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**REPORT 8
BOARD OF TRUSTEES**

8 According to the bylaws, the Board of Trustees sets the membership categories every year prior to the next
9 dues cycle. The Board has approved the attached membership dues categories for 2018 and has extended
10 the Group Dues Pilot through 2018.

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13 **PART I**
14 **MEMBERSHIP DUES**

15 The full dues for 2018 are \$395.

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18 **PART II**
19 **MEMBERSHIP DUES CATEGORIES**

20 The following membership categories and dues for those categories will be in effect for 2018.

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23 **Membership Dues Categories**

24 With the exception of the Group Dues Pilot Project rate for groups of 3-29 physicians (see b.6.(a) below)
25 Component (County) Medical Society dues for each membership category are to be the same percentage of
26 full dues as those of the State Society, although each Component Society can decide to forego county dues
27 for any membership category.

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- 29 a. **Students** -- Persons who are enrolled in a medical school approved by this Society. Upon
30 admission to membership, such members shall have the right to vote and hold office. These
31 members are dues exempt at the state and component levels.
- 32 b. **Active** -- Persons who hold the degree of Doctor of Medicine or Osteopathy or the equivalent from
33 a recognized accredited medical school, and who hold or are eligible to hold an unrestricted license
34 to practice medicine and surgery in PA, are eligible for active membership in the Society. Upon
35 admission to membership, such members shall have the right to vote and hold office. Active
36 members pay the full annual assessment, except as follows.
- 37 (1) **Residents** -- Persons serving in training programs approved by this Society are eligible for
38 active membership. Upon admission to membership, such members shall have the right to vote
39 and hold office. These members are dues exempt at the state and component levels.
- 40 (2) **First Year Practice** -- An active member who pays 25 percent of the full annual assessment
41 for the period between the completion of a training program and the end of the first full calendar
42 year of practice.
- 43 (3) **Second Year Practice** -- An active member who pays 50 percent of the full annual assessment
44 in the second full calendar year following completion of a training program.
- 45 (4) **Third Year Practice** -- An active member who pays 75 percent of the full annual assessment
46 in the third full calendar year following completion of a training program.
- 47 (5) **One-Time \$95 Introductory Membership** -- This discounted, once-in-a-lifetime dues offer
48 is available to 1) new physician members and 2) former members who have been out of
49 membership for two or more consecutive years who have not previously taken advantage of
50 the one-time offer. The member is assessed \$50 for State Society dues and a maximum of \$45
51 for the Component (County) Society dues. Component Societies whose dues are less than \$45
52 will continue to charge their normal rate.
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(6) **Group Membership**— This pilot was originally scheduled to run for five years, through 2015. It has been extended through 2018. We will also continue to honor several multi-year agreements, containing different parameters, through the end of those agreements. See attached addendum for history of the group dues pilot program.

(a). **Groups of 3 – 29 physicians** with 100% membership will receive a 5% discount if they meet the designated criteria. The discount will apply to full Active members. This discount will be extended on State Society dues uniformly across the state; however, all county medical societies will have the option to extend the 5% discount on county medical society dues.

Criteria for discount:

- Group must provide an updated roster of physicians once a year (July).
- Group must pay via a group dues invoice by January 15 (group will receive invoices in early October and December of previous year, as per the current invoicing schedule).

(b). **Groups of ≥30 physicians** will receive the discounts outlined below if they meet the designated criteria. The discount will apply to full Active members; other discounts, such as the special introductory rate, will not be applied in addition to these discounts.

Group Size	Discount for 75% membership	Discount for 100% membership
30 – 99	10%	20%
100 – 299	15%	30%

Group Size	Discount for 50% Membership	Discount for 75% Membership	Discount for 100% Membership
300 +	20%	30%	40%

Criteria for discount:

- Group must provide an updated roster of physicians twice a year (January and July).
- Group must provide three opportunities annually for the Society to communicate with the physicians, at least one of which must be in person.
- Group must pay via a group dues invoice by January 15 (group will receive invoices in early October and December of previous year, as per current invoicing schedule).
- Group must provide all e-mail addresses and agree to receive all communications electronically.

1 Existing group arrangements for 80+ groups will remain in effect until the end of 2018. The group dues
2 structure is expected to change for 2019 based upon recommendations from the Membership 2020 Task
3 Force.
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5 (7) **Special Status** -- Physicians earning \$75,000 or less adjusted gross income shall receive a
6 reduction of the full active dues. Physicians who are either on family leave, temporarily
7 disabled/suffering from a chronic illness or going through a financial hardship are eligible. This
8 category of membership is subject to annual approval by the county medical society on a case
9 by case basis and is reviewed annually.

