

**MINUTES**  
**NORTH CAROLINA MEDICAL SOCIETY**  
**BOARD OF DIRECTORS**  
**January 11, 2014 – 8:30am**  
**NCMS Headquarters, Raleigh, NC**

**1. Call to Order**

Devdutta G. Sangvai, MD, President, called the meeting to order at 8:30 am.

**2. Introduction of New Board Members**

Dr. Sangvai asked for self-introductions and welcomed the following new Directors to the Board:

- Jeffrey Runge, MD, Region 2
- Brian S. Kuszyk, MD, At-Large

**3. Approval of Minutes**

A **MOTION** was made to accept the minutes from the October 25, 2013 and December 30, 2013 meetings, which carried unanimously.

**4. Presentation on Health System Reform**

Thomas E. Sibert, MD, President/COO of Wake Forest Baptist Hospital spoke to the Board on the factors at play in a changing health care environment, including legislative, payers, employers and systems. He discussed his experience in California and current efforts to transform at the Wake Forest Baptist Hospital.

**5. AHEC Presentation**

Warren P. Newton, MD, Director of the NC Area Health Education Center (AHEC), gave an overview of the AHEC system and its objectives and discussed ways NC AHEC and NCMS can work together including the Toward Accountable Care (TAC) Consortium and working with integrated systems and specialty practices on quality and value.

## 6. NCMS Board of Directors' Conflict of Interest Disclosure Statement and Confidentiality Policy

Forms were distributed to Board members for their review and signatures.

## 7. Financial and Membership Reports

Timothy J. Reeder, MD, Secretary-Treasurer, presented the following update on the NCMS financial position and membership:

- Year end data is not yet available. As of November 30, NCMS Had collected 104% of budgeted revenue with 57% of that revenue derived from membership dues; expenses were at 82% of budget.
- Membership numbers were down slightly, <200 members overall.

Dr. Reeder reported on the impact headquarters renovation has had on the NCMS financial position. Phase 1 and 2 (2012 and 2013) are completed, final phase underway for 2014. Planned renovations to complete the project at an estimated cost of \$1.5M include:

- Complete asbestos abatement on 2<sup>nd</sup> floor
- All common areas and previously unrenovated areas
- Asbestos Abatement 2<sup>nd</sup> Floor
- Renovate Office Space 2<sup>nd</sup> Floor
- Renovate for Tenants Lower Level (Includes Fitness Center)
- Building exterior
- Improvements to Grounds
- Donor Recognition Displays
- Most of the renovations will take place Q1 and Q2, with CIS moving upstairs to new space by mid-year.

The following **MOTION** was made and carried unanimously to support the following recommendation from the Finance Committee:

- That we investigate short-term options for the \$1,250,000 in earnings—are there vehicles such as commercial paper that could yield better returns short-term than the current rate, but still have the funds accessible if needed.
- That we seek financing vehicles and rates to have alternatives if needed.
- That we evaluate cash position and fund raising each quarter and report to Finance Committee so that adjustments can be made when needed.
- That we budget the loan repayment for years 2014-2018, repaying sooner if feasible.
- That we keep reserves intact and growing and minimize the assumption of additional debt.

## **8. NCMS Building and Property Study Report**

Mr. Seligson commented on efforts to raise funds to offset the costs of renovation. The staff goal is to retire any debt on the building as soon as possible so that NCMS resources are focused on programs and services. He encouraged Board members to consult with him on fund raising opportunities.

Pam Highsmith, Director of Development, reviewed the current funds raised and strategies moving forward. She acknowledged major gifts from the Medical Mutual Insurance Company of NC, other trusts and individuals. She reported total committed funds of \$1.46M; most of these commitments are pledges with \$280,000 cash received to date.

## **9. Legislative Report**

John Reynolds, MD, Chair, Legislative Cabinet, reported on the recent meeting of the Legislative Cabinet. Medicaid reform will be the top priority, based on information now available. Defending liability reforms passed in 2011 will also be a priority. The Legislative Cabinet will identify other major issues prior to session and recommend adjusting priorities at the Board's next meeting if that is necessary.

## **10. Review of Medicaid Reform Activities**

Dr. Sangvai will deliver remarks on behalf of the NCMS at a meeting of the Medicaid Reform Advisory Group on January 15, 2014. The NCMS has been working with other major interest groups to promote value-driven systems for Medicaid, modeled after the shared savings program currently in use by Medicare, but modified as appropriate to meet Medicaid's unique challenges. This message is supportive of the position now taken by Community Care of North Carolina. It is also consistent with the NCMS response to the DHHS Request for Information, submitted on March 15, 2013.

## **11. CON Activities**

Mr. Seligson reported on meetings with Orthopaedics, Anesthesiology and Radiology specialty societies on ways to find commonality in their Certificate of Need (CON) efforts.

The Board discussed advocating for equality in the system and how the issue affects medicine, with the need to represent physicians overall. The NCMS position continues to be one of fairness in the CON system.

## **12. State Auditor's Report NCMS/NC Physicians Health Program**

Mr. Seligson reported on a physician complaint about the NC Physicians Health Program (NCPHP) that resulted in an inquiry to the program by the State Auditor. The NCMS is finalizing responses to the complaint and remains very supportive of the NCPHP program.

