

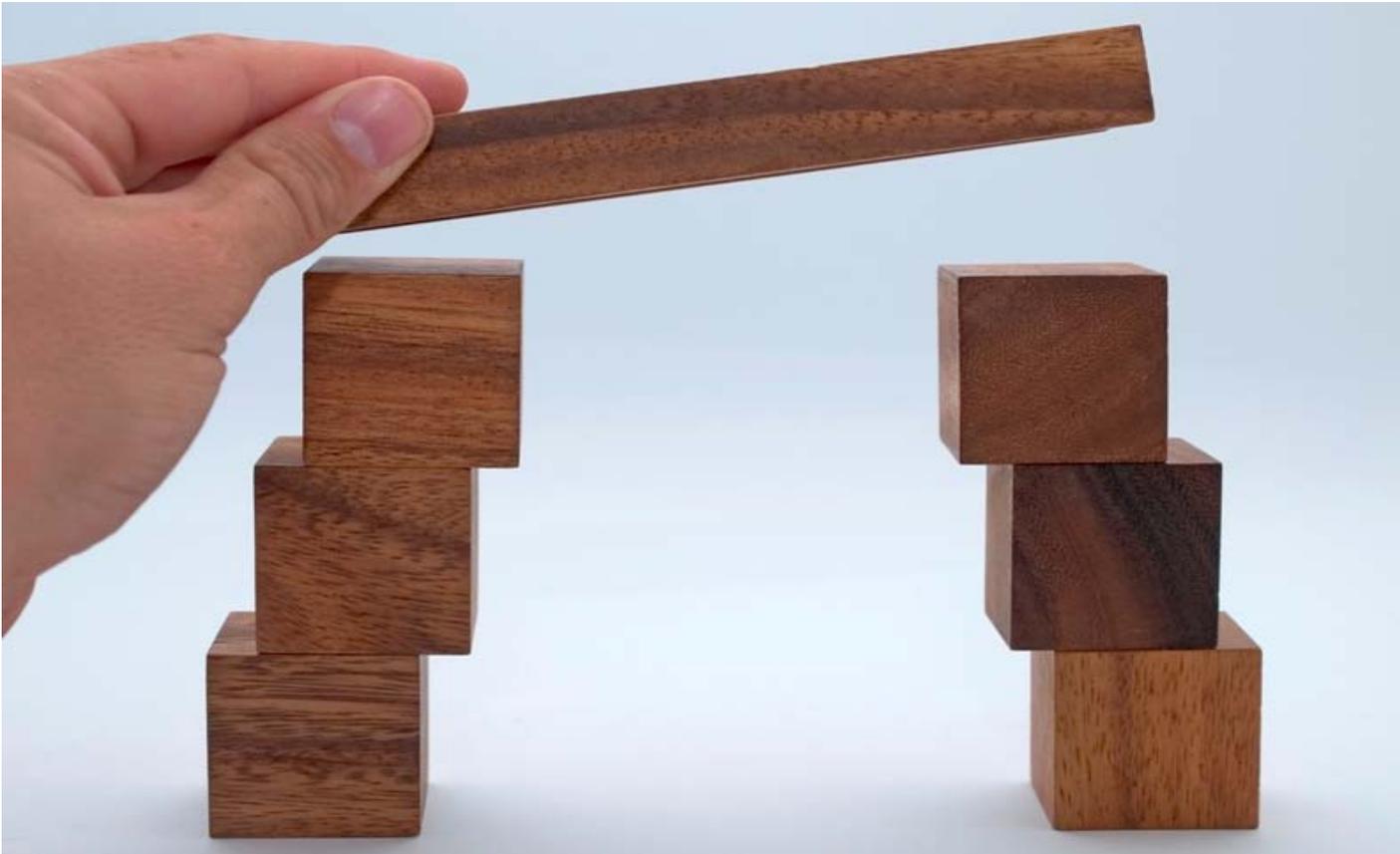
May 2013

Final Report

Submitted to: AOHC, AFHTO and NPAO

Developing a Provincial Compensation Structure for
Primary Care Organizations – 2012 Report

HayGroup[®]



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for Distribution**

**Hay Group Health Care
Consulting**

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1. Introduction

Hay Group Health Care Consulting is pleased to provide our final report to the Primary Care Compensation Working Group (PCCWG) for the development of a common primary care compensation structure for the following interprofessional primary care models in Ontario: Family Health Teams (FHTs), Community Health Centres (CHCs), Aboriginal Health Access Centres (AHACs), and Nurse Practitioner-Led Clinics (NPLCs). The PCCWG is comprised of representatives of the Association of Ontario Health Centres (AOHC), the Association of Family Health Teams of Ontario (AFHTO) and the Nurse Practitioners' Association of Ontario (NPAO). This review encompasses all inter-professional providers within the aforementioned models with the exception of physicians.

The key deliverables for this project were as follows:

- Refreshing previous job profiles and adding new jobs to the 2009 AOHC structure;
- Conducting a salary survey of management and non-management positions to support the development of a provincial salary structure;
- Conducting a market review of positions that are typically unionized (e.g., registered nurse, social worker, etc.), based on cost of living increases, union contract negotiations and available salary data;
- Providing supplemental market data using published sources;
- Developing a guideline framework for Executive Director (ED) compensation;
- Clarifying the Community Health Worker and Health Promoter roles;
- Creating new job profile and adding Traditional Healer to structure;
- Developing a provincial compensation structure and provision of guidelines to assist in salary administration maintenance;
- Providing guidelines for implementing Pay Equity; and,
- Presentations of the final report and recommendations to the three sponsoring organizations.

This final report describes the methodology undertaken for the project, provides a summary of the salary survey results and the market review for non-management positions that are typically unionized, describes the guideline framework for Executive Director compensation and provides our recommendations for a provincial compensation program. We also provide salary administration guidelines to assist in maintaining the compensation program.

2. Background

Hay Group Health Care Consulting has been pleased to work with the AOHC since 1999. In 2009, Hay Group assisted the AOHC by refreshing the provincial compensation structure within the new LHIN environment.

