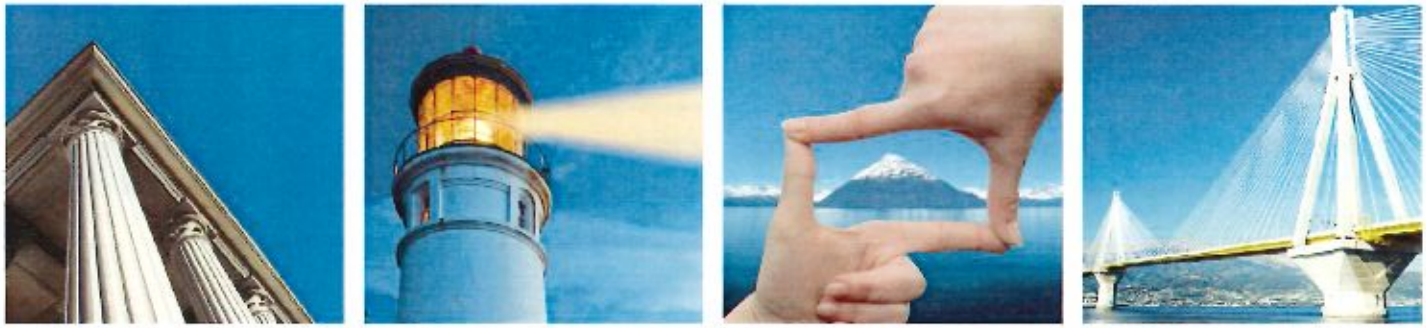
EXHIBIT 27



DRAFT REPORT 02-08-18

Executive Total Compensation Review

February 2018

Presented to:

MetroHealth

SullivanCotter AND ASSOCIATES, INC. 25 YEARS

INTEGRITY INDEPENDENCE INSIGHT INFORMATION

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Introduction

- Sullivan, Cotter and Associates, Inc. (SullivanCotter) was retained by the management on behalf of the board of The MetroHealth System (MHS) to review the competitiveness and reasonableness of the total compensation levels provided to 14 executive positions, including the President and Chief Executive Officer (CEO).
- Our analysis covers all elements of MHS's total compensation (TC defined as base salaries plus variable compensation and the employer costs of standard and supplemental benefits and perquisites).
  - Information provided by MHS serves as the basis for our assessment. Our assessment is based on the accuracy of the data provided to us, which SullivanCotter has not independently validated. Any additional compensation provided to the covered executives and not included or accurately described in this report, is not covered by our assessment.
- Our report provides
  - A market analysis based on four distinct peer groups, as defined on the following page.
  - A ***prospective review*** of MHS's projected calendar year 2018 (CY2018) TC levels.

Introduction: Definitions Used

- The table below provides definitions of the compensation terms used in this report:

Custom Peer Groups	Custom executive compensation peer groups from SullivanCotter's *2017 Management and Executive Compensation in Hospitals and Health Systems* database, as follows: - Health systems with revenues ranging from $500M to $2B. Excludes for-profit health system and pediatric hospitals (median net revenue of $1.0B). - Health systems with revenues ranging from $1B to $3B. Excludes for-profit health system and pediatric hospitals (median net revenue of $1.6B; peer group recommended by SullivanCotter in 2017). - Public health systems with revenues ranging from $500M to $2B (median net revenue of $868M). - Public health systems with revenues ranging from $1B to $3B (median net revenue of $1.5B). A listing of each of the peer group organizations can be found in **Appendix A**.
Base Salary	Fixed amount of compensation paid to an individual for a specified position. Data in this report reflects current base salary.
Annual Incentive Opportunities	Threshold/target/maximum award opportunities (as a percent of base salary) based on the level of achievement of defined organizational performance goals. - CEO: 17.5%; 35.0%; 52.5% - EVPs/SVPs: 12.5%; 25.0%; 37.5% - VPs: 7.5%; 15.0%; 22.5%
Total Cash Compensation (TCC)	Threshold/target/maximum TCC includes base salary plus corresponding annual incentive award. TCC is capped at the 90th percentile of market.
Tally Sheets	Annual employer costs of each element of compensation, including cash compensation, broad-based benefits (medical, dental, vision, life insurance, paid time off, sick leave, disability, retirement) and supplemental benefits (life, disability, retirement, severance and retiree medical). Data in the tally sheet reflects estimated 2018 costs for purposes of the analysis. Tally sheets are provided in **Appendix B**.
Total Compensation (TC)	Threshold/target/maximum TC includes corresponding TCC plus annual cost of employer-provided benefits.

Key Findings and Observations - Base Salary

- Overall base salary market positioning ranges from the 25th percentile to the 52nd percentile depending on the peer group referenced.
  - Market positioning for the custom cut of not-for-profit health systems between $1B and $3B (peer group recommended by SullivanCotter in 2017) approximates the 25th percentile which is comparable to last year's market positioning. Seven executives fall below the 25th percentile.
  - Market positioning for the custom cut of not-for-profit health systems between $500M and $2B is more competitive approximating the 42nd percentile which is to expected given the net revenue scope is more closely aligned to MHS's net revenue ($1.0B). Two executives fall below the 25th percentile.
  - Market positioning for the custom cut peer groups of public health systems between $500M and $2B approximates the 52nd percentile and the 27th percentile for public health systems between $1B and $3B.
  - We note that the public health system peer groups have smaller sample sizes and limited data. Market data based on smaller sample sizes can be subject to greater volatility on a year-over-year basis.
    - 20 organizations in the $500M - $2B custom cut.
    - 8 organizations in the $1B - $3B custom cut.

Key Findings and Observations - Base Salary

- The following findings are based on the methodology described in **Appendix C**.
- Detailed salary market comparisons by executive are provided in **Appendix D**.
- **Base salary** positioning by peer group for each executive is presented in the table below (peer group recommended by SullivanCotter in 2017 is highlighted):

Title (Incumbent)	Base Salary Market Position by Peer Group			
	NFP Health Systems $500M - $2B	NFP Health Systems $1B - $3B	Public Health Systems $500M - $2B	Public Health Systems $1B - $3B
President CEO (Boutros, M.D.)	63	38	88	78
EVP Chief Operating Officer (Stern)	27	<25 (-17%)	36	<25 (-21%)
EVP Chief Clinical Officer (Boulanger, M.D.)	51	26	56	51
SVP Population Health (Chohade, M.D.)	75	79	---	---
EVP Chief Financial Officer (Richmond)	45	<25 (-3%)	64	<25 (-4%)
SVP Chief Legal Officer (Phillips)	28	<25 (-13%)	<25 (-7%)	<25 (-11%)
SVP Campus Transformation (Jones)	75	76	---	---
SVP External Affairs (Allen)	34	25	<25 (-5%)	---
SVP Chief Development Officer & President MH Foundation (Brown)	36	<25 (-4%)	<25 (-13%)	---
SVP Chief Strategy & Innovations Officer (Botros)	44	26	<25 (-2%)	---
SVP Chief Compliance & Ethics Officer (Wahl)	78	74	>90 (+2%)	---
VP Chief Quality Officer (Watts, M.D.)	<25 (-21%)	<25 (-23%)	---	---
VP Chief Nursing Officer (Kline)	28	<25 (-9%)	26	<25 (-15%)
Chief Of Staff (Platten)	<25 (-20%)	<25 (-35%)	---	---
Aggregate Market Position:	42	25	52	27

