REPORT OF THE CHIEF EXECUTIVE OFFICER

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TO: HOUSE OF DELEGATES
TENNESSEE MEDICAL ASSOCIATION

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CHIEF EXECUTIVE OFFICER

This is the report of the chief executive officer of the Tennessee Medical Association (TMA). Details of this report encompass activities and events from May 2018 through April 2019. The highlights of the past 12 months have been the successful culmination of a number of association priorities and an exciting state election year resulting in a number of surprises and opportunities. TMA was successful in its efforts to slow efforts to roll out more waves of episode in the TennCare program; made modifications to the new opioid law to aid physicians and patients, all while the Board of Trustees and staff developed the next chapter of the strategic plan. Efforts are fully underway to work on possible improvements to collaboration regulations with advance practice nurses in light of the lifting of a legislative moratorium we have lived under for the last three legislative sessions.

Finances and membership
Investments – TMA’s investment portfolio has been performing well since the sale of 21st Avenue building in 2017. The market dip in December significantly impacted our valuation at the end of 2018, causing a loss for 2018 on paper. The market has since rebounded and TMA was positioned correctly to recover all the losses from December. Our reserved stand at approximately $3.4 million, roughly one year of operations expenses, a goal set by the finance committee in 2016. Without the market dip, TMA was on budget in 2018 and projects a balanced budget in 2019.

Membership retention continues to be strong with only one significant potential group loss. We were alerted by management at Erlanger Hospital in Chattanooga that it would not be paying memberships for its physicians in 2019. This is approximately 240 members. We have been working intensely to retain every member individually, while continuing efforts to salvage the group agreement.

We welcomed a new all-in group in Pathgroup, a 50+ physician pathology practice headquartered in Brentwood, with physicians practicing mostly in mid-state locations.

For 2019, we have added 284 new regular members and 389 student and resident members. We continue to work with leadership at Ballad Health in the Tricities, as its formation has had significant impact on the physicians and membership in those markets over the last several years.

Programs and Events
Day on the Hill – We witnessed the largest attendance ever for our annual Day on the Hill. More than 350 members, managers and staff made the trip to Capitol Hill in March to visit with lawmakers.

Opioid education has been a headlining event for TMA since 2010. With the changes in opioid laws and effort by the State to centralize all opioid education, the Board reconsidered options for future education efforts on opioid prescribing. TMA has re-examined its approach to and investment in
continuing medical education as part of the strategic plan. With new laws, rules and regulations
affecting patient care with opioids, TMA will continue offering its opioid-related prescribing content
in a convenient and cost-effective format for members. We continue to work with Dr. Michael Baron
with the TMF, Dr. Mitch Mutter and Dr. David Reagan with the Department of Health, to collaborate
on outreach to physicians state wide. Between our educational efforts and changes to opioid
prescribing laws, Tennessee has experienced a 21.3% reduction in opioid prescriptions by the end of
2017 (from 2013). Unfortunately, we continue to see overdose deaths rise as at the hands of illicit
drug use and the rapid growth in use of heroin and fentanyl.

Through the Tennessee Foundation for Quality Patient Healthcare, a 501(c)(3) subsidiary of TMA, we
completed a physician engagement pilot project with a hospital in Middle Tennessee. The project goal
was to align ICU clinical staff and achieve significant results on specific quality metrics. The project
was funded by a grant from The Physicians Foundation. The project helped significantly improve the
facility quality metrics. The future goal is for TMA to use the systematic approach of engaging
physicians in facility quality goals to achieve outcomes and reimbursement improvement for other
Tennessee health systems and create value in membership to aid in recruitment.

TMA leaders have engaged representatives of the Pharmaceutical Research and Manufacturers of
America (PhRMA) to explore ways to address the high cost of prescription drugs. We will continue
advocating for more transparency and consistency in the market. The Board approved a proposal to
create an advisory council to allow TMA to engage pharmaceutical companies more directly about
issues such as price transparency and supply chain issues and work on ways to address high
prescription drug costs.

