



Public Affairs

Hospital Executive Compensation Act

The proposed initiative filed by the Hospital Accountability and Quality Care Organization and sponsored by the Service Employees International Union (SEIU) places caps on the amount of compensation and other benefits paid to certain hospital and healthcare executives, administrators and managers. Specifically, the initiative:

- Limits total annual compensation paid to executives, administrators, and managers of hospitals, hospital groups, and affiliated medical entities, whether operated for profit or not for profit, to the annual compensation of the President of the United States (currently \$450,000).
- Limits severance pay for hospital executives, administrators, and managers.
- Defines compensation to include wages, bonuses, retirement benefits, club memberships, loans, housing, transportation, life insurance and deferred compensation.
- Requires public disclosure of compensation exceeding these limits.
- Provides for enforcement by attorney general or persons acting on behalf of themselves, their members, or the general public.

| Arguments from the Proponents | Arguments from the Opposition |
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| Provides for increased transparency. | Anti-free market approach to business. |
| May result in more resources for lower level employee compensation. | Exposes Arizona to a loss of talent and hurts our competitiveness. |
| Hospital executives make too much money, especially non-profit hospitals. | Will lead to efforts to cap compensation in other markets. |

Public Affairs Committee recommends OPPOSE position on 04//16