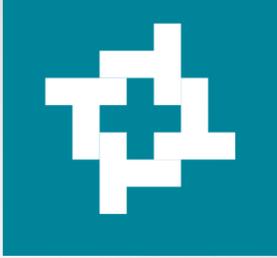
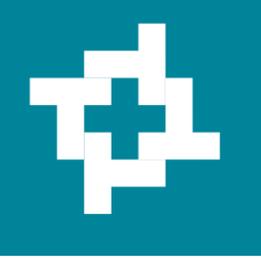


2016 ANNUAL REPORT





YEAR IN REVIEW



John W. Hale Jr., MD
Union City Family Physician
TMA President 2015-2016



Keith G. Anderson, MD
Memphis Cardiologist
TMA President 2016-2017

It is natural to assess each year through a 12-month lens. We take a snapshot of what was accomplished, evaluate how we performed against our goals, and set new goals and expectations for the coming year.

In looking at 2016, we can look at another increase in membership as one important measurable. The numbers indicate that, despite near constant change and uncertainty in healthcare, organized medicine is still very much relevant for Tennessee doctors. TMA has the largest number of members on record in 12 years.

We can look at full classes in our leadership training programs and see growing numbers of physicians embracing the value of professional development outside their clinical areas of practice.

We can point to payment reform resources and TMA's new Group Health Program as investments that directly address market needs in ways no other professional membership organization can or will.

We can grade our advocacy efforts as more defense than offense, protecting medical liability reforms and fending off scope of practice changes and other competing interests that pose unnecessary risks for doctors and patients.

But if we zoom further out and consider the bigger picture, we might see how 2016 was also an important year in strategically positioning our state medical association for the longer term.

TMA is adapting, for example, to changing practice environments and a changing member base. As more physicians choose to work in employed models, we are better equipped to serve them alongside the independent doctors who in different ways have depended on TMA for more than 180 years.

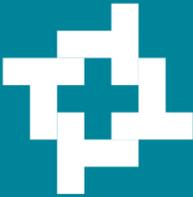
That sort of longevity is not sustainable without vision. The House of Delegates showed foresight when it approved the first membership dues increase in 13 years, as did the Board of Trustees in selling the TMA building in Nashville. After 25 years in the same location, we are moving our staff operations to a smaller workspace that better suits our needs and, most importantly, bolsters our financial solvency for the next 25 years.

Perhaps the most encouraging trend of 2016: Not only do we have more members than in recent years, but more members are engaging in TMA programs and services. We increased attendance at our annual Day on the Hill for the second straight year, filled the calendar for Doctor of the Day, and grew our grassroots network to hundreds of participating physicians. We need your active participation to help shape the future of our profession.

Let's celebrate the progress we made this past year and keep our focus forward as we work to improve healthcare in Tennessee.

Thank you for your membership and support.





MORE GAINS IN MEMBERSHIP

The importance of membership to TMA cannot be overstated. Recruiting and retaining physician members not only yields a healthier association in a financial sense, but it also gives organized medicine a greater platform and voice across our state.

Building upon its 2015 successes, TMA added 445 members in 2016 – the highest increase on record – for a total of nearly 9,000, while netting **the most dues-paying members since 2005.**

TMA staff developed a value proposition showing the tangible return on investment of membership dollars, and **pinpointed strategies** to appeal to diverse audiences – employed physicians, large groups, small groups, independent practices, rural physicians, residents and students. TMA also worked closely with local medical societies and physician leaders to coordinate recruitment efforts across the state, particularly among large groups.

Another area of focus was recruiting **employed physicians.** Staff gathered market feedback in a series of focus groups and used it to create messaging and marketing materials for employed physicians and hospital administrators. Outreach to employed physicians and visits to top employers remains a priority for 2017 and beyond.

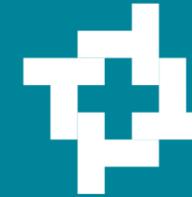
TMA refreshed its marketing library in 2016. The “ONE membership you need” became the **new marketing theme**, appealing to physicians with multiple societies vying for their membership dollars.

Unveiling a new membership campaign meant retiring its predecessor. The “BIG” campaign enjoyed a highly successful run that coincided with large membership gains. In July, TMA’s membership team was recognized with an award from the American Association of Medical Society Executives (AAMSE). Last year, it was honored with an Award of Excellence from the Tennessee Society of Association Executives (TNSAE). **More than 1,000 new members joined TMA since the “BIG” campaign was introduced in 2014.**

tnmed.org/membership



ALL-IN GROUPS



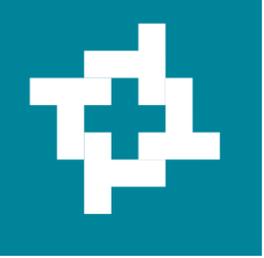
Abercrombie Radiological Consultants
 Adams Patterson Gynecology & Obstetrics
 Allergy Asthma and Sinus Center
 American Anesthesiology
 Anderson Rahman Dermatology
 Anesthesia Medical Group (PhyMed Management LLC)
 Anesthesiology Consultants Exchange
 Appalachian Neurological Clinic
 Arthritis Associates
 Associatied Orthopedics of Kingsport
 Associates in Diagnostic Radiology
 Associates in Oncology & Hematology
 Associates in Plastic Surgery
 Baptist Medical Group
 Baptist Memorial Healthcare
 Beacon Health Alliance
 Blount Memorial Physicians Group
 Bristol Anesthesia Services
 Campbell Clinic Orthopaedics
 Center for Sports Medicine & Orthopaedics
 Chattanooga Allergy Clinic
 Chattanooga Center for Women
 Chattanooga Ear Nose & Throat Associates
 Chattanooga Emergency Medicine
 Chattanooga Eye Institute
 Chattanooga Heart Institute
 Chattanooga Neurology Associates
 Chattanooga Skin & Cancer Clinic
 Chattanooga Women’s Specialists
 CHI Memorial Health Partners
 Clinica Medicos
 Consolidated Medical Practices of Memphis, PLLC
 Consultants in Pain Management
 Core Physicians
 Dermatology Associates of Kingsport
 Dermatology Associates of Knoxville
 Diagnostic Cardiology Group
 Diagnostic Pathology Services
 Drs. Davenport and Davenport, Elizabethton
 Ear Nose and Throat Consultants of East Tennessee
 Ear, Nose and Throat Group, Inc.
 East Memphis Orthopedic Group
 East Ridge Eye Center
 East Tennessee Spine and Ortho of Morristown
 East Tennessee Vascular Center, Morristown
 Erlanger Health System Physician Groups
 Fenyves and Fry
 Fertility Center of Chattanooga
 Galen Medical Group

