

FINAL
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Intrinsic Future Challenges

Dr. Speaker, members of the board, delegates, and guests ...

My wind down as CEO by chance paralleled the presidential election.

Out of curiosity I revisited comments made by U.S. Presidents ending their terms. I'd separate those messages into two categories. The most common approach was focused on the past – celebrating what had been accomplished.

Let's call that the "end zone dance and spike-the-ball" category. However, the past is the past, and results already exist in record.

In contrast, the second category of parting message was a view toward the future – identifying challenges on the horizon.

One example of this future-directed approach was provided by Dwight Eisenhower. In leaving the White House he famously cautioned against what he termed the "Military Industrial Complex"; how we had to maintain military strength but, in the process, not lose ourselves to militarism driven by the manufacturing opportunity and resulting positive market impact.

Another future-oriented message came from Jimmy Carter. His comments focused on the emerging challenge that emanates when narrow self-interest replaces a collective effort toward the greater good – impacting everything from the health of democracy to the viability of the planet.

These future-oriented approaches seem to me more a value-add than the backward-looking end-zone-dance approach. I'll deploy this eye-to-the-future approach to highlight some thoughts on two governance challenges we face.

To do that, it's helpful to outline the context of my arrival at the AMA.

In 2011, the Chair of my search committee was Dr. Jerry Lazarus. At one point I was asked what I thought of AMA's governance.

Assuming this wasn't a trick question (which it might have been), I gave a two-part answer.

First, I told him that if one started with a blank sheet of paper, it's unlikely one would draw up our governance exactly as it exists.

But secondly, the search committee indicated that the AMA was not satisfied with the way strategy was done – there were too many small projects of limited duration that did not amplify each other for impact. Additionally, the committee wanted an approach that, building on our policies, would bring our mission statement more to life. And there was a sense that dealing with those things could mitigate the bleeding in membership, reversing the downward membership trend that had existed for 40 years.

Thus my thought was that restructuring governance while at the same time developing a more impactful and focused strategic direction was combining two very heavy lifts. It would be good to focus on one. And in my view, the AMA would be better served focusing on that strategic mission-related vision, for the time being, while playing the existing governance hand.

I believe Dr. Lazarus and the Committee saw sensibility in that – at least that was my interpretation since I was invited back!

That was the genesis of the AMA’s three strategic arcs, driven by the three accelerators that I routinely overview in these presentations. From that, flowed elements such as our medical education consortium, the Center for Health Equity, our Health2047 innovation studio in Silicon Valley, and several other amplifying programs and initiatives that I highlight in my regular remarks to the House. Along the way, AMA membership not only stabilized from its decades of decline, it **grew** by 30 percent.

With our mission-focused work now in place and having nearly 14 years’ perspective, I’d like to return to the governance question asked of me in 2011.

Not only is the environment quite different now, but our progress in the last 14 years has itself generated potential future challenges to our existing governance.

A first challenge emanates from the size of this House of Delegates.

In my first appearance in the House in 2011, there were just over 500 delegates. Today there are over 700. There are a few factors that have contributed to this increase - one being the decision to balance representation between state and specialty societies. However another driver, accounting for nearly 40 percent of this increase in House size, is a consequence of membership growth.

In our current governance, increases in membership directly result in an increase in the number of delegates.

A House of substantial size provides both opportunity and challenge. Opportunity in adding yet more diverse opinions, experiences and contributions. On the other side of that coin, large deliberative bodies can be cumbersome and inefficient.

Through what rational lens might one examine the “right size” of this House. Is 700 delegates and growing, a sufficient representation of our 1 million physicians? Or is the

House becoming too large?

Studies that analyze the size of representative bodies provide insight into such questions.

General conclusions suggest that as representative bodies increase in size, they tend to spend more money ... and the quality of democracy generally declines.

But what is too small or too large? While there's no agreed upon rule for assessing optimal size, there are guideposts.