The 2009 compensation framework was based upon a custom compensation survey in conjunction with job analysis. The resulting salary structure is presented in the table below. However, it is understood that most Community Health Centres (CHCs) were not able to move to the recommended salary structure due to lack of funding. Further, we understand that this structure has not been applied in the other Primary Care Organizations (PCOs), i.e., Family Health Teams (FHTs) and Nurse Practitioner-Led Clinics (NPLCs).

Nevertheless, for the purpose of this study, the 2009 recommended compensation framework has been used to represent current market data for PCOs.

Band	Hay Group 2009 Recommended Rate
13	\$145,000
12	\$123,000
11	\$106,500
10	\$92,200
9	\$80,000
8	\$69,100
7	\$62,900
6	\$57,100
5	\$52,000
4	\$47,250
3	\$43,000
2	\$39,050
1	\$35,500

3. Methodology

The following paragraphs briefly summarize the key steps undertaken during the course of this project.

Project Planning/Project Progress Meetings

We commenced the project by conducting a project planning meeting with the PCCWG, during which we confirmed the project deliverables and timing, and agreed to the survey benchmark positions and market comparator organizations. Progress meetings were conducted at key milestones including the reviews of the refreshed/new jobs added to the structure, Executive Director compensation guideline framework, salary survey results and recommended compensation structure.

Profile Refresh and New Profiles

The PCCWG reviewed job descriptions for a selected group of positions and modifications were made by Hay Group. Hay Group also developed new job profiles based on information provided by the PCCWG. These were approved by the Working Group, evaluated by Hay Group, and placed in the structure.

Conduct Market Survey

Eighteen survey benchmark jobs were selected by the PCCWG for the market salary survey. Invited organizations represented Canadian Mental Health Associations, Children's Aid Societies, Children's Treatment Centres, Community Care Access Centres, Family Services organizations, Public Health Units, and other health sector agencies. Eighteen organizations covering a range of organization types and geographic locations participated in the custom survey covering base salary, salary ranges and selected benefits questions.

Market Review – Non-Management Positions

Hay Group analyzed Ontario Nurses Association (ONA) and Ontario Public Service Employees Union (OPSEU) collective bargaining agreements for nine comparable positions to identify recent and future year-over-year salary increase amounts.

Supplemental Market Source Review

The Ontario Hospital Association (OHA) salary survey was analyzed for comparable PCO positions to identify compensation variances to the hospital sector. As well, Ministry of Health and Long Term Care (MOHLTC) rates were used as supplemental information.

Develop Guideline Framework for Executive Director Compensation

Hay Group conducted focus groups to assist in understanding differentiating factors amongst PCOs with respect to size and mandate of ED roles. Based on this feedback and subsequent models and testing of various scenarios, we developed a guideline framework to assist in determining ED compensation.

Traditional Healer Role

Hay Group reviewed job documentation for the Traditional Healer role and convened several focus group discussions in order to gain an understanding of this position. We also consulted with colleagues in other jurisdictions (i.e., Western Canada, United States and Australia) where similar roles are found. Based on all of this information, a job profile was created, and the job was evaluated and placed in the new structure.

Framework for Differentiating Community Health Worker/Health Promoter Roles

Hay Group convened four meetings with representatives of the Ottawa CHCs to review the Community Health Worker and Health Promoter roles in order to clarify the distinctions between the two roles. We developed a framework for differentiating the roles.

Develop PCO Provincial Compensation Structure

Using a combination of the custom market survey results and Ontario hospital data, Hay Group developed a PCO provincial compensation structure that reflects internal equity and is externally competitive. Note: For Ontario hospital data, management positions were benchmarked to hospitals with operating budgets equal to or less than \$10 million, as this budget size is representative of PCOs; whereas front-line positions were compared to the provincial database, as the rates for these jobs tend to be comparable across the province and this market reflects the geographic distribution of PCOs throughout Ontario.

Pay Equity Guidelines

Hay Group developed a pay equity document outlining how the Pay Equity Act applies to each organization independently and the specific activities that need to be carried out to achieve compliance with the legislation.

4. Profile Refresh and Additional Roles

Working with job documentation from a variety of sources within the PCOs, Hay Group developed generic job profiles for roles in the structure. Draft versions of all job profiles were circulated back to the PCCWG for their review and approval. Using the approved generic job profiles, Hay Group evaluated the roles utilizing the Hay Group Guide Chart-Profile MethodSM.

The 2009 Hay Group recommended structure was then updated. Selected existing roles were validated within the structure, specifically the Nurse Practitioner, Registered Nurse, Registered Practical Nurse, Chiroprapist and Data Management Coordinator.

In addition the following new roles were added to the structure: Clinical Assistant, Community Health Planner, Early Childhood Educator, Executive Assistant, IT Technician, Respiratory Therapist, and Volunteer Coordinator. The approved job profiles have been submitted to the three associations.

Additional work was completed regarding key roles for which there was a requirement for deeper review:

Traditional Healer

The PCOs requested that the role of Traditional Healer be evaluated in order to place it in the structure. Job documentation was collected for various Traditional Healer positions. To gain further insight into the role's scope and accountability, a discussion took place between Hay Group and senior leaders at Anishnawbe Health Toronto, Chigamik Community Health Centre and Southwest Ontario Aboriginal Health Access Centre.

We also consulted our Hay Group colleagues in other international jurisdictions (i.e., Western Canada, United States and Australia) where similar roles are found in order to gain an understanding of how these roles have been evaluated within other health care structures.

Based on the information assembled, the evaluation placed on the Traditional Healer role represents a position requiring an understanding and application of Traditional Medicine gained

through extensive practical experience and teachings in order to provide on-going health care services in the areas of assessment, education/counselling, prevention and performing specific methods or ceremonies to promote mental, physical and spiritual well-being. It involves the planning, organizing, and co-ordinating of a wide range of activities to deliver Traditional Healing. The proposed band for this role is grade 10 in the new Primary Care Structure.

Community Health Worker/Health Promoter Roles

Assistance was provided to the Ottawa CHCs to provide greater clarity in the differentiation of the Community Health Worker and Health Promoter Roles. Over the years, the lines between the two roles have become blurred. As a result, there was a need to provide guidance to the CHCs in appropriately placing staff in these roles.

Hay Group reviewed documentation concerning the two roles and had several meetings with representatives of the Ottawa CHCs to clarify their concerns and discuss options. The result is a document defining the key differences in the accountabilities, education and experience of the two roles. A comprehensive differentiating framework has been submitted to the three associations. Also included in the framework is the new Health Planner role.

