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Introduction

Strategic Program Analysis involves an assessment of both current and potential programs in three dimensions:

1. **Program Attractiveness**: Factors contributing to judgments about whether the program is attractive to the organization as a basis for current and future resource deployment.
2. **Competitive Position**: Factors contributing to judgments about whether the organization is in a strong position to support the program.
3. **Alternative Coverage**: The extent to which other organizations can, or may be positioned to serve the same clients through similar programs.

The approach is based on three assumptions:

1. There are more opportunities to respond to member needs, wants and expectations than there are resources to meet those expectations.
2. Given the need for resources, the organization generally should not directly duplicate the services of other organizations.
3. Focus is important. Providing mediocre or low quality programs in many areas is inferior to providing higher quality programs in response to a set of focused interests.

MSMS leaders gathered on September 12 and 13, 2016 to discuss six programs offered by MSMS. They reviewed background papers prepared by the staff and discussed strategies for moving forward. The appendix includes the complete background paper for each of the programs.
### MSMS Current Program Portfolio

#### PROGRAM ATTRACTIVENESS

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<td>I \ Aggressive Competition</td>
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#### ALTERNATIVE COVERAGE

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**Program Strategy**

**Program: PO Council**

- Program Attractiveness – HIGH
- Competitive Position – WEAK
- Alternative Coverage – LOW

**Generic Strategy:** Build Strength or Sell Out

**Recommended Program Strategy:** Build Strength

**Key Challenges**
This is a new program with little history. Developing a clear understanding of the audience needs is critical, particularly those POs not currently participating. Current PO members are competitors but understand the need to come together. Current participants know they need to understand the common environment so they can compete against each other (like a trade association).

**Organizational Implications**
There may be an organizational conflict between PO (group) and individual members. Who does MSMS represent? They are customers of the subsidiary. Individual physicians may (or may not) be members. There was a decision to charge a significant fee to gain strong investment. There are 30 – 40 engaged POs.
Program: Membership Recruitment and Retention

- Program Attractiveness – HIGH
- Competitive Position – WEAK
- Alternative Coverage – LOW

**Generic Strategy:** Build Strength or Sell Out

**Recommended Program Strategy:** Re-Organize Membership structure and Participation Options

**Key Challenges**
- Competition (multiple specialty societies)
- Physician’s abandoning small group and individual practices
- Free rider benefits (advocacy)
- Limited time with physicians due to their schedules and pressures.
- Translation issue (helping physicians/practices understand what MSMS benefits exactly are – uplifts example for PCP) – how can we get lawmakers to give us credit

**Organizational Implications**
- Declining revenue decreases the resources available to do the necessary work
- Need to communicate the ROI of membership in real dollar terms
- The need to communicate the effectiveness of MSMS’s work.

Program: Board of Directors

**Generic Strategy:** The nature of this activity does not lend itself to the structure of this analysis. The following is a summary of the background and discussion.

**Key Challenges**
The appropriate size of the board is an ongoing question. The essential measure is the existence of a diversity of perspectives. Changes in the physician demographic cause many board seats that were filled by mid-career physicians to be filled by late-career physicians. Seats are currently filled geographically – the only set criteria. Should it shift to perspective balance rather than geographic representation? There is also a significant, $500,000 subsidy.

**Strengths of the board:**
- Diversity of practice specialty, geography, academic, clinical, demographic. Geography is the only guaranteed.
- Clear decision-making between house meetings.
- Ideologically wide perspective
- Understands the balance of powers – input vs. decision-making
Room for improvement:

- Board’s inability to vote in the house
- Dual policy making ability between the board and house
- Clarity of responsibility to support the organization (recruitment expectations, etc)
- Not many PO leaders at the table
- The board has shifted from 25 members to 45 to its current membership of 35.
- A greater number of decision-makers and/or physicians in leadership positions should serve on the board.

The organization needs the following from the board:

- A wide variety of perspectives.
- Direction
- Oversight
- Budget

**Organizational Implications to any changes:** Relationship with membership structure.

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**Program: House of Delegates**

**Generic Strategy:** The nature of this activity does not lend itself to the structure of this analysis. The following is a summary of the background and discussion.

**Strengths:**

- Highly dedicated group of people – there is pride in participation.
- It is a place for clear process.
- It has provided a backstop on some issues and a buffer to provide time and patience.
- It maintains a focus on public health and patient centered issues.
- Leadership identification has been a strong part of the history of the HoD.
- Participation builds a strong sense of community

**Challenges:**

- Not representative of the broad physician community
- Students are disproportionately represented based upon limits to other participants
- Concentrated and time intensive places limits on broad participation.
- Aging in multiple ways.
- Declining participation
- Limited perspectives due to a lack of diversity
- There is a high cost for the quality of the outcomes
- Resolutions do not always reflect the needs of the association or focus time on issues that need discussion. Inability to submit resolutions by staff and board create barriers to this type of focus.

**Organizational Implications:** There is a need to focus on critical issues to all physicians with input from broad perspectives.
Program: AMA Delegation

- Program Attractiveness – LOW
- Competitive Position – STRONG
- Alternative Coverage – LOW

**Generic Strategy:** Soul of the Organization

**Recommended Program Strategy:** Soul of the Organization. It is necessary to send representatives to the AMA HoD but MSMS should look at ways to decrease the cost including sending as few as one delegate to represent all 22 votes.

**Key Challenges**
- Cost

**Organizational Implications**
- Funds and time may be better spent on other programs

Program: County Medical Societies

- Program Attractiveness – LOW
- Competitive Position – WEAK
- Alternative Coverage – HIGH

**Generic Strategy:** Orderly Divestment

**Recommended Program Strategy:** Build Strength or Sell Out

There should be a transition to a new regional / county structure more closely aligned with current physician practice systems. MSMS should establish a new set of accountability standards for the chartered organizations. This would also commit MSMS to work with those who need to adjust and adapt to the new standards. Local connections to members are critical to the organization. The value of the investment needs to be clear.

**Key Challenges:**

There is a strong connection between large groups and one county in particular and based upon the strengths of strong counties. This is not true of others. It is not clear that geographic representation is critical to governance and planning for the organization. Divestment may be received poorly by stronger counties.

**Organizational Implications:**

Significant changes to the historic structure which may create resistance to many in leadership. There needs to be a “replacement” to maintain strong connections and build a new structure. Leadership
development opportunities will need to be adjusted and adapted. There may need to be tools for local, employed physicians. Need to continue to allow for success of those counties that are currently successful.

**Program: Medical Student Section**

- Program Attractiveness – HIGH
- Competitive Position – WEAK
- Alternative Coverage – HIGH

**Generic Strategy:** Orderly Divestment

**Recommended Program Strategy:** Build Strength of Sell Out

The program strategy might be soul of the organization since there may be more value for other states than Michigan itself.

