

**REPORT OF THE HOUSE OF DELEGATES COMMITTEE
ON THE COMPENSATION OF THE OFFICERS**

The following report was presented by Steven Tolber, MD, Chair.

**1. REPORT OF HOUSE OF DELEGATES COMMITTEE ON THE
COMPENSATION OF THE OFFICERS**

Reference committee hearing: see report of Reference Committee F.

**HOUSE ACTION: RECOMMENDATIONS ADOPTED
REMAINDER OF REPORT FILED**

See Policy D-605.990

This report by the committee at the 2022 Annual meeting presents two recommendations.

BACKGROUND

At the 1998 Interim Meeting, the House of Delegates (HOD) established a House Committee on Trustee Compensation, currently named the Committee on Compensation of the Officers, (the "Committee"). The Officers are defined in the American Medical Association's (AMA) Constitution and Bylaws. (Note: under changes to the Constitution previously approved by the HOD, Article V refers simply to "Officer," which includes all 21 members of the Board, among whom are the President, President-Elect, Immediate Past President, Secretary, Speaker and Vice Speaker of the HOD, collectively referred to in this report as "Officers." The composition, appointment, tenure, vacancy process and reporting requirements for the Committee are covered under the AMA Bylaws. Bylaw 2.13.4.5 provides:

The Committee shall present an annual report to the House of Delegates recommending the level of total compensation for the Officers for the following year. The recommendations of the report may be adopted, not adopted, or referred back to the Committee, and may be amended for clarification only with the concurrence of the Committee.

At A-00, the Committee and the Board jointly adopted the American Compensation Association's definition of total compensation which was added to the Glossary of the AMA Constitution and Bylaws. Total compensation is defined as the complete reward/recognition package awarded to an individual for work performance, including: (a) all forms of money or cash compensation; (b) benefits; (c) perquisites; (d) services; and (e) in-kind payments.

Since the inception of this Committee, its reports document the process the Committee follows to ensure that current or recommended Officer compensation is based on sound, fair, cost-effective compensation practices as derived from research and use of independent external consultants, expert in Board compensation. Reports beginning in December 2002 documented the principles the Committee followed in creating its recommendations for Officer compensation.

At A-08, the HOD approved changes that simplified compensation practices with increased transparency and consistency. At A-10, Reference Committee F requested that this Committee recommend that the HOD affirm a codification of the current compensation principle, which occurred at I-10. At that time, the HOD affirmed that this Committee has and will continue to base its recommendations for Officer compensation on the principle of the value of work performed, consistent with IRS guidelines and best practices recommended by the Committee's external independent consultant, who is expert in Board compensation.

At A-11, the HOD approved the alignment of Medical Student and Resident Officer compensation with that of all other Officers (excluding Presidents and Chair) because these positions perform comparable work.

Immediately following A-11, the Committee retained Mr. Don Delves, founder of the Delves Group, to update his 2007 research by providing the Committee with comprehensive advice and counsel on Officer compensation. The updated compensation structure was presented and approved by the HOD at I-11 with an effective date of July 1, 2012.

The Committee's I-13 report recommended and the HOD approved the Committee's recommendation to provide a travel allowance for each President to be used for upgrades because of the significant volume of travel representing our AMA.

At I-16, based on results of a comprehensive compensation review conducted by Ms. Becky Glantz Huddleston, an expert in Board Compensation with Willis Towers Watson, the HOD approved the Committee's recommendation of modest increases to the Governance Honorarium and Per Diems for Officer Compensation, excluding the Presidents and Chair, effective July 1, 2017. At A-17 the HOD approved modifying the Governance Honorarium and Per Diem definition so that Internal Representation, greater than eleven days, receives a per diem.

At A-18, based on comprehensive review of Board leadership compensation, the HOD approved the Committee's recommendation to increase the President, President-elect, Immediate Past-President, Chair, and Chair-elect honoraria by 4% effective July 1, 2018.

At A-18 and A-19, the House approved the Committee's recommendation to provide a Health Insurance stipend to President(s) who are under Medicare eligible age when the President(s) and their covered dependents, not Medicare eligible, lose the President's employer provided health insurance during their term as President. Should the President(s) become Medicare eligible while in office, they received an adjusted Stipend to provide insurance coverage to their dependents not Medicare eligible.

The Committee's I-19 report recommended and the HOD approved the Committee's recommendation to increase the Governance Honorarium and Per Diem for Officers, excluding Presidents and Chair, by approximately 3% each effective July 1, 2020.