Other Director/Manager Roles

Job information was collected for several other Director and Manager program and clinical roles to assess whether these roles should be seen as distinct roles (*and potentially placed differently within the compensation structure*) or fall under the generic Director and Manager roles. The following job profiles were developed and reviewed: Chronic Disease Manager, Clinical Director, Clinical Manager, Program Director, Program Manager, and Manager Quality and Performance.

After reviewing the job profile information and further discussion with the PCCWG, it was decided that there are not sufficient differences to warrant separate treatment of these roles within the structure. As a result, grade 11 will remain the Director level and grade 10 will remain the Manager level, covering all of the profiles that were reviewed.

5. Custom Market Salary Survey

In this section, we provide a summary of the key survey elements and the results. Full details of the survey findings have been submitted to the three associations.

Survey Benchmark Jobs

The following 18 benchmark jobs were selected by the PCCWG to be surveyed.

1. Administrative Assistant
2. Clinical Director
3. Counsellor / Outreach Worker
4. Dietitian
5. Executive Assistant
6. Executive Director
7. Finance Manager
8. Health Educator / Promoter
9. IT Coordinator
10. Nurse Practitioner
11. Registered Nurse
12. Program Director
13. Program Manager
14. Psychologist (Clinical)
15. Receptionist / Secretary
16. Registered Practical Nurse
17. Secretary
18. Social Worker (Therapist)

**Survey
Participants**

The following 18 organizations representing a cross section of types of community agencies and other broader public sector organizations, participated in the salary survey:

1. Canadian Mental Health Association - Champlain East
2. Canadian Mental Health Association - Cochrane Timiskaming Branch
3. Central East Community Care Access Centre
4. CFS Ottawa
5. City Centre Healthcare - operated by CMHA-WECB
6. City of Ottawa
7. John McGivney Children's Centre
8. Lansdowne Children's Centre
9. LOFT Community Services
10. Muskoka-Parry Sound Community Mental Health Service
11. North Bay Parry Sound District Health Unit
12. North West Community Care Access Centre
13. Sherbourne Health Centre
14. Toronto Central Community Care Access Centre
15. VHA Home HealthCare
16. Waterloo Wellington Community Care Access Centre
17. Wellington-Dufferin-Guelph Public Health
18. WOTCH Community Mental Health Services

We note that this number of survey participants represents a valid sample size upon which to make salary recommendations.

Information Surveyed

Compensation Elements

- Salary Range Minimum** – The policy salary minimum the organization is willing to pay an incumbent.
- Salary Range Maximum** – The policy salary maximum the organization is willing to pay an incumbent.
- Actual Base Salary** – The actual annualized salary that the incumbent receives.

Benefits

- Prevalence of pension plan
- Cost of benefits as a percentage of payroll

Salary Survey Results

Data were analyzed using two comparison methods, i.e., Job Match and Pay Trend Line.

The compensation analysis is based upon the placement of the roles within bands as per the 2009 recommended structure and including new roles as reviewed by Hay Group in 2013.

The job match approach compares the market data versus the internal data by each benchmark job. A pay trend line analysis provides an overall “average” of the benchmark jobs.

A trend analysis looks at the relationship between the internal “value” of a job (as determined through job evaluation) and the salary paid to each job. The salary rates for the jobs are plotted against their respective value levels and a salary line representing a “best fit” is drawn approximately through the middle of the plot points. This determines the “average” relationship of job value to the rates paid to each job.

This trend line, which represents a straight salary line, is determined mathematically using linear regression. The equation derived from building this trend line is then applied to the value of the jobs to determine the market pay rates.

We developed pay trend lines representing the internal (i.e., PCOs) pay trend line and the market. We then compared the predicted values produced by the formulas of each trend line to determine the competitiveness of the internal line versus the market.

Compensation Comparisons – Job Match

The table below provides the market comparisons between the Hay Group 2009 recommended maximum salary rate and the custom survey comparator group at the 50th percentile (P50).

Generally, the Hay Group 2009 recommended rates remain competitive with the 50th percentile of the custom survey market, and are about 12% below the 75th percentile.

Job Title	Survey Job #	Salary Range Minimum			Salary Range Maximum			Band	Hay Group 2009 Recommended Rate	2009 Maximum vs Market Maximum Median
		P25	P50	P75	P25	P50	P75			
Executive Director	6	100,489	126,500	136,232	125,000	143,778	157,890	13	145,000	1%
Clinical Dir	2	87,611	100,043	115,652	101,834	125,080	138,556	11	106,500	-15%
Program Director	12	69,243	92,880	106,642	85,807	109,271	129,152	11	106,500	-3%
Psychologist (Clinical)	14	*	*	*	*	*	*	10	92,200	
Finance Manager	7	68,214	76,415	86,978	80,000	90,667	105,000	10	92,200	2%
Program Manager	13	62,546	76,053	84,825	78,701	91,638	103,571	10	92,200	1%
Nurse Practitioner	10	81,926	89,289	91,689	97,972	100,233	106,506	10	92,200	-8%
Social Worker (Therapist)	18	53,416	57,369	61,483	63,966	71,815	75,024	8	69,100	-4%
Registered Nurse	11	53,854	57,369	62,568	68,975	73,387	75,382	8	69,100	-6%
Dietitian	4	*	59,479	*	*	68,383	*	8	69,100	1%
Health Educator / Promoter	8	51,121	54,715	65,671	61,765	68,476	79,148	8	69,100	1%
IT Coordinator	9	48,185	51,870	59,343	56,705	60,988	69,266	7	62,900	3%
Counsellor / Outreach Worker	3	43,563	49,309	55,230	53,582	57,542	66,203	6	57,100	-1%
Executive Assistant	5	44,394	48,187	51,581	51,703	55,846	66,317	6	57,100	2%
Registered Practical Nurse	16	40,027	41,379	48,231	47,034	49,032	54,868	5	52,000	6%
Administrative Assistant	1	36,889	38,224	42,471	42,426	46,457	52,046	5	52,000	12%
Secretary	17	38,181	41,095	42,777	45,591	46,067	49,157	3	43,000	-7%
Receptionist / Secretary	15	32,039	34,293	38,523	36,751	40,353	45,942	2	39,050	-3%
Average Variance										-1%

*note: no market data/benchmark jobs in bands 1, 4, 9 and 12.

