

Health insurance CEOs rake in millions: Here's the top 10 list

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Health insurance premiums keep rising and many employees carry high-

deductible plans that mean bills of \$100 or more for a visit to the doctor.

Meanwhile, the CEOs of the top 10 health insurance companies were paid between \$13 million and \$22 million in total compensation in 2022, including salary, bonuses and other pay, according to a Connecticut Office of Legislative Research report, issued Feb. 5.

Those 10 companies cover more than 60% of the commercial health insurance market, with the largest, UnitedHealth Group, covering almost 18% of market share, the report states. That's 53 million people covered. Its CEO, Andrew Witty, took home \$20,865,106 in 2022.

He wasn't the highest paid, however. Joseph Zubretsky, CEO of Molina Healthcare, with only 2.16% of the market, was paid \$22,131,256. His company covers 4.2 million people.

UnitedHealth Group had \$324 billion in revenues in 2022. Molina Healthcare had just under \$32 billion, the report states.

"I'm not an expert in [executive compensation](#). I don't know how this compares to executive compensation, but it certainly doesn't seem fair," said Sean King, acting state healthcare advocate.

"When these executives are bringing home millions of dollars a year in compensation, when more than 40% of adults in America are carrying medical debt that they can't pay, a third of Americans can't cover emergency expenses of \$400 or more," he said. "So it doesn't seem fair when you look at it from that perspective."

Eric Hausman, spokesman for UnitedHealth, responded to a request for comment: "I would refer you to our proxy, which details executive compensation decisions."

A proxy statement, this one more than 100 pages, is a detailed document that publicly traded companies file before shareholder meetings so stock owners can make informed votes. UnitedHealth's executive compensation explanation is several pages long and complex.

"Our executive compensation program uses a mix of base salary, annual cash incentives, stock compensation awards and broad-based benefits to attract and retain highly qualified executives and maintain a strong alignment between executive pay and Company performance," it says in part.

"Shareholders expressed strong support for our executive compensation program at our 2022 Annual Meeting of Shareholders, with 94% of the votes cast in favor of our Say-on-Pay proposal," it says.

The second-highest paid CEO is Karen Lynch of CVS, at \$21,317,055, with 40.7 million people covered and 6.72% market share. CVS Caremark is also a pharmacy benefit manager, which acts as an intermediary between [health insurance companies](#) and pharmacies.

CVS Caremark has a third of the market share, filled 2.3 billion prescriptions in 2022 and brought in \$169 billion in revenue. The other two pharmacy benefit managers in the top three are Express Scripts (Cigna) and OptumRX (UnitedHealth Group).

CVS spokesman Ethan Slavin said in a statement, "Our pay-for-performance philosophy places the majority of Ms. Lynch's compensation at risk and emphasizes long-term incentives tied to company performance. As a result, the only fixed compensation Ms. Lynch receives is her base salary, which represents less than 10% of her total compensation."

King said the size of CEO compensation "raises questions as to what

their incentives are. You would assume they are incentivized to maximize shareholder returns for those corporations when, societally, maybe we would prefer that they have more of an incentive to reduce the price and cost of delivering [health care](#) in this country or reduce the out-of-pocket costs that their members have to pay or to somehow improve health outcomes."

Next on the list are David Cordani of Cigna Health Group, who took home \$20,965,504, Gail Boudreaux of Elevance Health, formerly known as Anthem, who was paid \$20,931,081 in 2022, Bruce Broussard of Humana, whose compensation was \$17,198,844, and Sarah London of Centene Corp., who was paid \$13,246,447.

The compensation packages for Maurice Smith of Health Care Service Corp. and Patrick Geraghty of GuideWell were not available.

"Basically the system is really broken," said Michael DeLong, research and advocacy associate with Consumer Federation of America.

"Theoretically, CEOs' pay is supposed to be tied to their performance, but in practice CEOs, especially insurance company CEOs, live high on the hog while increasing [insurance premiums](#), which especially hurt people who are living paycheck to paycheck."

DeLong said his expertise is in property and casualty insurance but "health insurance CEO compensation is even higher than the compensation" in that market. "I think the problems are even more severe in these cases," he said.

DeLong said state insurance regulators should be taking a more careful look at the issue and "be extra skeptical of insurance company claims that we need to raise rates and increase our premiums and other things, because at the same time they're giving CEOs and other senior executives really really big salary and bonus increases."

He said insurance regulators tend to be understaffed with not enough time to analyze rate filings. Also, some come from the insurance industry "and they have no expertise in protecting consumers," he said, which he called "regulatory capture."

"They're not interested in protecting consumers and they have strong incentives to keep the industry happy so they can get a lucrative job when they leave the regulator position," DeLong said.

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