**Key Challenges:**

Resources are utilized to send students to the AMA House of Delegates. There is a significant challenge connecting with students who are likely to stay in Michigan. Most students practice outside of Michigan. The program needs to identify and provide value to students most likely to remain in Michigan. Students are most likely to connect with and join AMSA.

**Organizational Implications:**

Integrating medical students, potential future MSMS members, has been a significant challenge for state medical societies for decades. There are clear trade-offs to increasing student engagement, particularly those who might be identified as remaining in Michigan. It is clear from the discussion that a strategy beyond subsidizing participation in the AMA HoD should be identified.

**Program: Other Sections**

- Program Attractiveness – HIGH
- Competitive Position – WEAK
- Alternative Coverage – HIGH

**Generic Strategy:** Orderly Divestment

**Recommended Program Strategy:**

Resident section - Build Strength.
IMG and OMSS – orderly divestment – transition to integration without segmentation.
Young Physician – orderly integration.

Key Challenges:

- The IMG dynamic is changing from when it was created. This may continue as a result of the increasing number of medical students training outside the US.
- OMSS is very inactive. OMSS changes need to become part of the PO discussion.
- The challenge with the resident section is competition with specialty identification and membership. Resident strategies may involve a stronger connection to the specialty societies defining the synergy between the two. Any strategy to build the resident section should include direct engagement with the program director.

Organizational Implications:

There needs to be an examination of areas of synergy with other programs such as PO. In addition, an assessment of staff and/or committee responsibilities, time, and measurements of success.

Program: MSMS Alliance

- Program Attractiveness – LOW
- Competitive Position – WEAK
- Alternative Coverage – LOW

Generic Strategy: Foreign Aid

Recommended Program Strategy: Orderly Divestment

Key Challenges

- Eliminating the formal relationship
- Donations to the foundation may be more difficult
- Some counties have organized and active alliances

Organizational Implications

- The alliance is currently diminishing in numbers and activity.

NOTE: Are their services available to help membership, MDPAC, Foundation, etc?

Program: Educational Programming
• Program Attractiveness – HIGH
• Competitive Position – STRONG
• Alternative Coverage – HIGH

Generic Strategy: Aggressive Competition

Recommended Program Strategy: Aggressive Competition with a focus on unique educational offerings that are at MSMS core – practice management, economics, business of medicine, etc.

Key Challenges
The strength is in non-clinical education. Focusing on the educational sweet spot for MSMS and understanding others strengths will be critical to connecting to members and continuing success with programming (non-clinical vs. clinical, demographics of the profession, looking at the future, etc). Also looking at innovative educational methodologies is critical – focus on what needs to be learned rather than the method of teaching.

Organizational Implications
ASM is the only place some residencies will bring their residents. This connects back to connecting to residents without a focus on the resident section.
Program: Continuing Medical Education

- Program Attractiveness – LOW
- Competitive Position – STRONG
- Alternative Coverage – LOW

**Generic Strategy:** Soul of the Organization

**Recommended Program Strategy:** Maintain and look for opportunities leverage connections with organizations utilizing the accreditation services.

**Key Challenges**
It is a critical service and would be missed if it did not exist, but is not highly valued by members.

**Organizational Implications**
Could become an enhancement to group membership.

Program: Electronic Media

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – HIGH

**Generic Strategy:** Orderly Divestment

**Recommended Program Strategy:** Build Strength in niche for targeted content and markets

**Key Challenges**
- Time
- The space is crowded with MSMS not a primary source (website use is declining)
- Advertising sales
- Communications with members is necessary and requires clear decisions to push content out that is relevant, timely, and targeted.
- Need to continue to explore social media options

**Organizational Implications:**
- Not having presence nor proper communications is not an option
- Website needs to connect to useful content through other social media tools
- Examine contracting with multi-media outlets
Program: Michigan Medicine

- Program Attractiveness – MARGINAL
- Competitive Position – WEAK
- Alternative Coverage – HIGH

**Generic Strategy:** Aggressive/Orderly Divestment (if attractiveness is high), Soul of the Organization (if attractiveness is low)

**Recommended Program Strategy:** Soul of the Organization

**Key Challenges**
- Advertising revenue declining
- Readers are older members
- Generating content is a significant challenge

**Organizational Implications**
- Not delivering a product that began in 1902 (soul of the organization)
- It is part of the MSMS brand
- Eliminating a perceived member benefit
- Can the content and brand be connected to interactive content?

Program: Engage

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – LOW

**Generic Strategy:** Aggressive Growth

**Recommended Program Strategy:** Aggressive Growth

**Key Challenges**
- Members Only

**Organizational Implications**

Program: Guides, Checklists and/or Alerts

- Program Attractiveness – HIGH
• Competitive Position – STRONG
• Alternative Coverage – LOW

**Generic Strategy:** Aggressive Growth

**Recommended Program Strategy:** Aggressive Growth

**Key Challenges**
• Many law firms offer similar information
• Time commitment to produce and making sure the topics are current.
• Shelf life
• Relevance today vs. in six months; timing of communications

**Organizational Implications**
Confirmation of benefits; the need to communicate the value to the physician.

**Program: Lobbying**

• Program Attractiveness – HIGH
• Competitive Position – STRONG
• Alternative Coverage – HIGH

**Generic Strategy:** Aggressive Growth

**Recommended Program Strategy:** Aggressive Growth

**Key Challenges**
• Hard to monetize
• Freeloaders; when there is a success, it is not attributed to MSMS and benefits all physicians
• Advocating for an issue, it may alienate a portion of our members
• Doctors don’t realize how influential they could be; it’s hard to sell on what hasn’t happened; selling fear is a challenge

**Organizational Implications**

**Program: Policy Development**

• Program Attractiveness – HIGH
• Competitive Position – STRONG
• Alternative Coverage – LOW

**Generic Strategy:** Aggressive Growth
Recommended Program Strategy: Aggressive Growth

Key Challenges
- Breadth of issues are infinite
- Magnitude of changes are difficult; making them up as they go.

Organizational Implications
- Doctors perceive MSMS isn’t helping them if a law we do not support passes.