Mr. Keene indicated that the NCMS is preparing an agreement with NCPHP to address the NCMS role in governance oversight of NCPHP through the five doctors it places on the NCPHP Board. This draft document will be presented at a future meeting for discussion and refinement.

This effort will identify ways NCMS can strengthen its relationship with other entities in which it has a governance role.

## **13. Review of 2013 Annual Meeting**

Docia E. Hickey, MD, Speaker, reported on actions taken at the House of Delegates and how these actions will be implemented or followed up. A **MOTION** was made and approved unanimously to approve the action items and summary as presented.

Mr. Seligson reported on costs associated with the Annual Meeting and House of Delegates, and recommended that the governance structure be discussed in the Board's upcoming strategic planning process.

## **14. Committees/Task Forces**

A **MOTION** was made and approved unanimously to approve NCMS committee lists, charges, and Board member assignments as distributed.

## **15. Strategic Planning Process**

The Board approved the 2014 strategic planning process as follows:

- January – March – Staff to interview Stakeholders.
- February – Mary Byers, co-author of "Race for Relevance," to work with Senior Staff on draft Plan development.
- February – Member/Nonmember Surveys in field.
- February – Senior staff strategic planning on resource needs.
- March – April – Staff to refine plan for Board of Directors review.
- May – Rollout to Board at spring planning retreat; Mary Byers to facilitate.

## **16. Policy on Use of Board Room**

The policy on use of the Board Room was discussed and no action was taken.

**17. Other Policy Actions**

Other policy actions were discussed and no action was taken.

**18. Adjournment**

There being no other business, Dr. Sangvai adjourned the meeting at 1:00pm.

**MINUTES**  
**NORTH CAROLINA MEDICAL SOCIETY**  
**BOARD OF DIRECTORS**  
**March 22, 2014 – 8:00am**  
**NCMS Headquarters, Raleigh, NC**

**1. Call to Order**

Dev Sangvai, MD, President, called the meeting to order at 8:00 am.

**2. Introduction of Guest Speaker**

Dr. Sangvai introduced J. Bradley Wilson, President and CEO of Blue Cross Blue Shield of NC. Mr. Wilson addressed the Board informally, updating them on how the company was responding to implementation of the Affordable Care Act (ACA) and other initiatives.

**3. Minutes of Meeting**

A **MOTION** was made to accept the minutes from the January 11, 2014 meeting, which carried unanimously.

**4. Joint Meeting with Specialty Society Organizations**

Dr. Sangvai reviewed the agenda for the afternoon's meeting with representatives of the state specialty societies. He encouraged an open dialogue among the NCMS Board and the leadership of the specialty societies.

**5. Strategic Planning**

Mr. Seligson reviewed work completed to date to prepare for the May Board Retreat. He presented a summary of results of the Physicians Foundation's Survey on Physicians and Health Reform, which was conducted nationally. Key findings included:

- 74% of physicians said that health reform would cause them to take steps to change their current practice style.
- 60% said that health reform will compel them to close or significantly restrict their practices to certain categories of patients.

- A majority of physicians responded (89%) that they believe the traditional model of independent private practice is either 'on shaky ground' or 'is a dinosaur soon to go extinct.'

Mr. Seligson cited an AMA survey that concluded that about 60% of family physicians and pediatricians, 50% of surgeons and 25% of surgical subspecialties are employees rather than independents.

A new NCMS Strategic Plan has been drafted to address how the NCMS can respond to trends in medical practice, prepare members for the future, and to protect the organization long term. Areas addressed in the draft plan include:

- Governance: Developing a more relevant and inclusive HOD model
- Education: Full leadership development programs
- Advocacy: Shifting focus of advocacy efforts toward encouragement of value-driven systems, rethinking criteria for taking positions on issues
- Technical assistance: Providing practice management assistance
- Collaboration on Value: Continuing work with other organizations that share the vision of a value-driven system improvement services to members
- NC ACO Collaborative: Providing approved and emerging ACOs with a forum to exchange ideas
- Membership Models: Identifying alternatives to traditional membership models
- NCMS as Thought Leader: Establishing NCMS as a thought leader and source of information for the medical community and the media
- NCMS Long-Term Sustainability: Increasing NCMS resources and protect financial stability for long-term operations.

Mr. Seligson outlined the process for developing the draft plan. Mary Byers, co-author of *Race for Relevance* and an association consultant, will present the key principles of her book and facilitate the discussion.

Mr. Keene presented a summary of a "Strengths-Weaknesses-Opportunities-Threats (SWOT)" analysis conducted internally. The presentation has been shared with the Board of Directors by email.

## **6. NCMS Financial and Membership Report**

NCMS Secretary-Treasurer Dr. Reeder presented financial snapshots, balance sheets and income statements for time periods ending December 31, 2013 and January 30, 2014 which were previously distributed to the Board of Directors. Of note:

- Unaudited 2013 financials reflect that the NCMS achieved 114% of its revenue budget and 95% of its expense budget.

