

Pennsylvania Medical Society
Board Handbook



Welcome to the Pennsylvania Medical Society (PAMED) Board.

Serving on the PAMED Board is a unique leadership opportunity and we want you to be as prepared and effective as you can be to fully contribute to PAMED Board activities. We have developed this Handbook to help clarify your major roles and responsibilities as a PAMED Trustee and provide you with information about PAMED, our Board, and board duties in general.

While you may have served as a board member in other organizations, PAMED Board service does have some unique characteristics and specific items to consider because of our size, our scope, and the many diverse perspectives represented around the PAMED table. This Handbook is meant to familiarize you with those items and provide information on what it means to be a productive PAMED Trustee.

Most importantly, this Handbook is a springboard to further conversations about how to continually improve the functioning of the PAMED Board. The ideas and information described in this Handbook are meant to be a starting point for Board development. We will continue to plan Board retreats and governance development activities that build on the core concepts presented herein.

Thank you for your service to PAMED. If you have any questions about this material, or need assistance during your term of service, please contact the PAMED Executive Office at the contact information below.

Pennsylvania Medical Society
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Acknowledgments. PAMED thanks the Medical Society of Virginia for sharing their Board Handbook as a guide in the development of the PAMED Board Handbook.

Disclaimer. This document is not intended as a substitute for legal advice. Nor is it intended to be a comprehensive review of all of your roles and responsibilities as a PAMED Trustee. It is intended to be used as a guide and orientation tool for further research and study. Where the Handbook may conflict with the bylaws, the bylaws will supersede.

Revised and approved by the PAMED Board of Trustees February 1, 2023.

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PAMED Vision

To be an engaged, inclusive, knowledge-driven medical society that advocates for the interests of all Pennsylvania physicians and their patients.

PAMED Mission

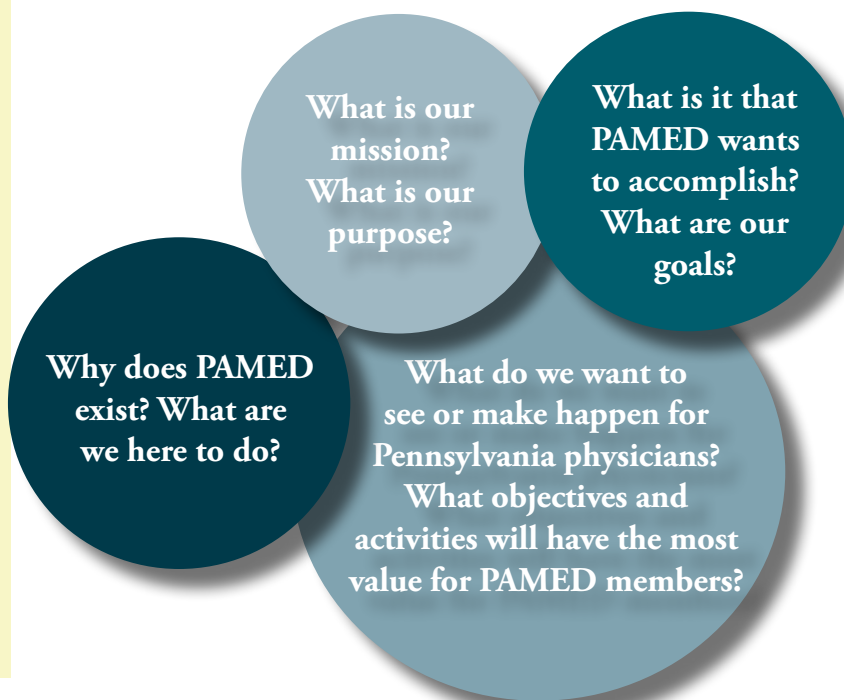
As the voice of Pennsylvania's physicians, the Pennsylvania Medical Society advances physician leadership and advocates for the ethical practice of medicine, quality patient care, and the public's health.

An Effective PAMED Board Looks Forward

Effective boards are forward-looking groups charged with setting the direction of an organization and providing management with the resources needed to advance the organization's goals. Forward-looking means focusing on the future outcomes, results, and accomplishments of PAMED. The PAMED Board's purpose is to work with members and PAMED management to advance the vision of PAMED, provide collective wisdom and direction to PAMED, and oversee the ways in which PAMED creates member value. The board holds management accountable for obtaining stated results but the board does not "do" the work. Instead, day-to-day management of the organization is tasked to staff through the CEO/Executive Vice President (CEO/EVP) and Senior Leadership Team. Committees, Task Forces, and other groups may work to advise staff and provide input on specific work products, member programs and services, and other initiatives.

Forward-looking means asking questions that help direct PAMED's work and clarifying the purpose, or mission, of the organization.




Key Questions the Board Must Address



These questions should be discussed continuously during your board service, not just once when you first start. As the environment in which PAMED operates changes, so too should its objectives and tactics. What needs to be consistent over time are the vision and mission of PAMED. Goals, objectives, strategies, and metrics will all vary.