10 (8) **Disability** -- Active members unable to practice because of permanent illness or disability shall
11 pay no annual assessment.
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14 c. **Associate** -- An associate member shall be a physician who is 70 years of age or over (in the year
15 of application) and has been an active member of this Society or an active member of a constituent
16 association of the American Medical Association or an affiliate member who is engaged in
17 missionary or philanthropic labors. An associate member shall not be required to maintain a
18 license, and shall not be required to pay any annual assessment unless they elect to receive
19 publications of the State Society, they then shall pay 10 percent of the full annual assessment.
20 Physicians who have previously paid the lifetime membership will be grandfathered. Physicians
21 who became associate members prior to January 1, 1983 shall pay no annual assessment.
22

23 d. **Affiliate** -- An affiliate member shall pay 10 percent of the annual assessment. Any physician not
24 engaged in active practice within the jurisdiction of the component society may be an affiliate
25 member of this Society and remain as such providing the individual is one of the following:
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- 27 (1) a physician who is a member of a national medical society of a foreign country;
- 28 (2) an American physician who is engaged in missionary or philanthropic labors who may or may
29 not have an unlimited license to practice medicine and surgery in Pennsylvania;
- 30 (3) a full-time teacher of medicine or of the arts and sciences allied to medicine who does not have
31 a license to practice medicine in Pennsylvania;
- 32 (4) a physician who is engaged in research or administrative medicine in Pennsylvania who does
33 not have an unlimited license to practice medicine and surgery in Pennsylvania;
- 34 (5) a physician who is retired from active practice;
- 35 (6) a physician who resides in a state other than Pennsylvania and concurrently maintains active
36 membership in another state medical society.
37

38 An affiliate member may vote, hold office, or serve as a member of any workgroup or committee*.
39 Affiliate members shall pay 10 percent of the full annual assessment.
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41 e. **Administrative** -- An administrative member may be a component medical society executive, a
42 medical practice administrator, or a hospital medical staff coordinator.
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44 (1) a component medical society executive -- A component medical society executive will be
45 exempt from paying dues.
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47 (2) a medical practice administrator -- A medical practice administrator may be admitted to
48 membership if they meet the following criteria:

- 49 • The administrator directly manages a medical practice and is not a consultant.
- 50 • The administrator is employed directly by a physician, or the physician and practice
51 administrator are employed by the same organization.
- 52 • At least one physician in the practice must be a member.

- 1 • Only one practice administrator per practice is eligible for membership, except that the
2 administrator of a parent group may also be eligible if they meet the criteria.
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4 A medical practice administrator will be exempt from paying dues, except for medical practice
5 administrators from a practice with less than 50 percent physician membership, who shall pay
6 10 percent of the full annual assessment.
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- 8 (3) a hospital medical staff coordinator -- A hospital medical staff coordinator may be admitted to
9 membership if they are employed by a hospital (does not include nursing homes and
10 ambulatory surgical facilities). A hospital medical staff coordinator shall pay 10 percent of the
11 full annual assessment.
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13 An administrative member may not vote or hold office, but may serve as a non-voting member of any
14 workgroup or committee provided that the percentage of administrative members does not exceed 25
15 percent.
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17 **PART III**
18 **STUDENT LOAN ALLOCATION**
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20 Allocation to Support the Student Loan Program -- Under the terms of Chapter IV, Section 3, the Bylaws
21 of the Pennsylvania Medical Society, the Board of Trustees may allocate a portion of dues to the Medical
22 Student Fund of the Foundation of the Pennsylvania Medical Society. The dues allocation for 2018 is \$10.
23

24 The Foundation will make \$550,000 available for medical loans in the 2017-2018 school year. The Board
25 again commends the Foundation and its staff for its greatly expanded activities and efforts.
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27 **PART IV**
28 **STUDENT ASSESSMENT**
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30 As previously noted, the student assessment for 2018 will be \$0.
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32 David A Talenti, MD
33 Chair

ADDENDUM

Group Membership Pilot Report

Background

At the 2009 House of Delegates, a five-year group membership dues pilot (October 1, 2010 – September 30, 2015) was approved with specific discounts based on group size. The five-year pilot became effective on October 1, 2010, which was the beginning of the 2011 membership dues year. It is important to note that group pilots did not apply to pre-existing group membership arrangements. These discounts only applied to new groups or groups that were renewing a contract. The House of Delegates, at the annual meeting, approved these pilots until the Board of Trustees was given this authority at the 2014 annual meeting.

Year 1 of Pilot (2011 Dues Year)

- PAMED laid groundwork (data gathering, meeting with target groups, etc.) and began to approach large groups using the discounts:
- At the time of the 2011 HOD, we had not been successful in obtaining a group membership using the discounts in the pilot. We knew, however, that the sales cycle for large groups would be long. It was recommended that we continue to work with group leaders, as well as individual physicians within each practice, knowing that it is critical that both see value.

Year 2 of Pilot (2012 Dues Year)

An addition to the group pilot was recommended to create a 30% discount for 75% membership for groups of 300+. No group took advantage of this discount.