Program: Grassroots

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – LOW

Generic Strategy: Aggressive Growth

Recommended Program Strategy: Aggressive Growth

Key Challenges
- Increasing employment of physicians
- Needing more money… this is a tool associated with strategic advocacy
- Alienating certain physicians who do not like “supported” candidates

Organizational Implications

Program: Practice Management and HIT

- Program Attractiveness – HIGH
- Competitive Position – WEAK
- Alternative Coverage – HIGH

Generic Strategy: Aggressive Competition

Recommended Program Strategy: Aggressive Competition

Key Challenges

Organizational Implications

- Financial, if a reimbursement policy is changed, physicians could lose money and ultimately negatively affect membership
Program: DPA Forms

- Program Attractiveness – Low
- Competitive Position – Weak
- Alternative Coverage – LOW

**Generic Strategy:** Foreign Aid or Joint Venture

**Recommended Program Strategy:** Sell or License

**Key Challenges**

**Organizational Implications**

Program: MSMS Practice Solutions

- Program Attractiveness – LOW
- Competitive Position – WEAK
- Alternative Coverage – HIGH

**Generic Strategy:** Build Up the Best Competitor

**Recommended Program Strategy:**

**Key Challenges**

**Organizational Implications**

Program: MSMS Physicians Insurance Agency

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – HIGH

**Generic Strategy:** Aggressive Competition

**Recommended Program Strategy:** Competition

**Key Challenges**
Organizational Implications

Program: PCVS

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – LOW

Generic Strategy: Aggressive Growth

Recommended Program Strategy: Aggressive Growth

Key Challenges

Program: Wealthcare Advisors

- Program Attractiveness – LOW
- Competitive Position – WEAK
- Alternative Coverage – LOW

Generic Strategy: Foreign Aid or Joint Venture

Recommended Program Strategy:

Key Challenges

Program: Quantum Medical Concepts

- Program Attractiveness – HIGH
- Competitive Position – STRONG
- Alternative Coverage – LOW

Generic Strategy: Aggressive Growth

Recommended Program Strategy: Aggressive Growth

Key Challenges

Organizational Implications
Appendix 1: Background Worksheets

Program: PO Council

Program Objectives/Value Proposition (To...):

The MSMS Executive Council of Physician Organizations is an entity to support its partners in pursuit of higher quality, lower costs and an enhanced clinical experience for physicians and patients.

The Executive Council of Physician Organizations provides a forum for like-minded leaders to develop common strategies and solutions to achieve these goals. Physician organization leaders meet quarterly to discuss the movement away from fee-for-service to fee-for-value and how to best achieve all-payer, all-patient population health management.

The two top priorities in pursuit of these goals are the alignment of common quality metrics across all-payer, all-patient initiatives and the optimization of health information technology or health data exchange infrastructure design. The Executive Council created the Physician-Payer Quality Collaborative (PPQC) to engage government and commercial payers in an effort to focus quality improvement efforts around a core set of measures and standardize performance reports to health plans.

Partner organizations on the Executive Council also have a number of educational or advocacy activities provided by MSMS based on the needs of their physicians. This includes customized CME events at a local level, access to MSMS staff content experts and organization of regulatory or legislative advocacy campaigns or visits.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The target market is comprised of the executive and physician leaders of the physician organizations that participate in BCBSM’s Provider Group Incentive Program (PGIP.) Currently there are 44 BCBSM PGIP organizations, listed at the bottom of the page here.

The primary targets are those organizations that operate an Independent Practice Association (IPA) model with the secondary targets as the large health systems that represent a majority of employed physicians. The IPA model is more suited to value the traditional benefits, services and resources provided by MSMS.

Member Survey Feedback (if available):

n/a

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

In Michigan, the organization with the most similar goals is the Michigan Primary Care Consortium (MPCC). They charge physician organizations an annual fee to participate in activities designed specifically to support primary care. There are other national organizations similar such as the Patient-Centered Primary Care Consortium (PCPCC) and the Institute for Health Improvement (IHI).
Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

At a minimum, revenue from the Executive Council should cover the staff expenses for its activities. Ideally, the Executive Council would be a net revenue generator for MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Revenue over expenses.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

The program began in 2015 and from 2015 to 2016 the revenue stream increased slightly. It’s projected to continue to grow in 2017 via affiliated partnerships with more potential growth in future years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

The opportunity is in the number of PGIP physician organizations. With only 12 POs currently on the Executive Council, there are 32 remaining potential partners to recruit. There is additional opportunity to identify initiatives or activities under the guidance of the Executive Council. For instance, the Physician-Payer Quality Collaborative has improved the value proposition and has the potential to attract revenue from other sources such as state and/or federal grants.

The challenges are to continue to sell and demonstrate the value proposition of the Executive Council. While the annual partnership fee of $20,000 is thought to be reasonable, physician organizations – particularly in independent practice models – have limited margins and competing resource needs that more directly impact their operational success. The Executive Council must continue to identify the priorities of the physician organization community and incorporate these priorities into all its activities.

Another challenge is the rate of growth among employed physicians and even large independent physician organizations. Many of the benefits traditionally provided to individual physicians or individual physician practices are being administered by such groups. Many of these organizations are becoming so large they feel they can reach their advocacy, educational or operational goals on their own and do not see a need for participation in the larger collective voice provided by organized medicine.

Program: Membership Recruitment & Retention

Program Objectives/Value Proposition (To...):

The objective of this program is to keep the current dues paying members of MSMS engaged and seeing the value of their membership and convince non-member physicians to join MSMS. We do this by highlighting the achievements of MSMS, the work we do on behalf of each physician in Michigan and showing the many different ways that member physicians can see a financial return on their investment. This includes breakdowns of benefits
and achievements based on specialty, geographical area and any other unique characteristics that we can identify.

Membership recruitment and retention is a year round endeavor and the membership department works closely with communications staff to develop the best strategies to engage our members and potential members. With more and more physicians becoming employed, it has become imperative that MSMS continue to use new communication vehicles to show the value of continued membership to all Michigan physicians and other entities that make decisions on how dues dollars are allocated.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Our primary market is Michigan physicians. Historically, these are physicians who have tended to be in private practice and have been moving more and more into employed models. When surveyed these physicians tend to identify advocacy, access to insurance, support of the profession, and practice resources as the reasons they belong to MSMS.

Our secondary market is primarily made up of people who are not physicians, but do make membership decisions. This group is made up of practice managers at large groups, Physician Organization (PO) leadership and hospital administrators. This market is normally looking for MSMS to provide benefits that are more tangible and have less to do with supporting the profession of medicine. The communication efforts to this group focus on the ability of MSMS to tailor educational courses, practice assistance, payer advocacy and other efforts to the needs of the large group or PO. This market is almost exclusively bottom line driven and is less likely to join or choose to have their physicians remain members just to support the profession.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

We are competing against hundreds of other medical societies, many of whom we partner with on legislative advocacy, for increasingly scarce dues dollars. Each type of physician specialty and sub-specialty has its own society. Many have both national and state level societies. Physicians have a natural affinity towards these organizations and will often times join them first, before considering larger umbrella organizations like MSMS and the AMA. Each of these organizations will often times employ or contract with a lobbying firm to do political advocacy for them.