An Effective Board Leads to Good Governance

Good governance is straightforward but often made more complicated over time as board members rotate on and off a board and leadership changes. All boards of directors are required to do the same three things and commit to advancing overall organizational interests over personal interests or those of a specific constituency. These three things are:

-  **1.** Set the direction of the organization, usually through a strategic planning/strategic priorities process.
-  **2.** Oversee progress toward meeting organizational goals, usually through management reports and information updates including financial oversight and compliance activities.
-  **3.** Hire and evaluate the performance of the Chief Executive Officer/EVP.

Successful boards focus on the future. Indeed, some association professionals have identified a fourth area for board performance called “strategic foresight.” That is, in addition to its strategic planning function, it is imperative for a board to help identify environmental trends, practice changes, political challenges, etc., that may impact the organization’s success. The duty of foresight is a key part of good governance as it provides a forward-looking and proactive perspective to help position PAMED effectively.

An effective Board does several things well.² These include:

- looking at the big picture
- prioritizing effectively
- thinking before it acts
- valuing constructive conflict
- making well-informed decisions
- constantly evaluating itself for continuous improvement

Questions to ask yourself as a Trustee:

- Do you know why PAMED exists?
- Can you succinctly explain PAMED’s vision and mission?
- What is PAMED’s member value?
- Do you know PAMED’s organizational capabilities?
- How familiar are you with the environment in which PAMED operates?
- Do you know and can you describe PAMED’s legislative priorities?
- Do you know and can you describe PAMED’s programmatic work?
- Do you understand our financial picture, including major revenue and expense items?
- What more do you need to know to “get up to speed” on PAMED as an organization, including current strategic goals, finances, partnerships, and strategic initiatives?

Strategic Thinking and Planning Strategically

Effective board members think strategically, not operationally. If an effective board is future-focused and holds staff accountable for achieving results, the board will know when results are achieved through clearly set goals, objectives, and metrics. It is imperative that a board set clear strategic goals. These goals should be “SMART”, i.e., specific, measurable, achievable, realistic, and timely. Through an annual planning process, the board should define these SMART goals and discuss measures that indicate their success. Without effective goal-setting, there is no way for the board and staff to report on outcomes, monitor progress, and celebrate success. The board and staff work together to finalize annual goals and measures that can be monitored and assessed at the end of each performance year. A strategic plan is not a wish-list. It is a carefully crafted plan to move the organization forward given external and internal factors including strengths, weaknesses, opportunities, and threats.

The PAMED Board uses a strategic planning process to develop goals and objectives collaboratively with PAMED staff. Strategic planning is a crucial function of the board. It requires thoughtful deliberation and consideration of diverse perspectives, as trustees are literally entrusted with PAMED’s future. Just adding the word “strategic” to the front of an operational plan or wish list is not strategic planning.

Strategic Thinking

The PAMED Board plays a critical role in setting PAMED’s direction. One way to start thinking about strategy is to consider some of the following questions:

- Where does PAMED offer the most value to members?
- What “plays” should PAMED be making to advance PAMED’s goals?
- What are the unique capabilities PAMED has that can create member value different from other groups?
- What are ways that PAMED can leverage past success to address future challenges faced by physicians in Pennsylvania?
- What are our internal strengths and weaknesses?
- What are the external opportunities and threats facing PAMED?

In 2022, the PAMED Board of Trustees collaborated with Strategic Planning Facilitator, Patrick Ball of CTY Consulting to develop a three-year strategic plan. Throughout this process, interviews and surveys were conducted to collect feedback from over 300 PAMED stakeholders to shape the upcoming plan. After much discussion and review, the Board of Trustees approved a final plan in August 2022. Trustees will receive quarterly updates regarding the three-year strategic plan at the Board of Trustees Meetings and oversee the imperatives listed below.

Strategic Imperatives

- Strategic Imperative #1: Continually Grow and Broaden the Membership Base
- Strategic Imperative #2: Recruit and Retain the Best and the Brightest
- Strategic Imperative #3: Remain Nimble and Relevant in the Marketplace
- Strategic Imperative #4: Implement a Sustainable Business Model

For more information about PAMED’s Strategic Plan, please login to your OnBoard account and select Resources on the left-hand side.

Your Roles and Duties as a Board Member

In your role as Trustee, you are a leader, not a manager. Being a PAMED Board member involves participating in strategic planning and the development of PAMED's goals and objectives, and evaluating and monitoring the performance of the CEO/EVP. You may also be engaged in more tactical level work through involvement in board committees, task forces, and other member groups. Regardless of your specific position on the board, your service is guided by several important roles and fiduciary responsibilities. These are described in more detail below.

#2: Your first duty is to PAMED. As a PAMED Trustee, it is very important you understand that your first and foremost duty is to make sure you are making decisions that are best for PAMED, the corporation. While you may have been elected to the board by a geographic district, member section, or specialty organization, as a PAMED board member you are a representative “of” these groups on the PAMED Board, not a **representative “for” said groups**. You are a PAMED Trustee who is required by your fiduciary duty to act in the best interests of PAMED. Your perspective as a geographic trustee, a specialty trustee or a section trustee is vital and important and should be considered as the board deliberates but ultimately the PAMED Board is responsible to make decisions that are in the best interest of PAMED.

You represent a perspective, not a constituency. As a PAMED Board Trustee, you do not represent a constituency on the board. Board governance is not representative based. Instead, you bring a perspective to the PAMED Board, that is informed by your experience, and those of your colleagues. All perspectives need to be considered as the board deliberates and decides what is best for PAMED serving as the voice of all Pennsylvanian physicians.

