

# U.S. Government Accountability Office Survey of Nonprofit Hospital Systems

## Introduction

The U.S. Government Accountability Office (GAO), an independent congressional agency, is examining issues related to executive compensation at tax-exempt hospital systems. We initiated this work based on a request from the Chairman of the Congress’s House Ways and Means Committee, who asked that we obtain information from some of the country’s largest nonprofit hospital systems regarding (1) the governance structure that exists at these hospital systems over executive compensation, (2) the basis for compensation and benefits earned by, awarded to, or paid to hospital system executives, and (3) the types of internal controls that exist at these hospital systems over the approval, payment, and monitoring of executive travel, entertainment, gifts, and related audits.

This survey is not designed, and we do not intend, to draw any conclusions with respect to the adequacy or sufficiency of the policies, practices or procedures of any individual hospital system or whether these systems are complying with applicable laws and regulations.

## Frame of Reference

All questions should be answered from the perspective of the **hospital system** and its executives, not any subsidiary.

The hospital system refers to the separate legal entity that serves as a parent company for all of the entities that comprise the hospital (or health care) system. Therefore, the executives of any subsidiary are excluded unless an executive is also an executive of the system. Further, in the context of a survey question, hospital system means collectively the institution and members of the board and management who have responsibility or who have been delegated authority over matters addressed by the particular question.

All questions that ask whether or not something occurred should reflect those events that have occurred **since January 1, 2004**. Unless otherwise stated, all other questions should reflect the conditions that exist at the time this survey is being completed.

## Instructions for Completing This Questionnaire

Most of the questions in this survey can be answered easily by checking boxes  or filling in blanks, which are highlighted in **yellow**. Unless otherwise noted, please *mark only one response* for each question. A few questions require short narrative answers. Please note

that these blanks expand to fit your answer. Additional comments may be written at the end of the questionnaire.

- Ø Please use your mouse to navigate throughout the survey by clicking on the field or check box you wish to answer. Do not use the “Tab” or “Enter” keys as they may cause formatting problems.
- Ø To select a check box, simply click on the center of the box.
- Ø To change or deselect a response, simply click on the check box and the “X” will disappear.

## Deadline

To assist us, we ask that you complete and return this survey by **April 21, 2006**. Please return the completed questionnaire via e-mail by simply saving this file to your computer desktop or hard drive and attaching the file as part of your e-mail message reply to Bret Kressin at [kressinb@gao.gov](mailto:kressinb@gao.gov).

If you or your staff have any questions, please contact:

Kimberly Brooks, Assistant Director  
(202) 512-9038  
[BrooksK@gao.gov](mailto:BrooksK@gao.gov)

or

Scott McNulty, Analyst-in-Charge  
(202) 512-9184  
[McNultyS@gao.gov](mailto:McNultyS@gao.gov)

<b>Respondent Information</b>
-------------------------------

**Please provide the following information for the individual coordinating the completion of this survey so we may contact them to clarify any responses, if necessary.**

Name:

Title:

Hospital System:

Taxpayer ID #:

Telephone Number: (  )  -  , Ext:

E-mail Address:  @

**Definitions for terms used in this survey:**

0

**Executive Compensation Body** – refers to the hospital system’s board of directors, executive compensation committee, finance committee, board or board committee chairperson, or other appropriate authorized body or person of the hospital system with primary responsibility for compensation matters.

**CEO** - the Chief Executive Officer or one who has another title and who is the highest level person with executive management responsibility.

**Other Top Four Executives** - the four most highly compensated executive officers of the hospital system other than the CEO.

**Salary** –base cash salary earned and non-cash compensation awarded, earned or paid.

**Incentive Bonus** – all types of bonuses or awards (cash and non-cash) earned or paid based on company or individual performance (short- or long-term).

**Severance** – amounts earned upon the resignation or any other termination of employment.

**Other Compensation** – all other forms of compensation and benefits, including such things as supplemental life insurance premiums, earnings on deferred contributions, and long-term incentive awards.

**Perquisites** – all types of perquisites, such as automobile allowances and leases, personal use of company aircraft, financial planning, tax planning and tax return preparation (including estate taxes), reimbursements for payment of taxes, attorney fees, personal travel expenses, memberships in recreational or social clubs or other.

