

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

The following reports were presented by Evelyn Lewis, MD, Chair:

1. REPORT OF THE 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

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, defined in the American Medical Association’s (AMA) Constitution and Bylaws, consist of all 21 members of the Board of Trustees, including the President, President-Elect, Immediate Past President, Secretary, and Speaker and Vice Speaker of the HOD, and are 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 have documented 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.

METHODOLOGY

The Committee recently commissioned Willis Towers Watson (WTW), a major compensation consulting firm with expertise in board compensation, to review the Speaker and Vice Speaker Governance Honorariums and consider if a separate larger Honorarium would better recognize the considerable amount of work required of these positions and that the work is different from regular board members. As a result of this review, the Committee also considered if the Per Diem for Internal Representation should be eliminated for all non-leadership board members.

FINDINGS

WTW analyzed the Speaker and Vice Speaker compensation data for the past three terms, 2021/2022, 2022/2023 and 2023/2024. The analysis demonstrated that the Speaker and Vice Speaker roles require a significant time commitment given the volume of work required of each. Based on the analysis, WTW supports a higher honorarium of \$125,000 for the Speaker and \$115,000 for the Vice Speaker. The increased honorarium would cover all internal representation.

In addition, WTW's analysis also raised questions about the need for a Per Diem for Internal Representation for non-leadership board members. The current Governance Honorarium includes 11 days of internal representation per term. Review of the past three terms showed all board members except the Speakers (and only once for one board member and one medical student) were under the 11 days that are compensated by the Governance Honorarium as currently defined. This Committee recommends eliminating the Internal Representation for all board members and revising the Governance Honorarium definition for all non-officer board members to state that all internal representation days are included in the Honorarium, resulting in a per diem only for External Representation, thus providing greater clarity and simplification of Board compensation.

RECOMMENDATIONS

The Committee on Compensation of the Officers recommends the following recommendations be adopted effective July 1, 2025, and the remainder of this report be filed:

1. That the Governance Honorarium for the Speaker and Vice Speaker be increased to \$125,000 and \$115,000 respectively and include all internal representation days.
2. That the definition of the Governance Honorarium be revised as follows:

The purpose of this payment is to 1) compensate the Board Chair, Chair Elect, Presidents and 29 Speakers for all Chair-assigned internal and external AMA work and related travel, and
2) compensate other Officers, excluding Board Chair, Chair-Elect, Presidents and Speakers, for all Chair-assigned internal AMA work and related travel. This payment is intended to cover the yearly slate of meetings as approved by the Board, which include Board meetings and additional meetings including but not limited to: State Advocacy Summit, National Advocacy Conference, and Annual and Interim meetings; special Board or Board committee, subcommittee and task force meetings; Board orientation, Board development and media training; and Board conference calls. This includes any associated review or preparatory work, and all travel days related to all such meetings. The Governance Honorarium also covers all internal representation, such as section and council liaison meetings, any associated review or preparatory work, and all travel days related to all such meetings. ~~The Governance Honorarium also covers Internal Representation, such as section and council liaison meetings (and associated travel) or calls, up to eleven (11) Internal Representation days.~~

3. That the definition of the Per Diem for External Representation and the related Telephonic Per Diem Representation be revised as follows:

The purpose of this payment is to compensate for Board Chair-assigned representation day(s) and related travel. Representation is ~~either external to the AMA, or with organizations in 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 \$1,550 per day.

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

Officers, excluding the Board Chair, Chair Elect, Presidents and Speakers, who are assigned by the Board Chair 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 external teleconference meetings of 30 minutes or 10 longer during a calendar day equal 2 or more hours. Payment for those meetings would require 11 the approval of the ~~Chair of the Board~~ Chair. The amount of the Telephonic Per Diem will be 12 ½ of the full Per Diem which is \$775.

4. That the remainder of the report be filed.

Fiscal Note: minimal

APPENDIX

Board Leadership Compensation

POSITION	GOVERNANCE HONORARIUM
President	\$298,865
Immediate Past President	\$290,659
President-Elect	\$290,659
Chair	\$285,886
Chair-Elect	\$211,630

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