Gastroenterology Associates of Chattanooga
 Goodlettsville Pediatrics PC
 Greeneville Orthopaedic Clinic
 Greeneville Pediatric Clinic
 Greeneville Surgical Associates
 Hamblen Anesthesia
 Hamblen Pediatric
 Hamilton Eye Institute
 Hayes Hand Center
 Head and Neck Specialties
 Heritage Medical Associates
 Infectious Disease Physicians of Chattanooga
 Inpatient Physicians of the Mid-South
 Jackson Pathology Group
 Jackson Surgical Associates
 Jefferson Family Physicians
 Johnson City OB/GYN Associates
 Knoxville Pediatric Associates PC
 Knoxville Radiology Group
 Lakeway Dermatology Associates
 Lakeway Anesthesia
 Lakeway Ear, Nose and Throat
 McDonald Murrmann Women’s Clinic
 Medical Anesthesia Group
 Memphis Dermatology Clinic
 Memphis Pathology Group
 Memphis Surgery Associates
 Methodist Healthcare
 Michael W. Goodman & Associates
 Mid-South Ear, Nose & Throat
 Mid-South Imaging & Therapeutics
 Mid-South Surgical Associates
 Morristown Heart Consultants
 Morristown Regional Eye Center
 Mountain Empire Eye Physicians
 Mountain Empire Neurological Associates
 MSK Group

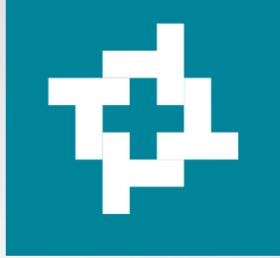
- Memphis Orthopaedic Group
- OrthoMemphis
- Tabor Orthopedics

 Nashville Fertility Center
 Nashville Gastrointestinal Specialists Inc.
 Nashville Oncology Associates
 Nashville Surgical Associates
 Nephrology Associates (Nashville)
 Nephrology Associates (Chattanooga)
 New Life Center for Bariatric Surgery
 OB/GYN Center of Excellence
 OrthoKnox
 Pain Consultants of East Tennessee
 Pain Medicine Associates

Pediatric Anesthesiologists, P.A.
 Phillips Healthcare Group, Talbott
 Plastic Surgery Center of Nashville PLLC
 Plastic Surgery Group of Memphis
 Plaza Urology
 Pomerance Eye Center
 Premier Surgical Associates PLLC
 Primary Care Associates, Talbott
 Psychiatric Associates of Kingsport
 Saint Thomas Medical Partners – Breast Surgery
 Seal & Lawrence
 Semmes-Murphey Clinic
 Shea Clinic
 Siskin Spine and Rehab Specialists
 Southeastern Retina Associates
 Southeastern Retina Associates PC – Knoxville
 Southern Oncology Inc.
 Southern Surgical Arts
 Specialists in Pain Management
 Specialty Surgeons PC
 Spine Surgery Associates
 State of Franklin Healthcare Associates PLLC
 Summit Medical Group Healthcare Services
 Surgical Associates of Kingsport
 Susong Dermatology
 Sycamore Shoals Primary Care
 Takoma Medical Associates
 Tennessee Interventional & Imaging Associates
 Tennessee Oncology
 Tennessee Orthopaedic Alliance
 Tennessee Reproductive Medicine
 The Colorectal Center
 The ID Group
 The Plastic Surgery Group
 The Skin Wellness Center
 The Surgical Clinic
 The Urology Group, PC
 Tranquility Sleep Specialists PLC
 Tri-Cities Skin and Cancer
 University General Surgeons
 University Oncology & Hematology Associates
 University Surgical Associates
 Urology Associates, PC
 Vigilance Anesthesia, Elizabethton
 Vista Radiology
 VRF Eye Specialty Group
 Wellmont CVA
 Wesley and Klippenstein PC
 Wesley Neurology Clinic
 Women’s Center of Greeneville



A VOICE FOR DOCTORS IN THE GENERAL ASSEMBLY



TMA made progress on a number of legislative priorities in 2016, passing two priority bills and coming within five votes of passing another.

The first-of-its-kind Healthcare Provider Stability Act came as close as it has ever come to passage, narrowly missing a conference committee report approval on the final day of session. The bill would have **limited how often insurance companies can change fee schedules and payment policies/methodologies** and required more transparency when such changes are made. The bill will be a priority again for TMA during the 2017 legislative session, and Senate sponsor Bo Watson has vowed to support it.

The association's **in-office dispensing bill passed** 89-0 in the State House of Representatives and 31-0 in the State Senate. The bill cleans up language in existing law allowing physician practices with in-office dispensaries to continue to dispense controlled substances.

Another bill establishing an enforcement mechanism for **regulating workers' compensation silent PPOs** was also approved unanimously with a vote of 90-0 in the House and 32-0 in the Senate.

A TMA-sponsored bill that would have implemented a team-based healthcare model with doctors as team leaders was taken off notice in favor of a legislative task force to study access to healthcare and provide recommendations about advanced practice nurse scope of practice. Read more about the Scope of Practice Task Force on page 8.

tnmed.org/legislative

Grassroots Efforts

Grassroots participation was vibrant among physician members, with more than 300 people from across Tennessee gathering at the state capitol in March to advocate for better healthcare policies during TMA's annual Day on the Hill.

tnmed.org/dayonthehill

Doctor of the Day

More than 15 TMA members also served as Legislative Doctor of the Day or Resident Doctor of the Day throughout the 2016 legislative session, observing the legislature at work and interacting directly with lawmakers.

tnmed.org/doctoroftheday

IMPACT

IMPACT, the non-partisan political action committee established by TMA, contributed \$126,000 to champions of medicine running for elected office in 2016 and spent \$10,000 on independent expenditures for pro-medicine candidates.

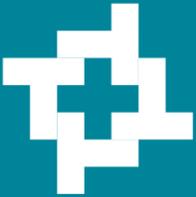
IMPACT supported candidates in 91 elections, and 98 percent of supported candidates won their races. Successful candidates included all five physician legislators in the Tennessee General Assembly up for re-election:

- Senator Steve Dickerson, MD (R-Nashville)
- Senator Joey Hensley, MD (R-Hohenwald)
- Senator Mark Green, MD (R-Clarksville)
- Representative Sabi Kumar, MD (R-Springfield)
- Representative Bryan Terry, MD (R-Murfreesboro)

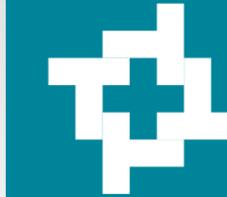
A number of fundraisers were hosted during the 2016 election season. IMPACT, the Memphis Medical Society and the Nashville Academy of Medicine hosted fundraisers for Senator Steve Dickerson (R-Nashville) and IMPACT and the Chattanooga-Hamilton County Medical Society hosted a fundraiser for Senator Bo Watson (R-Hixson).

tnimpact.com





NO TO NURSE INDEPENDENT PRACTICE



TMA Holds the Line on Team-Based Healthcare Delivery

A small segment of advance practice nurses, mostly academicians, again in 2016 tried to push legislation through the Tennessee General Assembly that would have given APRNs the legal authority to practice independently, without any physician oversight.