Key Findings and Observations - Target TCC

- Overall TCC market positioning ranges from the 38th percentile to the 68th percentile depending on the peer group referenced.
  - Market positioning for the custom cut of not-for-profit health systems between $1B and $3B (peer group recommended by SullivanCotter in 2017) is comparable to last year's positioning. Four executives fall below the 25th percentile.
  - TCC earnings are capped at the 90th percentile of market:
    - Three executives have Target TCC that is capped at the 90th percentile, depending on the custom cut referenced.
    - Five executives have Maximum TCC that is capped at the 90th percentile, depending on the custom cut referenced.
  - Detailed TCC market comparisons by peer group for each executive are provided in **Appendix D.**

Key Findings and Observations - Target TCC

- Annual incentive opportunities are competitive for the CEO and EVP/SVP level executives and slightly less than competitive at the VP levels. Health system incentive prevalence by level is presented in **Appendix E**.
- **Target Total Cash Compensation** positioning by peer group for each executive is presented in the table below (peer group recommended by SullivanCotter in 2017 is highlighted):

Title (Incumbent)	TCC Target Market Position by Peer Group[1]			
	NFP Health Systems $500M - $2B	NFP Health Systems $1B - $3B	Public Health Systems $500M - $2B	Public Health Systems $1B - $3B
President CEO (Boutros, M.D.)	73	51	90	90
EVP Chief Operating Officer (Stern)	40	<25 (-11%)	56	<25 (-26%)
EVP Chief Clinical Officer (Boulanger, M.D.)	61	37	80	69
SVP Population Health (Chehade, M.D.)	77	81	---	---
EVP Chief Financial Officer (Richmond)	58	33	80	66
SVP Chief Legal Officer (Phillips)[1]	42	26	51	<25 (-2%)
SVP Campus Transformation (Jones)	90	87	---	---
SVP External Affairs (Allen)	55	46	56	---
SVP Chief Development Officer & President MH Foundation (Brown)	57	41	<25 (-2%)	---
SVP Chief Strategy & Innovations Officer (Botros)	51	29	50	---
SVP Chief Compliance & Ethics Officer (Wahl)	90	90	90	---
VP Chief Quality Officer (Watts, M.D.)	<25 (-15%)	<25 (-15%)	---	---
VP Chief Nursing Officer (Kline)	40	<25 (-4%)	37	<25 (-27%)
Chief Of Staff (Platten)	<25 (-13%)	<25 (-32%)	---	---
Aggregate Market Position:	54	38	68	50

[1] TCC positioning is capped at the 90th percentile.

Key Findings and Observations - Benefits

- As part of the TC assessment, SullivanCotter compared MHS executive benefits and perquisites to market practices for similar health care organizations. See **Appendix F** for a detailed benefits and perquisite assessment.
- Overall, executive benefits are reasonable and are generally consistent with typical market practices, although conservative with respect to market practice in the benefit levels they offer. The table below summarizes the market position of benefits by major program component:

Summary of Benefits in Relation to Market Practices		
Lower End of Market Practice	**Middle of Market Practice**	**Higher End of Market Practice**
• **Long-term disability** (coverage levels are typical, but benefit is employee-paid). • **Life insurance** (particularly for the CEO and higher paid executives where the $500,000 maximum limits the benefit). • **Sick leave/Short-term disability** (particularly for executives with low sick leave banks, including those with shorter service, that are not sufficient to bridge to long-term disability eligibility).	• **Medical, dental, and vision.** • **Flexible spending accounts.** • **Employee assistance program.** • **Retiree medical** (while not a prevalent benefit, it is typical for executives to be eligible for broad-based coverage). • **Life insurance.** • **Paid time off (PTO).** • **Qualified Retirement.** • **Nonqualified Retirement.** • **Severance benefits.** • **Perquisites.**	• **Sick leave cash-out** (cash out of unused sick leave is atypical, though the total accrual available for cash-out is limited).

Key Findings and Observations - Target TC

- Overall market positioning ranges from the 40th percentile to the 71st percentile depending on the peer group referenced.
- Detailed TC market comparisons by peer group for each executive are provided in **Appendix D**.
- **Target Total Compensation** positioning by peer group for each executive is presented in the table below (peer group recommended by SullivanCotter in 2017 is highlighted):

$ in thousands

Title (Incumbent)	TC Target Market Position by Peer Group			
	NFP Health Systems $500M - $2B	NFP Health Systems $1B - $3B	Public Health Systems $500M - $2B	Public Health Systems $1B - $3B
President CEO (Boutros, M.D.)	77	56	>90 (+5%)	>90 (+4%)
EVP Chief Operating Officer (Stern)	41	<25 (-9%)	57	<25 (-23%)
EVP Chief Clinical Officer (Boulanger, M.D.)	63	39	81	71
SVP Population Health (Chehade, M.D.)	79	83	---	---
EVP Chief Financial Officer (Richmond)	60	35	82	68
SVP Chief Legal Officer (Phillips)[1]	---	---	---	---
SVP Campus Transformation (Jones)	>90 (+5%)	>90 (+1%)	---	---
SVP External Affairs (Allen)	58	50	59	---
SVP Chief Development Officer & President MH Foundation (Brown)	60	44	25	---
SVP Chief Strategy & Innovations Officer (Botros)	51	29	48	---
SVP Chief Compliance & Ethics Officer (Wahl)	89	88	90	---
VP Chief Quality Officer (Watts, M.D.)	<25 (-20%)	<25 (-21%)	---	---
VP Chief Nursing Officer (Klinc)	35	<25 (-6%)	33	<25 (-26%)
Chief Of Staff (Platten)	<25 (-18%)	<25 (-35%)	---	---
Aggregate Market Position:	57	40	71	54

[1] Phillips does not receive benefits due to contractor status.

Conclusions

- When selecting a peer group, the objective should be to reflect the executive talent market that MHS will most likely compete within as it continues to grow in size, complexity, and relevance. It is SullivanCotter's recommendation that health systems between $1 Billion and $3 Billion revenue are the most appropriate set of peers as:
  - MHS will continue to grow aggressively in the near-term.
  - MHS will source talent from larger rather smaller health systems.
  - MHS executives are more likely to be attracted to employment opportunities in larger rather than smaller health systems. As such, the need to pay competitively with organizations that are at least the size of MHS today is critical to MHS's executive talent management strategy.
- While public health systems may be similar to MHS, we do not believe that they represent the best set of comparators because MHS competes for executive talent in broader markets, including private not-for-profit health systems.
- When considering the data comparisons to public health systems, it is important to note that the sample sizes are considerably smaller than the not-for-profit health system data cuts and may not fully reflect broader compensation practices in health systems.

Appendix A

Custom Peer Groups

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- The first peer group is composed of not-for-profit health systems with revenues between $500M and $2B and consists of 213 organizations with median net revenues of $1.0 billion.

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$500M - $2B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems $1B - $3B Net Revenue

- The second peer group is composed of not-for-profit health systems with revenues between $1B and $3B and consists of 159 organizations with median net revenues of $1.6 billion (peer group recommended by SullivanCotter in 2017).

