The MetroHealth System

Board of Trustees

Wednesday, March 12, 2025

2:30pm - 5:00pm

Virtual via YouTube Stream

Human Resources & Compensation Committee

Regular Meeting

HUMAN RESOURCES & COMPENSATION COMMITTEE

DATE: Wednesday, March 12, 2025
TIME: 2:30pm – 5:00pm
PLACE: Via YouTube Stream
https://www.youtube.com/@metrohealthCLE/streams

AGENDA

I. Approval of Minutes

A. Approval of Committee Meeting Minutes from December 18, 2024

II. Information Items

A. BOT-06 Executive Compensation Board Policy Amendments – *J. Corlett, D. Southerington, C. Clay*
B. Review of Performance Based Variable Compensation Plan (PBVC) Document and Proposed Amendments –*D. Southerington, C. Clay*

Return to Open Meeting

The MetroHealth System Board of Trustees

HUMAN RESOURCES & COMPENSATION COMMITTEE MEETING
Date: Wednesday, December 18, 2024
Time: 3:30pm - 5:30 pm
Zoom: https://us02web.zoom.us/j/84696771215

Committee Members:	John Corlett, John Moss, E. Harry Walker, M.D.
Other Trustees:	Maureen Dee, Michael Summers
Staff:	Christine Alexander-Rager, M.D., Kelly Andolek, Robin Barre, Chris Briddell, Nabil Chehade, M.D., Corey Clay, Will Dube, Derrick Hollings, Allison Poulios, Tamiyka Rose, Patty Seneff, Deborah Southerington, Nic Sukalac, James Wellons
Guests:	Guests not invited by the Human Resources & Compensation Committee are not listed as they are considered members of the audience, and some were not appropriately identified.

Meeting Minutes

Mr. Corlett called the meeting to order at 3:30pm, in accordance with Section 339.02(K) of the Ohio Revised Code.

The minutes are written in a format conforming to the printed meeting agenda for the convenience of correlation, recognizing that some of the items were discussed out of sequence.

I. Approval of Minutes

The minutes of the September 25, 2024, Human Resources & Compensation Committee meeting was unanimously approved as submitted.

II. Information Items

A. 2024 Employee Engagement Survey Results and Next Steps – *D. Southerington*

Mr. Corlett introduced Deborah Southerington, SVP, Human Resources to discuss the 2024 employee engagement survey results and next steps. The Human Resources team partnered with vendor Perceptyx to launch the employee engagement survey, conducted between October 22, 2024, and November 15, 2024. The survey consisted of forty-seven core questions, two open-ended questions and questions dedicated to medical staff and nursing. Additionally, elements of the survey consisted of questions in the following categories:

- Engagement Index
- Senior Management
- Employee Empowerment
- The Wellness Indes
- Growth and Development
- Diversity & Inclusion
- Manager Relationship
- Performance Management
- Recognition and Reward
- Teamwork and Collaboration
- Trust & Respect
- Resources and Support
- Ethics and Integrity
- Clarity of Direction
- Company Culture

Ms. Southerington reported that 6,746 participants responded to the survey, 78.6% of the workforce, with a participation increase of 2% from the 2023 employee engagement survey. The next steps include review of the data analytics and sharing the results with senior leadership and in early January, the results will be shared with managers to create action plans to address specific issues, take priority action, and connect actions to survey results to close the loop.

B. **Recruitment and Workforce Development Updates** – *D. Southerington*
Ms. Southerington updated the committee on recruitment and workforce development updates. A recruitment strategy for Medical Assistants was implemented, consisting of hiring events and outreach to past employees and applicants. The medical assistant hiring event in September yielded eighteen hires and the next hiring event will occur in January 2025. Additionally, a new initiative, the Medical Assistant (MA) intern program, was launched in 2023 by Ambulatory leadership. The initiative is a 10-month paid-to-learn program that seeks to remove barriers to higher education and create a pipeline of well-trained Medical Assistants, which most students are offered Medical Assistant positions upon graduation. The MA intern program hosted four cohorts to date; three cohorts yielded a total of thirty graduated students with 90% of graduates receiving offers for Medical Assistant roles with MetroHealth. The fourth cohort started in September 2024 with twenty-one students and the next cohort begins in February 2025 with twenty-five students. The program was awarded CAAHEP accreditation in October 2024. The talent acquisition team has been instrumental in supporting MetroHealth's ambulatory skill and mix optimization

strategy, aiming to increase caregivers' licenses and improve healthcare access and delivery to patients by allowing them to work at the top of their licenses.