TMA fought the legislation, offering lawmakers an alternative bill that would provide an updated framework for collaborative, team-based healthcare delivery.

While APRNs argued that independent practice would be a remedy for primary care shortages in rural areas of the state, TMA raised broader concerns about too much autonomy jeopardizing patient safety and quality of care. The best solution, said TMA physicians, is collaborative care agreements that draw upon the strengths of each team member and enable all providers to practice to the extent of their education, training and experience.

Proponents of independent practice pulled their bill in favor of another bill that created a scope of practice task force. The law called for an equally balanced group of advance practice nurse and physician representatives to further explore scope of practice issues during the summer, develop viable solutions and make a recommendation to the legislature for consideration in 2017. TMA supported the task force bill as a potential avenue for compromise.

After several meetings, presentations and a barrage of email correspondence, however, the task force did not produce a consensus proposal for lawmakers to consider on scope of practice or access to care. It was clear from the beginning that certain task force members would not be satisfied with anything other than nurse independent practice. The task force will make a few suggestions for legislators to consider in the 2017 session, including increasing funding for enforcing physician supervision rules.

TMA will continue advocating for policies that improve and strengthen interprofessional relationships, not weaken them, and help ensure Tennessee's physician oversight structure is working as intended.



Read more about TMA's vision for physician-led, team-based healthcare at tnmed.org/teambasedcare.

Physician Representation on Scope of Practice Task Force

TMA recommended several physicians to serve on Sen. Becky Massey's task force in 2016 and is grateful to these members for their participation.

- **John Daniel, DO** – internist in Johnson City and former nurse practitioner
- **John Hale, MD** – family physician in Union City, TMA President 2015-2016, co-chair of scope of practice task force
- **Joey Hensley, MD** – family physician in Hohenwald and member of the Tennessee Senate
- **Ken Moore, MD** – Mayor of the City of Franklin, Tenn.
- **Manish Sethi, MD** – orthopedist in Nashville
- **Nita W. Shumaker, MD** – pediatrician in Chattanooga, TMA President-Elect 2016-2017
- **Jeff Stevens, MD** – family physician in Knoxville
- **Jerome Thompson, MD** – ENT specialist in Memphis and chair of TMA Membership Committee

What is nurse independent practice?

Also called “full practice authority,” independent practice gives nurses the legal authority to treat and diagnose patients, prescribe medication, order tests, manage chronic illnesses and deliver other healthcare services, including those currently reserved for physicians, without physician supervision, oversight or collaboration. Tennessee is one of 33 states requiring physician supervision.

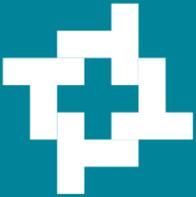
Key Legislators on Scope of Practice Task Force

While the physician-to-nurse ratio on the task force was intentionally even, three out of the four legislators who participated leaned heavily toward APRNs.

- **Sen. Joey Hensley, MD** (R – Hohenwald) – one of six physician legislators in the General Assembly, Sen. Hensley stands firmly opposed to nurse independent practice
- **Sen. Becky Massey** (R – Knoxville) – Senate sponsor of nurse independent practice and task force bills
- **Rep. Jeremy Faison** (R – Cosby) – House sponsor of task force bill and previous nurse independent practice bills
- **Rep. Joanne Favors** (D – Chattanooga) – retired nurse and key supporter of APRN efforts toward independent practice

Practice of Medicine ≠ Practice of Nursing

The debate over independent practice in Tennessee has been mischaracterized as a plea from APRNs to practice to the full extent of their education and training. The fact is they are already doing that; current state laws do not prevent APRNs from performing APRN duties. Proponents of independent practice want to practice beyond the extent of their education and training and have license to do what physicians do, without going through medical school, residency training, etc.



Tennessee physicians play an extremely important role in public health matters. As the state's largest professional organization for doctors, TMA takes positions on many of these issues and is proud to serve as an expert resource for lawmakers, regulators, patients and many other organizations.

Reducing Substance Abuse

TMA for years has led efforts to combat Tennessee's prescription drug abuse epidemic and in 2016 continued by dedicating one quarterly issue of Tennessee Medicine magazine to the topic. TMA also trained more than 900 healthcare providers through online and live sessions with its proprietary, accredited Continuing Medical Education course, "Prescribing Practices in Tennessee: What Happened and Where We Are Headed." **TMA has provided training on proper prescribing of controlled substances to more than 5,100 Tennessee prescribers since 2012.**

End of Life Care

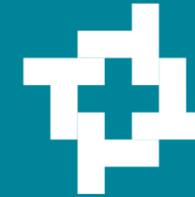
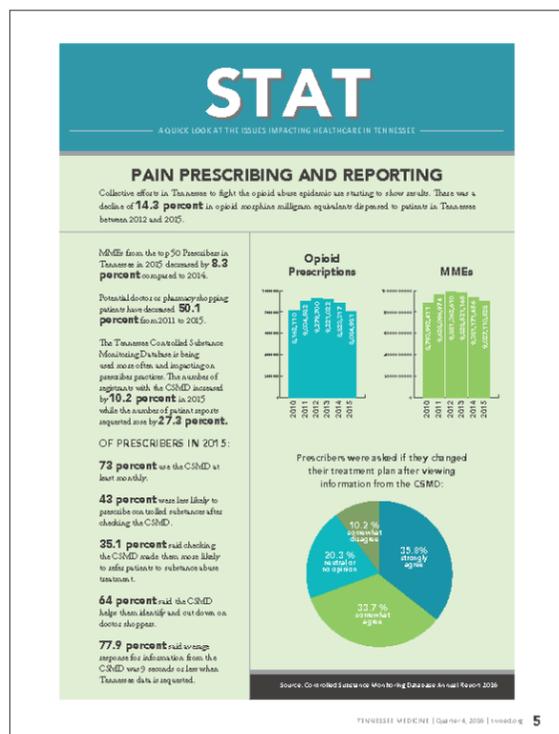
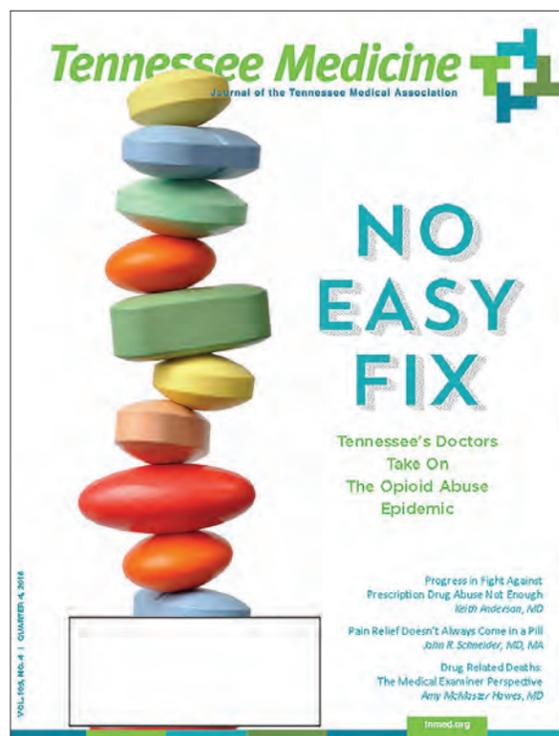
TMA stayed actively involved in statewide education efforts to help terminally ill patients and their families access quality end of life care. Physicians and other healthcare providers have a responsibility to help patients and their families make informed medical decisions that can improve their quality of life.

