



Fraser Health Authority Compensation Discussion & Analysis

May 8, 2015

Part I – Framework for Total Compensation

Compensation Plan

Fraser Health uses the health sector's *Compensation Reference Plan* as the framework for its compensation program that covers individuals in the Management & Management Support (Excluded) employee group (Excluded Compensation). The *Compensation Reference Plan* has three components:

- **Job Evaluation.** A common Job Evaluation Plan is in place for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job. Fraser Health assesses the jobs and the Health Employers Association of BC (HEABC) reviews to ensure consistency of application.
- **Salary Ranges.** Health employers use common salary ranges. Each salary range has a minimum and maximum amount. Individual salaries are set between these two amounts. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer. The salary range for the Chief Executive Officer is set by the Ministry of Finance.
- HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.
- The *Compensation Reference Plan* set a goal for salary ranges to be based on the market average, referred to the 50th Percentile. This was deemed to be a fair and defensible level of compensation. Over the past number of years, however, the salary ranges have been established based on factors that include market surveys, public sector bargaining and overall financial mandates set by Government. As such, for a range of positions, the salary ranges now reflect compensation levels that for some positions are below the market average or 50th Percentile. Despite this shortfall, Fraser Health establishes salaries within the approved salary ranges.
- Fraser Health establishes individual compensation rates within the limits of the approved salary ranges. Annual salary reviews take place in conjunction with a formal performance management program, and individuals are eligible for salary increases based on performance, general guidelines on maximum increases to guide health care employers, and available room on the specific salary range.
- The job evaluation and salary ranges do not include that for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the Minister Health, prior to seeking approval from the Minister of Finance.
- **Compensation Guidelines.** Common guidelines help to establish consistency in compensation practices across health employers. Fraser Health uses the guidelines to guide its administrative practices as well as the framework for employment contracts.

- The terms and conditions of employment for Fraser Health Executives are outlined in individual employment contracts. All employment contracts are filed with the Public Sector Employers' Council Secretariat via an on-line process and made available for disclosure at Fraser Health's Corporate Office.

Benefits

Fraser Health provides a standard package of employee health and welfare benefits to its Management & Management Support employees. Benefits include Medical Service Plan Premiums, Long Term Disability, Short Term Illness, Sick Leave, Life Insurance, Accidental Death & Dismemberment (AD&D), Extended Health, Dental Plan and enrollment in the Municipal Pension Plan. Premiums are employer paid. Individuals have the option to purchase additional insurance benefits on an employee paid premium basis.

Senior Executives benefit plans provide different coverage from the plans for the Management & Management Support (Excluded) employee group. Primary differences include Insurance and AD& D (five times annual salary rather than three times annual salary) and dental (major services and orthodontic services reimbursed at 100% rather than 75%).

Perquisites

A Car Allowance of \$500 per month was provided to the President & Chief Executive Officer (Dr. N. Murray).

Part II – Discussion on Total Compensation Reported

Total Compensation – Chief Executive Officer

Compensation is reported for three (3) Chief Executive Officers. The total compensation reported for Dr. Nigel Murray reflects compensation, employer paid benefit premiums and a car allowance. His employment ended July 10, 2014. The compensation reported for Dr. D. Ostrow is for the period of time Dr. Ostrow served on a consulting basis as Interim Chief Executive Officer. Mr. M. Marchbank commenced as the Chief Executive Officer effective January 2, 2015.

Total Compensation – Other Executives

Base Salary, Pension, and all other compensation are reported for the four highest ranking administrators/executives on the attached Summary Compensation Table. The Notes Section provides information on employment time period. The "Other Compensation" relates to the payout of vacation entitlement.