III. Executive Session

Mr. Corlett asked for a motion to move into executive session to discuss hospital trade secrets as defined in ORC 1333.61, to consider the appointment, employment, dismissal, discipline, promotion, demotion, or compensation of a public employee, and to conference with the public body's attorney to discuss disputes involving the public body that are the subject of pending or imminent court action. Dr. Walker made a motion and Mr. Moss seconded. Upon unanimous roll call vote, the Committee went into executive session to discuss such matters at 3:48pm.

Following executive session, the meeting reconvened in open session at approximately 4:45pm.

There being no further business to bring before the Committee, the meeting was adjourned at approximately 4:46pm.

THE METROHEALTH SYSTEM

Deborah Southerington, SVP, Human Resources

Human Resources & Compensation Committee Meeting

Deborah Southerington
SVP, Chief Human Resources Officer
March 12, 2025

Agenda

- Approval of Minutes from December 18, 2024, HR & Compensation Committee Meeting
- BOT-06 Executive Compensation Board Policy
- At–Risk Compensation
    - Proposed Revisions to Performance Based Variable Compensation (PBVC) Plan Document
- Executive Session

MetroHealth

BOT-06 Executive Compensation Policy

BOT-06-Executive Compensation

Policy Updates

- The HR & Compensation Committee Charter requires an annual review of executive compensation policies.
- The policy outlines the framework the BOT uses in determining appropriate compensation for the CEO and other MHS Executives.
- Policy was reviewed by Legal and HR and we are recommending slight revisions inclusive of minor grammatical edits.

BOT-06 - Executive Compensation

Key Points

- This policy applies to The MetroHealth System ("MHS").
- The Board of Trustees of MHS ("Board") recognizes the need for MHS to attract and retain effective and committed executives to assist MHS in achieving its goals and providing high quality care in accordance with its mission, while acting in accordance with the laws and standards applicable to MHS.
- This policy sets forth the framework that the Board uses to carry out its fiduciary duties in determining appropriate and competitive compensation for the Chief Executive Officer ("CEO") and other MHS Executives.[1]

Policy

1. The Board, through the Human Resources and~~&~~ Compensation Committee, shall review the CEO's and Executives' compensation at least annually. This review shall include actual compensation paid during the prior year as well as any proposed changes to the CEO's future compensation, if any.

2. To support the Board's fiduciary and statutory duties, MHS shall retain an independent compensation consultant (or consultants) to assist in providing the Board with information regarding comparable CEO and Executive compensation and related terms.
   2.1. The independent compensation consultant shall provide a written report(s) to and communicate directly with the Board's Human Resources and~~&~~ Compensation Committee.

3. CEO Compensation
   3.1. The Board sets total compensation for the CEO that is consistent with other comparable nonprofit and public hospitals and health systems and that reflects fair value for the services that MHS receives.
   3.2. The Board shall approve all compensation paid to the CEO.
   3.3. Any changes in the CEO's total compensation outside of the terms of the CEO's employment agreement must be approved by the Board in advance of payment.

4. Executive Compensation
   4.1. In accordance with Policy BOT-07, the CEO has the authority to set the wages, ~~salaries~~salaries, and benefits for other MHS employees, including base salary and other fixed, performance-based, or other incentive compensation.
   4.2. However, the wages and salaries set by the CEO for Executives must be consistent with compensation provided by comparable nonprofit and public hospitals and health systems.
      4.2.1. The CEO must notify the Board if any Executive's total compensation (including maximum available performance-based variable compensation and all other compensation) will exceed the 90th percentile of the comparable group and request Board approval in advance. The requirement of this section 4.2.1 for Board approval does not apply to interim Executives who are employed on a temporary basis (less than 12 months) to fill an immediate need. In such a situation, the CEO must notify the Board Chair in writing if an interim Executive's total cash

compensation will exceed the 90th percentile, but Board approval is not required. The CEO shall report to the Board on all interim Executive hires at least annually.

4.3. The CEO shall report to the Board's Human Resources and Compensation Committee on each Executives' compensation, including a report of each Executive's base salary and all other components of compensation, at least annually.