Preventive care

TMA affirmed existing policies by continuing to support access to safe, quality, affordable medical care through a mixed public-private solution, such as the one proposed by Gov. Bill Haslam.

TMA also supported the establishment of a maternal mortality review in Tennessee to monitor maternal deaths and made recommendations for system changes to improve healthcare services to women.

tnmed.org/publichealth



TMA's advocacy team worked in 2016 to protect healthcare liability reforms, defend Tennessee doctors against an unfair Medicaid audit and recoupment, fight against narrow health insurance networks and prevent big insurance from becoming more dominant by opposing proposed national health insurance mergers.

Healthcare Liability Reforms

Caps on non-economic damages in civil cases, including medical liability cases, have helped to stabilize Tennessee medical liability premiums in recent years, but the constitutionality of those caps has been challenged in court. TMA is part of a coalition seeking to preserve the caps by filing briefs in court cases where they are challenged and continually monitoring related activity in legislature.

TMA, the American Medical Association and other coalition members filed an amicus curiae brief in support of the caps in the case *Lindenberg v. Jackson National Life Insurance Company*, and a federal district court upheld the limits when considering the case in September.

Medicaid Primary Rate Bump Audit

Since 2015, TMA has advocated with state and federal legislators, TennCare representatives and directly with the Centers for Medicare & Medicaid Services to change the methodology used in an audit of a Medicaid primary care rate bump that unfairly affected hundreds of Tennessee physicians.

Work continued in 2016, as TMA's efforts helped exclude 130 physicians from recoupments because they were audited erroneously, and another 150 exclusions based on the TennCare Bureau reconsideration process. Hundreds of physicians, particularly in rural and high-TennCare volume areas, received recoupment letters saying they didn't meet certain criteria for the rate bump and would be required to repay tens or even hundreds of thousands of dollars.

TMA is still working to stop recoupments on behalf of the more than 100 physicians still on the recoupment list, including the filing of an amicus curiae brief and financially supporting a consolidated federal lawsuit.

Health Plan Network Adequacy

The proliferation of "narrow networks" in the insurance industry can erode the vital doctor-patient relationship, delay patient care, and even eliminate coverage for certain services. TMA continually monitors market trends at the state and federal level and meets regularly with state officials and payers to promote adequate physician networks in major health plans. TMA also worked with the State Commissioner of Commerce and Insurance toward legislation based on a modified National Association of Insurance Commissioners' model bill to address state standards for network adequacy.

Health Plan Mergers

TMA has been an active voice against two proposed mergers between some of the largest U.S. health plans. Proposed mergers between Aetna and Humana and Anthem and Cigna would lead to an unprecedented lack of competition and reduce physician negotiating power with major health plans, leading to lower reimbursement, a decrease in patient choice and an increase in administrative hassles.

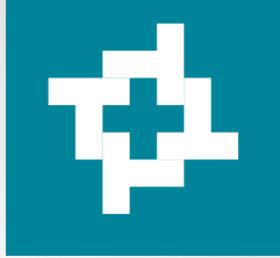
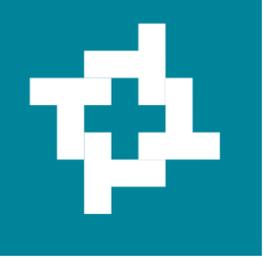
TMA submitted a letter of opposition to the DOJ and the Tennessee Attorney General in February, and in July the DOJ announced a lawsuit to block both mergers, and the Antitrust Division of the Tennessee Attorney General's Office filed suit to block the Anthem-Cigna merger.

Patients for Fair Compensation

For the second consecutive year, Atlanta-based Patients for Fair Compensation pushed legislation in the Tennessee General Assembly that would have shifted physician liability cases from the civil court system to a government-run administrative system, similar to workers' compensation. TMA, in partnership with SVMIC, opposed the legislation, successfully arguing that it would adversely affect our healthcare system without any guaranteed benefits.

The legislature chose to defer the bill, but TMA expects the issue to resurface in 2017 and again threaten Tennessee's favorable medical liability climate.

tnmed.org/advocacy



SUPPORTING MEMBERS IN THE BUSINESS OF MEDICINE

The TMA Group Health Insurance Plan launched in 2016 to help members curb annual health insurance costs. The product is an alternative to traditional employee health insurance and is initially designed for medical practices and healthcare organizations with 100 or more employees.

Several large group practices signed on as early adopters in 2016. Enrollees should realize substantial savings as momentum builds in 2017 and more groups participate in the captive health insurance program.

A Physician Services Advisory Panel was also established to provide recommendations for business partners, critique potential partners and provide insight into vendor arrangements that will benefit TMA. Members are being recruited to join the panel in 2017 to help shape the way TMA assists physicians with the business of medicine.

More practices took advantage of opportunities to save time and money by utilizing TMA's member benefits. Physician members and their practice staff have access to a variety of professional products and services at discounted pricing.

tnmed.org/marketplace

TMA Physician Services directs TMA's for-profit relationships and helps protect TMA's not-for-profit status. Revenues earned help in operations and keep dues lower.



TMA THANKS THESE GENEROUS CORPORATE PARTNERS FOR THEIR SUPPORT IN 2016

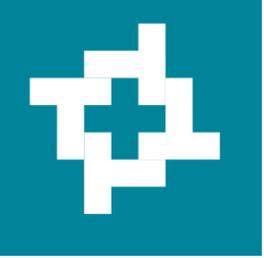


USING TODAY'S TECHNOLOGY FOR BUSINESS FORM PRODUCTS IN THE HEALTHCARE INDUSTRY



PHYSICIANS EXECUTIVE MBA PROGRAM





FORGING AND STRENGTHENING INTERPROFESSIONAL RELATIONSHIPS

TMA throughout its history has been a statewide broker for healthcare collaboration, bringing like-minded organizations together to work on issues ranging from medical education to public health to advocacy.

In 2016, physician members voluntarily serving on the TMA Professional Relations committee continued efforts to maintain regular dialogue with Tennessee's medical specialty societies, and promote TMA's role in the fight against prescription drug abuse. The committee's work primarily focused, however, on two initiatives.

End of Life Care

TMA is among several organizations participating in an Advance Directives Outreach Steering Committee spearheaded by the Tennessee Commission on Aging & Disability. Dr. James Powers, TMA member and Director of the Vanderbilt-Reynolds Geriatrics Education Center in Nashville, represented TMA on the workgroup in 2016.

