis, IN

Rehabilitation Hospital of the Pacific

Honolulu, HI

Rehabilitation Institute of Michigan

Detroit, MI

Sheltering Arms Physical Rehabilitation Centers

Mechanicsville, VA

Shepherd Center, Inc.

Atlanta, GA

Siskin Hospital for Physical Rehabilitation

Chattanooga, TN

Position Descriptions



Chief Executive Officer

Responsible for planning, directing, coordinating and controlling the overall operations of the organization and subsidiaries. Directs short and long-range functions including development of goals, objectives and strategic plans. Reports to one or more Boards of Directors/Trustees.

Chief Operating Officer

Primarily responsible for the day-to-day operations of the entire organization and may have direct responsibility for one or more departments. Assists in planning and directing the overall operation of the organization. Participates in short and long-range planning functions. May also be engaged in functional operation of certain aspects of the organization such as acquisitions, financial forecasting, etc. In absence of the CEO, is responsible for hospital administration.

Chief Financial Officer

Directs financial planning, fiscal policies, administration of accounting practices, and supervision of activities involving treasury, budgeting, tax, purchasing, real estate, payroll, insurance activities and audits. Ensures all financial reporting systems are developed and maintained.

Top Marketing Executive

Develops and implements marketing plans to meet the long-range strategy and generate additional business revenue. Directs the public and community relations functions. Undertakes or implements activities to promote a positive posture, public understanding, and goodwill. Serves as the major media liaison between the organization and the public to ensure effective and accurate communications. Plans and directs internal and external programs designed to promote the organization's mission. Reviews feasibility studies and market research to determine if changes need to be made to the marketing services in response to market analysis.

Top Business Development Executive

Formulates organization's strategic long-range plans. Interacts with and represents the organization before various planning agencies. Reviews feasibility studies and market research to determine if changes need to be made to the strategy in response to market analysis including growth and structure through merger, acquisition and affiliation with other profit and/or non-profit health care organizations. Monitors performance, employee relations, training and budgets of services areas.

Top Information Systems Executive

Directs the long-term planning and production activities of the Information Systems area including all phases of systems design, programming, installation, and daily operations. Reviews and evaluates project feasibility studies based on management requirements and priorities. Implements the installation and operation of systems and equipment.

Position Descriptions



Top Human Resources Executive

Responsible for the overall human resources functions of the organization including: employment, employee/management relations, compensation and benefits administration, training and development, human resources planning, and compliance with federal and local laws and regulations. Directs the development and consistent implementation of human resources policies and practices throughout the organization. May also be responsible for the Employee Health and Volunteer Programs.

Top Nursing Services Executive

Directs and coordinates nursing and patient care services functions of the organization. Represents nursing services in corporate planning, evaluates and implements nursing policies, monitors overall performance of nursing units, plans and directs orientation and patient care training programs, and provides supervision of nursing directors, managers, and supervisors.

Top Medical Director

Plans, directs, and coordinates all physicians. Participates in establishing and implementing standards of medical service, and advises Chief Operating Officer on medical and administrative questions and policies as they relate to medical practices. Plans for and participates in intern and resident physician education and oversees matters related to physician relations. Responsible for review and measurement of patient care effectiveness, physician recruiting and coordination of medical staff affairs such as peer review. May serve as a consultant in unusual and difficult medical cases.

Demographics/
Age & Service



Demographics

Average Age, Years of Service, & Years of Experience

Position	Total # Reporting	Age		Years of Service		Years of Experience	
		# Reporting Age	Average Age	# Reporting Years of Service	Average Years of Service	# Reporting Years of Experience	Average Years of Experience
Chief Executive Officer	12	8	60	8	15	12	14
Chief Operating Officer	7	3		6	8	7	16
Chief Financial Officer	11	7	50	8	15	11	16
Top Human Resources Executive	6	3		5	13	6	10
Top Nursing Services Executive	5	3		3		5	13
Top Information Systems Executive	11	7	51	8	6	11	13
Top Marketing Executive	11	8	59	9	11	11	10
Top Business Development Executive	6	4		5	11	6	16
Top Medical Director	9	7	58	7	14	9	10

Cash Compensation



Base Salary

Position	Total # Reporting	Average	25th	50th	75th	Low	High
Chief Executive Officer	12	\$363,121	\$303,844	\$337,500	\$470,075	\$139,048	\$552,482
Chief Operating Officer	7	\$237,968		\$253,582			
Chief Financial Officer	11	\$205,672	\$136,121	\$189,480	\$283,738	\$101,857	\$292,032
Top Human Resources Executive	6	\$138,227		\$107,806			
Top Nursing Services Executive	5	\$153,449		\$174,990			
Top Information Systems Executive	11	\$147,691	\$128,788	\$132,620	\$165,984	\$90,480	\$211,120
Top Marketing Executive	11	\$144,711	\$110,417	\$154,670	\$160,475	\$53,893	\$226,917
Top Business Development Executive	6	\$154,057		\$139,376			
Top Medical Director	9	\$331,967	\$252,700	\$285,001	\$354,781	\$236,600	\$492,003

