

For immediate release

Hospital CEO Turnover Rate Increases

CHICAGO, March 10, 2014—Hospital CEO turnover increased in 2013, tracking at 20 percent, according to a recent report from the American College of Healthcare Executives. This is the highest rate reported since ACHE began analyzing these numbers in 1981. The turnover rate in 2012 was 17 percent, and in 2011 and 2012 it was 16 percent. The annual rate has fluctuated between 14 and 18 percent in the decade prior to 2013.

“The increase in the turnover rate may be indicative of a combination of factors, including an increased number of baby boomers seeking retirement, the emerging trend toward consolidation in our industry and the complexity and amount of change going on in healthcare today,” said Deborah J. Bowen, FACHE, CAE, president and CEO of ACHE. “The increase in the rate reinforces the need for healthcare leaders to work with their boards to ensure appropriate succession plans are in place.”

ACHE's CEO turnover rates are based on changes in an organization's chief executive officer as reported to the American Hospital Association.

American College of Healthcare Executives Hospital CEO Turnover*

| YEAR | ADJUSTED ** (percent) | NUMBER OF HOSPITALS |
|------|-----------------------|---------------------|
| 2013 | 20 | 4,546 |
| 2012 | 17 | 4,555 |
| 2011 | 16 | 4,542 |
| 2010 | 16 | 4,567 |
| 2009 | 18 | 4,582 |
| 2008 | 14 | 4,520 |
| 2007 | 15 | 4,496 |
| 2006 | 15 | 4,546 |
| 2005 | 14 | 4,512 |

| | | |
|------|----|-------|
| 2004 | 16 | 4,566 |
| 2003 | 14 | 4,569 |
| 2002 | 14 | 4602 |
| 2001 | 15 | 4,624 |
| 2000 | 17 | 4,689 |
| 1999 | 18 | 4,744 |
| 1998 | 17 | 4,780 |
| 1997 | 16 | 4,842 |
| 1996 | 16 | 4,928 |
| 1995 | 17 | 4,940 |
| 1994 | 14 | 5,045 |
| 1993 | 14 | 5,030 |
| 1992 | 15 | 5,198 |
| 1991 | 17 | 5,294 |
| 1990 | 13 | 5,398 |
| 1989 | 16 | 5,454 |
| 1988 | 18 | 5,526 |
| 1987 | 18 | 5,583 |

| | | |
|------|----|-------|
| 1986 | 17 | 5,626 |
| 1985 | 16 | 5,651 |
| 1984 | 15 | 5,665 |
| 1983 | 13 | 5,672 |
| 1982 | 14 | 5,678 |
| 1981 | 14 | 5,687 |

* Short term, general medical and surgical and nonfederal hospitals.

** Based on a universal telephone study in 1990, we reduced the total turnover for the years 1981-1997 by 14.2 percent due to incorrect reporting of retained CEOs and by 9.9 percent due to the replacement of interim or acting CEOs. The total reduction is 24.1 percent. In 1998, a sample survey of 146 hospitals showed that the appropriate deflator should be 18.6 percent, which was applied to the 1998-2002 rates. In 2004, this deflator was adjusted to 18.8 percent on the basis of a survey of a sample of 150 hospitals; this was applied to the 2003-2007 rates. For the 2008 calendar year, on the basis of a survey of 300 hospitals, a new deflator of 13.04 percent was computed, which was used for 2009 and 2010 as well.

Beginning in the 2011 figures, our calculations exclude known interim CEOs, rather than correcting for them using the deflator. A deflator of 2.10 percent, correcting for overlooked interim CEOs and misidentified turnovers, was computed on the basis of a 2012 survey of 300 hospitals and applied to the 2012 and 2013 data.