Representative “Of”

If you see yourself as a representative of a particular constituency, you are more apt to present opinions and perspectives that are important to your constituency but you are voicing those interests and opinions to get to the best possible outcome for PAMED over-all. Your board service should include taking a “representative of” stance in board deliberations and discussions.



VS.

Representative “For”

If you see yourself as a representative for a particular constituency, such as a county medical society, a medical specialty, or member section, you may implicitly voice interests and opinions for that constituency and vote only on behalf of their/your interests.



(Adapted from Tecker 4)

Your Fiduciary Duties as a Trustee

While you are a volunteer, you have several duties and obligations as a result of your position as trustee. Board members are expected to act in good faith, always putting the interests of PAMED first in their decision-making. As a trustee you are also expected to act with the care any ordinary person in the same position or circumstance would exercise, and in a manner that is in the best interest of the organization.

More formally, trustees are legal directors of the organization and by virtue of your trustee position, you are required to perform certain fiduciary duties. You should consider these duties before you agree to serve on the Board. Those who violate these duties are potentially personally liable to PAMED for any damage resulting from the violation even though PAMED carries Directors' and Officers' Liability Coverage for decisions made by the whole. Your three major fiduciary duties are as follows:

	Duty of Loyalty	Duty of Care	Duty of Obedience
What it means	You commit allegiance to the organization and acknowledge that the best interests of PAMED must prevail over any individual or personal interest.	You will perform your role with appropriate due diligence and handle your responsibilities with such care as any ordinary, prudent person would use under similar circumstances, in good faith, and in the best interest of PAMED.	You have a duty to follow PAMED's governing documents, to carry out PAMED's mission, and to ensure that funds and staff resources are used for lawful purposes.
What it looks like	Commit to a position once it is decided Use your position to advance PAMED, not yourself or related organizations Disclose any conflicts of interest	Be informed on PAMED's activities Prepare for Board meetings Actively participate in discussions and deliberations Engage in direction setting, oversee PAMED CEO/EVP Know the difference between staff roles and member roles	Know PAMED Bylaws Follow procedures and rules Comply with state and federal laws related to Board service Avoid anti-trust issues Inform leadership of issues and concerns
Potential Concerns	Conflicts of interest Involvement in leadership of other organizations that conflict with PAMED Staying in sync with PAMED positions Speaking publicly against a PAMED Board decision	Not preparing prior to a meeting Not knowing specifics of issues PAMED is considering Missing meetings Micro-managing or focusing on operations versus strategy Directing staff other than the CEO/EVP	Not following the procedures and rules Engaging in anti-competitive or illegal behaviors Failing to stay current on PAMED Bylaws
Best Advice	Disclose any conflicts Voice dissent	Attend meetings Avoid haste Be prepared Engage experts when needed (legal, subject matter, etc)	Ask questions Protect confidential information

(Adapted from PAMED Policy Statements,⁵ Hanscom and Mulgrew,⁶ Jacobs.⁷)

4 Key Expectations for Trustees

Attend board meetings



Participate in discussions



**Give annually to
the Foundation and PAMPAC**



**Engage as a PAMED Board ambassador
in your respective communities**



Apparent Authority, Speaking with One Voice, and PAMED's Anti-Trust Policy

In addition to your fiduciary duties, there are a few legal issues related to your Board service that you should also consider.

Apparent authority. The US Supreme Court has ruled that an association (i.e., PAMED) may be held responsible for the illegal or improper activities of association volunteers even in cases when the volunteers only “appeared” to be acting with the authority of the organization.⁸ That is, because you are on the Board, your actions and activities are perceived as being authorized by the Board by nature of you being a trustee even if they are not. Therefore, it is extremely important that PAMED officers, usually only the President and the Chair of the Board, are authorized to act and speak for PAMED. If you are in doubt of a particular PAMED position, ask for clarification. Providing an incorrect response or acting as if the Board has approved an action that it did not is a significant concern.



Speaking with One Voice.⁹ Related to the Duty of Loyalty and apparent authority is the issue of “speaking with one voice.” The PAMED Board speaks with one voice when a decision is reached or a policy is approved. It is your responsibility to make sure that your perspective, opinion, thoughts, advice, etc., on a matter before the board are presented during the deliberation and that you ask clarifying questions to understand PAMED’s position and specific reasons for acting in a certain



way on specific matters at board meetings. Constructive disagreement is vital to active dialogue and careful consideration of an issue. The PAMED Board will attempt to reach consensus whenever possible.

However, given the size of the board and the diverse perspectives represented therein, it would hardly be reasonable to expect everyone to agree on every issue all the time. Once debate and discussion are concluded and a decision is reached, it is your duty to support that decision as a member of the PAMED Board. That is to say, when a decision is reached, the PAMED Board speaks about that decision with “one voice.”

Having participated in the discussion, presented your perspective and listened to that of others, and having deliberated and ultimately decided, you are then obligated to support the board action.

Ultimately, you may not philosophically agree with the position taken, but you do have to support the action. This also does not mean you have to acquiesce your right to your personal opinion; if asked, you may share that. But, you must also describe the board process used to get to the decision, the various perspectives represented in the discussion, and provide a fair description of why the board took the position it did even if you disagree with it.

