

## Area 3 Report to AEC – February 8-10, 2019

**Member Services:** Area 3's ongoing initiative of developing, funding and implementing Area 3 programs that add value to APA membership and serve the APA members of Area 3 was abruptly halted by the APA Board of Trustee's vote to take away the surpluses of Area 1, 3 and 7 based on the recommendation of the Committee on Finance and Budget. In 2018 alone, the Area 3 surplus funded four programs, including the Area 3 RFM Merit Awards, which recognized the meritorious achievements of four RFMs. Another of these programs has been completed and fostered the recruitment and retention of APA members by enriching the experience of APA membership. We are expecting similar successful outcomes for the two programs that are in process.

In the past, Area 3 funded the Washington Psychiatric Society's *Career, Leadership and Mentorship (CLM)* program at its inception and during its early years. This successful program for RFMs (formerly MITs), which was conceived and is led by Dr Sorel, WPS Representative, celebrated its 10<sup>th</sup> anniversary in 2018 and has provided RFM leaders for the Washington, DC District Branch, the Assembly and the entire APA. Cristina Secarea, MD, Chair, ACORF and Area 3 RFM Representative, has benefited from the CLM program, as have ECPs and other RFMs, who served on the Area 3 Council. The New Jersey Psychiatric Association adopted and adapted the CLM program for New Jersey MITs and ECPs for two years under the leadership of Theresa Miskimen, MD and with the financial support of Area 3. Area 3 also funded a Website project by the Maryland Psychiatric Association that improved communication with its APA members. The largest Area 3 program was a multiple-site educational activity – *Maintenance of Certification: Navigating the Process* – in which even some APA Area 2 members participated.

With our Speaker's approval, Area 3 was able to reserve a small amount of the Area 3 surplus funds before the end of 2018 in order for the Area 3 RFM Merit Awards to survive for a second year. Area 3 thanks Dr Batterson, on behalf of the RFMs who will be receiving the Area 3 RFM Merit Award in 2019.

**Diversity:** Nothing to report

**Advocacy:** Nothing to report

**Education:** Nothing to report

**Standards, Quality of Care, Healthcare and Health Economics:** Nothing to report

**Strength of Area 3:** The Board's decision to take away Area 3's surplus is a blow to Area 3. The entire infrastructure, and policy and procedure that Area 3 established ([see Appendix I](#)) to prudently utilize its surplus for programs is now in limbo. This action sends the message, even if it were not intended, that all Area 3's work to add value to the APA membership and serve the APA members of Area 3 is not appreciated and supported. Furthermore, the Board's action does not reinforce Area 3's frugality in regard to its operating expenses.

Several years ago, Area 3 generously had some of its surplus transferred to Area 7 because that Area was in the red. Over the years Area 3 Council members have often not submitted their travel expenses for reimbursement, and some Area 3 Council members have paid for Area 3 receptions and dinners associated with its business meetings. In the past, the Philadelphia medical school, where Area 3 holds its Council meetings, did not always submit an invoice. All of this has been corrected, so that the APA now has an accurate accounting of Area 3's cost of doing business, and the Area 3 Council members, who already give of the three Ws – Work, Wisdom and Wealth (dues and donations to the APA PAC and Foundation), and the medical school where Area 3 holds its meetings, are no longer subsidizing our APA pro bono.

Area 3 returned to a winter/spring two-day meeting for 2016 and 2017. Prior to 2011, the Area 3 Council regularly held two meetings, each for two days, in addition to its meetings at the Assembly, which we found very helpful for younger members' orientation and networking: certainly, more was accomplished with the expanded agenda. Since Area 3's annual block grant in the amount of \$9,650 did not cover a two-day meeting, holding two-day meetings reduced Area 3's surplus. Therefore, the Area 3 Council voted to no longer have two-day meetings in order to not incur the extra unreimbursed cost, because the Council members wanted the Area 3 surplus to be utilized for some programs that directly benefited the APA members in Area 3.

