Backgrounder

CEO Compensation

These positions are two of Ontario's most critical hospital leadership positions. They are unique roles and yet, they will be defined by how the hospitals in London continue to work in close collaboration to advance what has become the most integrated system of hospital care, teaching and research in the province.

As part of our due diligence in the CEO search, London Health Sciences Centre (LHSC) and St. Joseph's Health Care, London (St. Joseph's) conducted independent salary reviews by an external compensation review firm, Hay Consulting.

- For LHSC, the compensation was determined in comparison of the CEO positions of seven large academic teaching hospitals in Ontario.
- For St. Joseph's, compensation was determined in comparison of the CEO positions in other medium-size academic health sciences centres and large community hospitals in Ontario.

The new CEO compensation packages for LHSC and St. Joseph's are not the same as each organization is unique in size and roles, and each organization has a different group of provincial comparators. Both hospitals, however, remain committed to close collaboration and together, will continue to advance care, teaching and research in London and region.

The respective CEO compensation packages are in compliance with recent provincial legislation – the *Public Sector Compensation Restraint to Protect Public Services Act, 2010* and the *Excellent Care for All Act, 2010.*

Under the *Excellent Care for All Act*, CEO compensation must include performance measures that are linked to the achievement of the hospital's performance targets identified in its annual quality improvement plan. As a result of independent review and in keeping with legislation, LHSC and St. Joseph's have established new respective CEO compensation policies, which include performance-based compensation (known as pay for performance) as well as a base salary.

St. Joseph's

The compensation for the St. Joseph's CEO position is established at the average of the St. Joseph's comparator groups of hospitals for this position, which includes medium-size academic health sciences centres and large community hospitals in Ontario. The salary for the St. Joseph's CEO position is $390,000.

The performance-based compensation, measured by the achievement of quality, financial and collaboration and integration indicators, is a target of up to 20% of the base annual salary.

LHSC
The compensation for LHSC's CEO position is established near the market average of the LHSC comparator groups of hospitals, which includes the largest academic health sciences centres in Ontario. The new salary for LHSC's CEO position will be $495,000.

The performance-based compensation, measured by the achievement of quality, financial and collaboration and integration indicators, is a target of up to 20% of the base annual salary.

The CEO compensation levels for LHSC and St. Joseph's have been established through rigorous independent review following all legislative requirements. Any costs associated with having two CEO's in our organizations going forward will be absorbed through administrative savings, and will not impact clinical or patient care budgets.

The boards have enshrined the compensation programs in policy. Pay for performance will be based on a clear set of quality and financial targets that are set annually in each hospital's quality improvement plan and as part of the CEO annual reviews conducted by each board.