**Entertainment** - activities that may occur at theaters, country clubs, athletic clubs, night clubs, restaurants, sporting events, trips to resort locations, holiday or other company parties, and that may include meals and other activities as defined in Section 1.274-2(b) of Chapter 26 of the Code of Federal Regulations.

**Governance Policies and Practices**

**1. Are there written criteria for selecting members of the Executive Compensation Body?**

Yes

No à If you do not use written criteria to select members of the Executive Compensation Body, what is used for selection?   à **SKIP TO QUESTION #3**

2. Do the written criteria for selecting members of the Executive Compensation Body address the following factors?

	Yes	No
	q	q
a) Knowledge?	<input type="checkbox"/>	<input type="checkbox"/>
b) Skills?	<input type="checkbox"/>	<input type="checkbox"/>
c) Experience?	<input type="checkbox"/>	<input type="checkbox"/>

3. Is either the CEO or one of the Other Top Four Executives a voting member of the Executive Compensation Body?

- Yes à Please list each person by name and title:
- No

4. Since January 1, 2004, has the CEO attended Executive Compensation Body meetings when his or her own compensation was being discussed?

- Yes
- No

5. Since January 1, 2004, have any of the Other Top Four Executives attended Executive Compensation Body meetings when their own compensation was being discussed?

- Yes
- No

6. Does your hospital system have a conflict of interest policy that covers members of the Executive Compensation Body? *Note: Such a policy could include one that exists specifically for the members or one that exists for all Board Members who may serve on the Executive Compensation Body.*

- Yes
- No à **SKIP TO QUESTION #8**

7. Does your hospital system's conflict of interest policy that covers members of the Executive Compensation Body ...

	Yes	No
	q	q
a) require disclosures of potential conflicts of interest?	<input type="checkbox"/>	<input type="checkbox"/>
b) outline conditions when members must recuse themselves from particular discussions?	<input type="checkbox"/>	<input type="checkbox"/>
c) provide guidance on what may constitute a conflicting situation?	<input type="checkbox"/>	<input type="checkbox"/>

8. Within your hospital system, which entity or person has primary responsibility for reviewing and approving all transactions between the hospital system and disqualified persons as defined by 26 USC § 4958(f) and related regulations? Note: If multiple entities or persons have primary responsibility, please check the last item, list or describe. Mark one response X for each subquestion.

- Entire Board
- Executive Compensation Committee
- Chairperson of the Board
- Chief Executive Officer
- Other entities or persons à please list or describe:

9. Can the Executive Compensation Body hire outside consultants to advise on compensation and benefit issues?

- Yes
- No

10. Since January 1, 2004, has the Executive Compensation Body hired outside compensation and benefits consultants?

- Yes
- No

11. To whom do the following entities report? Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Chief Executive Officer q	Other Entities or Persons (list or describe) q
a) Outside compensation and benefits consultants?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à <span style="background-color: yellow; display: inline-block; width: 50px; height: 1em; vertical-align: middle;"></span>
b) Outside legal advisors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à <span style="background-color: yellow; display: inline-block; width: 50px; height: 1em; vertical-align: middle;"></span>
c) Other outside advisors?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à <span style="background-color: yellow; display: inline-block; width: 50px; height: 1em; vertical-align: middle;"></span>

12. Does your hospital system have a policy that requires compensation consultants to be free of any conflicts of interest?

- Yes
- No

## Compensation Policies and Practices

**REMINDER:** All questions that ask whether or not something occurred should reflect those events that have occurred **since January 1, 2004**. Unless otherwise stated, all other questions should reflect the conditions that exist at the time this survey is being completed.