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$1B - $3B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$1B - $3B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$1B - $3B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group NFP Health Systems
$1B - $3B Net Revenue

- Continued:

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group Public Health Systems
$500M - $2B Net Revenue

- The third peer group is composed of public health systems with revenues between $500M and $2B and consists of 20 organizations with median net revenues of $868 million.

Organization	City	State	Net Rev ($M)	Organization	City	State	Net Rev ($M)
[redacted]							

Custom Peer Group Public Health Systems
$1B - $3B Net Revenue

- The fourth peer group is composed of public health systems with revenues between $1B and $3B and consists of 8 organizations with median net revenues of $1.5 billion.

Organization	City	State	Net Rev ($M)
[redacted]			

Appendix B

MHS Tally Sheet

MHS Tally Sheet

- The tally sheet provided in this section displays CY2018 TC costs for the MHS executives included in this analysis.
  - SullivanCotter worked with MHS's compensation professionals to develop the tally sheet.
- The tally sheet reflects:
  - Current base salaries.
  - Bonuses paid in CY2017 for CY2016 performance.
  - CY2017 miscellaneous cash payments, including top talent incentive payments, additional performance goals, and sign-on bonuses.
  - CY2018 estimated benefits and perquisites costs.
- The tally sheet is provided for informational purposes and in support of governance best practices regarding the full disclosure of TC.
- While the goal is to show all elements of compensation, the tally sheet is not intended to be a precise representation of the exact compensation paid for a certain time period.

MHS Tally Sheet

Name:	Boutros, M.D.	Stern	Boulanger, M.D.	Chehade, M.D.	Richmond	Phillips	Jones
Title:	President CEO	EVP Chief Operating Officer	EVP Chief Clinical Officer	SVP Population Health	EVP Chief Financial Officer	SVP Chief Legal Officer	SVP Campus Transformation
a. Cash Compensation							
♦ Base Salary	$930,010	$425,000	$489,990	$435,011	$469,997	$360,000	$260,010
♦ Annual Incentive Award	$316,317	$87,374	$90,658	$45,314	$108,574	$86,310	$37,620
♦ Other	$40,000	$10,000	$10,000	$70,000	$30,000	$0	$20,000
Total	$1,286,327	$522,374	$606,648	$550,325	$608,571	$446,310	$337,630
b. Legally-Required Benefits							
♦ Medicare	18,652	7,574	8,796	7,980	8,824	0	4,896
Total	$18,652	$7,574	$8,796	$7,980	$8,824	$0	$4,896
c. Health Insurance							
♦ Medical, Prescription Drug							
♦ Dental and Vision							
Total							
d. Life Insurance							
♦ Basic life							
♦ Basic AD&D							
♦ Group Variable Universe Life (GVUL)							
Total							
e. Retirement/Deferred Compensation							
♦ Qualified defined benefit pension plan contributions							
♦ Non-qualified 457(f) SERP							
Total							
Total Benefit/Perquisite Cost	$326,529	$116,551	$127,540	$132,401	$124,361	$0	$97,390
Total Compensation Cost	$1,612,856	$638,925	$734,188	$682,726	$732,932	$446,310	$435,020
f. Other information							
♦ Paid Time Off (value payable on termination)	$160,963	$61,298	$72,114	$62,742	$67,788	$0	$40,386
♦ Sick Leave (maximum value payable on retirement)	107,309	49,038	57,691	50,194	160,768	0	32,309
♦ Potential severance payments	1,284,839	426,787	504,388	439,001	474,409	0	282,456

Additional Notes:

Medical/Rx/Dental/Vision - 2018 employer contribution based on plan and tier of coverage elected

OPERS - based on 2017 limits as 2016 limits are not yet published ($270,000 if hired at OPERS employer after 1994; $400,000 if hired at OPERS employer before 1994)

Paid Time Off - based on maximum accumulation of 1.5x annual accrual

Sick leave - based on max payout of 800 or 240 based on hire date before or after 3/1/11 - NOTE, this is a correction from the 2016 data

Daniel Lewis - assuming 35 hours bi-weekly (.4375 status)

Phillips does not receive benefits due to contractor status

MetroHealth does not contribute to Social Security.

MHS Tally Sheet

Name:	Allen	Brown	Botros	Wahl	Watts, M.D.	Kline	Platten
Title:	SVP External Affairs	SVP Chief Development Officer & President MH Foundation	SVP Chief Strategy & Innovations Officer	SVP Chief Compliance & Ethics Officer	VP Chief Quality Officer	VP Chief Nursing Officer	Chief Of Staff
a. Cash Compensation							
♦ Base Salary	$247,520	$225,014	$339,997	$300,019	$285,002	$280,010	$260,000
♦ Annual Incentive Award	$61,385	$50,144	$51,481	$0	$0	$38,060	$0
♦ Other	$0	$0	$10,000	$0	$0	$10,000	$5,000
Total	$308,905	$275,158	$401,478	$300,019	$285,002	$328,070	$265,000
b. Legally-Required Benefits							
♦ Medicare	4,479	3,990	5,821	4,350	4,133	4,757	3,843
Total	$4,479	$3,990	$5,821	$4,350	$4,133	$4,757	$3,843
c. Health Insurance	[redacted]						
♦ Medical, Prescription Drug							
♦ Dental and Vision							
Total							
d. Life Insurance							
♦ Basic life							
♦ Basic AD&D							
♦ Group Variable Universe Life (GVUL)							
Total							
e. Retirement/Deferred Compensation							
♦ Qualified defined benefit pension plan contributions							
♦ Non-qualified 457(f) SERP							
Total							
Total Benefit/Perquisite Cost	$82,705	$76,211	$84,552	$78,004	$43,456	$58,364	$45,523
Total Compensation Cost	$391,610	$351,370	$486,030	$378,024	$328,457	$386,433	$310,523
f. Other Information							
♦ Paid Time Off (value payable on termination)	$35,700	$32,454	$49,038	$43,272	$32,885	$32,309	$30,000
♦ Sick Leave (maximum value payable on retirement)	26,580	25,963	39,230	34,616	32,885	107,696	30,000
♦ Potential severance payments	249,780	227,009	342,907	302,194	287,096	282,368	261,922

Additional Notes:

Medical/Rx/Dental/Vision - 2016 employer contribution based on plan and tier of coverage elected

OPERS - based on 2017 limits as 2018 limits are not yet published ($270,000 if hired at OPERS employer after 1994; $400,000 if hired at OPERS employer before 1994)

Paid Time Off - based on maximum accumulation of 1.5x annual accrual.

Sick leave - based on max payout of 800 or 240 based on hire date before or after 3/1/11 - NOTE, this is a correction from the 2016 data

Daniel Lewis - assuming 35 hours bi-weekly (.4375 status)

Philips does not receive benefits due to contractor status.

MetroHealth does not contribute to Social Security.