After 39 years, TMA is overhauling its annual Insurance Workshops each fall. The new format will be
a collaboration between TMA and the insurance companies to offer members opportunities to work
directly with plan representatives on claims issues during a day-long symposium that will also offer
additional education classes and exhibit hall with other various vendors offering patient focused
services. The Tennessee Healthcare Symposium will be October 8-11, 2019 in Memphis, Nashville,
Knoxville and Chattanooga.

Operations and Staffing
New education direction – In October 2018, the Board of Trustees made a decision to redirect TMA’s
educational focus. For a number of years, the TMA has worked to re-establish its accreditation as a
provider of continuing medical education with the American Council for Continuing Medical Education
(ACCME). Plans to expand CME offerings and provide CME to other medical organizations and medical
specialty societies had not reached a desirable level. The revenues generated were falling as costs
continued to rise. The new direction is to maintain TMA’s CME accreditation and focus on providing
accredited material to members on information that TMA is uniquely qualified to provide content -
mostly education on laws and regulations impacting the practice of medicine in Tennessee. With this
change, TMA has discontinued its Trimed conference in the fall and will seek to deliver content to
members through online and select live events.

TMA Insurance Agency - In the fall of 2017, TMA Physician Services board of directors voted to
terminate a long-standing partnership with an insurance agency in Chattanooga. This became final in
April 2019. TMA Physician Service was 50% owners of the TMA Association Insurance Agency Inc and
as such, had diminishing abilities to seek opportunities to partner with other entities to deliver varied
and advantageous products to members. TMA Physicians Services received an equitable buyout of its
position in the Agency. This distribution will be used to pay off standing debt to TMA for administrative
costs and serve as seed money to launch new offerings for members.

_Tennessee Medicine_ – 2018 saw the wind down of the Journal of the Tennessee Medical Association,
our scientific journal. The Journal was the primary portion of the print publication distributed to
members for many years. In recent years, the Journal was moved to an online platform, allowing TMA
to receive, edit and publish submissions in a timelier manner. The number of submissions received
has diminished greatly over the last few years and those from TMA members were the vast minority.
The Board elected in October 2018 to cease operation of the Journal and continue _Tennessee
Medicine_ as the primary print news piece of the association, with a design change in 2019. Dr. David
Gerkin has served a medical editor of the Journal since 2002. His dedication and service to the
profession of medicine in Tennessee is truly remarkable and much appreciated by the Board of
Trustees and the membership who have supported his work over those years through readership.

Staffing – With the changes in education came a change in staffing and a reduction of one full-time
staff member with the primary duties of growing education content and promoting CME services. We
also had a departure of our events coordinator. Both of these positions were not filled. One of our
two specialty society managers, Angela Allen, moved out of state at the end of 2018. We conducted
a job search for a suitable replacement in coordination with the societies under management and
hired Christine Lenihan in January 2019. Christine is from the Washington, DC area and has worked in
the association industry for a number of years.

Initiatives and Issues Management

Independent Practice for advanced practice nurses

- TMA is participating in a coalition of physician organizations advocating for physician-led,
team-based healthcare delivery models in Tennessee. The coalition is looking for ways to
improve collaborative practice through laws, rules and regulations and enhance access to
safe, quality medical care for all Tennesseans. The coalition consists of physician leaders from
the state’s largest medical specialty societies. Dr. Elise Dennen, TMA President-Elect, has
shepherded the group for the last two meetings. The steering committee members are Drs.
Chris Young for Anesthesia, Hunter Butler for Pediatrics, Tracy Doering and Kevin Smith for
Internal Medicine, and Ty Webb for Family Practice.

