

## **REPORTS OF COUNCIL ON LONG RANGE PLANNING AND DEVELOPMENT**

The following reports, 1-2, were presented by Carl K. Rust, MD, Chair:

### **1. PUBLIC MEMBER ON AMA BOARD OF TRUSTEES**

**HOUSE ACTION: RECOMMENDATIONS 3 ADOPTED,  
RECOMMENDATIONS 1 AND 2 REFERRED AND  
REMAINDER OF REPORT FILED**

When a public member was added to the Board of Trustees (BOT), the Bylaws were revised to provide for review of relevant provisions in the AMA Constitution and Bylaws at the 2007 Interim Meeting (B-3.5082). The Council on Long Range Planning and Development (CLRPD) was charged with conducting that review because it was a CLRPD report that led to the addition of a public member to the Board. This report has been prepared and submitted at this time because the Council is recommending changes that will require amending the Constitution and Bylaws.

This report will review the public member position on the BOT and make recommendations that the Council believes will enhance the effectiveness of the position. This report is not a review of the performance of the incumbent public member.

#### **BACKGROUND AND REVIEW OF POSITION**

When the Council offered the report that recommended adding a public member to the BOT (CLRPD Report 1-A-00), a number of supportive arguments were made. It was anticipated that including a public member would:

- add to the diversity of the BOT
- assist the BOT in performing its fiduciary responsibilities
- create an additional mechanism to communicate to stakeholders
- provide a new, external perspective to deliberations
- provide a litmus test for how the external world may perceive the AMA's actions, and
- demonstrate a commitment to overcome past perceived weaknesses and become a more effective organization

As part of its review, the Council interviewed the current public member of the BOT for his assessment of the position, including changes he might suggest. In addition, interviews were conducted with those Trustees who had been on the BOT prior to the addition of the public member and who remained on the BOT in 2006; seven Trustees met this criterion. Although the interviews were informal, the questions used to guide the interviews can be found in the appendix to this report. Trustees were assured that their comments would be treated in confidence, so comments contained in this report are without attribution. Finally, the Council met with the chair of the Selection Committee for the Public Member of the Board of Trustees to collect feedback on that Committee's experience in soliciting and nominating public members. The Selection Committee discussed the public member position at length in December 2005 and supports the changes recommended in this report.

The Council met with the current public member, Robert McMillan, at the 2005 Interim Meeting in Dallas, where he provided his thoughts on the characteristics of the ideal candidate. His comments were based on his then three-plus year experience as a member of the BOT. In his view, the ideal candidate is a retired senior manager of a medium-sized business in the broad health care field. Business experience is important in light of the AMA's extensive business interests, which are responsible for a large portion of AMA revenues. Health care knowledge and experience are important in order for the public member to be able to participate meaningfully in BOT deliberations, particularly early on. In addition, because the term for the public member is relatively short (currently two years), pre-existing knowledge and experience will facilitate work on BOT assignments.

Each of the points listed above was assessed in the conversations with the seven Trustees, with the exception of the last, which was not particularly amenable to measurement. Each point is considered in turn.

- Add to BOT diversity: Trustees very clearly thought that a public member had added a previously missing element to the BOT's deliberations, although it was also noted that expecting a single public member to add sufficient breadth of diversity may not be realistic.

- Assist with fiduciary duties: While Trustees felt that the public member would ideally have broader business experience than physician members, opinions were split on whether one could routinely expect the public member to have such skills. As it happens, the current public member has chaired the BOT's audit committee for two years, something that some Trustees felt was beneficial and lent credibility to the audit process.
- Additional communication mechanism with stakeholders: In the view of the Trustees, this aspect of adding a public member was probably the least likely to have been achieved. The public member does not provide an additional mechanism as much as enhanced credibility for some audiences. For example, as a non-physician the public member can address issues such as the sustainable growth rate without calling his motivations into question. As a practical matter, it does happen that the current public member has a television show, but that is separate from the matter of expecting an additional communication mechanism to stem from a public member.
- Provide external perspectives: This is akin to adding diversity to the BOT, and Trustees were very positive on this aspect of the public member. A public member with experience on multiple boards is likely to bring a more focused agenda to the BOT's deliberations.
- Litmus test for AMA actions: Trustees were generally positive on this aspect, but the value of the public member was less in providing a litmus test per se than in providing perspectives that might not otherwise have emerged or that might have received less vocal support. A number of Trustees again raised the question of expecting a single public member to function in these multiple dimensions successfully.
- Overall assessment: All seven Trustees were in favor of retaining the public member position on the BOT.