Appendix C

Study Methodology

Study Methodology

- SullivanCotter used a market pricing approach to assess the competitiveness and reasonableness of MHS's executive total compensation levels. Specifically, we:
  - Collected background information regarding MHS's operations, structure, size, and scope.
  - Collected information on the covered executives' current compensation.
  - Collected design information relative to the administration of the cash compensation programs.
  - Affirmed our understanding of each position's functional responsibilities and role within the organization through MHS's compensation professionals.
  - Selected the appropriate benchmark position match for each position.
- Created four distinct custom executive compensation peer groups from Sullivan Cotter and Associates Inc. - *2017 Survey of Manager and Executive Compensation in Hospitals and Health Systems* database, as follows:
  - Health systems with revenues ranging from $500M to $2B. Excludes for-profit health system and pediatric hospitals.
  - Health systems with revenues ranging from $1B to $3B. Excludes for-profit health system and pediatric hospitals.
  - Public health systems with revenues ranging from $500M to $2B.
  - Public health systems with revenues ranging from $1B to $3B.
    - Compared MHS's cash compensation levels to the custom peer group data.
- In this context, the cash compensation market data are:
  - Reflective of MHS's executive talent market, which is primarily based on not-for-profit health systems on a national basis.
  - Position-specific, based on our understanding of each role.
    - In some instances, we applied a market adjustment (i.e., premium or discount) to the market data to better reflect MHS's position relative to the available benchmark match.
    - MHS's compensation professionals reviewed the benchmark matches and the application of market adjustments.
  - Reported at the 25th, 50th, 75th and 90th percentiles.
  - Updated to July 1, 2018 at an annualized rate of 3.0%, which is consistent with projected 2018 merit increase budgets for executives within the health care marketplace.

Study Methodology

- The following table summarizes the benchmark approach we utilized for each covered position:

Title/Executive	Survey Job Title	Survey Position Match
President CEO (Akram Boutros, M.D.)	President and Chief Executive Office	Responsible for establishing and achieving short- and long-term objectives and the overall viability of the organization. Develops policies and procedures and provides guidance with their implementation. Typically reports to the board or system senior management. This is the most senior executive. This position may have an MD.
EVP Chief Operating Officer (Michael Stern)	Chief Operating Officer	Responsible for overseeing overall operations of the organization in accordance with plans and budgets. Leads the operations to ensure the organization's short- and long-term goals and objectives are achieved. Reports to the president and chief executive officer. This is the second-highest senior executive. This position may have an MD.
EVP Chief Clinical Officer (Bernard Boulanger, M.D.)	Chief Medical Officer +10% premium for dyad structure responsibilities	Responsible for planning, coordinating and overseeing the strategic medical affairs of the organization. Establishes and implements standards and policies to align medical staff goals with those of the organization. Ensures medical staff complies with all legal and regulatory requirements. May be responsible for clinical integration or accountable care organization (ACO). Typically reports to the president and chief executive officer or chief operating officer. This position requires an MD.
SVP Population Health (Nabil Chehade, M.D.)	Top Population Health Executive	Responsible for developing, leading and overseeing the organization's strategic direction and coordination of population health and care management. Collaborates with leadership, physicians, departments and business units to implement and promote the population health program. Typically reports to the President and Chief Executive Officer. This position may have a MD.
EVP Chief Financial Officer (Craig Richmond)	Chief Financial Officer	Responsible for planning, organizing and directing all functions related to financial management, budgeting, accounting, reimbursement, etc. of the organization. Establishes and implements policies and procedures related to accounting practices. May have responsibility for information systems. Typically reports to the president and chief executive officer or chief operating officer.
SVP Chief Legal Officer (Michael Phillips)	Top Legal Services Executive (General Counsel) +10% for oversight of human resources	Responsible for planning and leading all legal activities of the organization. Oversees in-house legal counsel and coordinates activities of outside counsel. Ensures organizational activities and strategic matters meet legal and regulatory requirements. Typically reports to the president and chief executive officer.

Study Methodology

Title/Executive	Survey Job Title	Survey Position Match
SVP Campus Transformation (Walter Jones)	Top Facilities Planning/Construction Executive	Responsible for facility planning, new construction and renovation projects. May also be responsible for facilities operations and maintenance. Typically reports to the chief operating officer or chief financial officer.
SVP External Affairs (Elizabeth Allen)	Top Marketing Executive +10% premium for government relations	Responsible for developing, directing and executing a comprehensive marketing strategy. This includes marketing new and existing programs and services, conducting market research and advertising via various media. May have responsibility for internal and external communications. Typically reports to the president and chief executive officer or chief operating officer.
SVP Chief Development Officer & President MH Foundation (Kate Brown)	Top Foundation/Fund Development Executive	Responsible for planning and developing programs and events designed to enhance charitable giving. May serve as president of a separate charitable organization formed for the purpose of supporting the organization. Typically reports to the president and chief executive officer.
SVP Chief Strategy & Innovations Officer (Karim Botros)	Chief Strategy Officer	Responsible for developing and implementing strategies for short- and long-term growth of the organization. Develops and leads organization-wide strategic planning efforts. Identifies and pursues new business opportunities, investigates diversification into new businesses or service lines and identifies and executes strategic alliances, joint ventures and partnerships. May lead mergers, acquisitions and divestitures. This position is typically responsible for three or more strategic functions and reports to the president and chief executive officer.
SVP Chief Compliance & Ethics Officer (Cheryl Forino Wahl)	Top Compliance Executive	Responsible for developing, implementing and overseeing policies, programs and practices to ensure the organization is in compliance with federal, state or local regulations and accreditation standards. Typically reports to the board or top legal services executive. This position may have a JD. This is a senior-level executive.
VP Chief Quality Officer (Brook Watts, M.D.)	Top Quality Executive (MD)	Responsible for planning, implementing and overseeing the guidelines for clinical quality, patient safety and value initiatives. This position requires an MD to provide physician leadership to quality staff. May oversee quality data collection and reporting. Typically reports to the chief medical officer or president and chief executive officer. This is not a total quality management (TQM) or continuous quality improvement (CQI) job.

Study Methodology

Title/Executive	Survey Job Title	Survey Position Match
VP Chief Nursing Officer (Melissa Kline)	Chief Nursing Officer	Responsible for organizing, planning, directing and evaluating nursing services. Recommends and implements policies and procedures to improve efficiency and delivery of quality nursing services. This position is responsible for nursing functions only. Typically reports to the president and chief executive officer or chief operating officer. This position requires an RN.
Chief Of Staff (Jane Platten)	Chief Administrative Officer	Responsible for overseeing three or more of the organization's major administrative functions (e.g., human resources, planning, legal services, public relations and marketing). Plans, develops and establishes policies involving administrative functions in accordance with the objectives of the organization. Typically reports to the president and chief executive officer or chief operating officer. This position may have an MD.

Study Methodology

- The assessment of standard and supplemental benefits and perquisites is based on:
  - Information from published and proprietary benefit surveys (including those used in the cash compensation analysis to the extent information was available).
  - Our experience and knowledge regarding the use of benefits and perquisites for executives in not-for-profit health care organizations.
- SullivanCotter compared the current benefits and perquisites provided to the covered executives with the market data to assess general competitiveness.
  - SullivanCotter has included the broad-based benefits in the review to understand what the executives receive from these programs, and has not compared the broad-based benefits to broad-based market practices.
  - SullivanCotter has not reviewed the cost structure for any of the benefits to determine whether pricing is competitive.
- SullivanCotter conducted a quantitative assessment of MHS's TC using our proprietary CompPlus360° valuation tool.
  - This methodology combines the cash compensation market data with typical market benefit and perquisites costs, from SullivanCotter's proprietary CompPlus360° database, to create TC market data.
- We then compared MHS's TC levels to the TC market data at the 25th, 50th, 75th, and 90th percentiles.

