MSMS
MICHIGAN STATE MEDICAL SOCIETY

Organizational Remodeling

MSMS House of Delegates | April 28, 2018 | The Henry

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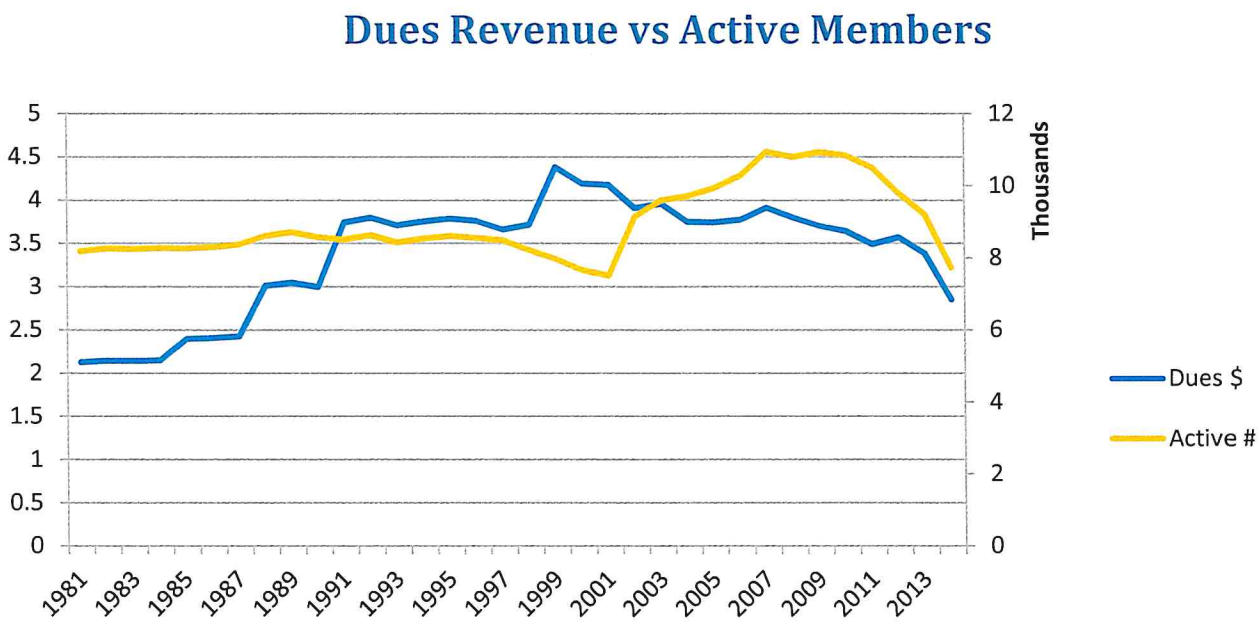
I. BACKGROUND.

As we all have seen, significant changes in the health care environment in the last several decades have been a challenge for organized medicine at every level. Demographic changes, time pressure, and financial constraints on physician practices have also made it more difficult for MSMS and county medical societies to recruit and retain members. Many associations are experiencing similar challenges. The specific factors affecting organized medicine include:

1. Changing physician demographic
2. Declining participation over many years
3. Increased physician identification with specialty societies
4. Declining dues revenue
5. Non-dues revenue, which offset the dues revenue trend for several decades is also declining due to the same demographic changes.

II. EXAMINING THE LONG-TERM TRENDS.

Several years ago, the MSMS Board looked at 30+ years of data on membership revenue and the number of active members, shown below. As the yellow line shows, membership was relatively stable in the 1980s and 1990s, dropped in the early 2000s as market consolidation began, increased for a few years when MSMS began offering discounted group membership, and then began to decline again. Dues revenue grew in the 1980s and 1990s due to regular dues increases, but in the early 2000s began to decline. Four factors led to this change: 1) an increasing number of physicians joined large groups or systems and viewed individual membership as unnecessary; 2) physicians joined MSMS as part of a discounted group; 3) physicians joined specialty societies in greater numbers, leading to competition for dues dollars; and 4) the beginning of a large number of current members retiring as part of a demographic shift. These trends are not unique to Michigan or organized medicine but are being experienced in every industry.