- The headquarters renovations continue, with the \$2M credit line being accessed in 2013. The Finance Committee previously recommended and the Board affirmed at their January 2014 meeting that 2014 expenses should be covered with excess revenue and operating cash if possible, with no additional debt incurred.
- As of March 1, 2014 the NCMS had 12,352 members and had collected 83% of its budgeted dues revenue for 2014.
- The audit process is underway for both the NCMS and the NCMS Foundation. Results will be presented at the next Board meeting.

## **7. NCMS Building and Property Study Report**

Mr. Seligson reiterated Dr. Reeder's comments on the headquarters renovations project and presented to the Board an overview of how the renovations have been funded to date:

Phase 1 – 2012:

Expenses totaled \$465,646, which were paid from budget excess (cash).

Phase 2 – 2013:

Expenses were paid by accessing a line of credit (\$2,000,000); fund raising (\$353,122) and budget excess (cash) (\$660,886) for a total of \$3,014,008.

Phase 3 – 2014:

Renovations to complete the project at an estimated cost of \$1.5M include:

- Complete asbestos abatement on 2<sup>nd</sup> floor
- All common areas and previously unrenovated areas
- Renovate Office Space for new tenants on 2<sup>nd</sup> Floor
- Renovate for Tenants Lower Level (Includes Fitness Center)
- Building exterior and grounds improvements
- Donor Recognition Displays

Mr. Seligson expects that these expenses will be funded with \$720,667 in excess budget (cash) from 2013; \$463,000 in funds raised; and \$316,333 in budget excess (cash) in 2014.

A **MOTION** was made and seconded to fund the 2014 renovations at an estimated cost of \$1.5 million. The **MOTION** carried unanimously.

## **8. State Auditor/NC Physicians Health Program (NCPHP)**

Mr. Keene gave an update on the progress of the State Auditor's examination of Physicians Health Program, Inc. The audit is complete and the OSA report is being finalized. The audit found no indications of abuse by the PHP Program. The audit does recommend strengthening PHP procedures to safeguard against abuse in the future. Among the recommendations, the NCMS will be asked to strengthen its oversight of PHP through the doctors it appoints to the



PHP Board of Directors. The NCMS is in agreement with this recommendation and will prepare a letter that will accompany the OSA Report.

## **9. Legislative Report**

Legislative Cabinet Chairman Dr. Reynolds gave a brief report on the upcoming legislative session, Medicaid reform, and other priorities:

- divisive legislative debate that has persisted for years, especially related to the operating room programs, and how the issue affects medicine. The NCMS message continues to be one of fairness in the CON program generally. The Board agreed that the NCMS should be prepared to take a position.

## **10. 2014 Board/Leadership College Retreat**

Dr. Sangvai and Mr. Seligson outlined the meeting schedule and the participation of past NCMS Presidents. The meeting is scheduled for May 16-18, 2014, at The Umstead Hotel in Cary, NC.

## **11. Medical-Legal Guidelines**

Ms. Phelps noted that NCMS staff were working with the NC Bar Association on a few lingering issues in the most current revisions. It is expected that these issues will be resolved prior to the May Board Retreat, and that there should be a revised version of the Medico-Legal Guidelines for the Board's approval at that meeting.

## **12. Other Business**

Dr. Sangvai announced his intention to appoint a Task Force to Study Hospitals Buying Physician Practices and the effect on the health care system generally and the NCMS in particular.

## **13. Adjournment**

There being no other business, Dr. Sangvai adjourned the meeting at 1:00 pm in order to convene the Specialty Society Summit meeting. There was no Executive Session.

**MINUTES**  
**NORTH CAROLINA MEDICAL SOCIETY**  
**BOARD OF DIRECTORS**  
**May 16-18, 2014**  
**The Umstead Hotel and Spa, Cary, NC**

***Friday, May 16, 2014:***

**1. Call to Order**

Dr. Sangvai called the meeting to order at 2:00 pm, welcoming participants and asking for self-introductions. He reviewed the schedule for the weekend and defined the goals for the strategic planning retreat:

- To seek input from BOD on the revised Mission, Vision, Value statements and Draft Strategic Plan.
- To evaluate a list of recommendations in five (5) categories, including financial, membership, governance, education and advocacy.

Dr. Sangvai introduced Mary Byers' role in the meeting. She will present on her book and the theories of Race for Relevance, provide insights on the current NCMS research, and facilitate so that Dr. Sangvai can participate in the discussion.

**2. Membership Survey Results**

Dr. Sangvai reviewed membership survey results. Discussion included recruitment, competition for members between organizations, scarcity of time and resources. Upon completing review, Dr. Sangvai noted that the survey results he presented were developed in 1984. He noted the similarities in issues and insights to our discussion this weekend.