Appendix D

Custom Peer Group Comparison Tables

Base Salary Tables

$ in thousands

Title (Incumbent)	Base Salary	Data Source	Base Salary Data Effective July 1, 2018				Approx. Market Position	Compa-Ratio			
			P25	P50	P75	P90		P25	P50	P75	P90
President CEO (Boutros, M.D.)	$930.0	NFP Health Systems $500M - $2B	[redacted]				63	[redacted]			
		NFP Health Systems $1B - $3B					38				
		Public Health Systems $500M - $2B					88				
		Public Health Systems $1B - $3B					78				
EVP Chief Operating Officer (Stern)	$475.0	NFP Health Systems $500M - $2B					27				
		NFP Health Systems $1B - $3B					<25 (-17%)				
		Public Health Systems $500M - $2B					35				
		Public Health Systems $1B - $3B					<25 (-21%)				
EVP Chief Clinical Officer (Boulanger, M.D.)	$500.0	NFP Health Systems $500M - $2B					51				
		NFP Health Systems $1B - $3B					26				
		Public Health Systems $500M - $2B					56				
		Public Health Systems $1B - $3B					51				
SVP Population Health (Chehade, M.D.)	$435.0	NFP Health Systems $500M - $2B					75				
		NFP Health Systems $1B - $3B					79				
		Public Health Systems $500M - $2B					---				
		Public Health Systems $1B - $3B					---				
EVP Chief Financial Officer (Richmond)	$470.0	NFP Health Systems $500M - $2B					45				
		NFP Health Systems $1B - $3B					<25 (-3%)				
		Public Health Systems $500M - $2B					64				
		Public Health Systems $1B - $3B					<25 (-4%)				

90th percentile not reported; data extrapolated for comparison purposes.

Base Salary Tables

$ in thousands

Title (Incumbent)	Base Salary	Data Source	Base Salary Data Effective July 1, 2018				Approx. Market Position	Compa-Ratio			
			P25	P50	P75	P90		P25	P50	P75	P90
SVP Chief Legal Officer (Phillips)	$360.0	NFP Health Systems $500M - $2B	[redacted]				28	[redacted]			
		NFP Health Systems $1B - $3B					<25 (-13%)				
		Public Health Systems $500M - $2B					<25 (-7%)				
		Public Health Systems $1B - $3B					<25 (-11%)				
SVP Campus Transformation (Jones)	$280.0	NFP Health Systems $500M - $2B					75				
		NFP Health Systems $1B - $3B					76				
		Public Health Systems $500M - $2B					---				
		Public Health Systems $1B - $3B					---				
SVP External Affairs (Allen)	$247.5	NFP Health Systems $500M - $2B					34				
		NFP Health Systems $1B - $3B					25				
		Public Health Systems $500M - $2B					<25 (-5%)				
		Public Health Systems $1B - $3B					---				
SVP Chief Development Officer & President MH Foundation (Brown)	$275.0	NFP Health Systems $500M - $2B					36				
		NFP Health Systems $1B - $3B					<25 (-4%)				
		Public Health Systems $500M - $2B					<25 (-13%)				
		Public Health Systems $1B - $3B					---				
SVP Chief Strategy & Innovations Officer (Botros)	$340.0	NFP Health Systems $500M - $2B					44				
		NFP Health Systems $1B - $3B					26				
		Public Health Systems $500M - $2B					<25 (-2%)				
		Public Health Systems $1B - $3B					---				

90th percentile not reported; data extrapolated for comparison purposes.

Base Salary Tables

$ In thousands

Title (Incumbent)	Base Salary	Data Source	Base Salary Data Effective July 1, 2018				Approx. Market Position	Compa-Ratio			
			P25	P50	P75	P90		P25	P50	P75	P90
SVP Chief Compliance & Ethics Officer (Wahl)	$300.0	NFP Health Systems $500M - $2B	[redacted]				78	[redacted]			
		NFP Health Systems $1B - $3B					74				
		Public Health Systems $500M - $2B					>90 (+2%)				
		Public Health Systems $1B - $3B					---				
VP Chief Quality Officer (Watts, M.D.)	$285.0	NFP Health Systems $500M - $2B					<25 (-21%)				
		NFP Health Systems $1B - $3B					<25 (-23%)				
		Public Health Systems $500M - $2B					---				
		Public Health Systems $1B - $3B					---				
VP Chief Nursing Officer (Kline)	$280.0	NFP Health Systems $500M - $2B					28				
		NFP Health Systems $1B - $3B					<25 (-9%)				
		Public Health Systems $500M - $2B					26				
		Public Health Systems $1B - $3B					<25 (-15%)				
Chief Of Staff (Platten)	$200.0	NFP Health Systems $500M - $2B					<25 (-29%)				
		NFP Health Systems $1B - $3B					<25 (-35%)				
		Public Health Systems $500M - $2B					---				
		Public Health Systems $1B - $3B					---				
						NFP Health Systems $500M - $2B	42				
						NFP Health Systems $1B - $3B	25				
						Public Health Systems $500M - $2B	52				
						Public Health Systems $1B - $3B	27				

90th percentile not reported; data extrapolated for comparison purposes.

Total Cash Compensation Tables

$ in thousands

Title (Incumbent)	Total Cash Compensation*				Data Source	Total Cash Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target[1]	Maximum[1]		P25	P50	P75	P90	No Incentive	Threshold	Target[1]	Maximum[1]
President CEO (Bourras, M.D.)	$930.0	$1,092.8	$1,255.5	$1,418.3	NFP Health Systems $500M - $2B	[redacted]				38	55	73	84
					NFP Health Systems $1B - $3B					<25 (-5%)	35	51	67
					Public Health Systems $500M - $2B					59	77	90	90
					Public Health Systems $1B - $3B					43	73	90	90
EVP Chief Operating Officer (Stern)	$425.0	$478.1	$531.3	$584.4	NFP Health Systems $500M - $2B					<25 (-2%)	32	40	48
					NFP Health Systems $1B - $3B					<25 (-29%)	<25 (-20%)	<25 (-11%)	<25 (-2%)
					Public Health Systems $500M - $2B					25	50	56	62
					Public Health Systems $1B - $3B					<25 (-41%)	<25 (-33%)	<25 (-26%)	<25 (-19%)
EVP Chief Clinical Officer (Neuberger, M.D.)	$500.0	$562.5	$625.0	$687.5	NFP Health Systems $500M - $2B					28	46	61	76
					NFP Health Systems $1B - $3B					<25 (-14%)	<25 (-3%)	37	53
					Public Health Systems $500M - $2B					28	56	80	90
					Public Health Systems $1B - $3B					<25 (-8%)	35	60	90
SVP Population Health (Chehade, M.D.)	$435.0	$489.4	$543.8	$598.1	NFP Health Systems $500M - $2B					60	69	77	82
					NFP Health Systems $1B - $3B					66	75	81	87
					Public Health Systems $500M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---
EVP Chief Financial Officer (Richmond)	$470.0	$529.7	$589.5	$649.2	NFP Health Systems $500M - $2B					30	44	58	71
					NFP Health Systems $1B - $3B					<25 (-14%)	<25 (-3%)	33	44
					Public Health Systems $500M - $2B					42	61	80	90
					Public Health Systems $1B - $3B					<25 (-7%)	50	66	80
SVP Chief Legal Officer (Phillips)	$360.0	$405.0	$450.0	$495.0	NFP Health Systems $500M - $2B					<25 (-9%)	27	42	55
					NFP Health Systems $1B - $3B					<25 (-19%)	<25 (-9%)	26	39
					Public Health Systems $500M - $2B					<25 (-13%)	<25 (-2%)	51	74
					Public Health Systems $1B - $3B					<25 (-21%)	<25 (-12%)	<25 (-2%)	62