**13. Within your hospital system, which entity or person has primary responsibility for each of the following policies regarding executive compensation?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Chief Executive Officer q	Other Entities or Persons (list or describe) q
a) Developing compensation policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Approving compensation policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Evaluating compensation policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Overseeing the application of compensation policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

**14. Within your hospital system, which entity or person has primary responsibility for the following roles regarding the goals and objectives on which incentive bonuses are based?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Chief Executive Officer q	Other Entities or Persons (list or describe) q
a) Developing goals and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Approving goals and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Evaluating goals and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Overseeing the application of goals and objectives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

0

**15. Which entity or person within your hospital system has primary responsibility for each of the following with respect to the CEO?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Other Entities or Persons (list or describe) q
a) Approving the CEO's salary	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Approving the CEO's bonuses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Approving the CEO's perquisites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Approving the CEO's severance package	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
e) Approving the CEO's other compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

**16. Which entity or person within your hospital system has primary responsibility for each of the following with respect to the Other Top Four Executives?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Chief Executive Officer q	Other Entities or Persons (list or describe) q
a) Approving the Other Top Four Executives' salaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Approving the Other Top Four Executives' bonuses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Approving the Other Top Four Executives' perquisites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Approving the Other Top Four Executives' severance packages	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
e) Approving the Other Top Four Executives' other compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

**Note: Questions 17a through 17c pertain to when the CEO or Other Top Four Executives were either hired, or the last time their employment contracts were renewed.**

**17. With respect to compensation that was earned by, awarded to, or paid to the CEO and the Other Top Four Executives (regardless of when the initial compensation determination was made), did the hospital system:**

	<u>its CEO?</u>		<u>all of its Other Top Four Executives?</u>	
	Yes q	No q	Yes q	No q
a) approve the compensation arrangement prior to the effective date of employment contract or renewal for...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) rely upon comparable market data of total compensation and benefits prior to making its compensation determinations for...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) document the basis for its compensation determination at the same time as the determination was made for...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**18. Which entity or person within your hospital system has primary responsibility for each of the following tasks with respect to the CEO?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board ☐	Executive Compensation Committee ☐	Chairperson of the Board ☐	Other Entities or Persons (list or describe) ☐
a) Evaluating the CEO's performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Recommending adjustments to CEO's salary based on their evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Recommending adjustments to CEO's incentive bonus based on their evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Approving adjustments to CEO's salary based on evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
e) Approving adjustments to the CEO's incentive bonus based on evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

**19. Which entity or person within your hospital system has primary responsibility for each of the following tasks with respect to the Other Top Four Executives?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board q	Executive Compensation Committee q	Chairperson of the Board q	Chief Executive Officer q	Other Entities or Persons (list or describe) q
a) Evaluating the Other Top Four Executives' performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Recommending adjustments to Other Top Four Executives' salary based on their evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Recommending adjustments to Other Top Four Executives' incentive bonus based on their evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
d) Approving adjustments to Other Top Four Executives' salary based on evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
e) Approving adjustments to the Other Top Four Executives' incentive bonus based on evaluations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

0

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes q	No q	Yes q	No q
<b>20. Since January 1, 2004, has the CEO or any of the Other Top Four Executives received compensation from any party related to either the hospital system or its affiliates?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Incentive and Bonus Programs**

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes q	No q	Yes q	No q
<b>21. Does your hospital system provide guaranteed bonuses to the CEO or any of the Other Top Four Executives regardless of their performance?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes	No	Yes	No
22. Does your hospital system provide incentive bonuses that reward the CEO or any of the Other Top Four Executives for achieving certain performance goals or objectives?	q	q	q	q
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**IF YOU ANSWERED “NO” TO BOTH PARTS OF QUESTION #22, SKIP TO QUESTION #26; otherwise, continue ...**

	<u>CEO</u>			<u>Any of the Other Top Four Executives</u>		
	Yes	No	N/A	Yes	No	N/A
23. What is the method for calculating incentive bonuses?	q	q	q	q	q	q
a) Percentage of salary only	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Another method, please describe: [Redacted]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<u>CEO</u>			<u>Any of the Other Top Four Executives</u>		
	Yes	No	N/A	Yes	No	N/A
24. Are minimum performance targets set under which no incentive bonuses, regardless of how calculated, would be paid?	q	q	q	q	q	q
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	<u>CEO</u>			<u>Any of the Other Top Four Executives</u>		
	Yes	No	N/A	Yes	No	N/A
25. Are maximum performance targets set over which such incentive bonuses, regardless of how calculated, would be capped?	q	q	q	q	q	q
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Benefit Programs and Perquisites**