**3. "Race for Relevance" Presentation**

Sangvai introduced Ms. Byers, author of *Race for Relevance: 5 Radical Changes for Associations* and *Road to Relevance: 5 Strategies for Competitive Associations*. Ms. Byers helps associations and other organizations remain competitive in an increasing competitive environment. Ms. Byers presented non-profit organizations' need for a quantum leap in change and she applied those principles to the NCMS strategic planning process. Some discussion points from her presentation included addressing the "Time Famine":

- *How can we tap into the expertise of our members without taking too much of their valuable time (micro-volunteering)?*
- *Publications should be quick and easy to read.*
- *How can the member experience be less stressful, more profitable and more productive?*

#### **4. Survey Insights**

Ms. Byers presented observations of the recent member survey conducted May 2014, including:

- 55% of respondents said that the NCMS advocates for their needs as a physician, followed by state and national specialty societies.
- EHRs, declining reimbursement, regulatory compliance, and health system consolidation were the top forces in driving change in the practice setting.
- Over half of respondents said that financial incentives and lifestyle changes compel their decisions to change or not to change their practice setting.
- Shifts to value driven systems, payor issues, and the impact of health system reform ranked highest as issues of importance.
- Less than half (43%) of members are in private practice. The remainder are employed by hospital or healthcare systems (20%), academic centers (20%) and Solo practice (16%).

#### **5. NCMS Strategic Plan Review**

The Board reviewed and discussed major areas of operation and made recommendations, which are summarized at the end of this document, in Appendix A. Discussion and presentations included:

- Revising the NCMS Mission Statement and NCMS Vision Statement.
- Identifying the NCMS' Key Values (Operating Principles).
- Member Representation: John A. Fagg, MD, NCMS Past President and Former Speaker, NCMS House of Delegates (HOD), had been asked to give his input to the relevance of the current NCMS governance model, including the HOD. Dr. Fagg recognized staff for giving thought to the best use of Society resources and for providing the Board with data on the HOD.

Dr. Fagg noted that the HOD has already been shortened in an attempt to minimize the time members spend out of their practices. These efforts have not resulted in increased attendance or engagement at the HOD. Dr. Fagg urged the Board to sunset the HOD and instead focus on the question of member representation. Representation with respect to governance is no longer why members join the NCMS. The last governance and representation changes were made 14 years ago; there was input from the Board that this issue needs to be looked at each year.

The Board discussed HOD strengths, including participation of a diverse group of members and the policy making tradition. Also discussed were HOD weaknesses including complicated rules, low quality resolutions, lack of discussion of issues salient to current NCMS business, and the high costs associated with the meeting.

*NB: The Board adjourned at 5:15 pm. They reconvened Saturday, May 17, at 9:15 am following a joint breakfast with the Leadership College and a presentation by Victor Dzau, MD.*

***Saturday, May 17, 2014***

**5. NCMS Strategic Plan Review, continued**

On Saturday, Ms. Byers opened discussion with questions and takeaways from the previous day's discussion. Presentations and discussion continued as follows:

- Long-Term Financial Stability: Secretary-Treasurer Timothy J. Reeder, MD, made a presentation on strategies for deploying cash on hand to the best benefit of the NCMS, the long-term stability of the NCMS Employee Benefit Plan and growing membership.

A **MOTION** was made to retire the debt on the building in 2015 and carried unanimously.

- Education: John J. Meier, MD, overviewed future plans for the NCMS Kanof Institute for Physicians Leadership and outlined financial needs to support and grow the NCMS' leadership programs.

*NB: The Board adjourned to meet with the NCMS Past Presidents in the afternoon. Each Past President in attendance made remarks. Issues discussed included the NCMS strategic planning process, legislation including expansion of Medicaid, NCMSF activities including End of Life Care issues, a potential Senior Physicians Group benefit, and policy issues.*

***Sunday, May 18, 2014***

**5. NCMS Strategic Plan Review, continued**

- Advocacy: Jeffrey W. Runge, MD reviewed data ranking various advocacy issues in order of time spent by NCMS Staff and as reported by a recent online survey of NCMS members.

The Board identified the following action items to be completed prior to the July Board meeting:

- Recommendations will be incorporated into the Strategic Plan and distributed to Board for review
- Tactics to achieve will be outlined and assigned
- Staff will begin process of identifying strategies to achieve financial targets outlined above, including:
  - Months in reserve
  - Marketing budget
  - KIPL budget

A summary of recommendations is included as Appendix A.

**6. Approval of Minutes, March 22, 2014**

A **MOTION** was made to approve the minutes of the March 22, 2104 meeting and was approved unanimously.

**7. Secretary-Treasurer's Report**

Timothy J. Reeder, MD, Secretary-Treasurer, presented financials as of April 30, 2014 and the report from Johnson Lambert, LLP, regarding the 2013 audit of the NCMS and the NCMS Foundation. A **MOTION** was made to accept the Auditor's Report for the NCMS and was approved unanimously.

**8. Adjournment**

There being no other business, the meeting was adjourned at 12 noon. The next scheduled meeting of the NCMS Board of Directors is Saturday, July 26, 2014, 8:30 am at the NCMS headquarters building in Raleigh.