The purpose of the Steering Committee is to increase general awareness of advance directives among Tennesseans. It has operated with financial support from TMA and many others and is pursuing 501(c)(3) status to allow it to apply for and receive additional grant funding. Plans to launch a statewide public education campaign in early 2017 coincide with National Healthcare Decisions Day in April.

Drug Shortage Task Force

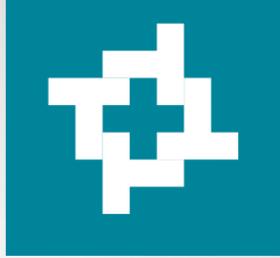
House of Delegates Resolution 8-15 calls for TMA to work with the Tennessee Department of Health, Tennessee Pharmacists Association, Tennessee Hospital Association and other pertinent stakeholders to develop strategies to mitigate drug shortages, including a potential state database or notification system for providers.

Drs. Walter Fletcher (Martin), Bobo Tanner (Nashville) and Chris Young (Chattanooga), who sponsored the resolution, represented TMA in a series of preliminary meetings with TPA and THA. With THA's help, the task force aims to collect pertinent data from hospitals in 2017, narrow its focus and ultimately develop a mechanism that proactively notifies Tennessee providers of current and impending drug shortages.



Dr. James Powers

TMA member and Director of the Vanderbilt-Reynolds Geriatrics Education Center in Nashville



HELPING PHYSICIANS BECOME BETTER DOCTORS

In 2016 TMA provided more than 30 hours of CME in one location for doctors at MedTenn16 in Murfreesboro, guided physicians and medical staff through state and federal payment reform, provided updates on insurance changes and trained healthcare providers in proper prescribing to help fight against a still-raging opioid abuse epidemic.

TMA also began offering joint provider CME accreditation services for non-accredited providers. The move is a continuation of a multi-year effort for TMA to enhance its accreditation status with the Accreditation Council for Continuing Medical Education. It allows TMA to help partner organizations provide more CME training to doctors and other healthcare professionals at a reasonable cost, and create a new stream of revenue for the organization.

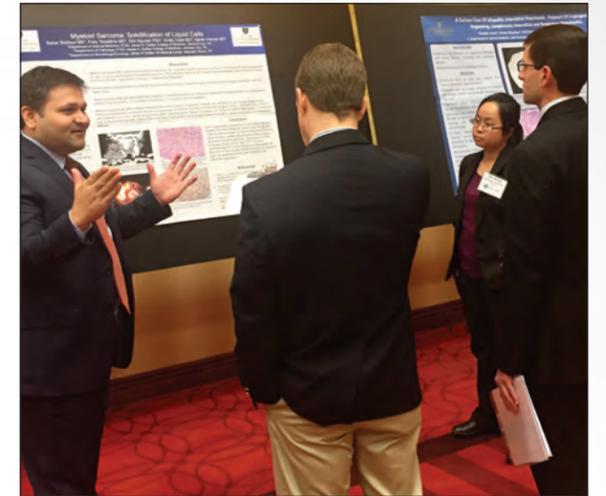
After the Board of Trustees voted to separate the TMA annual meeting and House of Delegates from medical education activities, staff began laying the groundwork for a statewide medical education conference in partnership with other state specialty organizations. The TriMED healthcare education summit will take place in fall 2017 in Nashville.

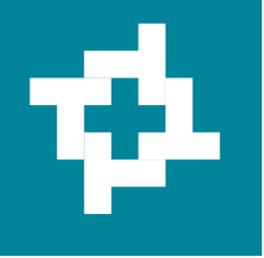
MedTenn16

More than 300 physicians, medical practice managers and other healthcare professionals came to Murfreesboro April 28-May 1 for TMA's annual medical conference.

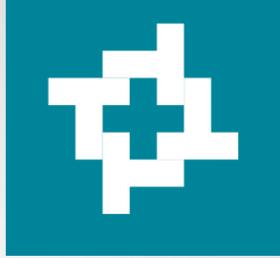
TMA offered 32.25 hours of CME during MedTenn16 on general topics such as physician burnout, telemedicine, physician-assisted suicide and payment reform, to narrower courses by medical specialty.

One of the highlights of the conference was the updated two-hour course on proper prescribing and pain management.





HELPING PHYSICIANS BECOME BETTER DOCTORS (CONT.)



Proper Prescribing and Pain Management

TMA unveiled its new course, "Prescribing Practices in Tennessee: What Happened and Where We Are Headed," during MedTenn16 and made the course available online and in live presentations for large groups. The proprietary, accredited CME course meets the Board of Medical Examiners' requirement of two CME hours of prescribing training and is one of the many ways TMA is working to combat the state's opioid abuse epidemic.

Content for 2016 included updates to Tennessee's Chronic Pain Guidelines, a new section on medical marijuana, new definitions, laws and regulatory changes affecting chronic pain management and new statistics on Tennessee's prescription drug abuse problem.

In the first 10 months of 2016, TMA had trained more than 900 healthcare providers on prescribing through both online and live sessions. TMA has provided training on proper prescribing of controlled substances to more than 5,100 Tennessee prescribers since 2012.

tnmed.org/prescribing



Payment Reform

Educating doctors and other healthcare professionals about new value-based reimbursement models at the state and federal level remains a priority for TMA. The 2016 CME Summer Roadshow series "Dollars and Sense: Understanding State and Federal Healthcare Payment Reform" was a reflection of that commitment.

TMA delivered training sessions to 160 people in five cities across the state in July and August, covering topics including MACRA, MIPS, Episodes of Care and Patient-Centered Medical Homes. Participants earned 5.5 hours of CME as part of the program.

Healthcare Innovations Consultant Jacqueline R. Woeppel, ScD, provided guidance throughout the year for practices trying to understand and use provider episode reports, evaluate problems with report data and advocate with the state government and health plans for improvements to the Tennessee Health Care Innovation Initiative.

tnmed.org/paymentreform

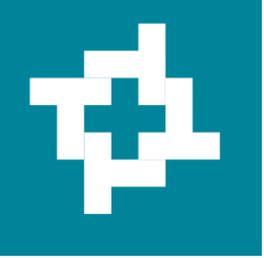


Insurance Workshops

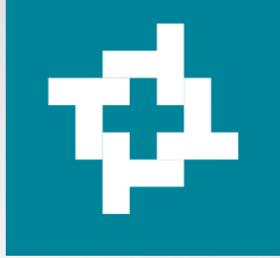
Nearly 600 people attended TMA's 36th Annual Insurance Workshops, where attendees had an opportunity to interact directly with representatives from the state's government payers and largest health insurance companies.

Representatives from Amerigroup, BlueCross/BlueShield Tennessee, the Bureau of TennCare, Cahaba GBA, Cigna/CignaHealthspring, Humana and UnitedHealthcare presented updates on claim filing, prior authorizations, policy changes and more. Participants earned 6 CEUS for participating.