The "cube root law", which is a commonly cited math model, is one. It specifies that the optimal number of seats in a legislature relates to the cube root of the population represented. Since there are approximately 1 million physicians in the U.S., the cube root would suggest a House of just 100 delegates.

Now 100 would seem too small for our House since, for example, nearly 200 societies are here represented. But while 100 may not make sense, does seven times that 100 value deserve attention?

Our nation once tied the number of members in the U.S. House of Representatives to its population. Recognizing what this would eventually mean given our nation's rapidly expanding population, Congress acted to cap the size of the House of Representatives to 435 members in the Reapportionment Act of 1929, before later adjusting for the statehood of Alaska and Hawaii and then once again readjusting back to 435.

The U.S. House has undergone reapportionment multiple times – it's contentious, but doable. Perhaps another guidepost is the simple fact that the AMA House is now significantly larger than a joint session of Congress, which represents some 330 million Americans.

The bottom line is that if we plan on continued growth in membership, but don't consider the downstream effects on the size of this House, we could eventually find our functionality challenged.

If one emerging governance challenge is the size of the House, a second is the nature of representation within our House.

An increasing number of physicians are employed. Roughly 42 percent of physicians were employed when I began in 2011, but now that number is above 50 percent. In the 1980s 76 percent of physicians owned their own practices. By 2022, that number had fallen to 44 percent. .

My sense is that there will always be a critical physician segment in private independent practice – though shrinking in size – but this population will need to be supported, and indeed the need for support is greater than it has ever been for this group. But with a growing number of physicians employed and in groups we will need be equally attentive

to these voices and needs as well.

In the AMA's first century, this House was dominated by independent physicians in general practice. Medical advances of the 20th century changed the practice of medicine, leading to greater specialization, hence the development of our diverse group of specialty societies. The governance of the AMA adapted to this change and, as I mentioned, took action to increase representation of specialty societies to bring them in balance with our state societies.

Now in this century, we see a shift toward employed groups of physicians, and that leads to yet another profound change in the make-up of our physician community. In response, we have added new value propositions to attract more groups of employed physicians - necessary to continue membership growth. Importantly, we've done so while maintaining attentiveness and support for independent small practices.

How unwise it would have been for us to ignore specialization in the 20th century. In this century we similarly need engage the employed physician groups.

It's possible this trend toward employment also needs to factor into decisions about the balance of this House, to ensure that our policymaking body always reflects our changing profession. For example, currently when groups of employed physicians become members, they largely are portioned out in representation to existing state or specialty societies.

Yet physicians that are employed and in groups also are likely to have their own particular needs. A step toward recognition of this fact was already taken with the creation of the Integrated Physician Practice Section, which provides a pathway to submit resolutions and thus influence policy.

However, is this level of representation a sufficient voice for what is now greater than 50 percent of physicians?

This is another important question to consider as our membership – as well as the total physician population – rebalances between individual physicians and employed physician groups.

The two questions I raise – the size of the House and the representation of employed physician groups — are governance questions and thus the purview of this House, acting with the fiduciary oversight of our Board. These are not questions that can be resolved by your management team.

I highlight these questions simply feeling duty-bound to do so as these are likely fundamental challenges for the future ... challenges characterized by a stealth quality of slow creep toward a future point that could feel more existential.

Just as we present a balanced portfolio of short term and long-term mission work, so too does longer-term consideration of governance structure likely need to be in the mix.

Thanks for indulging me by listening to these thoughts as I edge toward the end of my AMA CEO duties.

For those of you who have served in this House since 2011, you've now sat through 27 of my addresses. So, thanks for your patience – and I celebrate your resilience!

We've made tremendous strides in advancing our mission, our membership, our advocacy ... defending science and staking out critical positions that seek to create a more just and equitable health system and, in addition, have created a far more innovative AMA.

Doing so, we have shown, by action, that we “promote the art and science of medicine and the betterment of public health”. So perhaps we can allow ourselves the imaginary pleasure of spiking the ball, each in our own way.

Thank you and best wishes.

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