Area 3 thanks Dr Bob Batterson, our Speaker, for all the efforts he made to find a reasonable solution to the Committee on Finance and Budget's concern that Area 3 had a surplus. These efforts included his forming an AEC AHWG on Area Surplus Rules, on which Dr Napoli served. This Workgroup's recommendation was fair in that it allowed Area 3 to continue conducting approved programs funded by its surplus for four years with the requirement that Area 3 had to spend down its surplus to 1.5 times the amount of its annual block grant during that time. These rules also permitted each Area to have a surplus in the amount of 1.5 times its block grant.

Area 3 thanks the AEC for voting to accept the surplus rules recommended by the AHWG on Area Surplus Rules and against a proposal to reduce Area 3's 2019 block grant by 58.5% of what it received each year from 2015 to 2018, inclusive, i.e., from \$9,650 to \$4,000. Area 3 almost breaks even for its annual operating expenses with a block grant in the amount of \$9,650. Therefore, this reduction would have taken away Area 3's surplus at a rate of \$5,650 per annum for every year that the block grant would remain at \$4,000 per year.

Rather than remain demoralized, Area 3 is moving ahead:

1. with its recently established AHWG on Finances and Administration

This workgroup is charged with determining the future financial needs and administrative tasks of Area 3 by studying its present finances, including its block grant, and its administrative tasks, and by addressing specific questions about Area 3's financial needs and administrative tasks (see Appendix II), and recommending a projected budget for Area 3.

2. by recommending that the AEC use the surpluses, which were taken away from Areas 1, 3 and 7 but allowed to remain in the Assembly budget, for the Areas to fund programs that benefit APA members.

If the AEC votes to use these funds for this purpose, the AEC would need to establish policy and procedures for the Areas to submit program proposals and competitively bid for funding approval. Area 3 further recommends that these former surplus funds not be used for the operating expenses of the Areas. Since the Board allocated these surplus funds to the AEC Contingency Fund, the AEC needs to determine if these funds could be used for this purpose, pursuant to the Assembly Procedural Code.

Respectfully submitted,

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#### **Appendix I – The Process of Area 3's Work on Finances and Programs - 2017-2018**

- Area 3 AHWG on Finances and Programs is set up.
- Chair of Area 3 AHWG on Finances and Programs divides workgroup into two sub-workgroups, one on Finances and one on Programs.
- Workgroup addresses questions posed to workgroup.
- Workgroup makes written proposal to Area 3 Council.
- Council reviews, moves and discusses proposal.
- Council approves proposal.
- Dr Sorel submits program proposal – Area 3 RFM Merit Award
- As per proposal, Area 3 Representative establishes Committee on Program Evaluations (COPE) with Description of COPE
- *Area 3 Policy and Procedure on Program Evaluation and Funding* is written.
- Area 3 Council approves the *Area 3 Policy on Program Evaluation and Funding*
- COPE vets two program proposals, one is withdrawn and the other – the Area 3 RFM Merit Award, after revisions made by COPE and the Washington Psychiatric Society, COPE recommends that the Area 3 Council approve.
- Area 3 Council approves the Area 3 RFM Merit Award program.
- Webpage set up for Program Proposal submissions.
- Webpage set up for RFM Merit Award submissions.
- NJPA and WPS submit names of RFMs to be considered for RFM Merit Award.
- MPS submits an expedited program proposal.
- Area 3 RFM Committee reviews RFMs submitted for RFM Merit Award and recommends them to Area 3 Council.
- COPE vets a MPS expedited program proposal and recommends it to Area 3 Council.
- Area 3 Council approves and MPS's program proposal.
- Area 3 Council approves RFM Merit Award recipients upon the recommendation of the Area 3 RFM Committee
- Area 3 honors the RFM Merit Award recipients at the Area 3 Council meeting at the 2018 May Assembly – Area 3 Merit Award certificate, \$500 honorarium and dinner.
- Email announcement send out to Area 3 Council members calling for program proposals for next quarterly submission.
- MPS reports on outcome of implementation of Area 3 expedited program.

