

# SICKENING BONUSES

## Hosp CEOs snag \$1M amid big health cuts

By MELISSA KLEIN  
and SUSAN EDELMAN

Wall Streeters aren't the only ones raking in big bonuses during tough economic times.

Hospital presidents and CEOs also collect fat bonuses and "incentive payments," even as health-care systems cry poverty, claiming they struggle to break even against government cutbacks, tightwad insurers and skyrocketing costs.

While warning of layoffs and slashed patient services, many hospitals shower their top execs and department heads with bonuses and perks. They include housing allowances, chauffeurs, first-class air travel, tuition for their kids and country-club memberships.

Under new IRS rules, the extras are disclosed for the first time in recently filed 2008 tax records obtained by The Post.

The filings for the city's biggest and most prestigious private, tax-exempt hospitals show at least a dozen CEOs get compensation of \$1 million and up. Some also cash in early on million-dollar pre-retirement payouts while on the job.

Dr. Herbert Pardes, who runs the New York-Presbyterian Hospital and its health-care system — the city's largest private hospi-

tal network — received a \$1 million bonus in 2008 on top of his \$1.67 million salary.

The hospital has a "pay for performance" philosophy but says even though Pardes met his goals, his bonus was smaller than 2007's to "reflect the current external environment."

But Pardes' compensation totaled \$9.8 million in 2008 because he vested in a retirement plan that will pay \$6.8 million when he leaves in 2011. He also received a \$93,500 housing allowance and the use of a car and driver.

The \$4.2 million 2008 compensation for Steven Safyer, CEO of Montefiore Medical Center in The Bronx, another major teaching hospital, included a \$1.2 million salary, a \$452,789 bonus, a \$6,000 college scholarship for his child and \$2.1 million in pre-retirement cash.

A \$1.2 million bonus went to Miguel Fuentes Jr., CEO of the 958-bed Bronx-Lebanon Hospital. His \$4.8 million package included \$878,024 in salary and an \$858,000 pre-retirement payout. He's also set to get \$1.8 million in retirement cash next year.

Execs cleaned up even at struggling hospitals. Despite years of losses, 513-bed Lenox Hill Hospital on the Upper East Side gave CEO Gladys George an early-re-

tirement payment of \$752,469 on top of her relatively modest \$522,206 salary.

Her salary still dwarfs that of Alvin Aviles, who makes \$291,000 as CEO of the city's \$6.3 billion Health and Hospitals Corp., the nation's largest public system with 39,000 employees at 11 hospitals, four nursing homes and many treatment centers.

Judy Wessler, director of the Commission on the Public Health System, was stunned to learn of the bonuses at the nonprofits, calling them "totally outrageous."

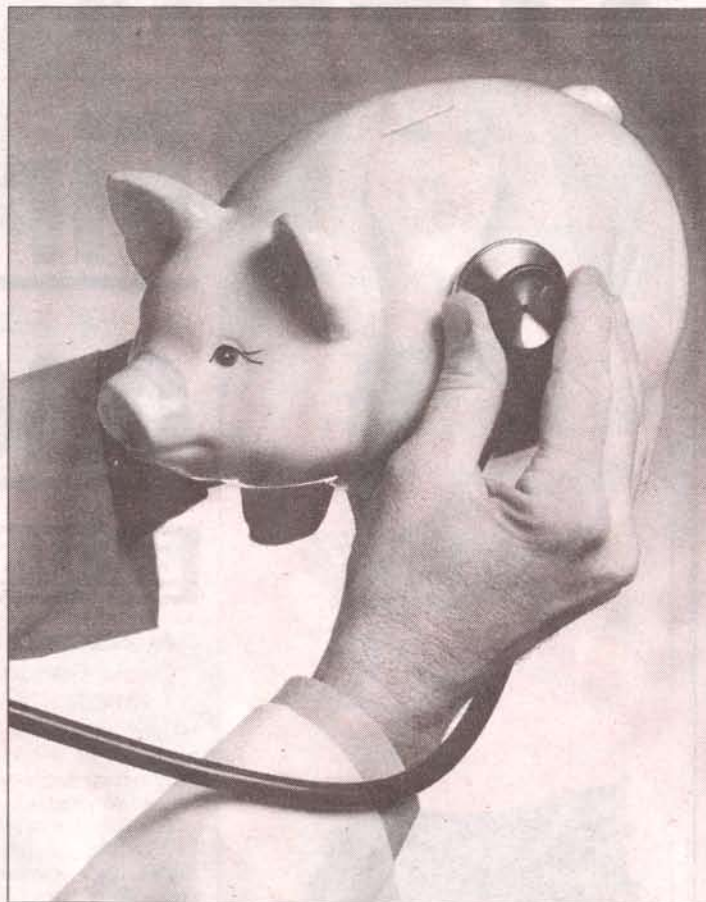
"They're not supposed to act like Wall Street," she said.