**Pension
Prevalence and
Benefit Cost**

The majority (76%) provide a defined benefit plan. The most commonly provided plan is the Healthcare of Ontario Pension Plan (HOOPP). In this plan, organizations contribute 126% of the employees' contribution, which is 6.9% up to YMPE and 9.2% above.

For organizations providing a defined benefit plan, the average and median costs of benefits, as a percentage of payroll, are 23.4%.

6. Collective Agreements / OHA Survey Results

Collective Agreements

For specific roles, Hay Group researched relevant collective bargaining agreements to provide additional salary information. The tables below detail the agreements and rates in comparison with the Hay Group 2009 recommended rates.

OPSEU

The OPSEU collective agreement contract period is effective until March 31, 2014.

The following table provides the range maximum for eight roles within the central agreement that have comparators within the Primary Care Compensation Structure.

Generally, the Hay Group 2009 recommended rate is below that of the OPSEU wage rates comparing 2012 wage rates. On April 22, 2013, OPSEU rates will be increasing by 2.75%.

OPSEU Central Agreement

Position	OPSEU Wage Rate (maximum)			2012 Annualized	Primary Care Band	Hay Group 2009 Recommended Rate	Market Variance
	2011	2012	2013				
Psychologist	60.49	60.49	62.15	117,956	10	92,200	-22%
Pharmacist	48.94	48.94	50.29	95,433	9	80,000	-16%
Dietitian	38.51	38.51	39.57	75,095	8	69,100	-8%
Physiotherapist	41.55	41.55	42.69	81,023	8	69,100	-15%
Occupational Therapist	41.55	41.55	42.69	81,023	8	69,100	-15%
MSW	43.92	43.92	45.13	85,644	8	69,100	-19%
Speech Pathologist	43.92	43.92	45.13	85,644	8	69,100	-19%
Respiratory Therapist	39.26	39.26	40.34	76,557	7	62,900	-18%

**salaries annualized at 37.5 hours per week*

ONA

The ONA collective agreement contract period is effective until March 31, 2014. The following table provides rates for the Registered Nurse position.

Generally, PCOs will be competitive when comparing with Registered Nurses up to 4-5 years of experience within hospitals, and then, begin to lag the market.

ONA rates for Registered Nurses (Central Agreement)

Years Experience	April 1, 2011	Annualized*	April 1, 2013	Annualized*	Primary Care Band	Hay Group 2009 Recommended Rate	Market Variance
Start	29.36	57,252	30.17	58,832	8	69,100	17%
1 Year	29.79	58,091	30.61	59,690			16%
2 Years	30.29	59,066	31.12	60,684			14%
3 Years	31.78	61,971	32.65	63,668			9%
4 Years	33.28	64,896	34.20	66,690			4%
5 Years	35.15	68,543	36.12	70,434			-2%
6 Years	37.04	72,228	38.06	74,217			-7%
7 Years	38.94	75,933	40.01	78,020			-11%
8 Years	41.70	81,315	42.85	83,558			-17%
25 Years	42.44	82,758	43.61	85,040			-19%

*salaries annualized at 37.5 hours per week

Early Childhood Educators

Hay Group reviewed collective bargaining agreements in school boards for the role of Early Childhood Educator, which is also commonly known as Designated Early Childhood Educator (DECE). The agreements presented in the table below are effective 2010 – 2012. 2013 rates have not yet been published.

There are other organizations that employ similar roles in day care centres. However, we were unable to obtain these rates.

We recommend that this role be placed in band 5 of the PCO structure and thus would have had a Hay Group 2009 recommended rate of \$52,000.

The rates for ECE/DECE roles seem to be consistent across the province, and a sample of three agreements is provided in the table below. Generally, the PCO rate is 11% above market for a fully competent (i.e., 4+ years' experience) ECE.

Early Childhood Educators

Collective Bargaining Agreement	Years of Experience					4 year rate annualized (37.5hrs/wk)	Hay Group 2009 Recommended Rate	Market Variance
	Start	1 year	2 year	3 year	4+ years			
OSSTF / Algoma District	20.09	21.63	23.18	24.71	26.27	51,227	<i>job not included in 2009 structure</i>	N/A
ETFO / Halton District	20.09	21.63	23.18	24.72	26.27			
OSSTF / Renfrew County	20.09	21.63	23.18	24.72	26.27			

Supplemental Data

OHA Salary Survey Data

The OHA salary survey database was used to gather further data on comparable management and non-management positions. For the management positions (Executive Director, Program Director and Finance Manager), we analyzed data from hospitals with annual operating budgets of ≤\$10 million, as this budget size is representative of PCOs. For the remaining positions, the provincial database was used for comparison, as front-line jobs are generally paid consistently across the province regardless of hospital size or type, and this market reflects the geographic dispersion of PCOs throughout Ontario.

The table below provides the comparison results between the Hay Group 2009 recommended salary range maximum and the 50th percentile (P50) of the OHA data, using the same benchmark jobs that were utilized in the 2009 review. *Overall, the primary care compensation structure is below this market sector by 7%.*

Primary Care Comparator Role	Ontario Hospital Association Data				Band	Hay Group 2009 Recommended Rate	2009 Rate versus Market Median
	P25	P50	P75	Average			
Executive Director*	140,625	150,162	170,387	185,960	13	145,000	-3%
Program Director*	98,144	100,581	104,696	125,295	11	106,500	6%
Nurse Practitioner	98,241	101,264	105,710	101,849	10	92,200	-9%
Finance Manager*	90,918	96,000	101,451	95,607	10	92,200	-4%
Human Resources Manager	89,202	97,137	101,881	93,861	10	92,200	-5%
Clinical Social Worker / Therapist	81,510	83,558	85,644	82,856	8	69,100	-17%
Occupational Therapist	77,279	79,092	81,023	78,917	8	69,100	-13%
Registered Nurse	81,315	82,758	82,758	82,271	8	69,100	-17%
Speech Language Pathologist	82,271	83,558	85,644	83,187	8	69,100	-17%
Physiotherapist	78,312	79,131	81,023	79,326	8	69,100	-13%
Chiropodist	68,211	72,228	75,095	71,136	8	69,100	-4%
Dietitian	72,852	75,095	76,694	74,568	8	69,100	-8%
Registered Practical Nurse	50,700	52,358	53,118	52,260	5	52,000	-1%
Administrative Assistant	46,001	48,653	51,792	48,555	5	52,000	7%
Receptionist	41,262	42,608	45,533	43,368	2	39,050	-8%
Average Variance							-7%

*Note: Using the Executive survey data - Budget Size <10MM

Ministry of Health and Long-Term Care Rates

The Ontario MOHLTC provides salary ranges for interprofessional health providers. The FHTs and NPLCs are currently funded based on these rates.