Total Cash

Position	Total # Reporting	Average	25th	50th	75th	Low	High
Chief Executive Officer	12	\$403,176	\$308,328	\$424,362	\$476,454	\$199,048	\$590,482
Chief Operating Officer	7	\$265,306		\$301,611			
Chief Financial Officer	11	\$217,576	\$144,866	\$208,057	\$290,280	\$101,857	\$344,473
Top Human Resources Executive	6	\$148,158		\$114,110			
Top Nursing Services Executive	5	\$157,803		\$174,990			
Top Information Systems Executive	11	\$153,837	\$137,800	\$148,696	\$168,734	\$99,030	\$211,120
Top Marketing Executive	11	\$150,939	\$121,501	\$154,670	\$183,643	\$53,893	\$226,917
Top Business Development Executive	6	\$169,399		\$152,815			
Top Medical Director	9	\$356,223	\$285,000	\$296,999	\$415,326	\$252,700	\$565,805

Incentive/Bonus Plans

Position	Total # Reporting	Eligibility		Received Award		Max. Opportunity	
		# Reporting Variable Pay Eligibility	% Variable Pay Eligible	# Reporting Variable Pay Received	Average	# Reporting Max Opportunity	Average
Chief Executive Officer	12	9	75%	7	\$68,667	5	28%
Chief Operating Officer	7	4	57%	4		4	
Chief Financial Officer	11	5	45%	4		4	
Top Human Resources Executive	6	3	50%	3		2	
Top Nursing Services Executive	5	2	40%	1		2	
Top Information Systems Executive	11	6	55%	5	\$13,522	5	22%
Top Marketing Executive	11	4	36%	3		3	
Top Business Development Executive	6	3	50%	3		2	
Top Medical Director	9	6	67%	4		3	

Benefits



Basic Life Insurance

Position	Total # Reporting	# Reporting Life Insurance Multiple	Average Amount Multiple of Base Salary	# Reporting Life Insurance Face Value	Average Maximum Face Value
Chief Executive Officer	12	5	1.80	9	\$246,556
Chief Operating Officer	7	5	1.80	4	
Chief Financial Officer	11	5	1.50	7	\$147,857
Top Human Resources Executive	6	3		3	
Top Nursing Services Executive	5	2		1	
Top Information Systems Executive	11	6	1.50	7	\$172,286
Top Marketing Executive	11	5	1.20	7	\$112,857
Top Business Development Executive	6	3		4	
Top Medical Director	9	3		6	\$168,000

Long-Term Disability Plans

Position	Total # Reporting	# Reporting LTD Plan Provided	% LTD Plan Provided	Average Level (% of Base Pay)	Average Max. Monthly Benefit
Chief Executive Officer	12	8	66.7%	56.3%	\$5,531
Chief Operating Officer	7	6	85.7%	56.7%	
Chief Financial Officer	11	8	72.7%	57.5%	\$5,375
Top Human Resources Executive	6	4	66.7%		
Top Nursing Services Executive	5	3	60.0%		
Top Information Systems Executive	11	8	72.7%	56.3%	\$4,781
Top Marketing Executive	11	8	72.7%	56.3%	\$4,281
Top Business Development Executive	6	4	66.7%		
Top Medical Director	9	5	55.6%	56.0%	

Retirement Programs

Supplemental Executive Retirement Plans (SERP)

Position	Total # Reporting	# Reporting SERP Plan Provided	% SERP Plan Provided
Chief Executive Officer	12	1	8%
Chief Operating Officer	7		
Chief Financial Officer	11	1	9%
Top Human Resources Executive	6		
Top Nursing Services Executive	5	1	20%
Top Information Systems Executive	11	1	9%
Top Marketing Executive	11	1	9%
Top Business Development Executive	6		
Top Medical Director	9	1	11%

Contract Terms & Severance Pay Information

Position	Total # Reporting	# Reporting With Contract	Average Length of Contract (Years)	Average Severance - Change of Control (Months)	Average Severance - No Cause (Months)
Chief Executive Officer	12	5	3	22	20
Chief Operating Officer	7	0			
Chief Financial Officer	11	1		9	
Top Human Resources Executive	6	0			
Top Nursing Services Executive	5	0		25	25
Top Information Systems Executive	11	1		26	
Top Marketing Executive	11	1		36	
Top Business Development Executive	6	0			
Top Medical Director	9	5		23.25	

Perquisites



Perquisites

Position	# Reporting Perquisite is Provided							
	Financial Counseling	Physical Exam	Post Retirement Health Insurance	Automobile Allowance		Country Club	Health Club	Professional Club
				Auto Allowance Provided	Average Auto Allowance			
Chief Executive Officer	0	1	1	6	\$7,948	3	0	7
Chief Operating Officer	0	0	0	2		0	0	4
Chief Financial Officer	0	0	0	2		0	0	7
Top Human Resources Executive	0	0	0	1		0	0	2
Top Nursing Services Executive	0	0	0	1		0	0	1
Top Information Systems Executive	0	0	0	1		0	0	7
Top Marketing Executive	0	0	0	2		1	0	6
Top Business Development Executive	0	0	0	1		0	0	2
Top Medical Director	0	0	0	2		1	0	5