## **APPENDIX A: STRATEGIC PLANNING RECOMMENDATIONS**

### **NCMS Mission Statement:**

- Consider the following revised mission statement for vote at July 2014 meeting:

*“To provide leadership in medicine by uniting, serving, and representing physicians and their healthcare teams to enhance the health of North Carolinians.”*

### **NCMS Vision Statement:**

- Consider the following revised vision statement for vote at July 2014 meeting:

*In all our efforts, we will strive to:*

- *Protect the importance of the patient-physician relationship*
- *Promote safe, cost-effective, patient-centered care*
- *Promote physician leadership at all levels of the health care delivery system*
- *Improve the health of our population*
- *Enhance patients’ and caregivers’, experience of care*
- *Promote physician wellness*
- *Minimize administrative burdens of the delivery of health care in order to achieve this vision*

### **NCMS Key Values (Operating Principles):**

*To remain viable, NCMS must:*

- *Focus on our members’ most pressing needs and enable them to lead North Carolina’s health delivery system*
- *Stress the importance of clinical decisions being made by those best trained to do so*
- *Remain flexible during this time of transition in our health care delivery and payment system*

### **Financial:**

- That the NCMS set a GOAL of increasing months in reserve to 24 months. Current policy mandates 12 months of operating costs be held in reserve.
- NCMS deploy cash on hand to retire the building renovation debt in 2015 as recommended by the Quantitative Group.

A **MOTION** was made to retire the debt on the building in 2015 and carried unanimously.

**Membership:**

- Consider the creation of new membership categories that include
  - A large practice membership arrangement
- Consider the creation of a council or group for practice administrators, chief medical officers
  - Leverage existing meetings of practice managers
- Identify and assign key contacts from the Board, Leadership College Alum, and Membership Committee to targeted large practices in the state, each Medical School Dean, Students, and local physician leaders
- Prepare to commit significant (new and/or repurposed) funding for membership marketing and technology to achieve the above

**A MOTION** was made to designate funds of up to \$250,000 in 2015 to accomplish these member goals listed above and carried unanimously.

**Governance:**

- Convene a Task Force to craft recommendation to House of Delegates to sunset in 2016 and to develop a more efficient and inclusive model for governance and policy development. Presenting the recommendation at the 2014 HOD provides members an opportunity for feedback and input to a resolution for the 2015 HOD, adhering to requirements of the Constitution and Bylaws that the issue be considered for one year before final action. The Task Force's work should be initiated as expeditiously as possible.
- The Task Force will be charged with developing a more efficient and inclusive model for governance and policy development:
  - The model should ensure membership has accurate, high-quality presentation of issues.
  - The model should ensure that membership is focused on the most compelling medical issues of the day.
  - The model should be relevant to a new generation of members.
  - The model should be bold and take into consideration the sunseting (or suspension) of the HOD.
- That the process to replace the HOD be transparent to the NCMS membership, with resources devoted to developing a robust communications plan on the recommendation.

**Education:**

- Commit to leadership development and develop a plan to fund educational programs of the KIPL.
- The plan should lead to self-sustainability of KIPL programs.
- Up to \$300,000 of new and/or repurposed sources. Dr. Reeder will work with staff to identify appropriate resources within the 2014 budget and to include in the 2015 budget.

**Advocacy:**

- Clarify areas of focus for legislative agenda.
- Identify issues that are currently being worked on that are inefficient.
- Present recommendations to Board at July 2014 meeting, if possible.

**Next Steps:**

- Recommendations will be incorporated into the Strategic Plan
  - Distributed to Board for review
  - Tactics to achieve will be outlined and assigned
- Staff will begin process of identifying strategies to achieve financial targets outlined above, including:
  - Months in reserve
  - Marketing budget
  - KIPL budget





**MINUTES  
NORTH CAROLINA MEDICAL SOCIETY  
BOARD OF DIRECTORS  
June 3, 2014 – 6:30pm  
Conference Call**

**1. Call to Order**

The Board of Directors conference call was called to order by the President, Devdutta Sangvai, MD, at 6:30pm on Tuesday June 3, 2014.

**2. North Carolina Medical Board Fee Increase**

The purpose of the call was to discuss the Legislative Cabinet's recommendation to support the NCMB recommendation to seek an increase in the physician licensing fee from \$175 to \$250.

Dr. Sangvai reviewed with the Board the background pertaining to the Cabinet's recommendation on the proposed fee increase and then called on Dr. Reynolds (chair of the Legislative Cabinet ) to add any additional comments. Mr. Keene provided an overview of the legislative intent on the proposed fee increase as it pertains to the general day to day operations for the Medical Board and the Board's desire to move into a larger building. The NCMS was assured that none of the licensing fee money would be used for the new building and that the Medical Board would not seek a fee increase for at least ten years.

**MOTION** approved by the Board to support the fee increase as proposed by the NC Medical Board (\$175 to \$250) and that the NCMS would seek some additional revisions to the medical practice act to improve how the Medical Board interacts with physicians.

**3. Adjournment**

There being no other business, Dr. Sangvai adjourned the meeting at 6:58 pm.

**MINUTES**  
**NORTH CAROLINA MEDICAL SOCIETY**  
**BOARD OF DIRECTORS**  
**July 26, 2014**  
**NCMS Headquarters, Raleigh NC**

**1. Call to Order**

Dr. Sangvai called the meeting to order at 8:30 am, welcoming participants and asking for self-introductions.

**2. Approval of Minutes**

A **MOTION** to accept the minutes of the May 16-18, 2014 meeting and June 3, 2014 conference call meeting passed unanimously.