The following table illustrates the 2009 primary care recommended rates compared to the MOHLTC published salary range maximums. Generally, PCOs, if paying at the Hay Group 2009 recommended rate, will be above the MOHLTC rates, with the exception of the Psychologist/Psychological Associate role.

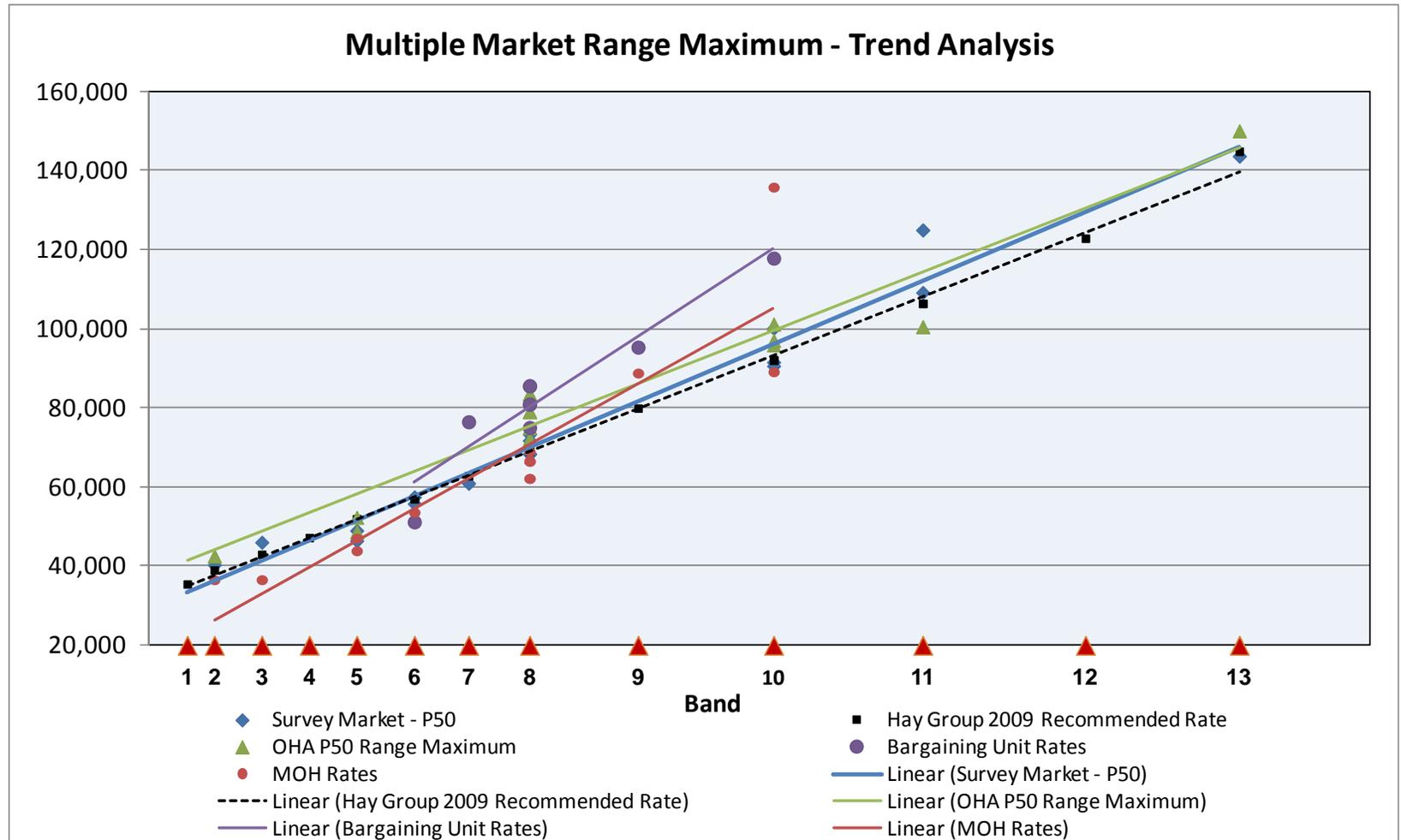
Primary Care Comparator Role	Ministry of Health		Band	Hay Group 2009 Recommended Rate	Variance of recommended rate to MOH Rate
	Range Minimum	Range Maximum			
Nurse Practitioner	74,038	89,203	10	92,200	3%
Psychologist/Psychological Associate	103,322	135,916	10	92,200	-32%
Pharmacist*	61,685	88,869	n/a		
Health Educator/Promoter	51,641	62,219	8	69,100	11%
Dietitian	51,641	62,219	8	69,100	11%
Chiropodist/Podiatrist	55,251	66,568	8	69,100	4%
Occupational Therapist	55,251	66,568	8	69,100	4%
Registered Nurse	55,251	66,568	8	69,100	4%
Social Worker	55,251	69,003	8	69,100	0%
Counsellor / Outreach Worker	44,516	53,633	6	57,100	6%
Registered Practical Nurse	39,034	47,117	5	52,000	10%
Administrative Assistant	36,593	43,911	5	52,000	18%
Medical Secretary	30,320	36,593	3	43,000	18%
Receptionist / Clerical Staff	30,320	36,593	2	39,050	7%
				Average Variance	5%

*Pharmacist was not included in 2009 structure

Pay Trend Line Analysis – All Data Sources

Using a trend line analysis, the graph on the following page illustrates the market data, i.e., salary range maximums (or job rates) from the following sources: custom survey, Ontario hospitals, collective bargaining agreements and MOHLTC rates, in comparison to the Hay Group 2009 Recommended Rates. As noted above, for Ontario hospital data, management positions were benchmarked to hospitals with operating budgets equal to or less than \$10 million, as this budget size is representative of PCOs; whereas front-line positions were compared to the provincial database, as the rates for these jobs tend to be comparable across the province and this market reflects the geographic distribution of PCOs throughout Ontario.