[1] TCC positioning is capped at the 90th percentile.
Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Total Cash Compensation Tables

$ in thousands

Title (Incumbent)	Total Cash Compensation[1]				Data Source	Total Cash Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target[1]	Maximum[1]		P25	P50	P75	P90	No Incentive	Threshold	Target[1]	Maximum[1]
SVP Campus Transformation (Jones)	$200.0	$315.0	$346.8	$346.8	NFP Health Systems $500M - $2B	[redacted]				58	81	90	90
					NFP Health Systems $1B - $3B					57	80	87	90
					Public Health Systems $500M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---
SVP External Affairs (Allen)	$247.5	$278.5	$306.4	$340.3	NFP Health Systems $500M - $2B					<25 (-6%)	38	55	66
					NFP Health Systems $1B - $3B					<25 (-7%)	31	46	58
					Public Health Systems $500M - $2B					<25 (-6%)	32	50	74
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Development Officer & President MH Foundation (Brown)	$225.0	$253.1	$278.3	$306.4	NFP Health Systems $500M - $2B					27	42	57	70
					NFP Health Systems $1B - $3B					<25 (-7%)	30	41	53
					Public Health Systems $500M - $2B					<25 (-22%)	<25 (-12%)	<25 (-2%)	56
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Strategy & Innovations Officer (Bolros)	$340.0	$382.5	$425.0	$467.5	NFP Health Systems $500M - $2B					<25 (-4%)	36	51	60
					NFP Health Systems $1B - $3B					<25 (-16%)	<25 (-5%)	29	38
					Public Health Systems $500M - $2B					<25 (-10%)	<25 (-6%)	50	60
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Compliance & Ethics Officer (Wahl)	$300.0	$337.5	$368.3	$368.3	NFP Health Systems $500M - $2B					71	85	90	90
					NFP Health Systems $1B - $3B					56	77	90	90
					Public Health Systems $500M - $2B					77	84	90	90
					Public Health Systems $1B - $3B					---	---	---	---
VP Chief Quality Officer (Watts, M.D.)	$285.0	$306.4	$327.8	$349.1	NFP Health Systems $500M - $2B					<25 (-26%)	<25 (-21%)	<25 (-15%)	<25 (-10%)
					NFP Health Systems $1B - $3B					<25 (-26%)	<25 (-21%)	<25 (-16%)	<25 (-10%)
					Public Health Systems $500M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---

[1] TCC positioning is capped at the 90th percentile.
Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Total Cash Compensation Tables

$ in thousands

Title (Incumbent)	Total Cash Compensation*				Data Source	Total Cash Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target[1]	Maximum[1]		P25	P50	P75	P90	No Incentive	Threshold	Target[1]	Maximum[1]
VP Chief Nursing Officer (Kline)	$280.0	$301.0	$322.0	$343.0	NFP Health Systems $500M - $2B					<25 (-6%)	28	40	51
					NFP Health Systems $1B - $3B					<25 (-16%)	<25 (-10%)	<25 (-4%)	29
					Public Health Systems $600M - $2B					<25 (-4%)	29	37	44
					Public Health Systems $1B - $3B					<25 (-37%)	<25 (-32%)	<25 (-27%)	<25 (-22%)
Chief Of Staff (Pieter)	$260.0	$279.5	$299.0	$318.5	NFP Health Systems $500M - $2B					<25 (-25%)	<25 (-19%)	<25 (-13%)	<25 (-8%)
					NFP Health Systems $1B - $3B					<25 (-41%)	<25 (-37%)	<25 (-32%)	<25 (-28%)
					Public Health Systems $500M - $2B					—	—	—	—
					Public Health Systems $1B - $3B					—	—	—	—
					NFP Health Systems $500M - $2B					29	42	54	65
					NFP Health Systems $1B - $3B					<25 (-10%)	26	38	49
					Public Health Systems $500M - $2B					33	55	68	78
					Public Health Systems $1B - $3B					<25 (-16%)	<25 (-9%)	50	59

[1] TCC positioning is capped at the 90th percentile.
Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Total Compensation Tables

$ in thousands

Title (Incumbent)	Total Compensation with FY2017 Incentive Awards at:				Data Source	Total Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target	Maximum		P25	P50	P75	P90	No Incentive	Threshold	Target	Maximum
President, CEO (Bounds, M.D.)	$1,295.5	$1,419.3	$1,562.0	$1,744.0	MFP Health Systems $600M - $2B					47	63	77	88
					MFP Health Systems $1B - $3B					28	42	56	69
					Public Health Systems $600M - $2B					69	86	>90 (+5%)	>90 (+5%)
					Public Health Systems $1B - $3B					59	82	>90 (+4%)	>90 (+9%)
EVP Chief Operating Officer (Starr)	$541.6	$594.7	$647.8	$700.9	MFP Health Systems $600M - $2B					26	33	41	48
					MFP Health Systems $1B - $3B					<25 (-24%)	<25 (-17%)	<25 (-8%)	<25 (-2%)
					Public Health Systems $600M - $2B					32	51	57	62
					Public Health Systems $1B - $3B					<25 (-35%)	<25 (-29%)	<25 (-23%)	<25 (-16%)
EVP Chief Clinical Officer (Boulanger, M.D.)	$672.5	$690.0	$762.5	$815.0	MFP Health Systems $600M - $2B					33	50	63	76
					MFP Health Systems $1B - $3B					<25 (-10%)	<25 (-1%)	39	53
					Public Health Systems $600M - $2B					37	61	81	89
					Public Health Systems $1B - $3B					<25 (-3%)	42	71	86
SVP Population Health (Cochrane, M.D.)	$597.4	$621.8	$676.2	$730.6	MFP Health Systems $600M - $2B					66	74	79	83
					MFP Health Systems $1B - $3B					72	78	83	88
					Public Health Systems $600M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---
EVP Chief Financial Officer (Richmond)	$594.1	$653.1	$717.9	$720.6	MFP Health Systems $600M - $2B					35	49	60	72
					MFP Health Systems $1B - $3B					<25 (-8%)	35	35	45
					Public Health Systems $600M - $2B					47	67	82	>90 (+1%)
					Public Health Systems $1B - $3B					<25 (-3%)	53	68	81
SVP Chief Legal Officer (Phillips)[1]	$360.0	$405.0	$450.0	$495.0	MFP Health Systems $600M - $2B					---	---	---	---
					MFP Health Systems $1B - $3B					---	---	---	---
					Public Health Systems $600M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---

[redacted]

[1] Phillips does not receive benefits due to contractor status.
Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Total Compensation Tables