Brian Conway, spokesman for the Greater New York Hospital Association, an industry group that lobbies to protect hospital funding, defended the extras.

"There are thousands of 20-somethings on Wall Street making millions who don't have anywhere near the responsibilities or skills of New York hospital CEOs," Conway said.

But a top industry source slammed the CEO deals as "scandalous" because the private hospitals are tax-exempt and rely on state and federal money from Medicaid and Medicare, and other government subsidies.

"Every time there's a wave of budget cuts in Albany or Washington, they scream bloody murder," the insider said.



Bonuses and perks still flow even at New York Westchester Square Medical Center in The Bronx — which went into bankruptcy three years ago after the state ordered it shut but extended the closure deadline.

CEO Alan Kopman got \$558,491 in pay and benefits in 2008, including a \$47,803 bonus. The hospital also paid \$25,320 for his membership in the swank Seawane Golf and Country Club in

Hewlett Harbor, LI.

At St. Barnabas Medical Center in The Bronx, CEO Scott Cooper has gotten raises and bonuses totaling 15 percent since 2006, while employees were forced to fork out more for health benefits. Cooper's 2008 compensation totaled \$934,536.

Additional reporting by Katharine Boniello

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### RETIREMENT BONANZA

**Dr. Murray Brennan**  
Surgeon, Memorial Sloan-Kettering Cancer Center



Brennan, a 28-year veteran who formerly chaired the surgery department, took a retirement payout of \$17.5 million on top of his \$1.2 million salary last year.

Sloan-Kettering says Brennan invested part of his income in a now-defunct retirement program, with 5 percent contributed by the hospital. Brennan, who is still practicing, and other execs became eligible to withdraw the money in 2008.

### RAISES IN BAD TIMES

**Dr. Scott Cooper**  
President and CEO, St. Barnabas Medical Center



Cooper took home \$934,536 in 2008, including a \$150,000 bonus — despite a more than \$10 million operating loss that year.

The hospital recently hiked employee contributions for health benefits, and Cooper told a staff meeting last month that Gov. Paterson's proposed budget cuts will hit hard. He asked each department to plan to cut 5 percent, and said of possible layoffs: "I will never say never," according to a spokesman.

### LOVE NEST SCANDAL

**Dr. Patrick Borgen**  
Chief of surgery, Maimonides Medical Center



Borgen is accused of "quid pro quo sex harassment" after a two-year affair with a younger staff doctor that ended in 2008. She was dismissed and he was promoted, charges a pending lawsuit by Dr. Petra Rietschel. The married Borgen, who earned \$1.4 million in salary and benefits, lived in Westchester County. But Borgen and Rietschel, she claims, started their trysts in a Brooklyn pad provided to him by Maimonides — the "love nest" perk was valued at \$13,200.

### BIGGEST PACKAGE

**Dr. Herbert Pardes**  
CEO, New York-Presbyterian Hospital



Pardes, who runs the largest hospital system in New York City, had the fattest compensation package of any city hospital CEO — \$9.8 million in 2008. He received a \$1,666,773 base salary, plus a \$1,047,667 bonus.

The package also included \$6.8 million in retirement money he'll collect when he leaves in 2011. The money became taxable in 2008 when he vested in the program. He also got a \$93,504 housing allowance and access to a car and driver.