While the PCO organizations lag the hospital market overall, it is perhaps more noteworthy that the union like roles have the most significant gap to market rates and MOHLTC rates are generally below the Hay Group 2009 recommended rates.



Note on the Dietitian Pay Gap

The most significant market gap among professional roles exists with respect to the dietitian position. This pay gap dates back to the MOHLTC's decision in 2006 that placed dietitians in the wrong pay band, whereas based on Hay Group's evaluation of the dietitian job, it clearly belongs in the same pay band as other health professional roles, i.e., physiotherapists, occupational therapists, speech therapists and social workers. For this reason, the table shows a very large gap between the MOHLTC's current salary rate and the market salary rates for this particular profession.

Note on the Health Promoter Pay Gap

Another position for which there is a significant pay gap is the Health Promoter. As with the dietitian, this pay gap also dates back to the MOHLTC's decision in 2006 that placed Health Promoters in the wrong pay band, whereas Hay Group's evaluation of this role placed it in the same pay band as other health professional roles, i.e., physiotherapists, occupational therapists, speech therapists, and social workers.

7. Development of 2012 Compensation Structure

Developing/ Confirming the Compensation Strategy

The first step in designing a compensation structure is to establish the compensation strategy (or policy). A compensation strategy defines an organization's framework for establishing pay in order to align compensation with organizational strategy. The strategy helps ensure that the organization is able to attract and retain the skills required to achieve its vision, mission and strategic directions, and includes:

- Defining the “market,” i.e., the organizations that PCOs compete with for talent and/or organizations that employ similar skills
- Defining the “pay positioning,” i.e., where pay should be positioned in the market (e.g., 50th percentile, 75th percentile, etc.)

The 2009 Hay Group structure was based on the 50th percentile of the custom survey results.

Based on a variety of options presented by the consultants, the PCCWG determined that a combined market representing the custom survey results and Ontario hospitals represents a reasonable and defensible strategy for benchmarking compensation for PCOs. Note: For Ontario hospital data, management positions were benchmarked to hospitals with operating budgets equal to or less than \$10 million, as this budget size is representative of PCOs; whereas front-line positions were compared to the provincial database, as the rates for these jobs tend to be comparable across the province, and this market reflects the geographic distribution of PCOs throughout Ontario.

**Pay Levels
Developed for
PCOs**

Using the Hay Group Guide Chart Method of Job EvaluationSM, the consultants reviewed the evaluations of several jobs that had been evaluated previously and evaluated several new roles. The “refreshed” and new evaluations, along with jobs that had been previously evaluated, were incorporated into the new PCO Compensation Structure:

The 2012 structure encompasses the following 13 pay levels:*

Band	Position Title
13	Executive Director
12	no jobs
11	Director
10	Manager <i>Traditional Healer***</i>
9	Supervisor/Lead <i>Community Health Planner***</i>
8	Chiropodist** Social Worker (Therapist) Data Management Coordinator** Occupational Therapist Physiotherapist Nurse** Speech Pathologist Dietitian Health Promoter
7	<i>IT Technician***</i> <i>Respiratory Therapist***</i>

Band	Position Title
6	Counsellor Community Health Worker Office Administrator <i>Executive Assistant***</i> <i>Volunteer Coordinator***</i>
5	RPN** <i>Early Childhood Educator***</i> Bookkeeper Administrative Assistant
4	no jobs
3	Medical Secretary <i>Clinical Assistant***</i> Secretary
2	Receptionist/Secretary Medical Record Clerk
1	Maintenance Worker

* Market Exception Roles: The Nurse Practitioner and Psychologist roles were evaluated at Band 10, and the Psychologist at Band 9. However, these positions have not been included in the pay levels. See discussion below, page 24, Exceptions.

** The previous evaluations of these jobs were reviewed as part of this project. All of these jobs remained in their 2009 bands.

*** New roles added in 2012.

**Designing
Compensation
Structures Based
on Compensation
Principles**

The number of bands, or levels, created through the job evaluation process represents the number of salary range levels in a compensation structure. The job rate (or salary range maximum) is determined by applying the job evaluation value of each salary level and referencing the job rates produced by the market pay trend line regression output. The minimum of each salary range is then determined, which will depend on the salary range widths.

A compensation structure is typically developed by applying common compensation principles, i.e.:

- Each salary range has a minimum point and a maximum point, or job rate.
- The maximum or “job rate” represents the salary that a fully competent person earns in a specific position. The salary range maximum aligns with the market job rate data so that the compensation is competitive with the defined market.
- The salary range minimum is set at between 80% and 85% of the maximum, which generally represents the entry level rate for a new hire.
- There are typically about 5 to 6 steps within each salary range to allow for progression through the pay range based on a combination of performance and tenure.

**2012 PCO
Structure vs. 2009
Hay Group and
MOHLTC Rates**

The following table compares the 2009 Hay Group Recommended Job Rates and MOHLTC current rates to the 2012 Hay Group Recommended Job Rates:

Band	MOHLTC Rates	2009 Hay Group Recommended Job Rates	2012 Hay Group Recommended Job Rates	Change		
				MOHLTC Rate to 2012 Recommended Job Rates	Recommended 2009 to 2012 Job Rates	
13		145,000	150,500		3.79%	
12		123,000	129,700		5.45%	
11		106,500	112,800		5.92%	
10		92,200	98,100		6.40%	
9		80,000	85,300		6.62%	
8	69,003 ¹	69,100	75,500	9.4%	9.26%	
	66,568 ²			13.4%		
	62,119 ³			21.3%		
7		62,900	67,400		7.15%	
6	53,633	57,100	60,700	13.2%	6.30%	
5	47,117 ⁴	52,000	54,400	15.5%	4.62%	
	43,911 ⁵			23.9%		
4		47,250	48,800		3.28%	
3	36,593	43,000	44,000	20.2%	2.33%	
2	36,593	39,050	39,600	8.2%	1.41%	
1		35,500	36,000		1.41%	
				Simple Average	15.6%	4.9%

It should be noted that the Dietitian and Health Educator/Promoter, although valued in grade 8, were not funded to the Hay Group 2009 recommended rate at grade 8, but rather at grade 7. This has created a further lag in the market for these positions.