III. TASK FORCE CREATED.

After discussing these decades-long challenges and recognizing that governance structure had been the focus of many efforts over the years, the MSMS Board of Directors agreed that it was time to take a closer look at the organizational structure, membership model, and revenue sources that support the organization. The Task Force on Membership & Sustainability was created, chaired by Theodore Jones, MD. It was composed of sitting and former board members from a variety of perspectives.

The Task Force was charged with addressing:

1. **Who do we serve?** (Independent, PO members, PO leaders, academic physicians, employed)

   The Task Force determined that MSMS should represent physicians in every professional setting.

2. **How are we serving them?** (Organizational principles and priorities, services offered)

   The Task Force confirmed that MSMS offers a wide array of relevant products and services.

3. **How do we sustain the organization?** (Funding, dues models, relationships with other organizations, etc.)

   Governance structure, which includes both House of Delegates and the Board of Director governance, can influence the financial stability of the organization both directly and indirectly, and as physicians are less likely to be in small independent practices as they were when the current structure was built, governance can influence the perception of relevance and the responsiveness to physicians in more diverse settings or organized structures. The Task Force determined that having an outside expert that could guide the organization through a more comprehensive review would be appropriate. This review included reviewing the overall organizational structure focusing on membership criteria, House of Delegates governance, and board governance.

4. **What is the optimal governance structure for MSMS going forward?**

   Consultants with the appropriate skills and experience were vetted, and the MSMS board voted to work with Tecker International, a consulting firm with extensive association experience. Instead of giving a client the answer, they provide a methodology to allow an organization to diagnose and determine a treatment plan based on its unique needs instead of giving a client the answer. They also counsel clients "Don't rush to no," and to be thorough and inclusive in identifying new organizational models.

IV. PHASES OF THE REMODELING PROJECT.

Both the research and model creation phases of the remodeling project included direct input from more than 100 physicians, including various specialties, stages of career (training, early practice, mid-career and late career), type of practice (independent, employed, large group/PO), and various levels of involvement with MSMS (HOD members, county leaders, current and past board members, committee members, newer members).

The stages of the project included:

Research (March-December 2016)

- Strategic planning session
- Member & nonmember survey
- Strategic program assessment
- Infrastructure analysis
- Remodeling summit

Creating Models (October 2016-April 2017)

- Remodeling summit produced 5 models
- Consolidation of 3 models
- MSMS Board of Directors review
- Task Force discussion

During the remodeling work, several themes emerged:

a) Adding integrated physicians (POs, PHOs, employed) to MSMS governance
b) Creating a smaller, more "nimble" board
c) Focusing the House of Delegates on policy and the Board on operations and strategic direction
d) Modifying the geographic structure of MSMS membership and governance
e) Leveraging relationships with the specialty societies

The remodeling summit produced five potential organizational models, which were narrowed down to three after Task Force review:

1. The **"Adjustments Model" -** Very similar to current structure, some revision in Board structure
2. The **"Care Team Model" -** Meant to include team care representation beyond physicians to influence the direction of health care
3. The **"Hybrid Model" -** Took features from all five models, focusing on innovation while preserving core of physician focus

In preparation for some initial feedback on the research and some proposed models for discussion, information was shared with HOD members through a variety of mechanisms, including website materials, an on-demand webinar, and presentations at various county medical society meetings. Attendees

were invited to a special second meeting of the House at the 2017 HOD, and 130 delegates, alternates, Board members, and county staff participated in facilitated small group discussions. Feedback forms were submitted by each discussion group, outlining the pros and cons of each proposed model. The purpose was to determine how much and what kind of change HOD members felt would be appropriate given the changes the state and county societies are seeing in the physician community.

The forms were compiled by the consultant and shared with the MSMS Board.

a) HOD members view their role as setting overall policy for MSMS.
b) Most agree that the geographical representation model needs to be updated, but there are concerns over the rural counties having representation.
c) Most people do not agree that a smaller board is needed.
d) Many understand the importance of the PO, employed group, and specialty perspective in MSMS governance but are concerned about losing the independent physician's voice
e) There was concern with opening the House of Delegates to all members.

More specific summary comments of the 2017 HOD remodeling session are included in **Attachment A**.