**3. Guest Speaker**

Dr. Sangvai introduced his colleague, David Zaas, MD. Dr. Zaas is a pulmonologist who joined Duke in 2001. He was recently named President of Duke Raleigh Hospital. Comments and Board discussion focused on physician leadership, physician shortages, new models of care, and the role of a physician as an administrator.

**4. Financial/Membership Reports**

Dr. Reeder is out of the country on medical mission work and submitted his report prior to the meeting, which included the following comments.

- As of May 30, nearly 95% of the dues budget has been collected.
- Investment income remains strong and ahead of budget.
- Expenses are tracking close to budget and staff remains vigilant in managing expenses.
- The value of the Society's assets are up significantly due to the improvements to the headquarters building.
- Construction is within budget and scheduled for completion by year's end. After completion of the renovation we have roughly 3,000 total square feet available for lease or use by NCMS.
- The Capital Campaign is ongoing, with \$1,600,000 in commitments.
- Pursuant to Board direction, staff is working with the Quantitative Group to move cash to the investment account.
- Development of the 2015 budget is underway. The Finance Committee meets to review the budget on August 20.

The Board accepted Dr. Reeder's report as information.

## **5. Legislative Cabinet Report**

Dr. Reynolds reported on discussion at the Legislative Cabinet conference call held July 24, 2014 to review current priorities, including:

- Discussion on House and Senate Medicaid reform bills. Physician cuts expected up to five (5) percent. State budget draft expected this weekend.
- NCMS, NCMB and other stakeholders working to implement several changes to the Medical Practice Act. These changes include an increase in the annual fee to allow the NCMB to remain solvent and changes needed within the NC Physicians Health Program (NCPHP).
- NCMS is working with the NC General Assembly (NCGA) to correct/clarify actions taken by the Pattern Jury Instruction Committee that limit the increased burden of proof included in medical malpractice reform legislation enacted in 2011.

## **6. NC Health Information Exchange (NC HIE) Presentation**

The following staff from the NC HIE presented an update on and demonstration of the NC HIE and its value to healthcare providers:

- Chris Scarboro, President, NC Health Information Exchange (NC HIE)
- Patrick Garrett, Quality Assurance Engineer, NC HIE
- Frank Jackson, CIO of the NC HIE and CCNC

## **7. Meeting with Director of NC Division of Public Health**

Mr. Seligson met with Penelope Slade-Sawyer, Director, NCMS Division of Public Health, accompanied by former state health directors Ron Levine, MD, and Leah Devlin, DDS, to discuss current issues and needs of the physician community.

Mr. Seligson reported a positive interaction during the meeting. He reported that the state association of public health directors will be new tenants in the NCMS headquarters building starting in January 2105. This should help facilitate more collaboration with this organization and associated physicians.

## **8. Strategic Plan Update**

Mr. Seligson distributed a summary of the May 2014 Board retreat. Dr. Sangvai remarked that the document is for information only, requesting the Board to review and provide comments. The summary is considered the foundation of a formal document for review and endorsement at the September Board meeting.

Dr. Runge reported on the work of the Advocacy & Governance Task Force. The Task Force was charged with developing a more efficient and inclusive model for governance and policy development.

#### 9. U.S. Senate Debate

Mr. Seligson contacted U.S. Senate candidates Thom Tillis and Senator Kay Hagan's campaign offices about participating in a debate hosted by the NCMS. David Crabtree of WRAL has agreed to moderate. No commitment to date.

#### 10. Role of Board Liaisons to Committees

Discussion on this topic was generated by the State Auditor's concern about NCMS interaction with the Physicians Health Program (NCPHP), which prompted NCMS leadership to request more active liaison between the NCMS Board of Directors and internal and external committees.

Mr. Seligson will work with NCMS President-Elect Dr. Schaaf and staff to appoint committees and task forces for 2015.

Staff circulated a draft of the NCMS Memorandum of Understanding (MOU) for NCPHP to the Board of Directors for review and comment.

#### 11. 2014 Annual Meeting (Oct. 24-25, Grandover Resort, Greensboro)

The annual meeting schedule was adjusted in anticipation of thorough discussion on a proposed new governance structure. Schedule updates will be made and reported to the membership. Board members will submit suggestions on CME or educational sessions to staff.

#### 12. NCMS Policy Review

Dr. Reynolds presented the five-year old policies reviewed by the Legislative Cabinet that will be forwarded to the HOD for reaffirmation. A **MOTION** was passed to revise the following policy:

##### **Fee-for-Service Payment**

RESOLVED, that the North Carolina Medical Society supports ~~preservation of~~ fee-for-service as an appropriate payment method.

Comment: ~~The committee finds that this policy reflects the current NCMS position on this issue.~~

The NCMS is actively engaged in developing and supporting new models of care that include payment based on value and quality measures. While fee-for-service remains a model of payment, other models are encouraged.

A **MOTION** was passed to approve the report as amended and to forward the recommendations to the House of Delegates.

### 13. Status Report of 2013 House of Delegates Actions

The Status Report document was reviewed. There was discussion of Resolution 17 – Medical Student Representation on the NCMS Board of Directors, and the need to fully address medical student needs and representation. The Medical Students Section chair and vice chair will be invited to represent their section at the NCMS specialty society summits and other opportunities as appropriate. The Status Report was accepted as information.