**26. Does your hospital system provide the following nonqualified deferred compensation plans to its CEO or any of the Other Top Executives?**

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes	No	Yes	No
	q	q	q	q
a) Excess retirement benefit plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Supplemental executive retirement plan (SERP)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Split-dollar life insurance plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Section 457(b) plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Section 457(f) plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Section 403(b) plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Other (please specify) <span style="background-color: yellow;">          </span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**27. Does your hospital system make severance payments to departing CEOs or any of the Other Top Four Executives in the following situations?**

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes	No	Yes	No
	q	q	q	q
a) Resignation (for any reason)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Involuntary termination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Change of corporate control events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Other (please specify) <span style="background-color: yellow;">          </span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**28. Has your hospital system had anyone in the CEO or Other Top Four Executive positions leave since January 1, 2004?**

- Yes
- No → **SKIP TO QUESTION #30**

29. Since January 1, 2004, did your hospital system make severance payments to departing CEOs or any of the Other Top Four Executives in the following situations?

- a) Resignation (for any reason)
- b) Involuntary termination
- c) Change of corporate control events
- d) Other (please specify)

Departing CEO

Any Departing Other Top Four Executives

Yes	No	Yes	No
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

30. Does your hospital system make loans to its CEO or any of the Other Top Four Executives?

*Note: Answer "State Law Prohibits" if state law prohibits nonprofit organizations from making loans to executives and the hospital system does not make such loans.*

CEO?

Any of the Other Top Four Executives?

Yes	No	State law prohibits	Yes	No	State law prohibits
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**IF YOU ANSWERED "NO" or "STATE LAW PROHIBITS" TO BOTH PARTS OF QUESTION #30, SKIP TO QUESTION #36; otherwise, continue ...**

0

31. Since January 1, 2004, has your hospital system made loans to its CEO or any of the Other Top Four Executives for the following purposes?

- a) Purchasing a home
- b) Purchasing investments or making equity contributions in for profit entities affiliated with the hospital system
- c) Purchasing investments in entities not affiliated with the hospital system
- d) Other reasons, please list:

CEO

Any of the Other Top Four Executives

Yes	No	N/A	Yes	No	N/A
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**32. Which entity or person within your hospital system has primary responsibility for each of the following with respect to the CEO?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board Q	Executive Compensation Committee Q	Chairperson of the Board Q	Other Entities or Persons Q (please describe)
a) Approving loans to the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Monitoring the repayment of loans made to the CEO to ensure accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Approving the forgiveness of loans made to the CEO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

**33. Which entity or person within your hospital system has primary responsibility for each of the following with respect to the Other Top Four Executives?** *Note: If multiple entities or persons have primary responsibility, please check the box in the last column, list or describe. Mark one response X for each subquestion.*

	Entire Board Q	Executive Compensation Committee Q	Chairperson of the Board Q	Chief Executive Officer Q	Other Entities or Persons Q (please describe)
a) Approving loans to the Other Top Four Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
b) Monitoring the repayment of loans made to the Other Top Four Executives to ensure accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )
c) Approving the forgiveness of loans made to the Other Top Four Executives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> à ( )

	<u>the CEO?</u>			<u>any of the Other Top Four Executives?</u>		
	Yes Q	No Q	N/A Q	Yes Q	No Q	N/A Q
<b>34. Since January 1, 2004, has your hospital system forgiven any loans owed by ...</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>35. Since January 1, 2004, has your hospital system refused to accept any loan payments owed by ...</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**36. Does your hospital system provide the following perquisites to the CEO or any of the Other Top Four Executives?**

- a) Personal travel expenses
- b) Automobile-related expenses
- c) Financial or tax planning
- d) Tax preparation
- e) Attorneys fees
- f) Memberships in recreational or social clubs
- g) Other, please specify:

CEO

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
|   | q                        | q                        |
| a) Personal travel expenses   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Automobile-related expenses  | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Financial or tax planning  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Tax preparation  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Attorneys fees   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Memberships in recreational or social clubs  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 40px; height: 15px;"></span> | <input type="checkbox"/> | <input type="checkbox"/> |