$ in thousands

Title (Incumbent)	Total Compensation with FY2017 Incentive Awards at:				Data Source	Total Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target	Maximum		P25	P50	P75	P90	No Incentive	Threshold	Target	Maximum
SVP Campus Transformation (Jones)	$377.4	$412.4	$444.7	$444.2	NFP Health Systems $500M - $2B	[redacted]				77	87	>90 (+6%)	>90 (+5%)
					NFP Health Systems $1B - $3B					77	84	>90 (+1%)	>90 (+4%)
					Public Health Systems $500M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---
SVP External Affairs (Miller)	$330.7	$361.2	$392.1	$423.0	NFP Health Systems $500M - $2B					28	47	60	67
					NFP Health Systems $1B - $3B					<25 (-1%)	37	60	60
					Public Health Systems $500M - $2B					<25 (-3%)	41	59	75
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Development Officer & President MH Foundation (Brown)	$301.2	$328.9	$357.5	$385.6	NFP Health Systems $500M - $2B					34	47	60	71
					NFP Health Systems $1B - $3B					<25 (-2%)	34	44	55
					Public Health Systems $500M - $2B					<25 (-16%)	<25 (-8%)	25	60
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Strategy & Innovations Officer (Collins)	$424.5	$467.0	$509.5	$552.0	NFP Health Systems $500M - $2B					<25 (-1%)	37	61	80
					NFP Health Systems $1B - $3B					<25 (-19%)	<25 (-9%)	28	37
					Public Health Systems $500M - $2B					<25 (-19%)	<25 (-5%)	48	67
					Public Health Systems $1B - $3B					---	---	---	---
SVP Chief Compliance & Ethics Officer (Wahl)	$378.0	$415.5	$478.3	$474.3	NFP Health Systems $500M - $2B					73	85	93	99
					NFP Health Systems $1B - $3B					58	77	88	88
					Public Health Systems $500M - $2B					70	85	90	93
					Public Health Systems $1B - $3B					---	---	---	---
VP Chief Quality Officer (Watts, M.D.)	$378.5	$349.8	$371.2	$392.6	NFP Health Systems $500M - $2B					<25 (-25%)	<25 (-25%)	<25 (-20%)	<25 (-16%)
					NFP Health Systems $1B - $3B					<25 (-30%)	<25 (-26%)	<25 (-21%)	<25 (-16%)
					Public Health Systems $500M - $2B					---	---	---	---
					Public Health Systems $1B - $3B					---	---	---	---

Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Total Compensation Tables

$ in thousands

Title (Incumbent)	Total Compensation with FY2017 Incentive Awards at:				Data Source	Total Compensation Data Effective July 1, 2018				Approximate Market Position			
	No Incentive	Threshold	Target	Maximum		P25	P50	P75	P90	No Incentive	Threshold	Target	Maximum
VP Chief Nursing Officer (None)	$338.4	$359.4	$380.4	$401.4	NFP Health Systems $500M - $2B	[redacted]				<25 (-6%)	<25 (-1%)	35	45
					NFP Health Systems $1B - $3B					<25 (-16%)	<25 (-11%)	<25 (-6%)	<25 (-1%)
					Public Health Systems $500M - $2B					<25 (-9%)	26	33	41
					Public Health Systems $1B - $3B					<25 (-31%)	<25 (-30%)	<25 (-28%)	<25 (-22%)
Chief CI Staff (Pfeiler)	$306.5	$325.0	$344.5	$364.0	NFP Health Systems $500M - $2B					<25 (-27%)	<25 (-22%)	<25 (-18%)	<25 (-13%)
					NFP Health Systems $1B - $3B					<25 (-42%)	<25 (-38%)	<25 (-35%)	<25 (-31%)
					Public Health Systems $500M - $2B					--	--	--	--
					Public Health Systems $1B - $3B					--	--	--	--
					NFP Health Systems $500M - $2B					34	46	57	67
					NFP Health Systems $1B - $3B					<25	28	42	50
					Public Health Systems $500M - $2B					46	61	71	78
					Public Health Systems $1B - $3B					<25	28	51	60

Positions highlighted in peach reflect those that are impacted by the 90th percentile cap.
90th percentile not reported; data extrapolated for comparison purposes.

Appendix E

Incentive Compensation Data

Incentive Compensation Data

Annual Incentives

[redacted]

Position/Level	MHS		Health Systems[1]	
	Target	Maximum	Target	Maximum
Chief Executive Officer	35.0%	52.5%	[redacted]	
Chief Financial Officer	25.0%	37.5%		
Chief Medical Officer	25.0%	37.5%		
Chief Operating Officer	25.0%	37.5%		
Senior Vice Presidents	25.0%	37.5%		
Vice Presidents	15.0%	22.5%		

(1) Source: SullivanCotter's 2017 *Manager and Executive Compensation in Hospitals and Health Systems Survey Report*

[redacted]

Long-Term Incentives

[redacted]

- MHS does not have a long-term incentive plan for its executives.

Appendix F

Benefits and Perquisite Assessment

Detailed Benefits Analysis

Health Benefits			
Benefit	**MetroHealth**	**Market Practices**	**Insights**
Medical, dental, prescription drugs, vision, Flexible Spending Accounts (FSA)	• Two plans to choose from: MetroHealth Select Employee Plan and MetroHealth Select Employee Plus Plan. • Cost-sharing applies. • No special provisions for executives.	[redacted]	• Extending coverage to executives through broad-based programs is consistent with market practice.
Dental	• Two plan to choose from: MetroHealth Dental Plan and Cigna PPO Plan. • Cost-sharing applies. • No special provisions for executives.		
Vision	• One option: Eyemed Vision Care Plan. • Cost-sharing applies (included in dental rate). • No special provisions for executives.		
Employee Assistance Program (EAP)	• Employer-paid. • No special provisions for executives.		
Flexible Spending Accounts	• Employee-paid. • Health care ($2,650 maximum for 2018) and dependent care ($5,000 maximum for 2018) accounts. • No special provisions for executives.		

Source of market practices: SullivanCotter's *2017 Benefits Practices in Hospitals and Health Systems Survey Report* supplemented by our extensive knowledge and experience with benefits in the not-for-profit health care market.

Detailed Benefits Analysis

Health Benefits			
Benefit	MetroHealth	Market Practices	Insights
Long-term care	• No coverage provided.	[redacted]	• Not providing long-term care is consistent with market practice.
Retiree medical	• Coverage provided via OPERS retirement plans. • For Traditional Plan and Combined Plan, OPERS offers medical coverage to retirees and dependents with the monthly cost depending on Medicare status, years of service credit and date of retirement. – Must be at least 60 years old with 20 years of service credit or any age with at least 30 years of service credit to be eligible. • For the Member-Directed Plan, a portion of the employer contribution (4.0%) is made to a Retiree Medical Account (RMA), which can be used after retirement to pay qualifying medical expenses. – Interest rate will be tied to the annual investment return of OPERS' pension assets: ▪ If returns are greater than zero, the RMA will be credited with 4% interest the following year. ▪ If returns are zero or negative, no interest will be credited to the RMA the following year. – Graded vesting schedule at 10% per year starting at year 6 (100% vested after 15 years of service).		• While retiree medical coverage is not a prevalent benefit for executives, extending coverage to executives through broad-based programs is consistent with market practice for organizations that provide such coverage.

