

Nonprofit hospital executive pay increased 93% in a decade — Orthopedic surgeon pay did not

Written by Laura Dyrda | August 15, 2018 | [Print](#) | [Email](#)

A new [study](#) published in *Clinical Orthopaedics and Related Research* examines the growing wage gap between healthcare executives and physicians at major nonprofit hospitals in the U.S.

The study authors examined CEO and CFO compensation at 22 major nonprofit medical centers on the U.S. News & World Report 2016-17 Honor Roll as well as four health systems with "notable" orthopedic departments. They examined IRS 990 forms for those hospitals and tracked executive compensation over time.

The researchers also examined orthopedic surgeon and pediatrician compensation, as they are two specialties at the opposite ends of the compensation spectrum. Study authors found:

1. Average CEO compensation increased from \$1.6 million in 2005 to \$3.1 million in 2015, a 93 percent increase over the decade.

"While the pay of the CEOs has increased 93 percent in the last 10 years, it seems to me the complexity and the challenge of the job has increased several hundred percent," said Scott Becker, publisher of Becker's Healthcare and partner at McGuireWoods.

Over the same period, the average healthcare worker saw an 8 percent wage increase. At the same time, orthopedic surgeon salary increased 26 percent, as reported in [Healthcare Finance News](#).

2. The wage gap between CEOs and orthopedic surgeons increased from 3:1 in 2005 to 5:1 in 2015; the gap increased from 7:1 for pediatricians to 12:1 over that time period. Study authors also noted similar gap trends among physicians and CFOs.

3. Over the decade studied, the number of healthcare workers increased by 20 percent to 15 million people, and the number of management workers accounted for 3 percent of the growth. Nonclinical workers represented 27 percent of the growth while physicians accounted for 5 percent of the growth.

4. The cost-burden nationally of the healthcare workers' wages hit \$865 billion in 2015, up 30 percent from 2005, and nonclinical workers accounted for 27 percent of that increase.

5. Over the period studied, inpatient stays decreased 5 percent from 38 million in 2005 to 36 million in 2015 while physician office visits increased 3 percent from 964 million to 991 million.

"There is a fast-rising wage gap between the top executives of major nonprofit centers and physicians that reflects the substantial, and growing, cost of nonclinical worker wages to the U.S. healthcare system," study authors concluded. "However, there does not appear to be a proportionate increase in healthcare utilization. These findings suggest a growing, substantial burden of nonclinical tasks in healthcare."