Any of the Other Top Four Executives

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
|   | q                        | q                        |
| a) Personal travel expenses   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Automobile-related expenses  | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Financial or tax planning  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Tax preparation  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Attorneys fees   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Memberships in recreational or social clubs  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 40px; height: 15px;"></span> | <input type="checkbox"/> | <input type="checkbox"/> |

0

**37. Since January 1, 2004, has the CEO or any of the Other Top Four Executives had the following expenses paid for on their behalf (or reimbursed) from any party related to either the hospital system or its affiliates?**

- a) Personal travel expenses
- b) Automobile-related expenses
- c) Financial or tax planning
- d) Tax preparation
- e) Attorneys fees
- f) Memberships in recreational or social clubs
- g) Other, please specify:

CEO

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
|   | q                        | q                        |
| a) Personal travel expenses   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Automobile-related expenses  | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Financial or tax planning  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Tax preparation  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Attorneys fees   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Memberships in recreational or social clubs  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 40px; height: 15px;"></span> | <input type="checkbox"/> | <input type="checkbox"/> |

Any of the Other Top Four Executives

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
|   | q                        | q                        |
| a) Personal travel expenses   | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Automobile-related expenses  | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Financial or tax planning  | <input type="checkbox"/> | <input type="checkbox"/> |
| d) Tax preparation  | <input type="checkbox"/> | <input type="checkbox"/> |
| e) Attorneys fees   | <input type="checkbox"/> | <input type="checkbox"/> |
| f) Memberships in recreational or social clubs  | <input type="checkbox"/> | <input type="checkbox"/> |
| g) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 40px; height: 15px;"></span> | <input type="checkbox"/> | <input type="checkbox"/> |

**38. Does your hospital system provide the following perquisites to the spouses of the CEO or any of the Other Top Four Executives?**

Spouse of CEO

Spouses of any of the Other Top Four Executives

	Yes	No	Yes	No
	q	q	q	q
a) Personal travel expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Automobile-related expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Financial or tax planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Tax preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Attorneys fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Memberships in recreational or social clubs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other perquisite, please list: <span style="background-color: yellow; display: inline-block; width: 50px; height: 15px;"></span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**39. Does your hospital system provide the following perquisites to family members other than spouses of the CEO or any of the Other Top Four Executives?**

Family members (other than spouse) of the CEO

Family members (other than spouse) of any of the Other Top Four Executives

	Yes	No	Yes	No
	q	q	q	q
a) Personal travel expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Automobile-related expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Financial or tax planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Tax preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Attorneys fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Memberships in recreational or social clubs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 50px; height: 15px;"></span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

40. Does your hospital system provide the following perquisites to any retired CEOs or Other Top Four Executives?	<u>Retired CEOs</u>		<u>Retired Other Top Four Executives</u>	
	Yes	No	Yes	No
	Q	Q	Q	Q
a) Personal travel expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Automobile-related expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Financial or tax planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Tax preparation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Attorneys fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Memberships in recreational or social clubs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Other, please specify: <span style="background-color: yellow;">      </span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<b>Internal Control over Travel, Entertainment, Gifts and Related Audits</b>
--

**REMINDER:** All questions that ask whether or not something occurred should reflect those events that have occurred since January 1, 2004. Unless otherwise stated, all other questions should reflect the conditions that exist at the time this survey is being completed.

41. Does your hospital system have a written policy covering travel expenses by the CEO and Other Top Four Executives?

- Yes  
 No → **SKIP TO QUESTION #46**

	<u>for the CEO?</u>		<u>for any of the Other Top Four Executives?</u>	
	Yes	No	Yes	No
	Q	Q	Q	Q
42. Does the policy describe what is legitimate domestic business travel expenses ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43. Does the policy describe what is legitimate international business travel expenses ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. Does the policy describe the documentation necessary to support domestic business travel expenses ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

45. Does the policy describe the documentation necessary to support international business travel expenses ...

0

for the CEO?  
 Yes      No  
 ☐        ☐

for any of the Other  
 Top Four Executives?  
 Yes      No  
 ☐        ☐

☐            ☐

☐            ☐

46. Since January 1, 2004, has the CEO or any of the Other Top Four Executives had any international travel expenses paid for on their behalf (or reimbursed) from any party related to either the hospital system or its affiliates?