GROOMING TOMORROW'S PHYSICIAN LEADERS



Cultivating physician leaders is important not only for the long-term effectiveness of TMA's volunteer governance but also for the future of the profession. Recognizing its unique position as a nonprofit organization, TMA advanced new leadership training programs in 2016 to give more young doctors both foundational leadership skills and training to specifically help them lead in an emerging team-based care environment.

TMA operates the **John Ingram Institute for Physician Leadership** in partnership with the Tennessee Medical Education Fund, underwriting 80 percent of the costs for physicians to participate.

In 2016, the Institute graduated 30 physician members, including the first class from the Physician Leadership Lab and second class from the Leadership Immersion Program. Five of the physicians took part in both leadership training programs during the course of the year. Graduates were honored at a ceremony in Nashville on July 15.

TMA collaborated with Cookeville Regional Medical Center to offer specialized leadership training locally. Classes began at the hospital in December and will continue through July 2017. Participants will earn 60 CME hours learning how to lead healthcare delivery teams, collaborate with peers and administrators and deliver better outcomes in a team-based care environment. TMA hopes to replicate the CRMC model as a scalable, convenient, and cost-effective method of delivering physician leadership training on a hospital or health system campus.

Physician Leadership Lab

The 20 physicians who graduated from the first Physician Leadership Lab earned 27 hours of CME and certification in Healthcare Change Management. As part of the multi-month program, all participants planned and executed an improvement project in their own practices, working to improve speed and efficiency of patient discharges, facilitate communication between practice physicians, improve patient wait times and much more.

Classes for the 2017 Physician Leadership Lab will run from January through July.



Leadership Immersion Program

TMA's foundational leadership training course, the Leadership Immersion Program, graduated 10 students in 2016. Participants earned 24 CME hours in just four days, studying conflict resolution, negotiation, medical advocacy, media and communications and much more.

The next Leadership Immersion Program kicks off in July 2017.

tnmed.org/leadership



Leadership Immersion Program Graduates

- Julia Arana** – pediatric hospitalist, Knoxville
- Michael Beckham** – internal medicine, Hermitage *
- John Binhlam** – dermatology, Brentwood *
- Justin Calvert** – interventional radiology, Chattanooga *
- Kristin Farr** – pediatrics/emergency medicine, Knoxville
- Lee Fentriss** – internal medicine, Nashville
- Shelley Fiscus** – pediatrics, Franklin
- Annette Kyzer** – obstetrics/gynecology, Nashville *
- Veronica Murphy** – child and adolescent psychiatry, Memphis
- Chetan Shah** – internal medicine, Hixson *

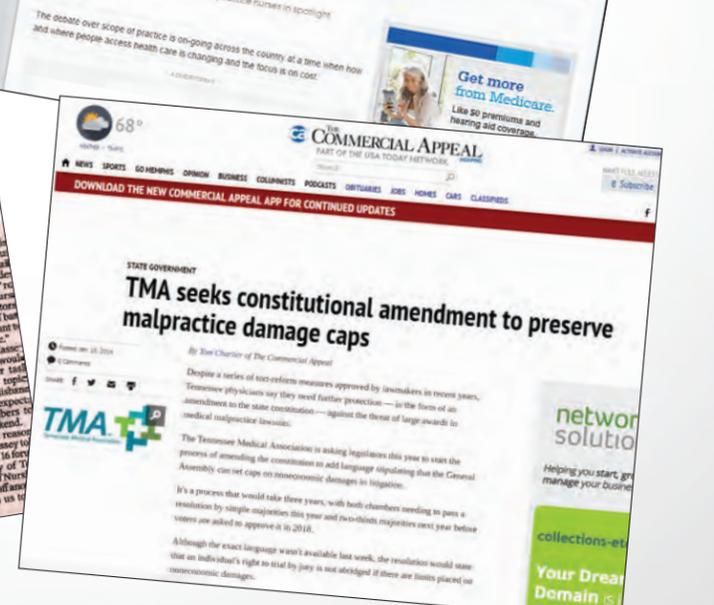
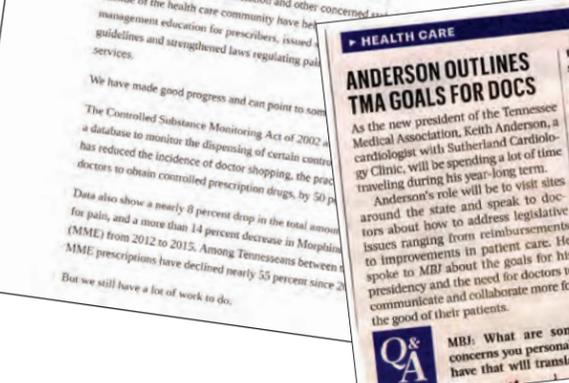
Physician Leadership Lab Graduates

- Peter Banez** – internal medicine, Jackson
- Michael Beckham** – internal medicine, Hermitage *
- John Binhlam** – dermatology, Brentwood *
- Justin Calvert** – interventional radiology, Chattanooga *
- Jamie Cates** – family practice, Cookeville
- David Dahl** – anesthesiology/pain management, Johnson City
- Natalie Dickson** – oncology, Nashville
- Roger Dmochowski** – urology, Nashville
- Jacob Dowden** – hepatobiliary/general surgery, Chattanooga
- Brian Fowler** – ophthalmic plastic and reconstructive surgery, Memphis
- Jonathan Hughes** – anesthesiology, Bristol
- Annette Kyzer** – obstetrics/gynecology, Nashville *
- Jesus Lemus Parada** – general practice, Huntingdon
- Mechelle Taylor Moragne** – primary care, Jackson
- Seenu Reddy** – CTS surgery, cardiothoracic, Nashville
- Craig Saunders** – orthopedic surgery, Sparta
- Chetan Shah** – internal medicine, Hixson *
- Jeshenna Watkins** – obstetrics/gynecology, Memphis
- Benny Weksler** – thoracic surgery, Memphis
- Theresa Woodard** – internal medicine, Brownsville