Note: There are three distinct MOH rates for roles within Band 8, and two within Band 5, of the Recommended Primary Care Structure:

- 1 – MOH Rate for Social Worker (MSW)
- 2 – MOH Rate for Chiropracist/Podiatrist, Occupational Therapist and Registered Nurse
- 3 – MOH Rate for Dietitian and Health Educator/Promoter
- 4 – MOH Rate for Registered Practical Nurse
- 5 – MOH Rate for Administrative Assistant

Exceptions

From an internal equity perspective, the Nurse Practitioner and Psychologist roles were evaluated as being comparable and falling in Band 10, while the Pharmacist was evaluated as belonging in Band 9. However, Hay Group has determined that these three positions should be considered as “exceptions,” i.e., the value placed on these positions by the market is not directly related to their internal value, as determined through job evaluation. Therefore, the salary ranges for these positions should be established solely based on market value considerations.

The recommended salary ranges for these three positions are as follows:

Nurse Practitioner and Psychologist:	\$103,322 - \$135,916
Pharmacist:	\$88,869 - \$93,500

The recommended salary ranges have been determined as follows:

- The Nurse Practitioner role was evaluated as being comparable to the Psychologist position from an internal equity perspective. It is noted that these two roles were originally evaluated in Band 10 of the CHC compensation structure in 2009 and their salary ranges were linked at that time. We have therefore established the salary range of the Nurse Practitioner as equivalent to the Psychologist. It is further noted that the recommended salary range maximum is consistent with the Hay Group Report to the NPAO, dated January 2011.
- The Pharmacist salary range was established based on the market data, consistent with the PCO compensation strategy.
- The Psychologist salary range is the current MOHLTC salary range.

2012 PCO Compensation Structure

The 2012 PCO Compensation Structure is presented on the following page.

Pay Band	Position Title	Minimum	Step 2	Step 3	Step 4	Step 5	Maximum
13	Executive Director	\$ 127,925	\$132,440	\$136,955	\$141,470	\$145,985	\$ 150,500
12	no jobs	\$ 110,245	\$114,136	\$118,027	\$121,918	\$125,809	\$ 129,700
11	Director	\$ 95,880	\$ 99,264	\$102,648	\$106,032	\$109,416	\$ 112,800
10	Manager Traditional Healer	\$ 83,385	\$ 86,328	\$ 89,271	\$ 92,214	\$ 95,157	\$ 98,100
9	Supervisor Community Health Planner	\$ 72,505	\$ 75,064	\$ 77,623	\$ 80,182	\$ 82,741	\$ 85,300
Market Exceptions							
	Position Title	Minimum	Step 2	Step 3	Step 4	Step 5	Maximum
	Nurse Practitioner	\$ 103,322	\$109,841	\$116,360	\$122,878	\$129,397	\$ 135,916
	Psychologist						
	Pharmacist	\$ 88,869	\$ 89,795	\$ 90,721	\$ 91,648	\$ 92,574	\$ 93,500
Pay Band	Position Title	Minimum	Step 2	Step 3	Step 4	Step 5	Maximum
8	Chiropracist	\$ 64,175	\$ 67,006	\$ 69,838	\$ 72,669	\$ 75,500	
	Social Worker (Therapist)						
	Data Mangement Coordinator						
	Occupational Therapist						
	Physiotherapist						
	Nurse						
	Speech Pathologist						
Dietitian							
Health Promoter							
7	IT Technician	\$ 57,290	\$ 59,818	\$ 62,345	\$ 64,873	\$ 67,400	
	Respiratory Therapist						
6	Counsellor	\$ 51,595	\$ 53,871	\$ 56,148	\$ 58,424	\$ 60,700	
	Community Health Worker						
	Office Administrator						
	Executive Assistant						
5	Volunteer Coordinator	\$ 46,240	\$ 48,280	\$ 50,320	\$ 52,360	\$ 54,400	
	RPN						
4	Bookkeeper	\$ 41,480	\$ 43,310	\$ 45,140	\$ 46,970	\$ 48,800	
	Administrative Assistant						
3	no jobs - new band	\$ 37,400	\$ 39,050	\$ 40,700	\$ 42,350	\$ 44,000	
	Medical Secretary						
2	Clinical Assistant	\$ 33,660	\$ 35,145	\$ 36,630	\$ 38,115	\$ 39,600	
	Secretary						
1	Receptionist/Secretary	\$ 30,600	\$ 31,950	\$ 33,300	\$ 34,650	\$ 36,000	
	Medical Record Clerk						
1	Maintenance Worker						

8. Development of Compensation Guideline Framework for Executive Directors

Approach to Development of Guideline Framework

Hay Group was requested to develop guidelines to be used by PCO Boards of Directors and, with respect to FHTs, for providing guidance to the MOHLTC, in establishing the compensation of EDs within the recommended salary range for this position.

Hay Group held several meetings with a Focus Group to assist in understanding the differentiating factors with respect to size and mandate across the various PCOs. We initiated the discussions by providing a list of draft criteria that could influence the scope, complexity and accountability of an ED position. Following numerous discussions, six specific rating criteria were established. Quantifiable, distinguishable dimensions were developed for each criterion. Due to the differences among the PCOs, modifiers were added to ensure that criteria could be consistently applied to all organizations. Each of the sponsoring associations then provided information on representative centres for the purpose of testing the framework.

Applying the Framework

For each rating criterion, quantifiable measures (dimensions) have an associated point score. Points are tallied independently for all six criteria. Additional points can be added to the overall score, if the modifier criteria apply to the organization. For some criteria, a score of 0 points is possible. A recommended salary range within the overall ED range is then applied, depending on the total point score. The Framework is presented on the next page.