Opioids

- The Board has kept efforts to combat misuse and abuse of opioids as a top priority for the last
two years. TMA’s efforts and ongoing role the continuation of programs to educate members
on new state laws that took effect July 1 limiting how much doctors can prescribe.
- TMA’s website hosts a vast collection of resources for members at tnmed.org/opioids.
  - TMA helped develop regulations for penalties for improper opioid prescribing.
  - TMA has led the way on prescriber education, important public policies and other
    initiatives to combat Tennessee’s opioid abuse epidemic.
  - We negotiated improvements to Governor Haslam’s Tennessee Together bills in 2018
    and developed proprietary resources to educate members on strict new state laws
    limiting how much doctors can prescribe.
  - Tennessee has passed more than 18 statutes since 2012 regulating how providers
    prescribe opioids. This market over-correction has pushed the epidemic into law
    enforcement and treatment and left some patients unable to get needed medication.
We have made progress in reducing initial supply of prescription drugs – a 23% decline since 2013 – but illicit narcotics like heroin and fentanyl have risen to fill the void.

TMA successfully advocated for legislation in 2019 to adequately fund mental health and substance abuse treatment to reduce the recidivism rate in the private and corrections populations.

Episodes of Care and Value-based reimbursement
TMA was successful in its efforts to pause the episodes of care rollout and concentrate on improving episodes already in place. The win came after four years of TMA advocacy on episodes of care, but our work is not finished. We will continue to engage state officials and the new administration on payment reform alternatives. tnmed.org/episodes

Balance Billing
TMA has worked to deflect numerous proposals that would have eliminated the ability of many physicians to bill for out-of-network services when performed at ‘in network’ facilities. TMA continues to work for reasonable solutions to “surprise medical bills” that is fair to physicians, facilities and patients. Legislation filed in 2019 has been postponed until next year.

Graduate Medical Education (GME)
While this issue was not on our legislative priority list at the end of 2018, it has been on TMA’s radar for many years. The amount of investment made by the State in graduate medical education has not been increased in over 20 years. The appeal has been made to the last two administrations to no avail. In 2019, it appears our pitch has landed on sympathetic ears and the Governor’s budget for 2020 includes a $3 million increase to be used for GME. This will result in 100 more Tennessee residency slots in time to be used for primary care.

Tort reform - there was an Appellate court ruling in 2018 that may impact our present tort laws. The ruling challenges the constitutionality of punitive damages in tort cases. Another case challenges the constitutionality of limits on non-economic damage awards.

TMA filed a friend of the court, or amicus brief, in the Sparks case. The case involved a physician’s assistant who was disciplined for writing prescriptions when the supervising physician did not have a DEA number. There are no standing rules for such instances. The reason that TMA engaged in this case was to protect our members that may face similar actions or accountability for breaking rules that do not exist.

Tennessee Elections - With one-third of the seats in the General Assembly turning over this past election cycle, TMA was actively engaged in many state-wide campaigns. Early in the general election, TMA had engaged the Bill Lee team to discuss his views on healthcare, challenges for Tennessee as he sees them, and offer TMA to help counsel if he was elected. Dr. Lisa Piercey, a TMA member in West Tennessee, was selected as Commissioner of Health.

IMPACT assisted winners in 28 of 29 primary races.
Saw very favorable committee assignments in both the House and Senate
Nominated new members to the board of medical examiners to replace Drs. Subhi Ali and Michael Zanolli.
Visited new members of the Tennessee congressional delegation in February.

TMA Strategic Plan
The Board of Trustees has spent the past several months developing its strategic direction for the next four years. Every four years, leadership invests significant time to consider TMA’s current standing and the challenges ahead for the Association and the practice of medicine in our state. TMA must adapt to keep pace with changes in healthcare and ensure the association’s continued relevance and solvency.

- TMA’s clear strength and competitive edge is **advocacy**. We will reinforce that identity through every facet of operations.
- We will continue working to improve our **communications**, differentiating TMA with a compelling value proposition in an increasingly competitive and fragmented market.
- We will become a more **diverse** organization by recruiting and engaging leaders who better represent Tennessee’s medical community (age, gender, ethnicity, specialty and practice environment) and will drive the organization in the future.
- We will **reexamine and renovate our structure** to eliminate redundancies and avoid internal competition.
- We will **strengthen relationships with state-level specialty organizations**.