*completed both leadership courses

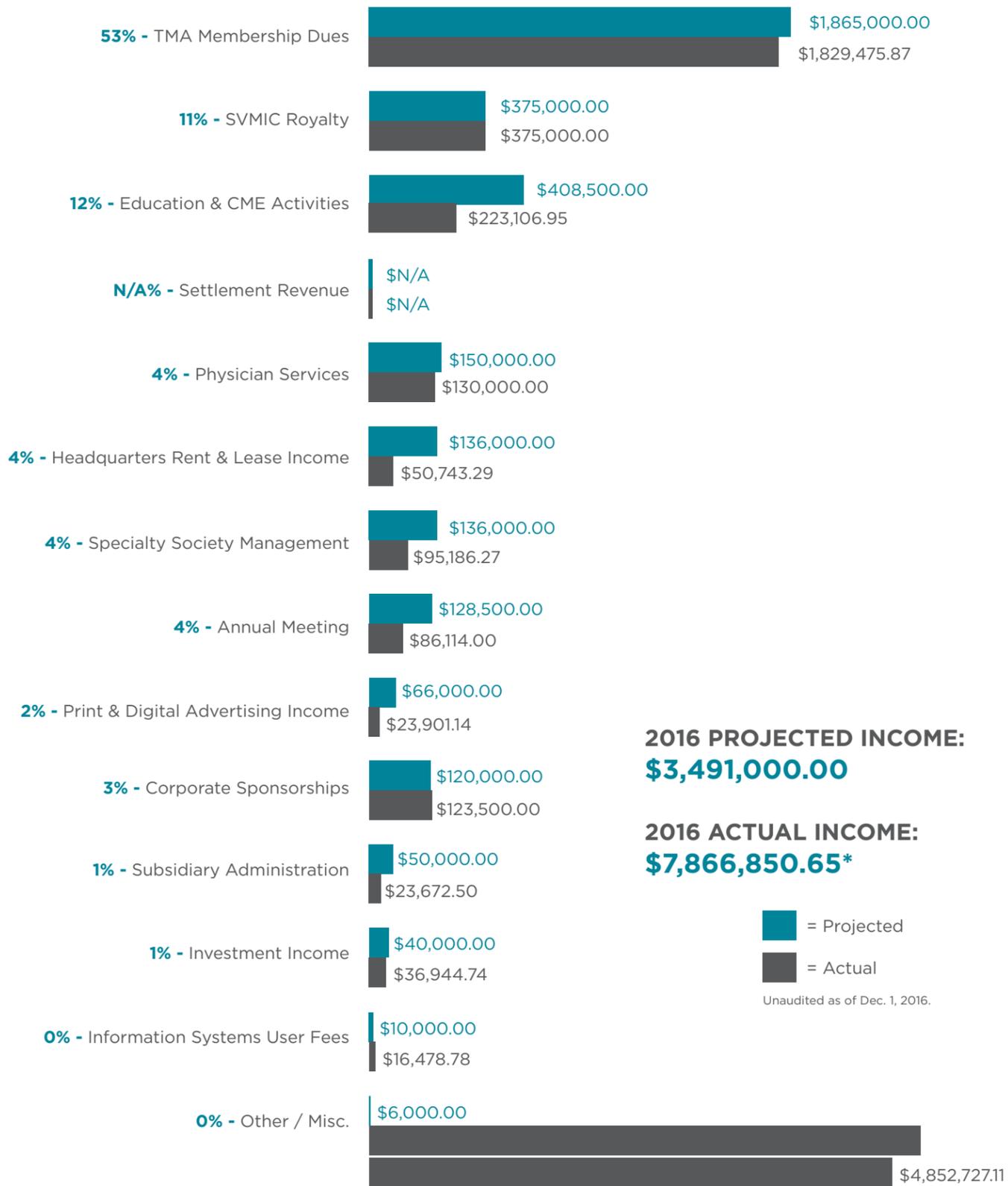
TMA IN THE NEWS

TMA made news headlines in publications across the state in 2016 in areas including advocacy, education and public health. This public exposure helped to raise the profile of the organization and expound on issues important to members and raise public awareness on critical issues such as neonatal abstinence syndrome, prescription drug abuse, healthcare payment reform and more.





2016 FINANCIAL OVERVIEW



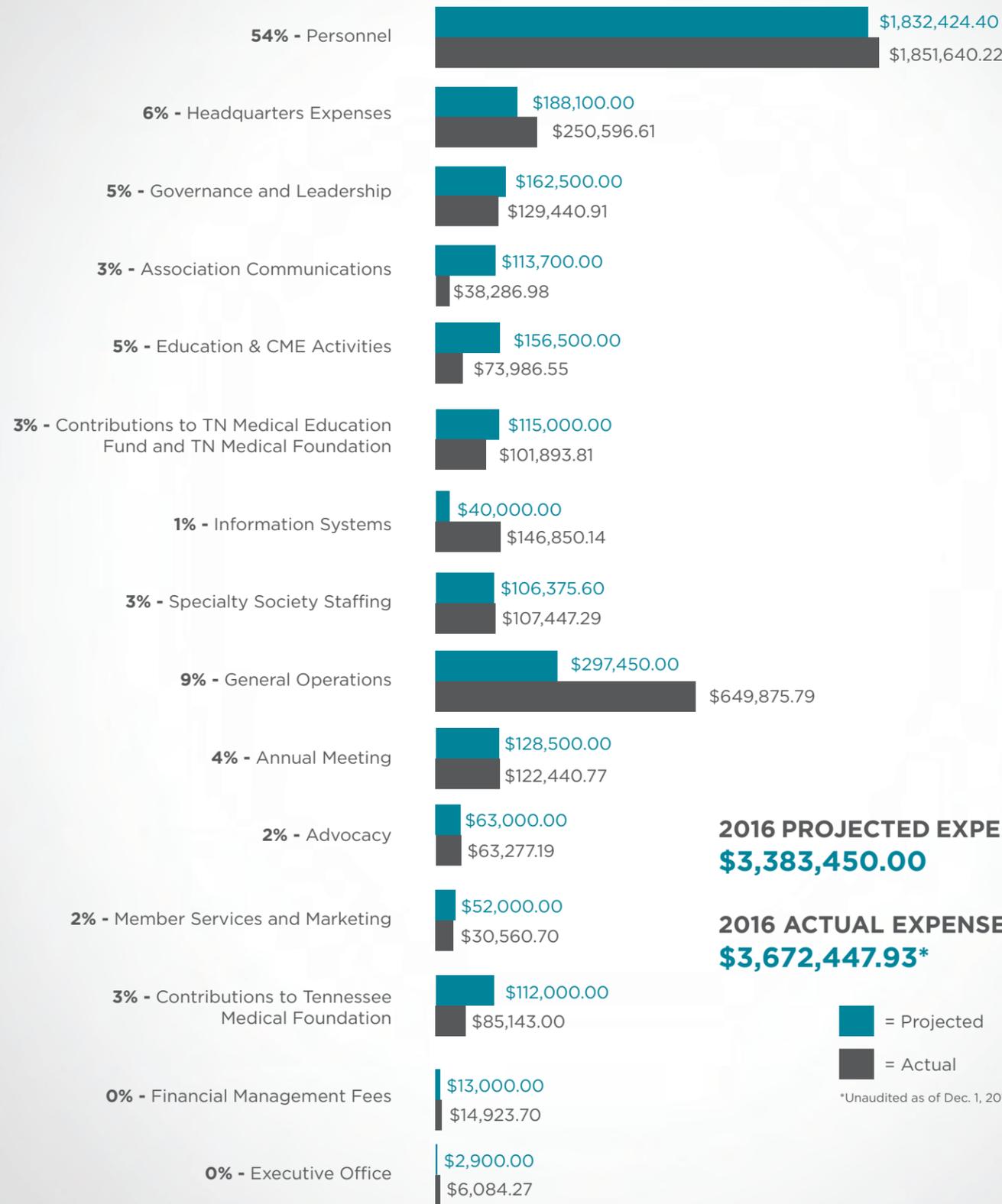
**2016 PROJECTED INCOME:
\$3,491,000.00**

**2016 ACTUAL INCOME:
\$7,866,850.65***

■ = Projected
■ = Actual

Unaudited as of Dec. 1, 2016.