### 14. Medico-Legal Guidelines

The Medico-Legal Guidelines document has been the result of a collaboration of the NCMS and the NC Bar Association for 60 years, providing an opportunity to develop recommended guidelines on how physician and attorneys work together. The most recent guidelines were distributed and reviewed.

A **MOTION** was passed to approve the document as presented.

### 15. Awards

#### a. John Huske Anderson Award

A **MOTION** was passed to recognize Pastor Odell Cleveland and Bob Wineburg, PhD, jointly, with the John Huske Anderson Award for 2014, given to laypersons making significant contributions to health care.

#### b. E. Harvey Estes Physician Community Service Award

A **MOTION** was passed to recognize Michael Brennan, MD, with the E. Harvey Estes Physician Community Service Award for 2014, which provides recognition for the many and varied services rendered by physicians to their communities apart from their practice of medicine.

These award presentations will take place at the NCMS Annual Meeting in October 2014.

### 16. Elected Positions -- Vacancies for Other Organizations

#### a. North Carolina Medical Care Commission

A **MOTION** was made to accept the nomination of Robert E. Schaaf, MD, for re-election to the NC Medical Care Commission which carried unanimously.

#### b. North Carolina Commission for Public Health

There were no vacancies for the North Carolina Commission for Public Health.

**17. AMA Delegation Report**

The Delegation's report from the American Medical Association's (AMA) 2014 Annual Meeting was accepted as information.

**18. Other Business**

A summary of NCMS efforts to promote accountable care models was distributed. Currently, there are 41 organizations supporting the Toward Accountable Care (TAC) Consortium.

**19. Adjournment**

There being no other business, the Board adjourned at 1:45 pm into Executive Session.

**MINUTES**  
**NORTH CAROLINA MEDICAL SOCIETY**  
**BOARD OF DIRECTORS**  
**August 4, 2014 – 7:05pm**  
**Conference Call**

**1. Call to Order**

The NCMS Board of Directors conference call was called to order by the President, Devdutta Sangvai, MD, at 7:05 pm on Monday, August 4, 2014.

**2. United Healthcare**

Dr. Sangvai advised the Board of potential litigation against United HealthCare for discharging several Cumberland County physicians from their Medicare Advantage network before current managed care contracts had expired. Several questions were raised about the contracts.

**CONFIDENTIAL MATERIAL REACTED.**

**3. Adjournment**

There being no further business to come before the Board, the meeting was adjourned at 7:40 pm.

**MINUTES  
NORTH CAROLINA MEDICAL SOCIETY  
BOARD OF DIRECTORS  
September 6, 2014  
NCMS Headquarters, Raleigh NC**

**1. Call to Order**

Dr. Sangvai called the meeting to order at 8:00 am.

**2. Carolinas Center for Medical Excellence**

John R. Mangum, MD, CCME President, was welcomed by the Board to overview the Carolinas Center for Medical Excellence (CCME) and its plans to restructure its organization. Dr. Mangum's request to the Board was for feedback on the changes, asking if these changes would be disruptive to NC physicians.

CCME is a non-profit organization started with the support of the NCMS in the 1980s as Medical Review of NC. The organization began as a peer review organization and invited all NC physicians to be members. In the 1990s, CCME became a Quality Improvement Organization (QIO), expanding beyond Medicare scope of work review to conduct external quality review for southeastern states. Competition from other states' QIOs resulted in changes in CCME contracts, including the loss of NC's QIO contract. Subsequently, CCME has scaled back and reduced its work force.

These events have prompted the organization to consider reorganizing its structure, including changing the Articles of Incorporation to move the organization from a membership organization to a self-perpetuating board model. At its November 5, 2014 Board meeting, changes will be presented to its members for a vote.

A NCMS member has written to the NCMS Board asking that the Board oppose the changes to the CCME, in the interest of medical peer review. The Board discussed the letter and is comfortable that NCMS is addressing the concerns expressed by the member. The NCMS will respond to the letter sent by a member.

There was consensus by the Board that the NCMS and CCME cooperate on the following:

- The NCMS will publicize the CCME's November 5 meeting and the proposed changes in its *Bulletin* newsletter.
- CCME will cite the NCMS Board's support for the proposed changes in its communications to its members.



- CCME will provide the NCMS with copies of CCME's proposed new Articles of Incorporations and its Bylaws so that NCMS leadership and staff can respond to any potential inquiries.

### **3. Recognition of Steve Keene's Service to NCMS**

Dr. Sangvai recognized NCMS Deputy EVP and General Counsel Steve Keene for 20 years of service to the NCMS with a gift certificate and the Board's appreciation.

### **4. NC Medical Board Report**

Paul S. Camnitz, MD, President, and Scott Kirby, MD, Medical Director of the North Carolina Medical Board reported on the activities of the Medical Board. The Board of Directors accepted the report as information.

### **5. Community Care of North Carolina Presentation**

L. Allen Dobson, Jr., MD, CCNC President & CEO, updated the Board on current Community Care of North Carolina (CCNC) issues and priorities, including preparing for the NC Legislature's long session.