FINDINGS

At I-21, this Committee recommended that an upgrade allowance in the amount of \$1250 for all Officers except President, President-elect and Immediate Past President ("Leadership") be piloted between November 17, 2021 through April 17, 2022. Use of the upgrade allowance for Officers would comport with the current definition in the travel policy and the Board travel and expense standing rules. The Committee committed to reporting on the use of the upgrade allowance during the pilot and reports that during the six-month pilot, six Officers used the upgrade allowance in amounts ranging from \$30 - \$616. In addition, Board Representation Office staff reported that Officers were very appreciative of the availability of the upgrade allowance.

Demand for air travel has risen since the beginning of 2022. NPR (National Public Radio) reported in April 2022 that based on consumer spending demand for travel this past February was 6% higher than in February 2019 and was 18% higher than January 2022. In addition, as of April 18, 2022 the CDC's January 29, 2021 Order requiring masks on public transportation and at transportation hubs was lifted by court order. And as of May 1, the CDC website showed the number of Covid-19 cases slowly increasing.

Our Officers are traveling to represent the AMA while continuing to represent the AMA in podcasts, on webinars, and other media to advocate on behalf of physicians and patients. Based on use of the upgrade allowance during the pilot and feedback from the Officers, and to continue to minimize the risks associated with crowded flights and the ease of transmission of COVID-19, the Committee recommends implementing an upgrade allowance for each Officer, excluding the three Presidents, in the amount of \$2500 per term beginning July 1, 2022. Use of the upgrade allowance will comport with the current definition in the travel and expense standing rules and will be included in the annual report of Officer Compensation presented annually to the House of Delegates.

The Committee commends and thanks our Officers for their representation of the AMA.

RECOMMENDATIONS

1. That there be no changes to the Officers' compensation for the period beginning July 1, 2022 through June 30, 2023.
2. That the travel policy and the Board travel and expense standing rules be amended by addition, shown with underscores as follows:

Transportation

- a. Air: AMA policy on reimbursement for domestic air travel for members of the Board is that the AMA will reimburse for coach fare only. The Presidents (President, Immediate Past President and President Elect) will each have access to an individual \$5000 term allowance (July 1 to June 30) and all other Officers will each have access to \$2500 term allowance (July 1 to June 30) to use for upgrades as each deems appropriate, typically when traveling on an airline with non-preferred status. The unused portion of the allowance is not subject to carry forward or use by any other Officer and remains the property of the AMA. In rare instances it is recognized that short notice assignments may require up to first class travel because of the lack of availability of coach seating, and this will be authorized when necessary by the Board Chair, prior to travel. Business Class airfare is authorized for foreign travel on AMA business. (Also see Rule IV –Invitations, B— Foreign, for policy on foreign travel).

3. That the remainder of the report be filed.

APPENDIX

POSITION	GOVERNANCE HONORARIUM
President	\$290,160
Immediate Past President	\$284,960
President-Elect	\$284,960
Chair	\$280,280
Chair-Elect	\$207,480
Officers	\$67,000

Definition of Governance Honorarium Effective July 1, 2017:

The purpose of this payment is to compensate Officers for all Chair-assigned internal AMA work and related travel. This payment is intended to cover all currently scheduled Board meetings, special Board or Board Committee meetings, task forces, subcommittees, Board orientation, development and media training, Board calls, sections, councils, or other internal representation meetings or calls, and any associated review or preparatory work, and all travel days related to all meetings as noted up to eleven (11) Internal Representation days.

Definition of Per Diem for Representation effective July 1, 2017:

The purpose of this payment is to compensate for Board Chair-assigned representation day(s) and related travel. Representation I either external to the AMA, or for participation in a group or organization with which the AMA has a key role in creating/partnering/facilitating, achievement of the respective organization goals such as the AMA Foundation, PCPI, etc. or for Internal Representation days above eleven (11). The Board Chair may also approve a per diem for special circumstances that cannot be anticipated such as weather-related travel delays. Per Diem for Chair-assigned representation and related travel is \$1400 per day.

Definition of Telephone Per Diem for External Representation effective July 1, 2017:

Officers, excluding the Board Chair and the President(s) who are assigned as the AMA representative to outside groups as one of their specific Board assignments or assigned Internal Representation days above eleven (11), receive a per diem for teleconference meetings when the total of all teleconference meetings of 30 minutes or longer during a calendar day equal 2 or more hours. Payment for those meetings would require approval of the Chair of the Board. The amount of the Telephonic Per Diem will be ½ of the full Per Diem which is \$700.