Detailed Benefits Analysis

Life Insurance

Benefit	MetroHealth	Market Practices	Insights
Life insurance and AD&D	• Employer-paid. • Basic Coverage of $50,000 for executives and physicians, 1.5x salary for others. • $500,000 AD&D coverage for executives; 1.5x salary up to $300,000 for physicians.	[redacted]	• Total employer-paid coverage of $500,000 provides 0.54x base pay coverage (for the CEO) to 2.22x base pay coverage. – Higher paid executives receive below-median benefits. – Total available coverage (employer plus employee paid) is at the upper end of the typical market range due to the high supplemental levels and maximum. • Combining spousal and child coverage is not common.
Executive life insurance	• Executives provided $450,000 coverage (employer-paid). – Additional amounts employee-paid. • Provided through GVUL policies.		
Supplemental life insurance	• Employee-paid coverage of 1x to 6x base pay, up to a maximum of $3,050,000 (including basic and supplemental coverage). • May require health questionnaire or blood test for amounts in excess of guaranteed issue amount.		
Dependent life insurance	• Employee-paid options for spouse and unmarried children at least 14 days of age to 26. – Option 1: $5,000 spouse; $2,000 children. – Option 2: $10,000 spouse; $4,000 children. – Option 3: $20,000 spouse; $8,000 children. – Option 4: $50,000 spouse; $20,000 children.		

Detailed Benefits Analysis

Long-Term Disability			
Benefit	MetroHealth	Market Practices	Insights
Long-term disability	• No employer-paid coverage provided. • Two employee-paid options: – Option A: 60% of base salary up to maximum monthly benefit of $10,000 (effectively caps pay at $200,000). – Option B: 60% of base salary up to maximum monthly benefit of $15,000 (effectively caps pay at $300,000). – All-source maximum of 70% of base pay for both options. – 90 day elimination period for both options.	[redacted]	• Providing no employer provided LTD coverage is uncommon and below median market practice. • The voluntary coverage is consistent with market practice with respect to total coverage offered (i.e., employee plus employer paid coverage). • The $15,000 cap under Option B is competitive, even though it limits the benefit for a number of executives (those with base pay over $300,000).

Detailed Benefits Analysis

Short-Term Disability			
Benefit	MetroHealth	Market Practices	Insights
Short-term disability	• No employer-paid coverage provided. • Two employee-paid options: – Option 1: 60% of base salary up to a maximum weekly benefit of $2,500 (effectively caps pay at $216,667); 14 day elimination period; maximum benefit period of 11 weeks – Option 2: 60% of base salary up to a maximum weekly benefit of $2,500 (effectively caps pay at $216,667); 29 day elimination period; maximum benefit period of 9 weeks – Both options coordinate with the sick bank (i.e. if someone is receiving 60% STD pay, they can receive 40% sick pay from their sick bank, if time is available).	[redacted]	• Short-term disability benefits are below what is typically seen in the market due to: – No employer-provided benefits. – Low maximum benefit limits. • However, the chance to accrue significant sick leave helps offset the limited short-term disability coverage, particularly for those with longer service and larger sick leave accruals.

Detailed Benefits Analysis

Paid Time Off and Short-Term Disability			
Benefit	MetroHealth	Market Practices	Insights
Paid time off (PTO)	• Holidays – 10 days. • Vacation: – CEO: 6 weeks (30 days) – EVPs and SVPs: 5 weeks (25 days) – Others receive 20 days per year if less than 23 years of service, 25 days after 23 years of service. – Maximum accumulation of 1.5x annual accrual. – Cash out of unused vacation at termination only. • Sick leave: – Sick hours are accrued at the rate of 4.6 hours for each 80 hours worked, up to a maximum of 15 days per calendar year. – Sick leave can only be cashed out at retirement (need to immediately go into retirement status with OPERS) at 50% of accrual up to a max of 240 hours (800 hours if hired before March 1, 2011).	[redacted]	• Annual vacation accrual and holidays are consistent with market practice. • The maximum accumulation is within typical market practices. • It is not typical to provide a cash out of unused sick time at retirement, though the cost is mitigated since: – Hours are cashed out at a 50% rate. – The total hours are limited. – Cash outs are only available at retirement (i.e., not for any termination event).

Detailed Benefits Analysis

Retirement and Deferred Compensation Programs			
Benefit	**MetroHealth**	**Market Practices**	**Insights**
Qualified retirement plans	**Ohio Public Employees Retirement System (OPERS)** • Broad-based plan; MHS has opted out of Social Security. • Contributions made on base pay plus PBVC, subject to IRS pay limits ($275,000 in 2018 for those hired after January 1, 1994, $405,000 in 2018 for those hired before January 1, 1994). – Employer contributions of 14% of earnable salary (generally base plus bonus plus overtime). – Mandatory employee contributions of 10% of earnable salary. • Choice of three plans for those hired after January 1, 2003 (Traditional Plan for those hired prior to that date). – Traditional Plan: ° Defined benefit pension plan providing 2.2% of final average earnable salary for each year of service up to 30 years and 2.5% of final average salary for each year of service over 30 years. ° Reduced for retirement prior to attaining 30 years of service or age 65. – Combined Plan: ° Defined benefit pension plan providing 1% of final average earnable salary for each year of service up to 30 years and 1.25% of final average salary for each year of service over 30 years. PLUS ° The accumulated balance of employee contributions and earnings, with investment directed by the member. – Member-Directed: ° The accumulated balance of a portion of the 14% employer contribution (in 2018, this is reduced by a plan-specified mitigating contribution of 2.0% and administrative expenses of 0.5%). ° A portion of the employer contributions (currently 4.0%) is set aside in a separate Retiree Medical Account, used to pay qualifying medical, dental, and vision expenses after retirement.	[redacted]	• It is consistent with market practice for executives to participate in the same program as other employees. • Costs and benefits are higher than what is seen in the not-for-profit market, but are more in-line with public retirement system costs.

Detailed Benefits Analysis

Retirement and Deferred Compensation Programs (continued)			
Benefit	MetroHealth	Market Practices	Insights
Supplemental retirement plans	**457(b) Plan** • Broad-based defined contribution plan. • Employee deferrals up to annual deferral limit ($18,500 in 2018), plus catch-up contributions. **Section 457(f) SERP Plans** • For CEO, EVPs and SVPs. • Annual contributions, based on total cash compensation (base pay plus PBVCP incentive): – For the CEO: 20%. – For EVPs/SVPs: 10%. • Three-year "block" vesting. – Current cycle for the CEO began January 1, 2016. – Vesting for original EVP/SVP participants was December 31, 2017. – The intent is for there to be a new three-year vesting period after initial vesting is reached, though no final decisions made for EVP/SVP group. • Contributions also immediately vest upon death, disability, termination without cause, or termination for good reason. • Vested contributions are paid in cash as soon as is practicable after amounts become taxable.	[redacted]	• Providing a 457(b) plan is consistent with market practice. • Participation and contribution levels in the SERP plans are within typical market practice. • The use of block vesting is less common than other forms of vesting.

Detailed Benefits Analysis

Severance			
Benefit	MetroHealth	Market Practices	Insights
Severance	• CEO: 12 months continuation of base salary and annual incentive. • Other executives: 12 months continuation of base salary. • After 6 months, payment is discontinued upon subsequent employment. • Medical benefits continued for 6 months via employer payment of employer share of COBRA premium. • Outplacement assistance available for 6 months. • Subject to a release of claims by executive.	[redacted]	• The severance periods and provisions are within the range of typical market practice.

Detailed Benefits Analysis

Additional Executive Benefits			
Benefit	MetroHealth	Market Practices	Insights
Perquisites	• Not provided.	[redacted]	• Providing no perquisites is consistent with the trend in the market.