Dr. Dobson summarized how CCNC got started and how it has evolved, including strengthening the infrastructure of community care. CCNC has grown from one employee to a strong organization with hundreds of employees. He overviewed the structure of CCNC as a for-profit holding company with a broader mission to enable physicians and communities to improve care, with three subsidiaries, including for-profit and non-profit structures. Their priorities include:

- Maintaining Medicaid program as a provider-based, state-run program
- Enabling multi-payer community based efforts
- Strong governance
- State-of-the-art technology and infrastructure that is flexible
- Taking knowledge and creating revenue to support its mission (by sharing in other states).

Dr. Dobson invited Board members to preview new technologies and CCNC programs and services at CCNC headquarters.

### **6. Approval of Minutes**

A **MOTION** to accept the minutes of the July 24, 2014 and August 6, 2014 meetings passed unanimously.

### **7. Financial/Membership Reports**

Timothy J. Reeder, MD, Secretary-Treasurer, reported the following:

- As of September 5, 100% of the dues budget has been collected.
- Also as of May 31, NCMS has collected 77% of its budgeted revenue overall and has spent 47% of its budgeted expenses. Staff continues to track expenses closely.
- Investment income remains strong and ahead of budget expectations, despite recent fluctuations in the market.
- Per the NCMS Board recommendation at the May strategic planning session, \$1.5M in cash has been transferred to the investment account. Mechanisms are in place to transfer funds back to the operating account when necessary.
- NCMS continues to fund the building renovations for this year using operational revenue. A separate report on the headquarters renovation project will be submitted to the Board of Directors.

The Board accepted the financials as information.

Dr. Reeder reported that the Finance Committee met August 20, 2014 to review and approve a proposed budget for 2015. The proposed budget is balanced with no dues increase. Dr. Reeder reviewed the summary provided with the draft budget. He addressed the Committee's action on the Board's financial recommendations from the May 2014 Strategic Planning meetings. After Board discussion, a **MOTION** was passed to approve the draft 2015 budget and forward it to the NCMS House of Delegates for acceptance.

#### **8. Constitution and Bylaws Committee Report**

Palmer Edwards, MD, Chair, reported on the recommendation of the Constitution and Bylaws Committee regarding the creation of a policy making process for the NCMS that is more responsive and accessible to members than the House of Delegates.

A **MOTION** was approved unanimously to approve C&B recommendations as amended. The report will be forwarded to the House of Delegates as a Report from the Constitution and Bylaws Committee.

The Speaker and Vice Speaker will determine if adjustments should be made to the Annual Meeting and House of Delegates schedule to ensure adequate time for full discussion of the report.

#### **9. Joint Meeting with Specialty Society Organizations**

Dr. Sangvai reviewed the agenda for the afternoon meeting with NC Specialty Society organizations. Dr. Fagg will present the proposed changes to the House of Delegates structure.

#### **10. NC Rheumatology Association Request for Recognition**

A **MOTION** carried unanimously to establish delegate status for the NC Rheumatology Association.

## **11. NC Physicians Health Program (NCPHP)**

Mr. Keene reported that the State Auditor will determine by September 30, 2014 if the Memorandum of Understanding (MOU) has been implemented. The Board complimented staff efforts to develop the document.

There was discussion on strengthening the selection of NCPHP Board appointees. Currently, there are vacancies on the NCPHP Board, with an open 90 day period of recruiting applicants. The NCMS Board recommended that a subgroup interview candidates and make recommendation to the Board for approval.

**A MOTION** carried unanimously to accept the NCMS-PHP Memorandum of Understanding and the criteria for selection for NCHEP board members.

## **12. Strategic Plan**

No action was taken on the NCMS Strategic Plan.

## **13. NCMS Policy Review**

**A MOTION** was made and carried to reaffirm Report X-1998—Endorsement of AMA Statement of Collaborative Intent. There was one dissenting vote.

## **14. Referred Items from 2013 House of Delegates**

- a. Resolution 1-Mental Health and Background Checks for Gun Ownership and Resolution 5-Handgun Laws

**A MOTION** was passed unanimously to approve the recommendation to not adopt Resolution 1 and Resolution 5.

- b. Resolution 8-On Field Testing of All Participants Playing Football Within the State of NC

**A MOTION** was passed unanimously to accept recommendation to not adopt Resolution 8.

- c. Resolution 17- Medical Student Representation on the NCMS Board of Directors

**A MOTION** carried unanimously to not adopt Resolution 17 in lieu of proposed changes.

The Board requested that the NCMS Medical Student Section (MSS) appoint a representative to attend NCMS Board meetings.

## **15. Other Business**

The following reports were accepted as information:

- a. NCMS Building and Property Study Report
- b. Legislative Cabinet Report
- c. Annual Meeting Update
- d. NCMS Foundation Update

Ms. Phelps encouraged the NCMS Board members to attend the NCMS Foundation's November 21-22 Annual Meeting. On November 21<sup>st</sup>, the Community Practitioner Program (CPP) will hold its annual meeting and 25<sup>th</sup> anniversary celebration. Both Boards are invited to attend these events and the Insight Discoveries workshop on November 22<sup>nd</sup>.

## **16. Adjournment**

There being no other business, the Board adjourned at 12:05pm.