5. Performance-Based Variable Compensation ~~(PBVC)~~

5.1. The Board has authorized performance-based variable compensation ("PBVC") to be a component of certain eligible employees' total compensation with the goal of incentivizing leaders to accomplish goals that promote MHS's mission and operations.

5.2. The Board shall approve the amount of PBVC available to the CEO through the CEO's written employment agreement. The CEO may determine the amount of PBVC available to other employees subject to the requirements and limits of this policy.

5.3. *Performance Goals*:

5.3.1. The Board will annually establish MHS ~~System~~ performance goals, including the relative weighting between the goals, ~~that~~which are metric-driven and balanced to achieve short-term and long-term organizational success.

5.3.2. The Board-approved MHS~~System~~ performance goals reflect the PBVC goals for the CEO. The CEO may determine whether to incorporate individual goal performance for other PBVC-eligible employees.

5.3.3. Each established MHS~~System~~ performance goal will specify achievements at the following levels: threshold (50% achievement);~~,~~ target (100% achievement); and maximum (150% achievement).

5.3.3.1. Achievement between the threshold and maximum limitations will be calculated on a sliding scale.

5.3.3.2. If the level of achievement on any goal is less than the 50% threshold, no PBVC incentive payments will be made for that goal.

5.4. *PBVC Trigger*:

5.4.1. In conjunction with its approval of annual MHS~~System~~ performance goals, the Board will also set a trigger (financial or otherwise) that is a prerequisite for any PBVC payout. If MHS does not meet this baseline trigger, there will be no PBVC payout to any employee, regardless of MHS' achievements with respect to the Board-approved goals or any individual goals.

5.5. *Award & Payment*:

5.5.1. Within 30 days of receiving MHS'~~the System's~~ final audited financial statements, the Board shall assess MHS'~~the System's~~ performance relative to each of the approved goals, including the financial trigger, and approve the performance level achieved for each of the approved goals, along with the total performance level achieved across all of the goals.

5.5.2. The Board shall review and approve the proposed PBVC award for the CEO, if any, via written resolution.

5.6. *PBVC Plan*:

5.6.1. The process and parameters for the award of PBVC (including eligibility, timing, etc.) for employees other than the CEO shall be set forth in a written Plan document that shall be approved by the CEO and consistent with this p~~P~~olicy.

5.6.2. The Plan shall be reviewed by the Human Resources and Compensation Committee when any material changes are made and at least annually.

5.7. The Board reserves the right to review, amend, suspend, and/or terminate PBVC with respect to any or all employees at any time and at its sole discretion.

References

ORC 339.06, 339.07

Endnotes

[1] “Executives” is ~~are~~ defined as VP and above. For purposes of in-depth market data and comparisons for the Board’s ~~of Trustee~~ review, however, the term “Executives” is ~~are~~ defined as SVP and above.

At-Risk Compensation Plan

At-Risk Compensation Plan

Performance Based Variable Compensation (PBVC) Plan Document

- The PBVC Plan Document outlines the Plan's rules, regulations, and provisions.
- The PBVC Plan is designed to provide at-risk compensation to eligible employees in leadership positions at MetroHealth.
  - A portion of the leader's salary is at-risk, and the amount earned is based on achievement of the applicable Performance Goals during the Plan Year.
- The Plan Document is reviewed annually by HR & Legal. During this year's review, a few minor revisions were made throughout the document.

The MetroHealth System
Performance Based Variable Compensation Plan

Article 1
Purpose and Duration

1.1 Purpose of the Plan. In addition to salary and benefits, the annual Performance Based Variable Compensation Plan (PBVC or the Plan) is designed to provide at-risk compensation to employees in leadership positions at The MetroHealth System (MetroHealth or the System) who contribute significantly to the success of the System's charitable mission, measured through the achievement of financial, strategic, quality/equity, engagement and retention~~inclusion & diversity~~, operational, academic, and other System-wide goals. The objective of this Plan is to retain and reward leaders for positive impacts on MetroHealth and its patients, their families, our community, and the furtherance of MetroHealth's mission, vision, and values. This Plan shall apply to all Participants as defined herein, but does not apply to the President and CEO's receipt of PBVC.

1.2 Effective Date. This Plan shall be effective the Performance Plan Year beginning January 1, 2025.

1.3 Duration of the Plan. The Plan will remain in effect until otherwise amended, canceled, or replaced by the President and CEO of MetroHealth (CEO) or MetroHealth's Board of Trustees.