Anti-Competitive Practices & Anti-Trust Issues. PAMED is not organized for and does not play any role in the competitive decisions of its members. PAMED does not in any way restrict competition among members or potential members. To do so is a violation of anti-trust law. It is PAMED policy to comply strictly in all respects with anti-trust laws. PAMED has opted to err on the side of caution in light of the severe penalties for violation of anti-trust laws and the substantial costs of defending anti-trust investigations and claims, even those in which the inquiry or charge is without merit.



Rules and guidelines for Board Members. In order to ensure that PAMED complies with anti-trust laws, the Board of Trustees has adopted the following preventative rules and guidelines.

Encouraged conduct — “DOs”

1. Anticipate and avoid risk. PAMED decision-making and activities should be undertaken with extreme care and avoid anti-competitive intent or purpose.
2. Consult legal counsel. If in doubt, it is always better to ask. PAMED’s legal counsel may respond to inquiries relating to appropriate measures to protect PAMED. However, individuals seeking legal advice regarding their personal exposure should consult their own legal counsel.

Prohibited conduct — “DON’Ts”

Neither PAMED nor any person acting on behalf of PAMED shall engage in the behaviors listed below. Again, this is not a comprehensive list. If you have specific questions, please consult with PAMED’s General Counsel.

(1) Anti-competitive action.

Engaging in, promoting, or facilitating any of the following conduct is prohibited:

- Fixing prices for physician services
- Limiting availability of physician services
- Initiating a boycott of any purchaser of physician services
- Initiating a boycott of a health plan or any third party payer
- Initiating a boycott of any physician
- Initiating a boycott of any non-physician health care provider
- Dividing markets for physician services or patients
- Otherwise engaging in anticompetitive conduct in violation of the antitrust laws.

(2) Collection and dissemination of competitive terms.

Collecting or disseminating price information or other competitive terms of a physician or any entity that provides physician services is prohibited, except

(i) in accordance with the DOJ/FTC safe-harbor or

(ii) in consultation with PAMED legal counsel.

The price information and competitive terms covered by this prohibition include, but are not limited to:

- Current or future charges
- Possible increases or decreases in charges
- What constitutes a “fair” or acceptable profit level
- Current or future wages or prices for staff, equipment or supplies
- Methodology for establishing charges
- Whether the physician will participate in any health plan of any third party payer
- Discounts
- Credit terms

Anti-trust Concerns and Sensitive Areas

(Adapted from Tennebaum 10)

In sum, the board **may not** engage in any of the following:



Agreements fixing prices or setting floors or ceilings on prices



Agreements to boycott competitors, suppliers, third-party payers, customers, patients, or clients



Agreements among competitors to divide or allocate markets

Sensitive areas that deserve close legal scrutiny prior to decision-making include:



Membership restrictions



Standard setting, certification, and self-regulation



Information exchange (statistical surveys and benchmarking)

The Top Ten Legal Mistakes Made by Board Members¹¹

The following legal mistakes are issues all trustees should consider:

- Failure to understand how non-profit organizations differ from for-profit corporations
- Failure to understand IRS rules for tax-exempt status
- Failure to understand the difference between a 501c3 (public charity) corporation and a 501c6 (trade association, medical society) corporation
- Failure to understand anti-trust rules and regulations
- Failure to understand what nonmembers can do
- Failure to enforce/maintain adequate bylaws
- Failure to understand fiduciary duties of Board members
- Failure to execute an executive employment agreement
- Failure to complete legal review of significant obligations/contracts
- Failure to keep legal documents up-to-date

Your Liability as a Board Member. PAMED carries “D&O” insurance — Directors’ and Officers’ insurance — that may cover legal defense costs for employment, copyright, antitrust claims, etc. PAMED also carries general liability insurance that covers damages and injuries relating to the organization.¹² Despite these coverages, you may be liable personally for other items such as not exercising your duties of care, loyalty, and obedience. To avoid personal liability, consider the following:¹³

- Thoroughly prepare before making decisions
- Seek information and get clarity on issues
- Do not rush to make decisions
- Be sure that minutes and meeting summaries reflect information including votes and actions taken at meetings
- Request legal counsel on anything that is unclear and may have legal consequences
- Insist on full-disclosure and transparency on all financial matters before the board
- Careful review of all financial audits and letters from auditors
- Stay informed on matters before the board
- Practice full disclosure
- Be familiar with the bylaws and other legal/governing documents

Got legal questions? Please consult with your attorney and/or the PAMED General Counsel if you have additional questions about personal liability as a result of your board service. This Handbook is meant as a guide and does not constitute legal advice.

Conflict of Interest

Are you Conflicted? In an increasingly complex world, members of the Board may find themselves facing a potential conflict of interest. A conflict of interest may arise when a member of the Board has an active role or a significant financial interest in another organization which might potentially benefit from knowledge of the deliberations of the PAMED Board. A conflict may also arise when private discussions at the Board level could be construed by others to lead to financial gains for some members. Such situations are exceedingly difficult for everyone. The appearance of a conflict can be as damaging to a member's effectiveness as an actual one. To eliminate potential conflict of interest situations, Board Members and Officers of PAMED are required to complete a disclosure statement at the beginning of each board year indicating significant financial holdings and membership on other boards. At each subsequent board meeting, Board Members are required to review their disclosure statement and update the document, if necessary.

