

Frequently Asked Questions: Executive Compensation

1. How is the compensation of the Chief Executive Officer determined?

The hospital Board of Directors determines the compensation and conditions of pay of the Chief Executive Officer. The Board's decision about compensation is based on, or informed by:

- The annual executive salary survey completed by the Ontario Hospital Association (OHA). CCH has established a practice of determining non-union salaries based on the "mean" and to apply a one-year lag to the marketplace wages. That is, 2009 wage rates were based on 2008 wages in the marketplace.
- The salary comparators used are peer group hospitals, community hospitals of similar size and budget.

The current salary of the Chief Executive Officer is substantially below the mean of peer hospitals.

2. Who approves the compensation package for the Chief Executive Officer?

The hospital Board of Directors determines the compensation of the Chief Executive Officer.

3. How is the compensation of the Chief Executive Officer linked to performance?

The performance of the Chief Executive Officer is reviewed annually and prior to compensation considerations.

In 2010 the *Excellent Care for all Act* was introduced and required all hospitals to link executive compensation to achievement of targets in the Annual Quality Improvement Plan (QIP).

Accordingly, in 2011-2012, 2% of the Chief Executive Officer's existing compensation has been withheld to be released when the Quality Improvement Plan targets have been achieved.

4. What is included in the compensation of the Chief Executive Officer at CCH? E.g. Other benefits.

<i>Provision</i>	<i>Explanation</i>
Current Annual Salary	Base: \$236,399 less 2% : \$231,680
Compensation at risk	2% of salary to be held and measured against achievements in the QIP Plan.
Benefit plan	Hospitals of Ontario Benefit Plan, as described in Schedule B of the Executive Contract.
Severance	Severance is only provided where the CEO is terminated without cause. As per Executive Contract.
Perquisites	None

Provision	Explanation
Other benefits including, auto allowance, personal spending account, relocation expenses, retirement allowances, supplemental retirement plans	None
Other clauses in Executive Contract	The current Chief Executive Officer Employment Agreement has a clause (4(f)) for service recognition; this is in response to the years of service prior to the amalgamation of the hospitals to form Cornwall Community Hospital.

5. How often is the Chief Executive Officer's performance evaluated and by who?

The Chief Executive Officer's performance is evaluated annually by the Board of Directors.

6. The *Excellent Care for All Act* requires that hospitals link Executive Compensation to performance effective April 2011. How was this addressed at Cornwall Community Hospital?

In accordance with the *Excellent Care for All Act*, in 2011/12, 2% of the Chief Executive Officer's existing compensation has been withheld to be released when the Quality Improvement Plan targets have been achieved.

7. A number of legislative requirements around Executive Compensation have been introduced in the past 18-24 months, has CCH complied with this legislation?

Yes

Excellent Care for All Act, 2010: requirement to link compensation to achieving targets. This was completed as part of the Annual Quality Improvement Plan exercise (as in 3. and 6.).

Public Sector Compensation Restraint to Protect Public Services Act, 2010: Act prohibits increases to (non-union) compensation for two years beginning April 2010. CCH has complied with this legislation.

Bill 122, Broader Public Sector Accountability Act: Hospitals are required to post expense claims of executives on their public website. This information is posted on the CCH website under "Broader Public Sector Accountability Act: Public Reporting" at cornwallhospital.ca.

Broader Public Sector Perquisites Directive, August 2, 2011: The Act sets out provisions for perquisites that are allowable and those that are not. Cornwall Community Hospital does not provide perquisites to executives.

8. What is the compensation of other Executives at Cornwall Community Hospital?

Provision	Chief Clinical Officer	Chief Planning and Resources Officer	Chief Operating Officer	Chief of Staff
Compensation reported on 2010 Salary Disclosure	Base: \$154,518 Less 2%:\$151,433	Base:\$154,518 Less 2%:\$151,433	Base:\$154,518 Less 2%:\$151,433	Base: \$120,000 Less 2%: 117,600
Compensation at risk	2% of salary to be held and measured against achievements in the QIP Plan.	2% of salary to be held and measured against achievements in the QIP Plan.	2% of salary to be held and measured against achievements in the QIP Plan.	2% of salary to be held and measured against achievements in the QIP Plan.
Benefit plan	Hospitals of Ontario Benefit plan aligned with staff groups	Hospitals of Ontario Benefit plan aligned with staff groups	Hospitals of Ontario Benefit plan aligned with staff groups	None
Severance	Up to 18 months (only on termination without cause)	Up to 18 months (only on termination without cause)	Up to 18 months (only on termination without cause)	None
Perquisites	None	None	None	None
Other benefits including, auto allowance, personal spending account, retirement allowances, supplemental retirement plans	None	None	None	None