Article 2
Definitions

Whenever used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Participant" means an Employee who is eligible to participate in the Plan. Eligibility is limited to MetroHealth's leadership, including Senior Executive Vice Presidents, Executive Vice Presidents, Senior Vice Presidents, Vice Presidents and other leaders as determined and approved by the CEO. This Plan does not apply to the CEO; the CEO's eligibility for and participation in PBVC shall be as determined by the Board.

2.2 "Award" means the at-risk amount earned by a Participant based on achievement of the applicable Performance Goals during the Plan Year, and payable according to the terms and conditions set forth in the Plan.

2.3 "Award Notice" means the written notice provided after the end of the Plan Year by the Chief Human Resources Officer (CHRO) to each Participant setting forth the Participant's Award for the Plan Year and the basis for determining such Award.

2.4 "Base Salary" means the base salary payable to a Participant during the Plan Year before deductions and taxes, as set forth in MetroHealth's payroll records.

2.5 "Board" means the Board of Trustees of MetroHealth.

2.6 "System PBVC Trigger" means the threshold level of MetroHealth's performance, financial or otherwise, that the Board approves for a Plan Year as a condition to be met before any Awards are earned and paid for such Plan Year, as set forth in Board policy.

2.7 "Individual PBVC Trigger" means the threshold level of a Participant's annual performance as a condition to be met before any Awards are earned and paid for such Plan Year.

2.8 "Committee" means the Human Resources and Compensation Committee of the Board, or such other Committee designated by the Board.

2.9 "Disability" means disability as defined in the MetroHealth Group Long-Term Disability Plan at the time at which a determination of Disability is made.

2.10 "Employee" means a person who is employed by MetroHealth.

2.11 "At-risk Opportunity" means the percentage of Base Salary that MetroHealth plans to pay a Participant if the applicable Performance Goals are achieved during the Plan Year and if the terms and conditions set forth in the Plan or the Award Notice are satisfied.

2.12 "Participation Notice" means the written notice provided to each Participant notifying them of their eligibility and/or change in eligibility for PBVC (e.g., a written offer letter).

2.13 "Performance Goal" means the level(s) of performance that must be attained during a Plan Year to earn an Award.

2.14 "Plan Year" means the fiscal year, or such other period specified by the Committee.

2.15 "Retirement" means a Participant's retirement from the Ohio Public Employees Retirement System (OPERS).

2.16 "Weight" means the relative value assigned to each Performance Goal for the purpose of determining the Award earned by each Participant.

Article 3
Participation and Payment of Awards

3.1 Participation. An eligible Employee will become a Participant in the Plan only upon approval by the CEO. The CEO may add an Employee to the Plan during the Plan Year if the Employee is hired, transferred or promoted into an eligible position. A Participant's eligibility for PBVC, including the At-risk Amount, any Individual PBVC Trigger and the proportion, if any, of Individual Performance Goals, shall be as set forth in the Participant's then-current Participation Notice.

Selection for participation for a Plan Year means the Participant has the opportunity to receive an Award based on the applicable Performance Goals for that Plan Year, but does not guarantee that the Participant will receive an Award. Selection for participation for a Plan Year does not entitle an Employee to be selected or to participate in any subsequent Plan Year.

3.2 Determination of PBVC Triggers. The Board approves a System PBVC Trigger for each Plan Year, in accordance with Board policy. The CEO may also approve an Individual PBVC Trigger for Participants for any given Plan Year.

3.3 Determination of Performance Goals. The Board approves System Performance Goals, including the relative Weights of each Performance Goal, for each Plan Year, in accordance with Board policy. The CEO, or their designee, may also approve Individual Performance Goals for Participants for any given Plan Year. Individual Performance Goals shall be approved within 90 days of the start of the Plan Year.

3.4 Determination of Award. If the System PBVC Trigger for the Plan Year is met, the Committee will assess the Organization's performance relative to each of the System Performance Goals for the Plan Year following the end of the Plan Year and within 30 days of receiving the System's final audited financial statements. The Board shall approve the performance level achieved for each of the System Performance Goals and the associated Award levels earned, if any.