There was not sufficient interest in the **Care Team Model**, which represents that largest departure from the current structure, so it was eliminated from consideration. The **Hybrid Model** had the most overall support, but that one and the **Adjustments Model** were closely ranked. There was not clear consensus around one specific model, which would have allowed more focused discussion to continue to make improvements to one proposal. Despite the lack of clear consensus on a particular model, the earlier phases of the project and the feedback from the 2017 HOD session revealed a variety of areas that MSMS can address.

V. NINE RECOMMENDATIONS FROM THE 2017 HOD INPUT

The MSMS Board discussed these recommendations and determined that some preliminary work was needed to develop action plans. This work is in advance of any suggested structural or bylaws changes that might be appropriate, and the next phase includes collecting more information, developing more specific proposals for some of the recommendations, and doing some experimental pilots. Some of this work can be a collaboration between the MSMS Board and county societies that are interested in partnering on innovations.

A. MEMBERSHIP MODEL

Recommendation 1: Physicians can join MSMS through physician organizations (POs) or employed groups.

Recommendation 2: Physicians can join MSMS through specialty societies.

Recommendation 3: Physicians can join MSMS through their county medical society.

Action Approved: Start by collecting information from current members about how they affiliate, and use that data to develop new strategies for dues categories.

Update: The 2019 invoice has been updated to collect data regarding the organization they align most.

Recommendation 4: There is consistency in rate members pay for dues along with the products and services received.

Action Approved: Require counties to provide annual update to the Board about membership recruitment strategies and link dues rate to value provided.

Update: A template for collecting consistent information from counties is being developed. Additional input needed from HOD and counties.

B. GOVERNANCE

Recommendation 5: The MSMS Board should focus on achieving the vision and delivering on the goals of the strategic plan.

Recommendation 6: The board agenda should focus on 1) issues of strategic importance to physician practices, 2) progress and adjustment of the strategic direction, 3) receiving input and recommendations from committees, 4) routine business

Action Approved: Reallocate board time to focus on high level strategic issues, eliminate committee rework, and do board development work.

Update: MSMS Board shifted to strategic focus at October 2017 meeting. Full board discussion at each meeting of three high priority issues that impact the largest number of physicians. (Currently opioids, MOC, prior authorization)

Recommendation 7: The MSMS Board should adjust its composition to reflect the broad range of perspectives of its membership (include PO/employed and specialty perspectives).

Recommendation 8: A nominating committee should be charged with identifying attributes, characteristics and perspectives critical to a knowledge-based board.

Action Approved: Develop a proposal for a hybrid model of regional representation and specific perspectives and competencies, and outline nomination criteria and how a nominating committee might function

Update: Additional input needed from HOD and counties.

Recommendation 9: Explore methods of enhancing the perspectives participating in House of Delegates deliberations.

Action Approved: Focus the House work on policy instead of operations, open House of Delegates participation to all members, add opportunities for virtual input throughout the year, and create criteria and a vetting process for resolutions.

Update: Additional input needed from HOD and counties.

VI. SPECIAL SESSION AT 2018 HOD.

The nine recommendations allow the MSMS Board to make some changes that do not require a change to the bylaws and also provide some areas for further study and experimentation, and the work is already underway on some of these areas. However, given that there was not strong consensus toward either of the two models with more potential that presented last spring, the MSMS Board is very interested in more focused feedback at the upcoming HOD meeting. That feedback can help the Board develop a more structured proposal to encourage further discussion and identification of areas of consensus. The perspectives of the House of Delegates members are very important to completion of the final phase of this remodeling process: a shared vision of bylaws changes that will make MSMS relevant and strong far into the future.

The session will start with a presentation from Rutledge Forney, MD, President-Elect of the Medical Association of Georgia, who can put the MSMS work in the context of what their medical society has done over the years and how they evolve based on the continuing change in physician demographics.

Doctor Jones will facilitate feedback from participants about the specific aspects of the recommendations and encourage dialogue between House of Delegates members and their partners on the MSMS Board. This session will build on the insights provided last year and provide them with important guidance on how to construct a bylaws proposal that reflects the knowledge of

the House. The Board will then use that information at its July meeting to construct a proposal that can be analyzed and discussed at the local level over the course of several months. Areas of consensus can be presented at the 2019 House of Delegates meeting for discussion and voting.

The session will be held on Saturday, April 28, 2018, from 2:00 to 3:45 p.m. in Plaza A at The Henry in Dearborn, Michigan.