In short, the Council believes the benefits that were anticipated by adding a public member to the BOT have been largely borne out. The position has added substantive knowledge and experience to the BOT, increased diversity on the BOT, and brought new perspectives to the BOT. Both the Council and all of the current Trustees who were interviewed for this project, even those who were initially opposed to the addition of a public member, support the continued inclusion of a public member on the BOT because the position brings benefits to both the operation of the BOT and to the broader workings of our AMA.

#### CHANGES TO ENHANCE VALUE OF PUBLIC MEMBER POSITION

In addition to considering the value of the public member position, the Council was interested in potential changes that would enhance the position, particularly in light of comments from the Trustees interviewed that expecting a single public member to fulfill multiple roles on the BOT is at best a difficult task. Consequently, each Trustee was asked about changes he or she would advocate to improve the public member position.

There was agreement among nearly all of the Trustees interviewed that two changes would improve the value of the public member position. First, there should be two public members on the BOT; second, the terms of the public members should be staggered so that when a new public member joins the BOT, the other public member would be well into his or her term of office. This overlap would help provide continuity. The two elements should be considered in concert.

As several of the Trustees noted, a public member adds to the diversity and can provide additional perspectives on issues that come before the BOT, but both values could be better served by adding a second public member to the BOT. Likewise, the two skill sets that would be most valuable for a public member—business acumen and health care knowledge—are more likely to be achieved if two public members are included on the BOT, because individual candidates could be focused on one set of skills rather than both. This is particularly true because the AMA BOT requires a significantly greater commitment than do most boards. Each Trustee's minimum annual commitment is 36 days, a level of service that is simply not possible for many otherwise viable candidates.

Closely related to the idea of having two public members is the notion that the terms of the public members should overlap, such that when a new public member joins the BOT, the other public member will already be a fully participating member. Indeed, the continuity that would come by having overlapping terms for two public members is key to the rationale for adding a second public member. Because the Trustees with whom the Council spoke found the contributions of the public member quite valuable, overlapping terms for two public members would mean one was always fully "up to speed" as a member of the BOT, so the benefits of a public member would not have to wait for someone to become comfortable in the position.

Ensuring that the public member is comfortable with the position is of some importance because, unlike the physician members of the BOT who have likely worked within our AMA and organized medicine for many years, a public member is unlikely to be familiar with the AMA's business operations or its governance. The business operations, as noted earlier, are critical to the AMA while the AMA governance is most likely completely foreign to a non-physician. Becoming familiar with both is important for all Trustees, but a new public member will typically be at a relative disadvantage to new physician members of the BOT in gaining understanding. The overlapping terms would address this situation.

As the idea of overlapping terms for two public members developed, the Council also discussed the merits of changing the term of office for a public member. The Council believes that the current two-year term, with a maximum of three terms, should be replaced with a single four-year term. The Council believes, and our conversations with the Trustees seem to imply, that the diversity that the position offers will be enhanced by decreasing the maximum tenure for a public member, as this will ensure turnover. At the same time, by extending the term of office from two years to four years, a public member can be better integrated into the BOT and be better able to contribute in an ongoing fashion. In addition, the current two-year term may create some disincentives to full participation because of concerns about the need to go through the selection process multiple times. Thus, a single four-year term is recommended. This change is also supported by the Selection Committee for the Public Member of the BOT of Trustees, as are the other changes recommended herein.

