

Source:
Administrative
Board of Directors

Applies to Facilities:
All Palomar Health Facilities

Applies to Departments:

Policy : CEO Evaluation and Compensation

I. PURPOSE:

To provide a framework and process for evaluation of CEO performance and determining compensation that is consistent with Palomar Health's mission and is reasonable compared with fair market value in the industry.

II. DEFINITIONS:

Compensation Committee: The Chair of the Board will select three Board members to serve as the compensation Committee. The Committee will be responsible for evaluating the CEO's compensation and benefits and making recommendations to the Board for adjustments.

III. TEXT / STANDARDS OF PRACTICE:

A. CEO Evaluation

1. Annually the Board will evaluate the CEO's performance against established target goals.
2. The Board will meet with the CEO to discuss the status of the established goals and provide any additional feedback.
3. Goals/expectations for the upcoming year will be formed and agreed with the CEO at this time. The goals will be derived from expectations in financial performance, strategic planning/growth, patient satisfaction, employee engagement, medical staff relations, quality of care, community impact, overall leadership and board relations. Additional goals/expectations may be determined on an annual basis by the Board.

B. CEO Compensation

1. In order to attract and retain a highly qualified CEO to carry out the mission of the organization, the Board will select a Board Compensation Committee to review the CEO's compensation.
2. Annual incentive bonuses may be utilized as part of the CEO's total compensation.
3. The Compensation Committee will rely on information from comparable organizations. This information may be obtained through a third party compensation consultant of the Compensation Committee's choice.
4. The CEO benefit package will also be reviewed every two (2) years. The same third-party consultant used for compensation recommendations may be utilized to identify a market competitive benefit package.
5. Recommendations of the Compensation Committee will be presented to the full Board for approval

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Approvals

- Committees:

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Attachments:

(REFERENCED BY THIS DOCUMENT)

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