Attachment A

Inclusion of POs/Employed Physicians:

Advantages: There was recognition of the potential to reach larger numbers of physicians and increase membership as a result. The inclusion of POs and PO leaders may offer an important perspective in decision-making and may strengthen the MSMS voice in advocacy.

Disadvantages: There was concern about POs replacing the role of the individual physician in MSMS. The resolution of potential conflicts between POs and between POs and individual physicians was identified as a disadvantage, but may also be a significant challenge.

Most significant challenges to achieving the stated outcome: Balancing perspectives and input between POs of different sizes and between POs and individual physicians was a common challenge identified by the groups. There was also a theme of "competition" with individual physicians, counties, and between small and large POs that emerged throughout the summaries. There was concern that POs would replace an existing voice rather than add to a discussion.

Smaller Board:

Advantages: The advantages identified were focused on the efficiencies of operation and practice of the board.

Disadvantages: There was a strong assumption that a decrease in size also decreases perspectives and input along with fewer opportunities to develop leaders.

Most significant challenges to achieving the stated outcome: Practical challenges such as bylaws changes and buy-in from members were identified, along with ensuring a position for all current groups around the board table. The focus was clearly on representing a group rather than bringing a unique perspective to the board.

HOD Focused on Policy:

Advantages: There was a common sense that this is the current status of the House of Delegates.

Disadvantages: Themes focused on decreasing the participation of some perspectives, time constraints of HOD participation, and a fear of smaller groups making decisions.

Most significant challenges to achieving the stated outcome: There is clearly a sense that the House of Delegates is currently focused on policy. There were some observations from a number of tables that the role and nature of HOD meetings should change to provide ongoing input into the direction of MSMS.

Enhanced Role of Specialty Societies:

Advantages: Strengthening the MSMS voice and increasing diversity of membership were common themes. It was also viewed as potentially increasing membership.

Disadvantages: As with POs, a concern about the perspectives of some specialties dominating others or individual physicians was common.

Most significant challenges to achieving the stated outcome: Determining which specialties participate at certain levels of leadership along with changes to the current structure were identified.

Geographic Structure:

Advantages: There was a clear sense that it would be beneficial to modify the current geographic structure. Efficiencies of operation and integration into regions were also listed as advantages.

Disadvantages: The loss of a direct connection to local issues, concerns and members were common themes.

Most significant challenges to achieving the stated outcome: Board seat allocation along with concerns of losing regional leadership.

Model Reviews:

There was no significant support for the **Care Team Model**, which would expand membership beyond physicians and had the most changes from the current governance structure. That model will not be given further consideration due to the lack of interest.

A. Membership

The majority of tables (9) identified the **Hybrid Model** as most likely to achieve the identified outcomes. It was recognition that the status quo is unacceptable and leading to a decrease in membership and connection to the organization. Some of the challenges identified focused on a need to bring new voices into the organization while maintaining the focus on MSMS as an organization supporting physicians.

Seven tables identified the **Adjustments Model**, which is closest to the current structure, as the option most likely to achieve the outcomes. Within the rational, there is still an understanding that changes do need to be made. There is a recognition that a larger cross section of membership needs to be engaged in setting the direction of the organization. The desire to change is clearly stated, with concerns about how that change is structured and its effect on political control.

B. House of Delegates

The groups were evenly split between the **Hybrid Model** and the **Adjustments Model**. There was universal concern about non-physician influence over the policy-making body of MSMS and, as a result, a desire to keep the body physician only. Common to all groups was an understanding of the need to bring more members into the discussions and create different methods of ongoing engagement. The responses from groups selecting the **Hybrid Model** also connected participation in the policy making process with higher levels of engagement from a larger group of members. This presents the opportunity to connect directly with currently disengaged physicians.

There was uncertainty regarding the implication of changes to the House of Delegates structure and process. The people participating in this session have made a personal investment in the current governance structure. They are cautious in recommending dramatic change. Despite that, there is a sense that there are additional stakeholders who need to become more engaged in the policy making process.

C. Board of Directors

Again, there was a nearly even split between the **Hybrid Model** and the **Adjustments Model**. Concerns with disenfranchisement, small groups maintaining control and uncertainty about the geographic structure were common. Groups focused on the structure of the board with very little input regarding function. Any recommended changes will need to clearly define roles and responsibilities between the House of Delegates and Board.