#### OTHER CONSIDERATIONS

Some might express concern about the size of the BOT if it is expanded by the addition of a second public member. As noted in CLRPD Report 3-I-99, the Council believes that the BOT can assess this issue and, if necessary, develop a proposal to adjust the overall size of the BOT. In the Council's view, the benefits of adding a second public member would seem to outweigh any problems that would arise from enlarging the BOT.

Finally, in CLRPD Report 3-I-99, which proposed the public member, the Council noted that at least two specialty societies included public members on their boards, as did a number of standard-setting and accrediting entities. Both the American College of Obstetricians and Gynecologists and the American Academy of Ophthalmology (AAO) had non-physician board members, and public members continue to serve on their boards. The AAO, in fact, has two public member slots on its board, something that the AAO has indicated has worked very well for the organization. In addition, a number of accrediting entities, including the Joint Commission on Accreditation of Healthcare Organizations and the Accreditation Council for Continuing Medical Education have one or more public members on their boards and report that these members have contributed greatly to their organizations' governance.

#### RECOMMENDATIONS

In light of the foregoing analysis, the Council on Long Range Planning and Development recommends that the following be adopted and the remainder of this report be filed:

1. That the American Medical Association Constitution be amended to provide for two public members of the Board of Trustees, which would result in a Board with 22 members.
2. That the AMA Bylaws be amended to provide for initial staggered terms for the public members of the Board of Trustees so that the public members are not both elected in the same year.
3. That the AMA Bylaws be amended to provide for a single, four-year term for the public member(s) of the Board of Trustees who are elected in 2007 or thereafter.

## APPENDIX

Questions for interviewing Trustees about the public member position on the Board.

1. Would you say the addition of a public member was, on the whole, positive or negative, or perhaps satisfactory, for the AMA? Has it been positive or negative for the Board? How so?
2. Has the addition of a public member had any change on behavior or interaction among board members, that is, has it affected the group dynamic? If so, how is that different from other routine changes in Board membership that take place each June?
3. Has a public member made the Board more diverse, and if so, in what ways?
4. Do you think having a public member helps to avoid "group think" or has brought new perspectives and points of view to the Board deliberations, particularly perspectives or points of view that might not otherwise have surfaced?
5. Are there any skills that you believe a public member of the BOT would be more likely to possess than would physician members?
6. The public member and physician members of the Board share the same fiduciary responsibility to the AMA, but do you think a public member can address those responsibilities differently or in a way that is advantageous for the AMA in general?
7. Are there any communication mechanisms that a public member is more likely to employ or have better access to than would a typical physician member of the Board?
8. Is there any other communication advantage that a public member might possess? Any disadvantage?
9. When interacting with other stakeholders, particularly non-physician stakeholders, has the public member's perspective anticipated those groups' concerns, issues or perspectives?
10. If you could decide here and now to eliminate or to retain a public member position on the Board, which would you do, and why?
11. Are there any changes you would make to the public member position on the Board? What and why? (Only if needed, the following might be offered as examples, change the term of office, change the maximum tenure, require that the public member possess some specific qualifications, increase the number of public members, get rid of or expand limitations on the public member [who cannot now vote in intra-board elections or hold an office on the BOT].)
12. Are there any disadvantages to having a public member on the Board of Trustees?
13. Any additional thoughts or comments?

## 2. CLRPD'S SUNSET REVIEW OF 1996 HOUSE POLICIES

### HOUSE ACTION: RECOMMENDATIONS ADOPTED AND REMAINDER OF REPORT FILED

At its 1984 Interim Meeting, the House of Delegates established a sunset mechanism for House policies (Policy H-600.110, AMA Policy Database). Under this mechanism, a policy established by the House ceases to be viable after 10 years unless action is taken by the House to retain it.