**Looking ahead**

**Scope battles, rethinking health care in Tennessee, Telehealth**

For the last 25 years, physicians have been in constant defensive mode to confront non-physicians seeking to expand their scope of practice and encroach on the practice of medicine. Next year marks the end of a moratorium with the nursing organizations surrounding their efforts to practice independent of physician supervision. While TMA is working in the coalition to try and find common ground with the nurses to avoid a legislative battle, we anticipate that there will be legislation filed. There are also a number of other health professionals that will follow suit, mainly the physician assistants, optometrists and physical therapists.

The main issue being used in arguments to increase the ability of other health professionals to treat patients is the fact that fewer physicians are remaining in primary care. It will be critical that TMA rethink rules and regulations between physicians and other medical providers to increase everyone’s capacities to treat patients everywhere in our state, yet maintain a safe, effective, and efficient patient environment. We need to invest a considerable amount of resources to ensure that the expanded use of telemedicine and remote health services actually serve patients and extend the capabilities of physicians in an established doctor-patient relationship.

**Value Based Reimbursements Episodes**

While we were successful in stopping the onslaught of new episodes of care, we need to remain vigilant and proactive regarding value-based reimbursements. Our current lawmakers seem reluctant to continue down the pathway with the TennCare episodes project. We anticipate that TMA will be asked the tough question “if not Episodes, then what?” Reimbursement for services based on the efficacy and outcomes is becoming deeply engrained in the healthcare delivery system. The challenge ahead is defining quality and efficiency unilaterally so patients know what to expect and physicians know what to expect to get paid.

**Funding of TMA activities**

For a number of years, I have reported the need for TMA to develop alternative, recurring revenue streams and the need to reduce its heavy reliance on voluntary membership dues from individuals. Currently membership dues make up more than 60% of TMA’s operating budget. The challenge we face is that the association’s desire to help all physicians seeking our assistance costs more than the revenues generated from dues. TMA needs to sign up more new members, receive reimbursement
from other organizations or better prioritize the work done for the dollars paid. TMA has some 4,400 physicians that pay annual membership dues. When we can double this number, we may be able to change this conversation. Left to their own decision, most physicians will neither elect to join or reject membership. We need leaders in medical practices in all areas of the state to promote that organized medicine in Tennessee is important, has tangible value, needs to be supported, and sign the entire group up as members. If TMA is as effective as it is with 4,400 physicians, just think what 8,800 physicians could accomplish!

Engaging younger physicians

In 2012, I reported to leadership that TMA would soon suffer from boomer-itis. At that time, I believed that the baby boom generation would reach retirement age and decided to leave the workforce en masse, just as those in other industries. While I had the threat correct, how that is playing out is very different. The boomer physician are selling their practices or transitioning in their roles out of patient care. They are becoming employees, but remaining in the workplace. The impact on TMA is that these practice leaders are no longer in a position to recruit new, young partners and espouse the virtues of organized medicine (read ‘pay for membership’). Now we are faced with losing the boomers AND the new-to-practice physicians and we must act now.

TMA has completed some research work with employed physicians, employers of physicians, and young(er) physicians. Most data returns the same feedback—what are you doing for ME?

The virtue of what organized medicine has done and continues to do for the profession is not the question. Most recognize and appreciate all the good done for them. But that does not translate into the payment of dues year after year. TMA needs to engage in activities and issues today that matter to younger physicians, younger physicians need to engage in the community of medicine and invest in the profession, TMA needs to accept new members on the physicians’ terms (they join voluntarily and more often are not the ones paying for membership.)

Conclusion

It is a great privilege to work for such an astute and revered profession and an honor to carry out that work alongside my fellow staff members. The accomplishments reported here are not possible without their diligence and dedication and the road ahead will be much smoother with their help and professionalism.

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