Quick Test for Ethical Congruence¹⁴

Are you behaving ethically as a PAMED Trustee? Here are three quick tests to determine your degree of ethical congruence:

- ☐ **The Self-Test:** Are you bothered or upset by a decision the Board is about to make? Have you expressed these concerns openly and in the spirit of constructive disagreement?
- ☐ **The Authority-Test:** How would you advise your child or partner to act in the given situation? Are you acting in the same way?
- ☐ **The Public-Scrutiny or "Headline" Test:** Can you accept a public review of the trade offs and compromises leading to the Board's decision, or can you live with the decision being headlined in the local news?

As part of the orientation for all new trustees, PAMED's General Counsel will discuss fiduciary and ethical responsibilities.

In addition, PAMED's General Counsel is charged with identifying potential conflicts of interest. When a potential one-issue or one-time conflict is identified, General Counsel is empowered to request the Board member or officer to take appropriate action: for instance, not to enter into the discussion, not to vote on the issue, or be excused from that portion of the meeting. The General Counsel is also empowered to give an initial opinion on whether an ongoing conflict exists, one which, in the extreme, might require the resignation of the Board member. In instances where General Counsel's opinion is found unacceptable by the member or General Counsel feels the need for its consideration, the Judicial Council is convened to render an opinion.

In instances where a member of the Board holds a personal interest and/or investment interest in a business venture, regardless of PAMED's endorsement of the venture or lack thereof, the member will not be permitted to discuss the venture at a Board meeting nor vote on any action regarding such venture.

For additional information, please see the PAMED Conflict of Interest Policy and Disclosure Form.

Your Leadership and the Management of PAMED

In your role as a trustee you are a leader of PAMED. Leadership involves direction setting; it is vision-focused, it inspires action, and it motivates people around certain actions and beliefs. Leadership is a key competency for trustees, and it is important that you understand your role as a leader within the organization.

Organizations with professional staff delegate the management of the organization to staff. The board's role when it comes to management is primarily oversight of management versus hands-on management of the organization. This does not mean that staff are not leaders or trustees are not managers. However, board members should focus on the overall direction of the organization and how to best provide management with the resources and clarity needed to measure success rather than engaging in how the work is accomplished.

Committee work is often an area where there is an intersection of management and leadership. For example, the Finance Committee works with staff to develop the budget. By and large, however, trustees should be involved in leading, not managing. When trustees are engaged in the operational details of the organization and its business processes, there is often role conflict between member leaders and staff and this causes confusion, inefficiencies, and other issues.

As a general rule, the board should spend time discussing and deciding **upon what PAMED should do** (strategy, direction setting, monitoring, oversight) and staff should spend time on **how PAMED will do it** (execution, implementing, reporting, managing).

Conversation that counts.

A key role of the board is to discuss, deliberate, and decide on matters before it. This means asking good questions through active listening and open dialogue. Asking “powerful” questions is a great way to lead and participate in board work.¹⁵

Powerful Questions

- Provoke thought
- Generate energy
- Focus inquiry
- Surface unconscious assumptions and biases
- Open new possibilities, move the discussion forward

“A culture of inquiry within a board can and should create healthy debate.”

(Hockman, 2008)

Examples

“How does this align with our mission?”

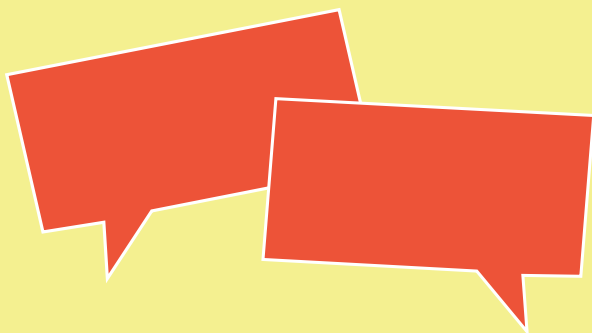
“What would our members think of this?”

“You mentioned that people are saying ‘x’, ‘y’, and ‘z’. Who are these people? How do you know?”

“I am hearing opposition to this. Is that really about the issue we are discussing, or coming from someplace else? What is the core concern here?”

“Many have been quiet about this. Does that mean everyone agrees?”

(Adapted from Hockman, *op. cit.*)



Speaking for PAMED

Guidelines for when the media asks you to comment: Generally, the President and Board Chair serve as the public voice for PAMED in the media. If you are contacted by the media, please do not comment immediately. Please contact PAMED's Media Relations office at: mediarelations@pamedsoc.org and you will receive guidance regarding how to respond. It is critically important that media responses are coordinated and consistent with current PAMED policy.

The Board-Staff Partnership

There are important boundaries between trustee roles and staff roles. PAMED trustees and staff enjoy close working relationships. Many PAMED staff have worked with members for many years and have shared significant life events and experiences together while working at PAMED. It is important for staff and trustees to have constructive working relationships to accomplish shared goals and for staff to receive both positive and negative feedback on performance.