American College of Healthcare Executives—Feb. 21, 2014 Annual CEO Turnover by State—Rates adjusted for states with more than 23 turnovers

Nonfederal, Short-Term, General Medical/Surgical Hospitals—Calendar Year 2013

| Rank | State | Adjusted CEO Turnover Pct* |
|-------------------------------|----------|----------------------------|
| (High-turnover states) | | |
| 1 | ALASKA | 37 |
| 2 | OKLAHOMA | 33† |
| 3 | ARKANSAS | 30 |

| | | |
|-------|----------------|-----|
| 4 | PUERTO RICO | 30 |
| 5 | VIRGINIA | 29 |
| 6 | LOUISIANA | 27† |
| 7 | FLORIDA | 27† |
| 8 | MASSACHUSETTS | 26 |
| 9 | ALABAMA | 25 |
| 10 | KENTUCKY | 25† |
| 11 | SOUTH CAROLINA | 25 |
| 12 | TENNESSEE | 24† |
| 13 | MISSOURI | 24† |
| 14-15 | NEW MEXICO | 23 |
| 14-15 | ARIZONA | 23 |
| 16 | MISSISSIPPI | 23 |
| 17 | NEW YORK | 21† |

(Medium-turnover states)

| | | |
|----|----------------|-----|
| 18 | NORTH CAROLINA | 21 |
| 19 | ILLINOIS | 21† |

(Medium-turnover states)

| | | |
|-------|---------------|-----|
| 20-21 | MICHIGAN | 21† |
| 20-21 | CONNECTICUT | 21 |
| 22 | GEORGIA | 20† |
| 23-24 | DELAWARE | 20 |
| 23-24 | HAWAII | 20 |
| 25 | CALIFORNIA | 20† |
| 26 | TEXAS | 19† |
| 27 | WASHINGTON | 19 |
| 28 | IDAHO | 18 |
| 29 | KANSAS | 18 |
| 30 | COLORADO | 18 |
| 31 | OHIO | 17† |
| 32 | NEW HAMPSHIRE | 16 |
| 33 | MARYLAND | 16 |
| 34-35 | NORTH DAKOTA | 15 |
| 33-35 | WYOMING | 15 |

(Low-turnover states)

| | | |
|-------|-------------------|----|
| 36 | IOWA | 15 |
| 37-38 | INDIANA | 15 |
| 37-38 | NEVADA | 15 |
| 39 | MINNESOTA | 15 |
| 40-41 | DIST. OF COLUMBIA | 14 |
| 40-41 | UTAH | 14 |
| 42 | PENNSYLVANIA | 14 |
| 43 | WISCONSIN | 14 |
| 44 | OREGON | 13 |
| 45 | MAINE | 11 |
| 46 | MONTANA | 11 |
| 47 | SOUTH DAKOTA | 11 |
| 48 | NEBRASKA | 11 |
| 49 | WEST VIRGINIA | 10 |
| 50 | NEW JERSEY | 10 |
| 51-52 | VERMONT | 0 |
| 51-52 | RHODE ISLAND | 0 |

(Low-turnover states)

US TOTAL (50 states, DC,
Puerto Rico) **20**

* This table adjusts the turnover rate downward in states with more than 23 turnovers to account for unrecorded interim and acting CEOs who are intentionally assigned to their posts for a short period.

† More than 23 turnovers—adjusted rate

About the American College of Healthcare Executives

The American College of Healthcare Executives is an international professional society of more than 40,000 healthcare executives who lead hospitals, healthcare systems and other healthcare organizations. ACHE offers its prestigious FACHE® credential, signifying board certification in healthcare management. ACHE's established network of 80 chapters provides access to networking, education and career development at the local level. In addition, ACHE is known for its magazine, *Healthcare Executive*, and its career development and public policy programs. Through such efforts, ACHE works toward its goal of being the premier professional society for healthcare executives dedicated to improving healthcare delivery. **The Foundation of the American College of Healthcare Executives** was established to further advance healthcare management excellence through education and research. The Foundation of ACHE is known for its educational programs—including the annual Congress on Healthcare Leadership, which draws more than 4,000 participants—and groundbreaking research. Its publishing division, Health Administration Press, is one of the largest publishers of books and journals on health services management including textbooks for college and university courses.

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