MSMS is also competing against Physician Organizations (PO’s). PO’s have effectively organized large numbers of private practice physicians and have replicated many of the business focused services that MSMS has historically offered. PO’s have not yet expressed an interest in becoming politically active entities.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?
The goal of this program is to retain and recruit as many members on a year over year basis and help financially support MSMS. If this program is successful, the need to count on other sources of revenue are diminished and it assists in our efforts to make sure that MSMS remains a strong and financially secure organization.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

This program generates revenue over expenses.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Due to an increase in physician retirement and physicians becoming employed, this program has been trending down. We have seen some signs of moderation of that trend, but the expectation is still for a continuing of the downward trend in 2017.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

The fiscal challenges for this program are the same as they are for the other programs within MSMS. In order for MSMS to properly meet its mission it needs revenue. The opportunity for this program in the future is with an increase in membership revenue that MSMS will have the resources available to it to have a broader reach and larger impact on the lives of physicians. This would make the year round effort to show value to our members even easier.

**Program: Board of Directors**

**Program Objectives/Value Proposition:**

The Board of Directors is the executive body of the Society and meets periodically throughout the year to oversee implementation of the organizations policy and legislative agenda, financial operations, membership growth and other organizational activities.

As described in bylaws the MSMS Board of Directors responsibilities are to:

- Make careful inquiry into the condition of the profession in each county in the State, increase interest at the local level and promote physician engagement.
- To direct and control the publication of the Journal of the Michigan State Medical Society.
- To provide and maintain such headquarters for this Society as may be required to conduct its business properly
- To render an Annual Report to the House of Delegates.
- Oversee the disbursement of funds and borrow money as needed.

On a practical level, the Board of Directors acts on behalf of the membership as needed between sessions of the House of Delegates. It is composed of district directors which are geographically elected, officer elected by the House of Delegates, and representatives nominated by the various sections and formally elected by the House. Each is responsible for bringing pertinent information from their constituency to the board discussions and conveying information back, as well as engaging physicians in the organization’s activities.
Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The Board serves the general membership and carries out policies enacted by the House of Delegates.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

The operation of the Board of Directors is a fundamental responsibility described in the MSMS bylaws and is not expected to generate revenue.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

The operation of the Board is subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Because of the impact of demographic and market trends on MSMS members and subsidiary revenue, the midsummer board meeting was changed from a multi-day up north retreat to a one day board meeting at MSMS headquarters. This resulted in a savings of approximately $70,000. For the coming year, plans are being made for a day and a half meeting in East Lansing, with some family activities and a group dinner. This will allow the board to test out another way to develop collegial relationships as a group without the added expense of the old format. The budget will increase about $15,000 next year for this purpose.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

No revenue. It’s subsidized.

Program: Board of Directors
Program Objectives/Value Proposition:

The Board of Directors is the executive body of the Society and meets periodically throughout the year to oversee implementation of the organizations policy and legislative agenda, financial operations, membership growth and other organizational activities.

As described in bylaws the MSMS Board of Directors responsibilities are to:

- Make careful inquiry into the condition of the profession in each county in the State, increase interest at the local level and promote physician engagement.
- To direct and control the publication of the Journal of the Michigan State Medical Society.
- To provide and maintain such headquarters for this Society as may be required to conduct its business properly.
- To render an Annual Report to the House of Delegates.
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Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The Board serves the general membership and carries out policies enacted by the House of Delegates.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Financial Position:

What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

The operation of the Board of Directors is a fundamental responsibility described in the MSMS bylaws and is not expected to generate revenue.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

The operation of the Board is subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?
Because of the impact of demographic and market trends on MSMS members and subsidiary revenue, the midsummer board meeting was changed from a multi-day up north retreat to a one day board meeting at MSMS headquarters. This resulted in a savings of approximately $70,000. For the coming year, plans are being made for a day and a half meeting in East Lansing, with some family activities and a group dinner. This will allow the board to test out another way to develop collegial relationships as a group without the added expense of the old format. The budget will increase about $15,000 next year for this purpose.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

No revenue. It’s subsidized.

Program: House of Delegates

Program Objectives/Value Proposition (To...):

MSMS Bylaws currently requires at least one meeting of the delegate body per year. The MSMS House of Delegates provides members the opportunity to submit, debate and approve policy.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Approximately 200 delegates attend the House.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]
State and national specialties, AMA.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Subsidized.
What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?  
Revenue has remained fairly consistent over the last 5 years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

Expenses have decreased significantly primarily due to eliminating one day from the agenda. Sponsorships and exhibit revenue continue to be challenging for many reasons. Delegates tend to be older and many are retired. Commercial entities prefer to focus on specialty events with younger attendees. Additionally, many physicians do not enjoy visiting with exhibitors.

Program: AMA Delegation

Program Objectives/Value Proposition (To...):

The primary objective of the AMA Delegation is to provide Michigan’s perspective in AMA policy. MSMS sends approximately 20 resolutions per year to the AMA for action. AMA policy includes national reimbursement policy, public health priorities and regulatory hassles.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Primary customers are the members of the AMA Delegation. However, they represent all MSMS members.

Member Survey Feedback (if available):

None

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

National specialty societies provides advocacy.

Financial Position:

What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?
Subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

N/A

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

N/A

Program: County Medical Societies

Program Objectives/Value Proposition (To...):

The objective of this program is to provide the necessary membership data, billing, and physician recruitment/retention to the county medical societies (CMS). Most of the work put into this program is based on supporting the CMS that are large enough to have their own staff. The CMS do not do any of their own billing and the amount of time and resources they put into membership recruitment/retention varies greatly by county. The same can also be said for the amount of information that they keep or attempt to secure on their own physicians. Monthly calls with the county executives about current activities are part of this program.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The CMS are our primary audience. 95% of our efforts in this program are spent with the staffed CMS. Most CMS that do not have at least part time staff are largely dormant.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]
No other organization interacts with the CMS like we do. Some CMS do have a loose relationship with the American Medical Association or are active partners in local public health consortiums.

**Financial Position:**
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

MSMS does not receive any revenue from the CMS. We handle all billing, payment processing and database management. Some CMS are active and willing partners in our efforts to recruit and retain members, but those efforts are mostly limited to a very few counties. This program is subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

This program is subsidized by MSMS.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

No real revenue stream from the CMS exists. As part of the overall membership efforts, that revenue stream has been trending downward.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

The challenges for the CMS are similar to that of MSMS. In order to remain financially viable, they need to illustrate value to physicians. Also, the fact that some CMS continue to charge dues and do not provide anything of value has become a problem for MSMS as membership in a CMS is required to be a member of MSMS.

**Program: Medical Student Section**

**Program Objectives/Value Proposition (To...):**

The objective of the program is to first recruit and then engage medical students in organized medicine, with the goal of keeping them engaged through residency and into practice. Recruitment is done at all six allopathic medical schools in Michigan, with the students electing their own leadership and sending them to both the MSMS and AMA House of Delegates.

**Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):**
The target audience is first, second, third and fourth year medical students.

**Member Survey Feedback (if available):**

**Alternative Providers (current or potential):**
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

The American Association of Medical Students and the AMA do provide the most analogous alternative forms of engagement for medical students. We do actively recruit with the AMA to encourage medical students to join both organizations, but some medical students do choose to join the AMA without joining MSMS.

**Financial Position:**
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

The program is subsidized by MSMS. In a normal year, the dues collected from medical students is around $1,500 while the budgeted expenses for the medical student section, not factoring in staff time and travel expenses, is over $15,000.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

The revenue stream is trending upwards this year. We have seen better engagement from the medical students and an increase in membership for 2017.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

The opportunity exists to work more closely with the medical schools to increase medical student membership. Considering the extremely low amount charged for medical student dues, this will have little impact on the financial wellbeing of MSMS.
Program: Other Sections

Program Objectives/Value Proposition (To...):

The objectives of these sections, the Young Physician Section, Resident/Fellows Section and International Medical Graduates (IMG) Section are to engage these types of physicians and focus on the unique issues they face.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The target audiences of these sections are any physician who qualifies to participate in them. Each section has specific criteria that a physician must meet in order to be considered part of this constituency.

Member Survey Feedback (if available):

Alternative Providers (current or potential):

[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

All of the physicians who are part of these groups can also belong to their specialty society, the AMA or in the case of the IMG Section they often belong to their ethnic medical society. The AMA has a similar set up for each of these constituencies as well.

Financial Position:

What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

None of these programs generate any revenue above the membership dues that each of these physicians are already paying to be a member of MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

This program is entirely subsidized by MSMS. It has never been intended to generate revenue.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Not applicable.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?
What are the program’s fiscal growth challenges and/or opportunities for the future?

Not applicable.

Program: MSMS Alliance

Program Objectives/Value Proposition:

The MSMS Alliance is a group of physician spouses that engage in community activities and support legislative agendas at the state and local level. Previously supported with a staff person subsidized by MSMS, the Alliance is now volunteer run with some staff support from the Wayne County Medical Society. The Alliance manages their program with some dues revenue and a small subsidy ($9,000 annually) from MSMS. Although it carries the MSMS connection in its name, it is a separate organization that partners with, but is not managed by, MSMS.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Physician spouses, primarily the Boomer generation, as younger physicians are more likely to be in two-physician marriages or have spouses with full time careers. Alliance membership has been decreasing over the years.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Two or three county medical societies still have an active alliance, mostly focused on civic engagement. Although demographic data is available, the lack of younger spouses that engage at the state level would indicate that the demographic trends are similar at the local level.

Financial Position:

What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

The MSMS subsidy is significantly less than the financial and in-kind support offered several years ago, but it was never expected to generate revenue. In the past, the Alliance was seen as a partner on the MSMS advocacy agenda, and many private practices were run by physician spouses so they were engaged in day to day practice management. Their support was meant to engage practices at another level and provide additional value for the physician membership in MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.
Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

No revenue.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

By converting from staffing to a small subsidy around five years ago, MSMS has eliminated the substantial expense of supporting the organization with part of an FTE and other overhead costs. Other than 1-2 hours per year of the CEO’s time to provide an update on MSMS activities to the MSMS Alliance board, there are no staff costs.

What are the program’s fiscal growth challenges and/or opportunities for the future?

There is no expectation that the trend in Alliance membership will reverse due to significant social and economic changes in the last several decades. The MSMS subsidy is a small token to support the few good leaders that are currently engaged, allowing them to try to recruit new members, but the expectation is that the downward trend will continue.

Program: Educational Programming

Program Objectives/Value Proposition (To...):

Providing cost effective, high quality, timely continuing medical education for physicians.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

All physicians and practice administrators.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Other health care associations, health systems, online education companies

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Break even or generate revenue over expense.
What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Breaks even and often generates revenue over expense before overhead.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Revenue has remained steady over the last few years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

Competition in the state for CME is high. However, MSMS has a niche on clinical education for our older members in addition to securing several large, multi-year grants on leadership and documentation.

Program: Continuing Medical Education Accreditation/Programming

Program Objectives/Value Proposition (To...):

The primary objectives of the CME program are to accredit continuing medical education programs for Category 1 CME which is required by state licensure and to recognize other health care organizations to allow them to accredit their own CME programs.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

All physicians with an active license need CME credits.

Member Survey Feedback (if available):

Alternative Providers (current or potential):

[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Many other health care organizations provide CME including specialty societies, health systems and even for profit education companies.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Break even.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Close to breakeven before overhead.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Recognition revenue has been trending down due to hospital mergers. Additionally, some are choosing not to run their own CME program. Revenue for joint sponsorship has been trending up again since many hospitals are choosing sponsorship over recognition.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

The administration of CME is tedious work. We struggle to keep the fees affordable while still covering the costs of the program including staff time. While there is competition for CME, organizations still value the state medical society approval. As mentioned in a previous question, physicians are required to have 50 hours of CME per year. So, membership depends on their professional association to offer some amount of education online and in person.

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**Program:** Electronic Media, ie: Medigram, MSMS.org, Mobile app, and social media sites.

**Program Objectives/Value Proposition (To...):**

All electronic media are means to provide the latest, most in-depth information to the members of the Michigan State Medical Society.

**Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):**

In most cases, the targeted customers are members of the Michigan State Medical Society; however, there is an element of public health initiatives and solicitations that would benefit non-member physicians as well as the general public.
Member Survey Feedback (if available):

n/a

**Alternative Providers (current or potential):**
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Most, if not all, health care-related associations offer similar electronic media.

**Financial Position:**
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Medigram is to generate revenue. The mobile app and MSMS.org offer advertisements as well; however, these are more for information purposes without any obligations to revenue. Social media is to be subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Medigram is trending upward. Website and mobile app is flat.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

Sales to potential advertisers and sponsors. Specifically with Medigram, we use a third-party service as the delivery mechanism, but also as the sales rep. I think smart packaging is an opportunity, but because of a third-party, it’s also a challenge, ie: multiple points of contacts from MSMS.
Program: Michigan Medicine

Program Objectives/Value Proposition (To...): *Michigan Medicine* is the official journal of the Michigan State Medical Society and is dedicated to providing useful information to Michigan physicians about actions of the Michigan State Medical Society and contemporary issues, with special emphasis on socio-economics, legislation and news about medicine in Michigan.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

   Physician members of the Michigan State Medical Society.