Board members, however, do not oversee any staff other than the CEO/EVP nor are they charged with tasking or delegating work to any staff member without working through the appropriate management structure or reporting channels. It is important that trustees do not create work for staff that is not part of work they are already performing. Not only does this lead to role confusion for staff but it may also delay accomplishment of the work that staff person is already conducting and for which they will be held accountable in their performance plan.

To be very clear, there is only one staff person that works for the Board of Trustees: the CEO/EVP. PAMED's professional staff work for the CEO/EVP who is responsible and accountable for all staff activity and performance. When these lines are blurred, there is tremendous risk of misunderstanding, misdirection, and miscommunication that is not helpful in accomplishing PAMED's goals and objectives.

Here are some *best practices* to help trustees distinguish between the role of PAMED staff and the role of trustees.¹⁶

- Do ask the CEO/EVP about how work is to be accomplished and by which staff member if you have any questions. When you need to work directly with staff, for example, to plan a meeting or develop a training program, ask the CEO/EVP about the appropriate ways to communicate with staff and how to share your feedback on that staff person's performance and work product.
- Do not give staff specific assignments unless you are specifically designated to do so by virtue of a volunteer leadership position on a Committee or in your capacity as a chairperson or liaison to a work group, task force, or other group. If you ask a staff person to do something that is not part of their existing work plan, you may undermine that staff person's performance evaluation, and you may subvert resources from other activities. If you have a need that staff can help with, request help through the CEO/EVP who can triage the work appropriately within the organization.
- Do resist the urge to criticize or compliment staff directly. If staff performance concerns you, contact the CEO/EVP for action. When a compliment is due, ask the CEO/EVP to convey or deliver it on your behalf. While everyone appreciates compliments, when you as a Trustee do it directly to a staff person you may be unintendedly undermining the morale of a team and/or subverting PAMED staff's process for recognizing excellence. When you share concerns or criticisms with staff, you are subverting proper channels for dealing with these situations, you are undermining the CEO/EVP's role and authority, and you may create legal issues for the organization.
- Do not intervene if a staff member approaches you about a problem with the CEO/EVP or the internal staff affairs/environment at PAMED, and do not solicit such information from staff. Instead, tell that staff person you do not discuss personnel or staffing matters with individual staff and redirect them to their supervisor. This will help avoid possible "end-runs" around the staff person's direct supervisor and will aid in reinforcing the employer-employee relationship. The only exception to this situation is when a staff person is whistle blowing or is reporting harassment. In these cases, re-direct the staff person to PAMED's General Counsel or the Chair of the Board.
- Do keep your relationships with staff professional, not personal. Crossing boundaries from professional to personal may seem natural after working with staff for many years, but it ultimately may cause staff to misconstrue their role as having special privilege or otherwise undermine the employee-employer relationship. In addition, it is not recommended that PAMED Board Members treat PAMED staff as patients. Instead, it is best for Trustees to refer staff to other qualified members, including partners in your practice that are not Trustees, to avoid blurring boundaries.

Trustees need to recognize that by virtue of their position, they have authority that may intimidate staff, make it difficult for a staff person to deny a request, or make it difficult for a staff person to share concerns openly. It is in your best interest and is part of your fiduciary duty to respect the organization's chain of command; route requests, feedback, and other items to staff through the Board Chair or the CEO/EVP.

Areas of Leadership Focus Across PAMED¹⁷

The President, the Board, the CEO/EVP, and PAMED staff are jointly responsible for leading PAMED's strategic direction setting, overseeing governance effectiveness, and executing PAMED's strategic plan.

PAMED's President is the external spokesperson for the organization on most issues. The PAMED Board Chair is responsible for assuring that PAMED's strategic plan is implemented and overseeing the work of the staff in its implementation. The Speaker of the House presides over the PAMED House of Delegates and works with staff to plan and implement the Annual Meeting. All leaders work as partners and colleagues in forwarding the vision, mission, and values of PAMED.



The President

Partners with the CEO/EVP to communicate organizational goals and represents PAMED externally

Serves as lead partner to implement PAMED priorities with members, staff, and stakeholders

Is elected by the membership via the House of Delegates; is accountable to the membership



The Board Chair

Works with CEO/EVP to guide the Board in the development of a multi-year strategic plan

Partners with the CEO/EVP to establish policies that meet organizational goals

Ensures financial controls are in place

Collaborates with the CEO/EVP to assess overall performance

Strives for consensus decision-making

Establishes ad-hoc committees

Serves at the pleasure of the Board, is accountable to the Board



The Speaker

Presides over the House of Delegates

Directs the House of Delegate's resolution and reference committee process to facilitate the development of PAMED policy

Serves at the pleasure of the House, is accountable to the House



The CEO/EVP

Develops Annual Operational Plan

"Executes" or implements Strategic Plan/Priorities

Develops and oversees internal PAMED policies, procedures, and controls

Collaborates with the President and Board Chair to assess overall PAMED Performance

Hires and fires staff

Executes contracts

Reports to the Board Chair and is accountable to the Board



The Staff

Implements PAMED's strategic plan/priorities

Creates member value through programs and services

Supports, serves, collaborates and advances the work of PAMED through day-to-day operations and program implementation

Assesses membership needs

Reports to the CEO/EVP and PAMED management

Executive Committee

The Executive Committee is composed of the following PAMED leaders: the chair and vice chair of the Board; the president; the president-elect; the vice-president; the immediate past president; the speaker of the House; and, the finance committee chair. The Executive Committee acts for the Board of Trustees when the Board is not in session. The Executive Committee meets between Board meetings to review management performance and provide staff with preliminary feedback on strategic and operational decisions that will be brought to the Board for full discussion. When urgent issues arise and it is not possible to convene the Board, the Executive Committee will meet to address the issue and provide guidance as necessary. The Executive Committee also conducts the performance review of the CEO/EVP using feedback from the entire Board and staff. The Executive Committee meets more frequently than the full-board and serves in an advisory capacity to management and the full Board as needed.