Executive Director Salary Guideline Framework¹

Centre Specific Scoring Criteria*:	DIMENSIONS				
	1 point	2 points	3 points	4 points	5 points
1. Annual Operating Budget	Up to \$1 million	\$1.1 million - \$3 million	\$3.1 million - \$5 million	\$5.1 million - \$15 million	\$15.1 million - \$25 million
2. Number of Volunteers (excluding Board)	1 to 100	101 - 200	201 +		
3. Number of Funders / Funding Envelopes	1	2 - 4	5+		
4. # Sites/Satellites ²	2 - 4	5+			
5. Geographic Dispersion of Sites by Distance ³ or Municipalities/Regions Served ³	26 km to 75 km 2 - 3	76 km+ 3+			
6. # management reporting directly to Executive Director ⁴	2 - 3	0 - 1			

*It is possible to score 0 points for some criteria

Modifier

1: If you are a FHT (in recognition of physicians that are not part of FHT budget)	Add 1 point to your overall score
2: If you are a FHT and have >1 Physician Organizations	Add 1 point to your overall score

Recommended Salary Range¹

3 – 5 points	\$110,000 - \$120,000
6 – 8 points	\$120,000 - \$130,000
9 – 11 points	\$130,000 - \$140,000
12+ points	\$140,000 - \$150,000

¹Recommended Salary Range is determined by adding up the number of points for each of the 6 Criteria plus 2 Modifiers (if applicable).

Notes: 1. Some FHTs and CHCs are coordinating the implementation of Health Links. As this is a new program, we are uncertain as to how this may impact the ED role. In future, the framework may have to be adjusted to specifically accommodate this activity.

2. Sites/Satellites defined as a leased or owned location delivering on-going services. If operating 1 site, no points applied for this criteria.

3. If operating 1 site, no points applied for this criteria.

4. If 4+ management reporting to ED, no points applied for this criteria.

9. Salary Administration Guidelines

Ongoing management of the elements of salary determination and the administration of the compensation framework are important activities within a human resources function. To assist the PCOs in maintaining and administering the new pay framework, we provide the following guidelines.

New Employees

As much as possible, new employees should start at step 1 or 2. Where the new employee has significant prior experience in a similar position or brings special skills that reduce the on-the-job learning period, the PCO could hire at an intermediate rate between minimum and the job rate (salary range maximum).

Transfers/Promotions/Demotions

When an employee is permanently transferred or promoted to a position in a higher salary range, the new rate of pay should provide for an appropriate increase. The percentage differentials that have been provided between salary levels should allow for a meaningful adjustment.

If an employee is permanently demoted or transferred to a position in a lower pay band, the present salary level can be continued or the position can be red-circled. If the employee receives sufficient notice that the salary will be reduced, the salary can be reduced to an amount within the newly assigned pay grade. Should a PCO wish to pursue the latter approach, legal advice should be sought in each case with respect to the proper procedures.

Pay Increases – Changes to Salary Schedule

The salary schedules should be reviewed once a year. Normally, all ranges should be increased, depending on the movement of salaries in the market. This recommended increase for the total pay framework should be based on updated pay survey data and general trends in the economy or the community. Hay Group can provide the PCOs with information on annual market movement.

In addition to annual adjustments to pay scales, a periodic audit of a sample of jobs is recommended to ensure they are still in line with market levels and to ensure that the integrity of the pay plan is maintained. This should occur approximately every three years.

Red Circle Policy

A “red-circled” position occurs where a permanent incumbent is earning more than the maximum of the salary range. A policy to manage these salaries should be developed as follows:

- Upon implementation of the new compensation structure, there will be no reduction or increase to the incumbent’s salary in a “red-circled” position.
- At the time that the salary range structure is adjusted to reflect the market and/or cost-of-living increase, the incumbent in a “red-circled” position will receive no increase or a percentage of the recommended increase to the salary range structure, e.g., 50%, 75%.
- The reduced market adjustment factor will continue until such time as the incumbent’s salary falls within the salary range. Thereafter, the incumbent will be eligible to receive the full amount of the cost-of-living adjustment.

Market Exception Policy

A “market exception” occurs where a permanent incumbent is earning more than the maximum of the salary range as a result of market compensation pressures and demands. Typically, there are very few market exception positions in any organization and the skills/abilities are scarce in the marketplace. Therefore, the value placed on these positions by the market bears no relationship to the internal value as determined through job evaluation.

The policy to manage the salaries for these positions should be developed as follows:

- The salaries are considered “anomalies” and will be administered outside of the relevant salary range predicted by the internal value (i.e., job evaluation)
- At the time that the salary range structure is adjusted to reflect the market and/or cost-of-living increase, the incumbent in a market exception position will receive the same amount of the recommended increase
- Market exception positions should be reviewed annually to determine whether they continue to be exceptions, or whether the market has changed such that they should be compensated within the PCO structure

Three roles were identified as market exceptions:

- Nurse Practitioner
- Pharmacist
- Psychologist

The PCCWG determined that the psychologist rate should be set at the salary range that is currently funded by the MOHLTC (\$103,322 - \$135,916).

Given that the Nurse Practitioner role was evaluated by Hay Group as being comparable to the Psychologist, it is recommended that the Psychologist salary range apply to this position (\$103,322 - \$135,916). It is noted that these two roles were originally evaluated in Band 10 of the CHC compensation structure in 2009 and their salary ranges were linked at that time. Moreover, the salary range maximum is consistent with the findings and recommendations of the Hay Group Report to the NPAO, dated January, 2011.

Since the current MOHLTC maximum rate for Pharmacists (\$88,869) is not competitive, hospital data at P50 and collective bargaining rates were used to establish the recommended salary range (\$88,869 - \$93,500).

10. Guidelines for Implementing Pay Equity

Every public sector employer in Ontario must have a pay equity plan that meets the requirements of the Pay Equity Act. The purpose of pay equity is to ensure that there is equal pay for jobs of equal value (as determined through a gender neutral job evaluation plan), thereby ensuring that “female” job classes are paid on an equivalent basis to male jobs that are of equal value. Therefore, pay equity is based on pay rates within an organization, not external to the organization.

Since jobs within the provincial structure are evaluated using a gender neutral job evaluation methodology i.e. the Hay Group Guide Chart-Profile MethodSM, this provides PCOs with one of the basic requirements for preparing a plan, i.e., a structure with pay grades in which jobs of equal value are paid within the same salary range. However, it is still up to each organization to develop its own pay equity plan. Hay Group prepared a document entitled, “Guidelines for Implementing Pay Equity in PCOs,” which has been provided to the three associations.