Member Survey Feedback (if available):

   n/a

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

   Michigan Osteopathic Association (TRIAD), Michigan Academy of Family Physicians (Family Physician)

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

   Break even but also to generate revenue to continue the product.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

   Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

   Trending downward due to advertising sales. We are currently in the process of changing the sales structure to help with increases.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

   See attached.
What are the program’s fiscal growth challenges and/or opportunities for the future?

Challenge is advertising revenue. Opportunity is outreach to untraditional advertisers. Also, developing smart packages with sponsorships/exhibiting, Practice Solutions, etc.

Program: Engage

Program Objectives/Value Proposition (To...):

Engage is a grassroots effort for physician members to contact their lawmaker(s) on a variety of issues being considered in the legislature.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Physician members; however, users outside of the organization are able to send messages to their lawmaker(s).

Member Survey Feedback (if available):

As a means of continually asking members if they like Engage, in a follow-up email letting them know their message was sent, there is an option to send an email asking for their input and/or experience. 100% of those responses have been “easy to use”. There have been no negative comments regarding its usability and product. There have, however, been comments made regarding a specific issue a physician may not agree with.

Alternative Providers (current or potential): [i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Some associations offer this service, MHA, MOA, etc. However, for those associations who are not financial solvent or with a smaller budget, this is not available.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?
Subsidized
What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

No revenue.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

Subsidized.

Program: Guides/Checklists/Alerts

Program Objectives/Value Proposition (To...):

A member benefit, the MSMS guides/checklists/alerts supply advice and tips on various issues affecting the health care industry.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Members of the Michigan State Medical Society.

Member Survey Feedback (if available):

n/a

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

MSMS is in a unique position offering these pieces as compared to other associations; however, health care attorneys, IT-related companies, financial-related organizations may already provide this advice to their customers. MSMS’s unique approach is that our focus is 100% on the physician.
Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Subsidized

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

No revenue.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

There is a level of sponsorship opportunities that may become available. For example, on our legal alerts, we may want to work with a specific law firm to sponsor them, etc.

Program: Lobbying

Program Objectives/Value Proposition (To...): translate the policy positions of MSMS that are determined by the Board, House of Delegates and Standing Committees into legislative or regulatory initiatives that serve the physician community broadly.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments): the primary customers are the active members in MSMS that understand that MSMS is their vehicle to magnify their impact within the legislative process. To the extent that the process within MSMS is democratic and our policies are reflective of the profession of medicine broadly, the secondary customer is all physicians.

It should be noted that in the instance of lobbying that the customers are physicians, but that the audience is often the elected officials or regulator that have jurisdiction over the policy change that is being sought.
Member Survey Feedback (if available):

**Alternative Providers (current or potential):** The aggregate impact of MSMS could conceivably be undertaken collectively by medical specialties, the chamber of commerce, political parties, and several other groups that advocate for segments of those issues important to physicians.

[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?] Depending upon the trajectory of health care delivery—hospitals or labor unions could be situated to compete with MSMS.

**Financial Position:**
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Advocacy is heavily subsidized from budgetary perspective, and generally any additional revenues specific to advocacy are plowed back into advocacy efforts. From a financial perspective, there is a case to be made that advocacy in general and lobbying specifically, is the primary purpose for dues paid by physicians to MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Heavily subsidized

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

N/A

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

Corporate funding of political candidates has become more of the norm in the post “Citizens United” decision world coupled with an across the board decrease overall in political giving by physicians.

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**Program: Policy Development**

**Program Objectives/Value Proposition (To…):...):**
To serve as singular entity for physicians to use as their conduit to legislative and regulatory involvement at the state and federal levels. To aggregate the collective voices of physicians to serve via outreach and infrastructure compile actionable items to help mitigate the impediments to physicians delivering care to patients. For MSMS to serve as the primary source of information to the legislature as it relates to patient and physician issues.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

The primary customers are the active members in MSMS that understand that MSMS is their vehicle to magnify their impact within the legislative and regulatory process. To the extent that the process within MSMS is democratic and our policies are reflective of the profession of medicine broadly, the secondary customer is all physicians.

Member Survey Feedback (if available): 

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

National specialties, AMA, other non-medical organizations (ie Chamber of Commerce, Sierra Club, etc.). Differentiation is significant however, MSMS is sole organization dedicated to physician issues with sufficient staff to implement them.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)? No revenue associated with this area

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

subsidized

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

n/a

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

see attached

What are the program’s fiscal growth challenges and/or opportunities for the future?

subsidized

Program: Grassroots
Program Objectives/Value Proposition (To...): To serve as singular entity for physicians to use as their conduit to legislative and regulatory involvement at the state and federal levels. To aggregate the collective voices of physicians to serve as the basis for action by legislators and regulators to act in a manner consistent with the policies of MSMS. For MSMS to serve as the primary source of information regarding the activities of the legislature as it relates to patient and physician issues.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments): Primary customers are the physicians who are most politically active, secondary audience is all physicians, and tertiary audience are the elected officials and regulators that have the potential to affect the agenda of MSMS.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?] Specialty societies, Counties, other non-health related groups, apathy

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Ideally, grassroots help to provide political giving that supplements the lobbying activities of MSMS. Overall, grassroots and lobbying should be complimentary on many fronts. Grassroots does require some funding for maintenance, but it is difficult to distinguish where grassroots end and lobbying begins, yet lobbying is far more effective with significantly activated and engaged grassroots.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Revenues in this area are used to facilitate political giving and not to underwrite the services of staff. From a budgetary standpoint, this aspect probably operates with a subsidy, however that is also based on the decision that political giving by physicians should go towards political candidates and not the administration of the grassroots program itself. This is the standard for nearly all associations in Michigan

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

PAC revenue should increase over the next three years, however, part of that probability is based on temporary downturn in giving in prior years. As that trend levels off, marketing strategies can be re-tooled to best target donors.
What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

Physician employment arrangements serve to further insulate physicians from the immediacy of political and regulatory challenges.

Program: Practice Management and HIT

Program Objectives/Value Proposition (To...):

Advocacy, education and resources in the areas of HIT, practice management and payer relations. This would include payer relations, broad payer policy such as PCMH, practice management, EHRs, disease registries, quality reporting, PQRS and Meaningful Use.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

All members, and their staff.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

No other societies in the state have staff trained in this area.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?
Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

N/A

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

This is a valuable resource for members. It consistently ranks high in member surveys. However, if a practice has one physician member, they are entitled to this service. Many practices will have only one physician member in their group.

Program: Coding & Reimbursement Advocacy

Program Objectives/Value Proposition (To...):

Advocacy, education and resources in the areas of billing, coding and reimbursement. This would include front office collections, billing, AR, benefit analysis, coding, payment policy, incentive programs, payer contracts and denials.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

All members, and their staff.