Because Executive Committee members are in more frequent contact with PAMED staff on both strategic and operational issues, there is often a perception that they are “insiders” of the organization, and the full Board is on the “outside.” The Executive Committee addresses this concern by providing frequent and transparent reports on Executive Committee activity that all Trustees should review on a routine basis. Trustees should be knowledgeable about the activities of the Executive Committee, ask for clarifications when necessary, and realize that the role of the members of the Executive Committee is often more involved and directly engaged in the operational work of PAMED.

Questions that frame helpful conversations about roles that the Board may want to ask include:

- When should the Executive Committee review an issue, instead of the entire Board?
- How do Board members want to be updated on the work of the Executive Committee?
- What does the Executive Committee need from the full-board to be effective in their leadership roles?
- Since the Executive Committee is often privy to information/updates more frequently than the Board, how can we ensure that the Executive Committee and the Board are always on the same page?

(Adapted from Gottlieb, Hildy (2008) “Role of the Executive Committee.”)

Key Relationships for Trustees

House of Delegates. Actions taken by the House of Delegates on specific issues become official policy for PAMED. The Board of Trustees reviews the resolutions approved at the House of Delegates and prioritizes the work to be completed in the subsequent year based upon available PAMED resources and staffing.

In addition to the business to be conducted as prescribed in the PAMED bylaws, delegates to the House:

- a. elect officers for PAMED
- b. elect representatives to the House of Delegates of the American Medical Association, in keeping with AMA guidelines
- c. receive for consideration annual reports, official reports, resolutions and other items of business
- d. take such steps as may be necessary to further the purposes of PAMED as stated in the Articles of Incorporation.

County Medical Societies. County Medical Societies (CMS) are referred to as Components. Components are separate independent 501-c-3 or 501-c-6 entities with their own tax identification number and their own boards/governance. County Medical Societies receive no direct, regular financial support from PAMED. The financial and legal oversight authority of County Medical Societies resides with their governing boards.

PAMED and County Medical Societies have a unified membership structure whereby a member of the county must be a member of the state and vice versa. County Medical Societies follow the same



membership categories as PAMED; however, each county independently sets its own membership dues amounts, creates its own member value, and plays a role in recruiting/retaining membership.

As PAMED components, the only requirement of a County Medical Society is to conform their bylaws to PAMED's.

CMS Model Bylaws are authorized by the PAMED Board. At various times, counties have asked how to de-unify from the state. The PAMED Bylaws are clear on this issue — “The affiliation of any component society may be terminated only by two-thirds vote of the House of Delegates. Reasonable evidence must be presented to the House of Delegates that (a) the bylaws of the component society are not in accord with the bylaws of this Society, or (b) that activities of the component society are contrary to the best interests of organized medicine or are detrimental to the profession of medicine, or (c) the component society has refused, after reasonable notice, to comply with any requirement of the bylaws of this Society.” (*PAMED Bylaws, Chapter 2, Section 3 - Termination of Affiliation of a Component Society*)



The Foundation of the Pennsylvania Medical Society

(The Foundation). The Foundation serves as the 501(c) 3 philanthropic affiliate of PAMED. Its mission is to sustain the future of medicine in Pennsylvania by providing programs that support medical education, physician health, and excellence in practice. The

three core programs include: the Physicians' Health Program, which provides support and advocacy to physicians struggling with substance use disorders or psychological challenges; Student Financial Services, which administers scholarship and loan programs for medical students; and, LifeGuard®; which provides physicians with an assessment and a clear pathway for clinical remediation and reentry to the physician workforce. All of these programs are undergirded by philanthropy, helping physicians and others to achieve their charitable goals to benefit Pennsylvania's medical community.



The Pennsylvania Medical Political Action Committee (PAMPAC).

PAMPAC is the political arm of PAMED. One of the largest bipartisan political action committees in the state, it is made up of members of PAMED who are interested in making a positive contribution to the medical profession through the political process. PAMPAC supports pro-medicine candidates running for the Pennsylvania state legislature or statewide office; educates physicians about the political process to help them become effective players in the political arena; provides interested

members with advice on organizing local fundraising events for legislative candidates; and advises members interested in seeking public office



Pennsylvania Medical Society Consulting Organization, also known as The Care Centered Collaborative (CCC).