CEO  
 Yes      No  
 ☐        ☐

Any of the Other Top  
 Four Executives  
 Yes      No  
 ☐        ☐

☐            ☐

☐            ☐

0

47. Are the CEO's travel expenses ...

- a) approved prior to being incurred?  Yes à  No
- b) reviewed after being incurred?  Yes à  No

**What entity or person approves these expenses?** please specify:

**What entity or person reviews these expenses?** please specify:

48. Are any of the Other Top Four Executives' travel expenses ...

- a) approved prior to being incurred?  Yes à  No
- b) reviewed after being incurred?  Yes à  No

**What entity or person approves these expenses?** please specify:

**What entity or person reviews these expenses?** please specify:

49. Does your hospital system pay for entertainment expenses? 0

- Yes
- No à **SKIP TO QUESTION #56**

50. Does your hospital system have a written policy covering entertainment expenses?

- Yes
- No à **SKIP TO QUESTION #53**

	<u>for the CEO?</u>		<u>for any of the Other Top Four Executives?</u>	
	Yes	No	Yes	No
	Q	Q	Q	Q
<b>51. Does the policy describe what are legitimate business entertainment expenses ...</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>52. Does the policy describe the documentation necessary to support business entertainment expenses ...</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

0

- 53. Are the CEO's entertainment expenses ...**
- a) approved prior to being incurred?  Yes à  No **What entity or person approves these expenses?**  
please specify:
  - b) reviewed after being incurred?  Yes à  No **What entity or person reviews these expenses?**  
please specify:

- 54. Are the Other Top Four Executives' entertainment expenses ...**
- a) approved prior to being incurred?  Yes à  No **What entity or person approves these expenses?**  
please specify:
  - b) reviewed after being incurred?  Yes à  No **What entity or person reviews these expenses?**  
please specify:

	<u>CEO</u>		<u>Any of the Other Top Four Executives</u>	
	Yes	No	Yes	No
	Q	Q	Q	Q
<b>55. Does your hospital system pay for the following expenses for which its CEO or any of the Other Top Four Executives can attend?</b>				
a) Sports events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Holiday or other company parties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Meetings, retreats, or other off-site activities involving trips to resort locations or private, exclusive clubs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Theatre performances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Other, please specify: <span style="background-color: yellow; display: inline-block; width: 50px; height: 1em;"></span>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**56. Does your hospital system have written policies:**

- a) regarding the purchase of gifts by the hospital system and given by...
- b) regarding the purchase of gifts by the hospital system for...

<u>the CEO?</u>		<u>any of the Other Top Four Executives?</u>	
Yes	No	Yes	No
q	q	q	q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**57. Since January 1, 2004, has your hospital system had an internal audit of the following for the CEO or any of the Other Top Four Executives? Note: If any of the following is not offered or paid for by the hospital system, check the corresponding response.**

- a) Travel expenses
- b) Automobile-related expenses
- c) Loans and loan repayments
- d) Memberships in recreational or social clubs
- e) Entertainment expenses
- f) Other perquisites, please specify:
- g) Components of other compensation, please specify:

<u>CEO</u>			<u>Any of the Other Top Four Executives</u>		
Yes	No	Not offered or paid	Yes	No	Not offered or paid
q	q	q	q	q	q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**58. Since January 1, 2004, has your hospital system had an external audit (separate from the annual financial statement audits) of the following for the CEO and the Other Top Four Executives? Note: If any of the following is not offered or paid for by the hospital system, check the corresponding response.**

- a) Travel expenses
- b) Automobile-related expenses
- c) Loans and loan repayments
- d) Memberships in recreational or social clubs
- e) Entertainment expenses
- f) Other perquisites, please specify:
- g) Components of other compensation, please specify:

<u>CEO</u>			<u>Any of the Other Top Four Executives</u>		
Yes	No	Not offered or paid	Yes	No	Not offered or paid
q	q	q	q	q	q
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**59. Do you have any other comments regarding this survey? If so, please type them here.**