Member Survey Feedback (If available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

No other societies in the state have staff trained in billing, coding and reimbursement.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?
Subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

N/A

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

This is a valuable resource for members. It consistently ranks high in member surveys. However, if a practice has one physician member, they are entitled to this service. Many practices will have only one physician member in their group.

Program: Legal and Regulatory Advocacy

Program Objectives/Value Proposition (To...):

Advocacy, education and resources in the areas of health care law and both state and federal regulations. This would include medical records, HIPAA, Stark, medical marijuana, employment contracts, workers compensation, physician salaries, quality, and MACRA.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

All members, and their staff.

Member Survey Feedback (if available):

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

No other societies in the state have staff trained in these areas.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Subsidized.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

N/A

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

This is a valuable resource for members. It consistently ranks high in member surveys. However, if a practice has one physician member, they are entitled to this service. Many practices will have only one physician member in their group.

Program: DPA Forms

Program Objectives/Value Proposition (To...):

The Durable Power of Attorney for Health Care is an important legal document anyone should discuss with their physician. In cooperation with the State Bar of Michigan, Michigan Osteopathic Association, and the Michigan Health and Hospital Association, the Michigan State Medical Society has produced the DPA form for physicians to use in their practices.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Michiganders, 18+.

Member Survey Feedback (if available):

n/a
Alternative Providers (current or potential): 
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Because of the partnership, no other association offers such a form. However, there are other folks, ie: Western Michigan University Homer Stryker MD School of Medicine, who offer such a thing at no additional charge.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Generate revenue to expand the program.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even is subsidized (running at a loss)?

See attached.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Trending flat and projected to remain flat.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

See attached.

What are the program’s fiscal growth challenges and/or opportunities for the future?

Marketing efforts will grow the program.

Program: MSMS Practice Solutions

Program Objectives/Value Proposition (To...):

The primary purpose of MSMS Practice Solutions is to provide discounts on various products and services physicians use both professionally and personally. Secondarily, it is to provide an opportunity for non-dues revenue through marketing dollars, commissions/revenue shares and/or exclusive rights.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

MSMS members and their office managers are the primary target for the benefits; however, companies that offer products or services which help physician practices are the primary target for negotiating discounts and revenue share.
Member Survey Feedback (if available):

A couple of surveys have been completed specific to medical supplies trying to help MSMS Glove Program determine messaging.

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Most other associations have an affinity program; however, some are more active than others.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Revenue over expenses.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Subsidized

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Trending flat.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

Continue to search for partners who provide both a service/product to members and non-dues revenue to MSMS.

Program: PSI Management/Consulting

Program Objectives/Value Proposition (To...):
Offers benefit and other consulting services including Physician Review Organization management services.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Physicians, Physician Organizations, Employers, and Healthcare Companies

Member Survey Feedback (if available):

Not Available

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Boutique healthcare consulting companies.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

One of PSI Management/Consulting’s primary goals is to generate non-dues revenue for MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

PSI Management/Consulting is generating revenue over expenses.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Revenue is trending up.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

PSI Management/Consulting’s opportunity is its access to more than 15,000 medical professionals.

Program: MSMS Physicians Insurance Agency (PIA)

Program Objectives/Value Proposition (To...):
The MSMS Physicians Insurance Agency (PIA), a wholly owned subsidiary of MSMS, is a full-service agency, offering physicians, their families and their employees an entire line of insurance products, including professional liability, workers’ compensation, health, dental, auto, home, business, and much more. By doing business with PIA, not only do physicians receive discounts, value, and dedicated customer service, but they also help protect your profession by supporting the efforts of MSMS.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Physicians, their families and their employees.

Member Survey Feedback (if available):

Working with the MSMS Physicians Insurance Agency team is professional, informative, efficient and friendly. - Annu Mohan, MD, Rosewood Health Care, Mount Pleasant

Not only did MSMS Physicians Insurance Agency save my practice money on our insurance products, but they are very responsive to our needs. It's great to work with an organization that provides excellent customer service. - Rose M. Ramirez, MD, Jupiter Family Medicine, Belmont

Alternative Providers (current or potential):

All Michigan insurance agencies.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

One of PIA’s primary goals is to generate non-dues revenue for MSMS. In 2015, non-dues revenue made up 54 percent of the Operating Fund’s revenue. PIA was a major contributor of non-dues revenue with more than $1 million transferred to MSMS from the wholly owned subsidiary.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

PIA is generating revenue over expenses.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

PIA’s revenue stream is trending down and is projected to continue to trend down over the next 3 years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?
As an agency that services the entire state with over 4 FTEs we regularly confront/compete with local agents that live and work in the same communities as our physicians. We remind our members that by doing business with PIA, not only do physicians receive discounts, value, and dedicated customer service, but they also help protect their profession by supporting the efforts of MSMS. Still the idea of supporting organized medicine often isn’t enough by itself when competing in a market with an agent that is rooted in the community. When a physician closes their small practice to join a larger practice or the hospital, they typically join that entity’s insurance coverage. This results in loss of business for the agency.

Additionally, in 2014 one of PIA’s competitive advantages ended. PIA had to stop selling traditional indemnity plans to physicians because individual plans could no longer be treated as a group product under the ACA rules. These plans were popular with MSMS members because they had 100 percent coverage with no or small co-pays and deductibles.

**Program: Professional Credential Verification Services (PCVS)**

**Program Objectives/Value Proposition (To...):**

Professional Credential Verification Service (PCVS) is a non-profit Credentials Verification Organization (CVO), accredited by National Committee for Quality Assurance (NCQA), Utilization Review Accreditation Commission (URAC) and is fully compliant with The Joint Commission’s credentialing standards. PCVS is one of only six CVOs in the nation that is dually accredited by both NCQA and URAC.

PCVS was founded in 1992 and is owned by the Physician Holding Company, a wholly-owned subsidiary of the Michigan State Medical Society (MSMS).

Through MSMS, PCVS is able to maintain a dynamic understanding of the state of health care and health-related issues.

PCVS has more than 100 active clients and has credentialed more than 82,000 providers.

As initiatives and projects arise, PCVS will embrace those changes within credentialing that allow for simplification of the administrative process.

**Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):**

Health plans, hospitals/health systems are the main targets.

**Member Survey Feedback (if available):**

PCVS does an annual survey to its customers. The majority of its responses are either Satisfied or Very Satisfied. PCVS does a great job with turnaround and customer service. The clients are please.

**Alternative Providers (current or potential):**

[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

n/a
Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Revenue over expenses to support MSMS activities.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Revenue over expenses. 2016 should reach their highest billables ever.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

Upward. Continue to increase.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

The opportunity is to be determined; however, reaching outside of Michigan and focus on a national marketing strategy is PCVS’s biggest opportunity. There are some levels of efficiencies that may also be incorporated. Also, PCVS is in the process of identifying potential new products and services.