- MPS submits proposal for another Area 3 expedited program.
- WPS submits proposal for Area 3 competitive program
- The Area 3 Representative creates a budget for Area 3 that has accounting advantages, compared to the summary that Area receives quarterly. These advantages include: 1. dividing the budget into operating expenses and program expenses in which operating expenses for a given year are charged to the block grant for that year and the program expenses are charged to the Area 3 surplus and 2. identifying the item or reason for the expense in addition to the vendor or the person who was reimbursed. Operating expenses are for the venue, food and audio-visual equipment for two one-day meetings, travel reimbursement for those meetings and the Area 3 Website.
- COPE vets MPS and WPS proposals for Area 3 programs and recommends them to the Area Council, which votes to approve them with the recommended funding.

## **Appendix II – Questions for Area 3’s AHWG on Finances and Administration**

- Area 3’s 2019 Block Grant

Now that Area 3 no longer has a surplus to draw upon if its operating expenses exceed \$9,650, will the block grant in this amount cover Area 3’s projected operating expenses? Does the increased cost of the business meetings and of travel have to be factored in for future block grants? What if there is a change of location and venue that could increase the cost of the meetings above the cost of the present meeting location and/or venue? Since \$9,650 only covers two one-day meetings, what if there is a reason to hold two-day meetings: how will the cost be covered? What if new DB representatives have a distance to travel that would require flying and/or overnight hotel accommodations, and thus, increase the number of representatives in this category and Area 3 travel expenses? Presently, Area 3 has two representatives in this category.

- Area 3 Website – *Welcome to Area 3*

As Area 3 Deputy Representative, Dr Napoli designed and constructed the Area 3 Website. The Website was designed to serve three purposes – 1. a tool to conduct Area 3 business, 2. provide necessary information for the Area 3 Council members and guests attending to its meeting, 3. be used for bidirectional communication between the Area 3 Council and the APA members of Area 3. The last of these has not been implemented. Since its launch in 2013, Dr Napoli has been the administrator of the Website. Since his term will end in May 2019, there will no longer be an administrator for the Area 3 Website. Therefore: Should the Website continue? Has it been a useful tool for the Area 3 Council members? If it should continue, who will administer it? Should an Area 3 Council member do it voluntarily? Should the APA administrative staff support person for Area 3 do it? Could it be incorporated into the APA Website, and thus, administered by APA staff? Should one of the Area 3 DBs do it? If an Area 3 DB becomes the administrator, should Area 3 pay the DB for this serve as part of its operating costs? How much time is necessary to administer the Website? Should the Website be used to realize its third purpose?

- Services of the Area 3 District Branch Executive Directors

Area 3 has greatly benefited the administrative services of the Area 3 DB Executive Directors. The Former Executive Directors of MPS (Kery Hummel) and NJPA (Deb Wilson), and the Executive Director of PaPS (Deb Shoemaker) organized and directed *Maintenance of Certification: Navigating the Process*. The Executive Directors of NJPA (Patricia DeCotiis) and PaPS have, or are currently serving on Area 3 committees and ad hoc workgroups and have and still are providing administrative services. Should Area 3 continue to have the Executive Directors provide administrative services? Should Area 3 continue to have the Executive Directors participate in the Area 3 meetings, committees and AHWGs but not have them do any administrative work? If they continue to perform administrative tasks, should the DBs be compensated for this service? Instead, should the APA administrative support person, who is assigned to Area 3, perform the administrative tasks presently done by the Executive Directors? Is this feasible?

- Area 3 Programs

Should Area 3 continue developing and implementing programs? Now that Area 3 no longer has funds for programs, is there a way that it could raise funds? For example, should Area 3 assess the Area 3 DBs an amount per active member, as Area 4 does? Should Area 3 charge its APA active members in Area 3 dues, as Area 6 does? Since the surplus funds that have been taken away from Areas 1, 3 and 7 are retained in the Assembly budget, should Area 3 submit program proposals to the AEC and compete for these funds, if the AEC votes to accept Area 3’s recommendation to designate these funds for area programs?