The objective of the sunset mechanism is to help ensure that the AMA Policy Database is current, coherent, and relevant. By eliminating outmoded, duplicative, and inconsistent policies, the sunset mechanism contributes to the ability of the AMA to communicate and promote its policy positions. It also contributes to the efficiency and effectiveness of House of Delegates deliberations.

At its 2002 Annual Meeting, the House modified Policy G-600.110 to change the process through which the policy sunset review is conducted. The process now includes the following steps:

- In the spring of each year, the House policies that are subject to review under the policy sunset mechanism are identified.
- Using the areas of expertise of the AMA Councils as a guide, the staffs of the AMA Councils determine which policies should be reviewed by which Councils.
- For the Annual Meeting of the House, each Council develops a separate policy sunset report that recommends how each policy assigned to it should be handled. For each policy it reviews, a Council may recommend one of the following actions: (a) retain the policy; (b) rescind the policy; or (c) retain part of the policy. A justification must be provided for the recommended action on each policy.
- The Speakers assign the policy sunset reports for consideration by the appropriate Reference Committees.

Although the policy sunset review mechanism may not be used to change the meaning of AMA policies, minor editorial changes can be accomplished through the sunset review process.

In this report, the Council on Long Range Planning and Development presents its recommendations on the disposition of the House policies that were assigned to it. The CLRPD's recommendations on policies are presented in the Appendix to this report.

#### RECOMMENDATION

The Council on Long Range Planning and Development recommends that the House of Delegates policies that are listed in the Appendix to this report be acted upon in the manner indicated and the remainder of this report be filed.

#### APPENDIX - RECOMMENDED ACTIONS ON 1996 HOUSE POLICIES

<i>Policy Number</i>	<i>Title</i>	<i>Recommended Action and Rationale</i>
H-160.997	AMA Program	Retain Sections 3 and 9; Reclassify Section 3 under H-440 (Public Health) and Section 9 under H-385 (Physician Payment); Rescind all other sections.
H-160.999	Statements on the Medical Profession	Retain – still relevant
H-175.993	Infractions of Human Rights by Fraudulent Health Practitioners	Retain with title change to Fraudulent Health Practices to better reflect the substance of the policy statement.
H-220.938	JCAHO Adherence to its Own Standards	Retain – still relevant
H-220.975	Medical Staff Comment on JCAHO "Field Review of Proposed Standards"	Retain – still relevant
H-220.976	Bylaws Approval Time Limit	Retain – still relevant
H-220.977	Chief Executive Officer at Medical Staff Executive Session	Retain with the following minor editorial changes– The AMA reaffirms its support for amending <u>JCAHO Medical Staff Standard 40.2.4.1.3 1.40, Element of Performance 2</u> , so as to read as follows: "That the Chief Executive Officer of the hospital or his <u>or her</u> designee may be invited to attend meetings of the Executive Committee of the medical staff." (Res. 138, A-86; Reaffirmed: Sunset Report, I-96)
H-220.978	Hospital Medical Staff Representation on the Hospital Governing Body	Retain – still relevant
H-225.965	Activities of the Joint Commission on Accreditation of Healthcare Organizations and a Single Signature to Document the Validity of the Contents of the Medical Record	Retain – still relevant

<i>Policy Number</i>	<i>Title</i>	<i>Recommended Action and Rationale</i>
H-230.965	Immunity from Retaliation Against Medical Staff Representatives by Hospital Administrators	Retain – still relevant
H-230.986	JCAHO Recognition of Specialty Boards Recognized by American Board of Medical Specialties and AMA and AOA	Retain – still relevant
H-235.968	Physician Review of Medical Staff Activities	Retain – still relevant
H-235.985	Medical Executive Committee Composition	Retain – still relevant
H-250.992	World Health Organization	Retain – still relevant
H-275.942	AMA Physician Profiles	Retain – still relevant
H-520.988	Abolition of Nuclear Weapons and Other Weapons of Mass and Indiscriminate Destruction	Retain – still relevant