Summary Compensation Table at FISCAL, 2015

Name and Position (a)	Salary (b)	Bonus and / or Incentive Plan Compensation (c)	Benefits (d)	Pension (e)	All Other Compensation (expanded below)	2014/15 Total	Previous Two Years Totals	
							2013/14	2012/13
Nigel Murray, President & CEO	\$ 100,575	\$ -	\$ 7,160	\$ 9,054	\$ 36,468	\$ 153,256	\$ 444,023	\$ 444,023
David Ostrow, Interim President & CEO	\$ 140,284	\$ -	\$ -	\$ -	\$ -	\$ 140,284	\$ -	\$ -
Michael Marchbank, President & CEO	\$ 71,379	\$ -	\$ 9,346	\$ 6,831	\$ -	\$ 87,556	\$ -	\$ -
Andrew Webb, VP Medicine	\$ 271,440	\$ -	\$ 24,045	\$ 25,532	\$ -	\$ 321,017	\$ 320,040	\$ 320,040
Philip Barker, VP Infomatics	\$ 247,065	\$ -	\$ 22,882	\$ 23,239	\$ -	\$ 293,186	\$ 292,624	\$ 295,000
Marc Pelletier, VP Operations & Strategic Planning	\$ 247,065	\$ -	\$ 22,905	\$ 23,239	\$ 63	\$ 293,273	\$ 294,198	\$ -
Paul Van Buynder, VP Population Health & Chief MHO	\$ 136,547	\$ -	\$ 8,953	\$ 12,669	\$ 9,170	\$ 167,339	\$ 286,336	\$ -
Peter Goldthorpe, VP Corporate Services & Facilities	\$ 237,510	\$ -	\$ 20,782	\$ 22,341	\$ -	\$ 280,633	\$ -	\$ -
Roy Morton, Interim VP Medicine & Regional Programs	\$ 227,246	\$ -	\$ 7,351	\$ 21,379	\$ 9,529	\$ 265,504	\$ -	\$ -
Victoria Lee, VP Population Health & Chief MHO	\$ 232,571	\$ -	\$ 19,476	\$ 21,888	\$ 6,796	\$ 280,731	\$ -	\$ -

Summary Other Compensation Table at FISCAL, 2015

Name and Position (a)	All Other Compensation	Severance (f)	Vacation payout (g)	Leave payout (h)	Vehicle / Transportation Allowance (i)	Perquisites / other Allowances (j)	Other (k)
Nigel Murray, President & CEO	\$ 36,468	\$ -	\$ 34,737	\$ -	\$ 1,731	\$ -	\$ -
David Ostrow, Interim President & CEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Michael Marchbank, President & CEO	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Andrew Webb, VP Medicine	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Philip Barker, VP Infomatics	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marc Pelletier, VP Operations & Strategic Planning	\$ 63	\$ -	\$ 63	\$ -	\$ -	\$ -	\$ -
Paul Van Buynder, VP Population Health & Chief MHO	\$ 9,170	\$ -	\$ 9,170	\$ -	\$ -	\$ -	\$ -
Peter Goldthorpe, VP Corporate Services & Facilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Roy Morton, Interim VP Medicine & Regional Programs	\$ 9,529	\$ -	\$ 9,529	\$ -	\$ -	\$ -	\$ -
Victoria Lee, VP Population Health & Chief MHO	\$ 6,796	\$ -	\$ 6,796	\$ -	\$ -	\$ -	\$ -

Notes:

Nigel Murray, President & CEO	Dr. Murray resigned effective July 10, 2014.
David Ostrow, Interim President & CEO	Dr. Ostrow served as the interim President & CEO, on a consulting basis, for a portion of the year.
Michael Marchbank, President & CEO	Mr. Marchbank was hired as President & CEO effective January 2, 2015.
Andrew Webb, VP Medicine	Effective February 13, 2015, Dr. Webb is on assignment with the Ministry of Health.
Philip Barker, VP Infomatics	
Marc Pelletier, VP Operations & Strategic Planning	Effective February 13, 2015, Mr. Pelletier is on assignment with the Ministry of Health.
Paul Van Buynder, VP Population Health & Chief MHO	Dr. Van Buynder resigned effective October 17, 2014.
Peter Goldthorpe, VP Corporate Services & Facilities	Mr. Goldthorpe was not previously reported as he was not one of the 5 highest paid executives in prior fiscal years.
Roy Morton, Interim VP Medicine & Regional Programs	Dr. Morton is the interim VP Medicine & Regional Programs and was previously an Executive Medical Director.
Victoria Lee, VP Population Health & Chief MHO	Prior to October 23, 2014, Dr. Lee was an Executive Medical Director.