*Includes net proceeds from sale of building.



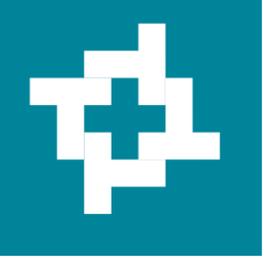
**2016 PROJECTED EXPENSES:
\$3,383,450.00**

**2016 ACTUAL EXPENSES:
\$3,672,447.93***

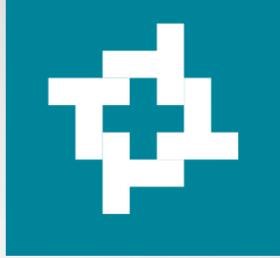
■ = Projected
■ = Actual

*Unaudited as of Dec. 1, 2016.

*Includes anticipated building sale expenses, repayment of aging debts and loans.



END OF AN ERA



TMA has called the three-story building on the corner of 21st Avenue South and Ashwood Avenue in Nashville home for a quarter century.

During that period, the centrally-located structure saw more than 100 Board meetings, 25 presidents, three CEOs, dozens of staff changes and countless watershed healthcare events at the state and federal levels.

It has also been the site of dramatic changes in the way TMA carries out its mission on a day-to-day basis. Technology, for instance, has in a variety of ways reduced TMA's need for physical office space. The once-comfortable building is by today's standards inefficient and poorly designed for the number of employees and type of work needed to deliver programs and services to TMA members.

The Board of Trustees recognized the excess commercial space, began discussing options in 2015 and voted in 2016 to sell the building, capitalize on a booming Middle Tennessee real estate market and use the proceeds to keep TMA on sound financial footing.

The sale closed in September and the purchase of a new headquarters location closed in January. Relocation plans are underway for a building in Nashville's Melrose neighborhood on 8th Avenue South, which will place the headquarters in a prime location with easy access to the interstate and downtown. Staff will remain at the former TMA building through a short-term lease agreement with the new owner until moving to the new location in mid-2017.





HOUSE OF DELEGATES

Notable Policies

TMA's House of Delegates debated a wide range of topics during its annual meeting in April, passing resolutions on opioid abuse and neonatal abstinence syndrome, TennCare audits, graduate medical education and medical spa registration, among many others.

The House of Delegates approved 16 resolutions in 2016.

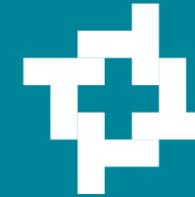
- Addressing the opioid abuse epidemic was a pressing issue for members of the House of Delegates. Resolutions were approved to address opioid abuse. One (10-16) calls for TMA to explore methods of encouraging birth control use among women who are prescribed opiates. A second resolution (13-16) requires TMA to advocate for increased funding for education, prevention and treatment programs for pregnant women addicted to opiates and other illicit drugs, and for comprehensive medical oversight for treatment of polysubstance-addicted pregnant women.
- Resolution 4-16 calls for continued advocacy for Tennessee physicians subject to audits and recoupments of Medicare rate bumps, including asking the American Medical Association to assist with advocacy on the federal level. The Tennessee AMA delegation introduced and passed a resolution at the AMA House of Delegates in June making the conduct of the audits contrary to AMA policy. The AMA will advocate for a change in the definition of primary care practitioner for the purpose of the audits.
- Resolution 8-16 calls for TMA to lobby for increased graduate medical education funding on the state and federal level.
- A resolution to revise the state's medical spa registry application was also approved during the annual meeting. Resolution 9-16 calls for a new application to include the number of hours of supervision, the number of hours a medical director must spend on site, and the percentage of ownership by medical directors. It also calls for public access to the medical director's average hours of supervision and number of hours on site.

- The House of Delegates also approved a dues increase for members starting with an increase of \$25 in 2017 (Resolution 3-16). Dues will be raised an additional \$10 per year for the following five years, bringing TMA dues to \$560 by 2022. The House of Delegates last raised dues in 2003.
- Other resolutions dealt with disaster preparedness, prevention of misleading healthcare representation, protection of minors from the hazards of tanning lamps and sterile compounding.

See the full list of final actions of the 2016 House of Delegates and find more information about the 2017 annual meeting at tnmed.org/hod.



LOOKING AHEAD



There were a few curveballs thrown TMA's way in 2016 – first, a decision to sell the present TMA headquarters building and second, a presidential election surprise. Both of these events give us a great deal of opportunity in 2017.

The Board of Trustees made a bold, but wise, decision to sell the TMA building in Nashville and “right size” the work space for operations. The proceeds will give TMA a firm financial foundation to carry out work for TMA members into the future. Profits from the sale are being used to purchase a new office space with a smaller price tag with the balance of proceeds being kept in reserve to generate returns to aid in operations. The net effect of the transaction was a sizeable return on real estate investment for the membership and a boost in member equity.

A change in the White House and the controlling political party creates an opportunity (if handled correctly) to reform the reforms within our healthcare system. As the nation anticipates the swearing in of a new president with new ideas and focus, we have been active at TMA preparing our positions and making contacts to let lawmakers at the state and federal levels know where TMA physicians stand on current policy, what needs to stay and what needs to be replaced.

The Affordable Care Act contains many provisions that benefit our patients, but those come at a cost – both in financial terms and in convenience. We have seen a tremendous increase in coverage and people with health insurance, but we see premiums continue to rise rapidly for many and provider networks narrow. The dream of the triple aim seems illusive at this point, and compromises will have to be made.

The turmoil created by the election will obviously be an important issue in 2017. Our focus will be on the implementation of what comes down from Washington at the state level. Our priority state-level issues are continuing discussions about health manpower and physician-led, team-based care; the opioid abuse epidemic; balance billing; health plan network adequacy and payer accountability.

We are excited about early successes with our new group captive health insurance program and the opportunities afforded by separating education from the House of Delegates to create a fall education convention. The new arrangement will allow TMA to work more closely with all its members and medical specialty societies across the state.

We are also honored to receive another grant from The Physicians Foundation to support a pilot project to create valuable services to physician employers. By helping to improve collaboration and appreciation for the business side of employment and a real ROI for employers, those employers will support organized medicine for the employed physicians.

To our members, I want you to be proud of your professional staff and the work they do to improve the lives and careers of almost 9,000 Tennessee physicians and the patients you all serve. We come to work every day focused on the needs of our members. I hope you find some peace and comfort knowing that as we face a new year and new challenges together.



Russ Miller, CAE
Chief Executive Officer