Program: WealthCare Advisors (WCA)

Program Objectives/Value Proposition (To...):

WealthCare Advisors is the only wealth advisory firm partnered with MSMS. WealthCare was established by Michigan physicians to serve Michigan physicians. Additionally, WealthCare Advisors is a fiduciary wealth management firm. The difference between a fiduciary and the typical advisor is that a fiduciary must, by law, put the client’s best interests first. Most of our clients already have competent professional advisors (such as attorneys and accountants) that have provided them with a certain level of financial planning. WealthCare reviews our physicians clients entire financial situation from a cross-disciplinary perspective, not just from a legal, tax or investment viewpoint. This allows us to identify both coordination gaps and planning opportunities that are often missed. Our clients have found that the difference between merely having their planning “done” vs. having it “done right” can lead to peace of mind while saving time and money.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):

Physicians and their families

Member Survey Feedback (if available):
Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

Wealth and Financial Management Firms

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Generate non-dues revenue for MSMS.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Revenue over expenses before overhead.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

The revenue stream is flat and projected to stay so over the next 3 years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

A lot of the services advisors used to provide for their clients (asset allocation, alpha generation - platform technology solution used in algorithmic trading to develop quantitative financial models, or trading strategies, that generate consistent alpha, or absolute returns.) are being commoditized by robo-advisors and ETFs.

Program: Quantum Medical Concepts (QMC)

Program Objectives/Value Proposition (To...):

Quantum Medical Concepts is a partnership of the Michigan State Medical Society. Through our partnership Quantum provides early-stage investment funding to companies in the medical sector. Our business model is unique, in addition to investing up to $250,000 in startup funding, we provide access to more than 15,000 medical professionals and active management support for our portfolio companies. This allows us to quickly identify and support products and companies that have a high likelihood of success.

Targeted Customers, Audience, Market or Member Segment (identify primary and secondary customer segments):
Medical sector products and companies

Member Survey Feedback (if available):

Not available

Alternative Providers (current or potential):
[i.e., What internal and/or other organizations currently provide or may provide in the future a competing program with similar goals, even though the program may be designed differently?]

This is a unique offering, we are not aware of any other healthcare associations doing this type of work.

Financial Position:
What is the program’s financial strategy? Is it supposed to generate revenue over expenses, break even, or to be subsidized (run at a loss)?

Quantum’s primary goals are to generate non-dues revenue.

What is the program’s current financial position? Is it generating revenue over expenses, breaking even or is subsidized (running at a loss)?

Quantum is currently operating at a loss.

Is the revenue stream trending up or down? Is it projected to increase/decrease/stay flat in the next 3 years?

The revenue stream is projected to increase in the next 3 years.

What percentage of the organization’s total expense/revenue does this program represent (including general overhead and staff salaries)?

What are the program’s fiscal growth challenges and/or opportunities for the future?

The opportunities in this area are abundant ... the challenge is successfully growing and exiting companies over the next 3 – 5 years.
Appendix 2: Generic Program Strategies

CELL I
High Program Attractiveness, Strong Competitive Position, and High Alternative Coverage

Generic Strategy for Cell I: Aggressive Competition
The strategy for each of these programs is to aggressively compete to maintain a strong position in areas where the organization is currently strong. These highly attractive strong position programs can play a vital role in the future in that they can be a possible growth base for the organization as well as generate surplus resources for other programs.

CELL II
High Program Attractiveness, Strong Competitive Position, and Low Alternative Coverage

Generic Strategy for Cell II: Aggressive Growth
The essential feature of this cell is that the field is open to the organization. Thus the imperative is to expand these programs as rapidly as possible, and to consolidate the strong position by building up capabilities in as many of the competitive position variables as possible, so as to secure these programs from future competition.

CELL III
High Program Attractiveness, Weak Competitive Position, and High Alternative Coverage

Generic Strategy for Cell III: Orderly Divestment
Generally this is a transition strategy. As program attractiveness is high, and the organization is in a weak position to provide such programs, the key theme is responsible orderly concession, not abandonment. Identify the exit barriers and build a plan to address those barriers and exit the program.

CELL IV
High Program Attractiveness, Weak Competitive Position, and Low Alternative Coverage

Generic Strategy for Cell IV: Build Strength or Sell Out
Generally, this is a transitional strategy. Programs that fall into this category are often, but not always, new programs for which there are recently developed, rapidly growing needs, and the organization does not yet have the necessary skills in place to be in a strong position to serve them. If the programs are truly attractive, if the organization has the resources, and if exit barriers are not anticipated, then the necessary resources should be deployed to develop needed skills as rapidly as possible, thus moving the program to Cell II. If the resources are not available, then the organization should identify other organizations with appropriate skills and advocate their offering the program, even aiding them in skill building if necessary. Once again, it will take strong leadership to recognize that in the long run, the stakeholders served will be better off if the organization does not take the easy short-term option of continuing the program with inadequate capabilities.

CELL V
Low Program Attractiveness, Strong Competitive Position, and High Alternative Coverage

Generic Strategy for Cell V: Build Up the Best Competitor
As program attractiveness is low, if the organization has alternative programs on which to focus its resources, exit from these programs is called for. Since there are many competitors vying for these programs, the only factor that should delay the transfer of such programs to other organizations is the fact that the organization has clear superiority over its competitors. Hence the imperative for this cell is to transfer program coverage to the best organization currently serving the segment (thus increasing the attractiveness of the program for the surviving provider).

CELL VI
Low Program Attractiveness, Strong Competitive Position, and Low Alternative Coverage

Generic Strategy for Cell VI: Soul of the Organization (Unattractive But Essential)
Programs that fall in this category are not attractive to the organization. However, the problem is that if the needs being addressed by these programs are essential, the organization may be the only source for such services.

CELL VII
Low Program Attractiveness, Weak Competitive Position, and High Alternative Coverage

Generic Strategy for Cell VII: Aggressive Divestment
For each of these programs, it appears that there are substantial competitors providing similar programs. If these competitors are able to provide superior services, there is really no justification for the organization to offer these programs, no matter how attractive they may be. The decision to concede such programs is often a very difficult, requiring strategic vision and leadership. If there is any clear competition in the marketplace, continuation of such programs is detrimental to the organization, as these programs are consuming resources that could be better used elsewhere.

CELL VIII
Low Program Attractiveness, Weak Competitive Position, and Low Alternative Coverage

Generic Strategy for Cell VIII: Transition to Others or Joint Venture
Programs falling in this cell are needed but the organization vastly underestimated technical skills required. The generic strategy is to identify and/or support other organizations that are better positioned or "joint venture" with them. The key challenge is to find ways of transferring programs to those organizations that may have the skills and providing them with support, (or joint venturing with them) or taking an activist position to attract the attention of constituents to the problem.