

Here's to Your Wealth

Of the 44 health-care stocks in the S&P 500, 13 CEOs rank in the Top 100 in executive compensation. Meantime, only nine stocks had positive returns in 2002, while 27 companies had five-year average ROE above the 15% mark. There are some hefty payouts among ROE laggards, including Tenet. When 2002 figures weren't available, previous-year figures were used, as indicated by (2001) in the compensation column.

Company (Ticker)	Name	5-yr ROE	1-yr ROE	Chief Executive Compensation* Rank in 500 Richest CEOs in 2002	Stock Return in 2002
Zimmer (ZMH)		86%	115.87%	J. Elliot \$7,048,571 #300-400	36%
IMS Health (RX)		68.9	120.79	David Thomas \$4,671,703 #400-500 (2001)	-18
Eli Lilly (LLY)		47.3	35.22	Sidney Taurel \$9,492,639 #200-300	-19.1
Merck (MRK)		44.8	41.75	Raymond Gilmartin \$22,535,235 Top 100	-3.7
Bristol-Myers (BMJ)	Squibb	44.5	22.9	P. Dolan \$12,299,826 #100-200 (2001)	-54.6
AmerisourceBergen (ABC)		41.8	11.21	R. Yost \$3,961,173 Not in Top 500	-14.5
Pfizer (PFE)		40.3	47.73	Henry McKinnell \$33,912,294 Top 100	-23.3
Schering-Plough (SGP)		39.1	25.86	Richard Kogan \$24,445,755 Top 100	-38
Guidant (GDT)		29.2	31.64	Ronald Dollens \$1,746,859 Not in Top 500	-38.1
Millipore (MIL)		26.3	24.57	Francis Lunger \$862,424 Not in Top 500	-36.7
Johnson & Johnson (JNJ)		26.2	28.11	Ralph Larsen \$2,112,139 Not in Top 500	-9.1
Bard (BCR)		24.4	18.57	William Longfiel \$3,477,517 Not in Top 500	-10.1
Amgen (AMGN)		23.7	-11.84	Kevin Sharer \$10,321,257 #200-300	-14.4

Applied Biosystems (ABI)	23.2	15.55	Tony White \$3,492,403 Not in Top 500	-55.3
Biogen (BGEN)	23.2	13.53	James Mullen \$14,323,342 #100-200 (2001)	-30.1
WellPoint Health (WLP)	21.5	23.02	Leonard Schaeffer \$16,250,552 Top 100 (2001)	21.8
Medtronic (MDT)	21	16.48	Arthur Collins \$11,137,192 #100-200	-11
Baxter (BAX)	20.9	23.24	Harry Jansen Kramer \$8,631,542 #200-300	-47.8
King Pharmaceuticals (KG)	20.5	13.04	Jefferson Gregory \$556,000 Not in Top 500	-59.2
Wyeth (WYE)	19.8	72.74	John Stafford \$23,701,109 Top 100	-39
Biomet (BMET)	19.4	20.64	Niles Noblitt \$520,675 Not in To 500	-7.2
Stryker (SYK)	19.2	27.06	John Brown \$3,137,000 Not in Top 500	15
Becton Dickinson (BDX)	18.7	20.15	Edward Ludwig \$4,562,771 #400-500	-7.4
Health Management (HMA)	18.5	18.95	Joseph Vumbacco \$3,177,203 Not in Top 500	-2.7
Cardinal Health (CAH)	17.6	17.86	Robert Walter \$33,305,208 Top 100	-8.5
UnitedHealth (UNH)	17.2	32.5	William McGuire \$29,154,675 Top 100 (2001)	18
Allergan (AGN)	15.6	8.42	David Pyott \$11,752,388 #100-200	-20.3
Anthem (ATH)	14.9	14.8	Larry Glasscock \$6.9 million* #300-400	27.1
Chiron (CHIR)	14.4	9.02	Sean Lance \$16,515,190 Top 100 (2001)	-14.2
St. Jude Medical (STJ)	13.7	20.02	Terry Shepherd \$1,255,631 Not in Top 500	2.3

			(2001)	
Watson Pharmaceuticals (WPI)	13.6	10.13	Allen Chao \$9,284,694 #200-300 (2001)	-9.9
Cigna (CI)	13.5	-8.92	H. Hanway \$8,590,907 #200-300	-55.6
Bausch & Lomb (BOL)	12.5	7.28	R. Zarrella \$21,963,636 Top 100	-4.4
HCA (HCA)	10.9	15.92	Jack Bovender \$11,790,837 #100-200 (2001)	7.7
Tenet Healthcare (THC)	10.2	14.68	Jeffrey Barbakow \$31,992,980 Top 100	-58.1
Quest Diagnostic (DGX)	9.9	20.75	Kenneth Freeman \$7,343,894 #300-400 (2001)	-20.7
McKesson (MCK)	9.7	11.26	John Hammergren \$16,490,032 Top 100	-27.7
Genzyme (GENZ)	8.3	6.19	Henri Termeer \$20,927,066 Top 100 (2001)	-56
Boston Scientific (BSX)	6.8	16.64	James Tobin \$2,090,835 Not in Top 500 (2001)	76.3
Manor Care (HCR)	3.8	12.66	Paul Ormond \$9,870,689 #200-300 (2001)	-21.5
MedImmune (MEDI)	1.5	-80.69	David Mott \$19,873,066 Top 100 (2001)	-41.4
Humana (HUM)	1.3	9.17	Michael McCallister \$1,622,606 Not in Top 500 (2001)	-15.2
Abbott Labs (ABT)	N/A	28.33	Miles White \$37,143,127 Top 100	-28.3
Aetna (AET)	-10.49	-29.9	John Rowe \$6.7 million* #300-400	24.6

Source: TheStreet.com, Bloomberg, eComp Online, Yahoo!

*Compensation figures were not available from eComp, so Yahoo! figures were used.