

For Immediate Release

Hospital CEO Turnover Rate Remains Elevated

CHICAGO, March 5, 2015—Hospital CEO turnover in 2014 decreased to 18 percent, according to a recent report by the American College of Healthcare Executives. While lower than the record high of 20 percent reported for 2013, it remains among the highest rates reported in the last 15 years. The turnover rate in 2012 was 17 percent, and in 2011 and 2010 it was 16 percent. The annual rate has fluctuated between 14 and 18 percent in the decade prior to 2013.

“As our data show, elevated turnover among hospital CEOs seems to be a feature of the current healthcare environment,” says Deborah J. Bowen, FACHE, CAE, ACHE’s president and CEO. “The continuing trend of consolidation among organizations, the increasing demands on chief executives to lead in a complex and rapidly changing environment, and retirement of leaders from the baby boomer era may all be contributing to this continuing higher level of change in the senior leadership of hospitals. The findings also serve as a reminder for healthcare organizations to continue to ensure they have appropriate strategies in place—including robust succession planning—to successfully manage senior leadership changes.”

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
2014	18	4,501
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	4,602
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, 2013 and 2014 data.

American College of Healthcare Executives—Feb. 17, 2015
Annual CEO Turnover by State—Rates adjusted for states with more than 23 turnovers

Nonfederal, Short-Term, General Medical/Surgical Hospitals—Calendar Year 2014

Rank	State	Adjusted CEO Turnover Pct*
(High-turnover states)		
1	RHODE ISLAND	44
2	MISSISSIPPI	27†
3	WASHINGTON	27
4	NEW MEXICO	25
5	NORTH CAROLINA	24†
6	NEVADA	24
7	CALIFORNIA	24†
8	GEORGIA	24†

9	VIRGINIA	23
10	NEW HAMPSHIRE	23
11	OHIO	23 [†]
12	MASSACHUSETTS	22
13	COLORADO	21
14	LOUISIANA	20
15	WYOMING	20
16	NEW JERSEY	20
17	ARIZONA	20
(Medium-turnover states)		
18	PENNSYLVANIA	19 [†]
19	WEST VIRGINIA	19
20	MICHIGAN	19 [†]
21	NORTH DAKOTA	19
22-23	ALASKA	19
22-23	HAWAII	19
24	MISSOURI	19
25	WISCONSIN	19

26	ILLINOIS	19†
27	NEW YORK	18†
28	MAINE	18
29	OKLAHOMA	18
30	INDIANA	17
31	KANSAS	17
32	TENNESSEE	17
33-35	DIST. OF COLUMBIA	17
33-35	MONTANA	17
33-35	OREGON	17
(Low-turnover states)		
36	IDAHO	16
37	FLORIDA	16†
38	ALABAMA	16
39	TEXAS	16†
40	NEBRASKA	15
41	KENTUCKY	15
42	PUERTO RICO	14

43	IOWA	13
44	UTAH	12
45	SOUTH CAROLINA	12
46	MINNESOTA	11
47	MARYLAND	11
48	SOUTH DAKOTA	11
49	ARKANSAS	11
50	VERMONT	8
51	CONNECTICUT	7
52	DELAWARE	0
	US TOTAL (50 states, DC, Puerto Rico)	18

* 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. For more information, visit www.ache.org

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