



GROUP HEALTH COOPERATIVE
Board of Trustees Compensation

Compensation approved by the Standing Nominating Committee of the Membership, April 26, 2010:

Effective January 1, 2011 Group Health Cooperative shall pay trustees compensation for service in the amount of \$17,000 annually and continuing until the Standing Nominating Committee determines that such compensation level should be modified.

Effective January 1, 2011 and continuing until the Standing Nominating Committee determines that such compensation level should be modified, the chair of the Cooperative shall be paid additional compensation in the amount of \$10,000 annually, in recognition of the position's additional responsibilities and time commitment.

Effective January 1, 2011 and continuing until the Standing Nominating Committee determines that such compensation level should be modified, the vice chair of the Cooperative shall be paid additional compensation in the amount of \$5,000 annually, in recognition of the position's additional responsibilities and time commitment.

Effective January 1, 2011 and continuing until the Standing Nominating Committee determines that such compensation level should be modified, the immediate past chair of the Cooperative shall be paid additional compensation in the amount of \$5,000 annually, in recognition of the position's additional responsibilities and time commitment.

**Approved by the Standing Nominating Committee of the Membership,
June 1, 2011:**

Approve Group Health Cooperative's payment in full of medical plan premiums for any trustee enrolling in the Group Health self-insured medical plan, effective July 1, 2011, and continuing until the Standing Nominating Committee determines that such a benefit should be modified or discontinued.

Background

Just as Group Health competes in the market place for talented and dedicated staff, and with other insurance carriers for customers, it competes for Board of Trustees members who have the wisdom and expertise to guide a \$3.3 billion revenue enterprise. In conjunction with an independent consultant's review of the Board's compensation practices, the Standing Nominating Committee (SNC) approved providing a health care coverage benefit for trustees.

This benefit will help retain highly qualified trustees and ensure smooth operation of the Board by reducing mid-term turnover when a trustee's coverage changes, and the trustee has to either resign from the Board or fully pay for his or her own coverage with no employer subsidy.

The medical coverage is similar to the self-insured plan Group Health offers its non-union staff; trustees will pay copayments and deductibles.

The benefit is reasonable in cost and consistent with the Standing Nominating Committee's Board compensation philosophy and the values of the organization. By offering medical coverage to trustees, the committee expects the following returns on the investment:

- Trustee compensation will remain competitive with total cash and benefits offered by other large organizations.
- Retention and continuity of service by reducing the loss of trustees caused by a change in employment, or an employer changing carriers.

While the full cost of premiums will be paid by Group Health, the medical coverage benefit is taxable and will be reported to the IRS. The value of this plan, which covers trustees only and not dependents, is estimated at \$5,800 for 2012.

**Related Documents: Board Policy 100-210, Board of Trustees Compensation
Board of Trustees Compensation Philosophy**

Updated 2/9/12