A wholly owned for-profit subsidiary of the Pennsylvania Medical Society, PMSCO has been providing expertise and guidance since 1994 to assist physicians and other healthcare professionals with business and clinical decisions. Currently, PMSCO has created the PA Collaborative CIN, Inc. (PACN) and the PA Clinical Network ACO, Inc. (PACN ACO). The PACN is a Clinically

Integrated Network (CIN) that is comprised of independent medical practices in Pennsylvania. The PACN has contracted with health insurance companies to create value-based care contracting opportunities for these PACN member medical practices. These opportunities provide revenue streams that would otherwise be unavailable without membership in the PACN. These contracts focus on increasing quality metrics and reducing health care costs and utilization, thus improving the health of Pennsylvania residents. The PACN ACO is an Accountable Care Organization (ACO) comprised of various PACN member medical practices that participate in a Medicare Shared Savings Program (MSSP). The PACN ACO offers additional revenue streams that would otherwise be unavailable to medical practices without membership in the PACN. The MSSP focuses on increasing quality metrics and reducing health care costs and utilization, thus improving the health of Pennsylvania residents.



Total Excellence in Association Management (TEAM). This distinct service line within PAMED provides contracted executive management and administrative services to support a scope of work required to ensure operations and meet specific goals for various specialty societies and associations.

Productive and Counter Productive Board Behavior¹⁸







Strong boards spur forward movement by developing and cultivating a strategic, mission-driven, and results-oriented focus.

To fulfill their fiduciary duties and serve PAMED effectively, all trustees are asked to be aware of the way they approach Board deliberation and debate, make decisions and participate in meetings, and work with PAMED staff. Trustees who dominate debate and fail to offer solutions to problems after identifying them undermine the positive functioning of the Board. Board Members are asked to take a productive approach to their board participation:

Productive Approach	VS.	Counterproductive Approach
Decision making . . . <ul style="list-style-type: none">• Focuses on the long-term view, taking into account the past, present, and future• Uses an appreciated inquiry to understand perspectives, deliberate effectively, and then create solutions for all physicians• Prioritizes outcomes, defines results and incorporates evaluation• Asks what is best for PAMED		Decision making . . . <ul style="list-style-type: none">• Focuses on operations, tactics, and a short term view• Uses bias and judgments to criticize different perspectives and steer decision-making to serve specific personal or constituent problems• Prioritizes processes and rules• Asks what is best for “me”
Board development is . . . <ul style="list-style-type: none">• Continuous and monitored through an annual assessment process• Seen as essential to board functioning• Seen as a priority to assure the effective governance of PAMED		Board development is . . . <ul style="list-style-type: none">• Irregular and limited• Stunted when change is viewed as unnecessary
Participate in deliberation by . . . <ul style="list-style-type: none">• Asking questions, seeking to understand• Adding a perspective that has yet to be stated• Building on the comments of others• Constructively criticizing ideas to fully develop them before a decision is made		Participate in deliberation by . . . <ul style="list-style-type: none">• Grand-standing and dominating discussions• Repeating the statements already made• Seeking to minimize others• Failing to account for other, valid perspectives• Undermining decisions after they are made
Working with staff . . . <ul style="list-style-type: none">• Consult with PAMED management as ideas arise and assesses feasibility before seeking action; seek staff as important partners• Partner with staff to accomplish goals and objectives• Work with EVP and management when staff support is needed		Working with staff . . . <ul style="list-style-type: none">• Minimize staff role and view staff as servants versus partners in accomplishing results• Seek out front line staff or long-time staff “friends” to execute unapproved or unplanned tasks• Ask for insider information and go around chain of command

Optimizing Good Governance Behaviors

As the Board continues to develop and change over time, the following six optimal board behaviors are our goal:¹⁹

Optimal Behavior	What it looks like
 <p>Trustees are proactive and look at the big picture</p>	<p>Asking “how are we doing?” and “what should we be doing?” versus “how have we always done it?”; effectively evaluate/recognize the urgency and importance of an issue; is not easily swayed by a noisy minority</p>
 <p>Trustees have a keen sense of priorities</p>	<p>Asking “how does this fit with existing work?” and making appropriate trade offs; saying “no” when necessary</p>
 <p>Trustees care about other trustees and staff, enable leadership, and respect boundaries</p>	<p>Asking “how can I help?”; provides staff and board with development opportunities to grow; respects appropriate staff-board relations</p>
 <p>Trustees think before they act</p>	<p>Asking about all sides of a decision, deliberating appropriately on an issue, cultivating a “fear-free” debate where all ideas are respected</p>
 <p>Trustees values teamwork</p>	<p>Seeking to find the “win-win,” asking about all perspectives, preferring to reach consensus whenever possible</p>
 <p>Trustees evaluate their service and seek improvement</p>	<p>Asking, “what more do we need to do to be even better?” and “how can we learn more about being effective leaders?”</p>

Endnotes

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- 7 Jacobs, Jerald. 2012. "Board Member Legal Responsibilities." *Associations Now: The Volunteer Issue* (January), p. 53.
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- 10 Tennebaun, Jeffrey. 2002. "Legal Duties of Association Board Members." ASAE Center Collection (June).
- 11 Board Source, The. N.d. "Top Ten Legal Mistakes." In *Association Coach Presentation to the AMCHP Board of Directors* (June, 2009), Washington, DC.
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- 16 Adapted from Stratton, Susan. 2009. "Do's and Don'ts of Board-Staff Relations." *Associations Now: The Volunteer Leadership Issue* (January), p. 61.
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- 18 Adapted from the Medical Society of Virginia Board Handbook. Richmond, VA.
- 19 Adapted from Fritz, op. cit.

Notes

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