Year 3 of Pilot (2013 Dues Year)

PAMED and the component medical societies were not effective in increasing membership to any substantial degree. However, in 2012 we began to see the value of the enhanced relationships created by the success of PAMED's CEO Advisory Panel (comprised of the CEOs of every 80+ physician group in Pennsylvania -- roughly 27 groups). As PAMED worked closely with the administrative and physician leadership within several of these 80+ groups, many indicated an interest in a group membership. As we approached the 2012 House meeting, there were several 80+ groups who had invited PAMED to propose options for a group membership. At that time, a new approach for year three was proposed and approved.

- The approach was to first calculate the current revenue for all 80+ groups in Pennsylvania, then calculate the price per member at which 100% of the physicians within those 80+ groups could be members, without a decrease in revenue. With that figure as a basis, we could then arrive at a per member figure which would enhance current revenue to some extent. That per member figure would be used to calculate the group membership fee. So, the fee for each group would vary depending on the number of physicians, but the cost per physician would remain consistent.
- After data analysis following the 2012 HOD, the cost per member for the 80+ groups was calculated at \$250 per physician. Among the 80+ groups in Pennsylvania, this was the figure that would allow the state and component medical societies to increase membership while not decreasing revenue, and to stem the downward trend in active membership and revenue.
- The membership agreement for each group was subject to approval by all parties involved – the group, the State Society, and the Component Medical Society (CMS). PAMED worked with multiple component (county) medical societies to target 80+ groups during 2013 and experienced some success with this approach.
- Prior to extending a proposal for \$250 per physician dues, PAMED and CMS leaders agreed that because most of our costs are fixed and go into development of education, programs, newsletters and advocacy, it should be possible to take on these additional members without incurring significant costs.

The incremental costs to serve each member would be low, and that members employed by 80+ practices do not utilize benefits to the extent of independent practitioners. Also integral to the agreement was the understanding that it is the individual physicians within the practice who will be members, rather than the corporate entity. Another factor considered by each of the component medical societies involved in making the decision was the substantial savings in dues billing/collection because the group agreed to pay on one check prior to December 31 of each year.

Year 4 of Pilot (2014 Dues Year)

- PAMED and the applicable component medical societies retained the following practices through year four: Cardiology Consultants of Philadelphia, Excelsa Health Medical Group, Lancaster Radiology, Quantum Imaging, Pinnacle Cardiovascular Institute, Saint Vincent's Medical Group, and Susquehanna Medical Group. Additionally, Primary Health Network joined through the pilot in 2014.
- At its February, 2014 meeting the Board of Trustees approved Allegheny County Medical Society's recommendation to modify the pilot to allow for groups larger than 400 physicians to benefit from the pilot arrangement of \$250 while requiring 80% membership as opposed to 100% membership. No group took advantage of this group arrangement.

Year 5 of Pilot (2015 Dues Year)

- PAMED and the applicable component medical societies have retained the following practices through the pilot: Cardiology Consultants of Philadelphia, Excelsa Health Medical Group, Lancaster Radiology, Pinnacle Cardiovascular Institute, Primary Health Network, Saint Vincent's Medical Group, and Susquehanna Medical Group. Additionally, Butler Medical Providers and Intermountain Medical Group joined the pilot in 2015.

NOTE: Bylaws were amended at the 2014 Annual Meeting to vest the board with the authority to decide state membership.

Year 6 of Pilot (2016 Dues Year)

- PAMED and the applicable component medical societies have retained the following practices through the pilot: Cardiology Consultants of Philadelphia, Lancaster Radiology, Pinnacle Cardiovascular Institute, Primary Health Network, Saint Vincent's Medical Group, Susquehanna Medical Group, Butler Medical Providers and Intermountain Medical Group. Excelsa Health Physician Practices discontinued participation in the 80+ group membership structure.

Individual Membership Pilot Report

- At its February, 2015 meeting, the Board of Trustees approved a pilot program that offered physicians brand new to the state a free, one-year membership. This pilot extends through the 2016 – 2018 membership dues years.
- In 2016, the FutureMed (originally called "NextGen") membership was implemented which provided free membership to Residents for both PAMED, component and specialty membership. Specialties participating in this pilot includes: Pennsylvania Academy of Ophthalmology (PAO), Pennsylvania Academy of Otolaryngology (PAO-HNS), Pennsylvania Association of Pathologists (PAP), Pennsylvania Neurosurgical Society (PNS), Pennsylvania Society of Gastroenterology (PSG), Pennsylvania Society of Oncology & Hematology (PSOH), and Robert H Ivy Pennsylvania Plastic Surgery Society (RHIS).

Future Membership Analysis: In May 2017, the Board approved the continuation of the Membership Dues Pilots through the 2018 membership dues year along with the creation of the physician-led 2020 Membership Task Force. The Taskforce will examine and make recommendations regarding group and individual memberships for the year 2020 and beyond.