If applicable, the CEO and the CHRO will assess a Participant's performance relative to any Individual PBVC Trigger and Individual PBVC Goals for the Plan Year based on information provided by the Participant's supervisor and within 60 days following the end of the Plan Year. The CEO shall approve the performance level achieved for Individual Performance Goals, if any, and the associated Award levels earned, if any.

A Participant shall only be eligible to receive an Award if the System PBVC Trigger and any Individual PBVC Trigger has been met.

3.5 Payment of Award. The CHRO shall distribute information regarding the performance levels for all applicable (System and Individual) Performance Goals and the associated Awards earned, if any, to each Participant in an Award Notice. MetroHealth shall pay the Awards for a Plan Year within 45 days following the Board's approval of the Award levels associated with the System Performance Goals, subject to the limitations of Section 3.6.

3.6 Termination of Employment. If a Participant ceases to be an Employee of MetroHealth prior to an Award payment for a Plan Year, the Participant's eligibility for an Award for the Plan Year will be canceled and the Participant will not be entitled to any Award payment for the Plan Year, unless:

3.6.1 The Participant ceases to be an Employee of MetroHealth prior to Award payment due to death, Disability, Retirement, or active deployment by the US military, in which case the Participant shall be eligible for a prorated Award payment based on the length of their employment during the Plan Year provided the Employee was employed for at least one calendar quarter of the Plan Year and the performance as determined under Section 3.4.~~; or~~

~~3.6.2 The Participant ceases to be an Employee of MetroHealth after December 31st of the Plan Year and prior to Award payment for that Plan Year due to Retirement, in~~

~~which case the Participant shall be eligible to receive a full Award payment based on performance as determined under Section 3.4.~~

3.7 Time of Termination of Employment. For purposes of this Article 3, a Participant ceases to be an Employee of MetroHealth on their last day of employment at MetroHealth, notwithstanding any period of continued compensation or other payments provided under an employment agreement, severance plan, or other plan or arrangement with MetroHealth.

3.8 Non-transferability. Any Award potentially payable under this Plan may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated by a Participant or any other person, voluntarily or involuntarily.

Article 4
Administration

4.1 Administration. The Plan will be administered by the CEO and the CHRO.

4.2 Authority of the Board. The Board has the authority and discretion to establish the System PBVC Trigger, System Performance Goals, Weights, measures, and associated Awards. The Board retains full authority and discretion to terminate or amend the Plan at any time.

4.3 Authority of the CEO. The CEO has the authority and discretion to establish Participant eligibility, any Individual PBVC Trigger, any individual Performance Goals, Weights, measures, and associated individual Awards, and to establish, amend, or waive rules pertaining to the Plan's administration.

4.4 Decisions Binding. Subject to the provisions of the Plan, all determinations and decisions made by the CEO or the Board, and all related orders or resolutions of the Board, will be final, conclusive, and binding on all persons, including MetroHealth, Employees, Participants, and their estates and beneficiaries.

Article 5
Withholding and Offsets

MetroHealth shall deduct and withhold from the Awards any required federal, state, and local income, OPERS and employment tax withholding. MetroHealth also may offset against an Award payable to a Participant under the Plan any amounts then owing to MetroHealth by such Participant.

Article 6
Miscellaneous

6.1 Employment. Nothing in the Plan shall interfere with or limit in any way the right of MetroHealth to terminate or otherwise change the terms and conditions of any Participant's employment at any time, nor confer upon any Participant any right to continue in the employ of MetroHealth.

6.2 Severability. In the event any provision of the Plan is held illegal or invalid for any reason, the illegality or invalidity will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as if the illegal or invalid provision had not been included.

6.3 Requirement of the Law. Administration of this Plan and the payment of Awards under the Plan are subject to all applicable laws, rules, and regulations. MetroHealth intends that this Plan not provide for deferred compensation that would be subject to the requirements of Section 409A of the Internal Revenue Code. The Plan shall be interpreted and administered consistent with such intent.

6.4 Governing Law. To the extent not preempted by federal law, all questions pertaining to the construction, validity, effect and enforcement of the Plan, and all agreements hereunder, will be determined in accordance with and governed by the internal, substantive laws of the State of Ohio.

THE METROHEALTH SYSTEM

By ______________________________
President and CEO
The MetroHealth System Effective Date _____________________

Reviewed and ratified by the Human Resources and Compensation Committee of MetroHealth's Board of Trustees at a meeting duly held on the __ day of ______, 2025~~4~~.