



## FAQs | State Strategy

V3, October 17, 2023

State Strategy and Options	
<b>Why is MGMA moving from affiliates to partners and chapter model?</b>	<p>As a membership-driven organization, we are always evaluating how we can provide more value to both our state organizations and our members.</p> <p>We have been working on an enterprise-wide strategy to create better alignment with our MGMA State Affiliates and provide a model that will drive greater collaboration, support and value to members at both the national and state levels.</p> <p>The goal is to rethink and redefine the National/State relationship so each can leverage their strengths, maximize their resources, and better position themselves to demonstrate a unique and compelling value proposition to members. By moving to a partner affiliate and chapter model, we believe this approach will benefit you, your members and MGMA. This is an opportunity to create stability and improve the quality of the services you provide to your members.</p>
<b>What is the reason for this change?</b>	<p>As a membership-driven organization, we are always evaluating how we can provide more value to both our state organizations and our members.</p> <p>Over the past several years, states that have been struggling did not notify MGMA until they were too close to dissolving. As a result, we've seen several states fail and members displaced.</p> <p>We've also had several states reach out to us and ask for greater support, which we could not provide under the current affiliate models. MGMA designed KPIs to collect data and apply national benchmarks in the areas of financial and membership management, as these are the core areas of success and viability for associations.</p> <p>We then began working on an enterprise-wide strategy to create better alignment with our MGMA State Affiliates and provide a new option that will drive greater collaboration, support and value to members at both the national and state levels.</p> <p>The goal was to rethink and redefine the National/State relationship so each can leverage their strengths, maximize their resources, and better position themselves to demonstrate a unique and compelling value proposition to members. By moving to a partner affiliate and chapter model, we believe this approach will benefit you, your members and MGMA. This is an opportunity to create stability and improve the quality of the services you provide to your members.</p>

<b>How will this impact members?</b>	This change will create a better experience for members. Our members are the heart of MGMA — and the foundation of the healthcare industry. By moving to a partner affiliate and chapter model, we will continue to grow a coalition of leaders who are confidently advancing the practice of medicine across the country with access to the best resources at the national and local levels.
<b>What is a chapter?</b>	The chapter model allows state organizations to become a subsidiary of MGMA. While state volunteers will continue to play key roles in governance, membership, content/benefits and conferences, the administrative and financial responsibilities will be assumed by MGMA and resourced directly or through outsourced association management. We don't expect every state organization to pursue this direction, but some organizations that have been facing challenges may find this model gives them the resources and support they need to become successful.
<b>What will be different about the new Partner Affiliate Agreement? Why is the current State Affiliate Agreement no longer being offered as an option?</b>	<p>The revised Partner Affiliate Agreement will look similar to our current Partner Affiliate Agreement with some important distinctions. As you know, the Partner Affiliate Agreement requires a dual membership product offering for individual membership. This new partner affiliate agreement will include the existing dual option for individual membership (IM), and the addition of a dual organizational membership (OM) option. This dual OM offering has been requested by many of our state affiliates and we are excited to roll this out as a component of the new strategy. Members will still have the option of selecting a National-only or State-only membership product.</p> <p>When the Partner Affiliate Agreement was originally created, the major difference from the State Affiliate Agreement was the inclusion of the Dual Membership product. Although a pilot involving six states had proven successful, many states were hesitant to embrace Dual Membership. As a result, MGMA allowed states to participate in either the Affiliate or Partner Affiliate agreement. Currently, nineteen (19) states have elected the Partner Affiliate Agreement and successfully participate in dual membership. The goal now is to provide consistent membership product options in all states so that all members have access to a membership that works best for them and the option to receive the best local and national value and resources.</p>
<b>How does dual membership work under the partner affiliate agreement?</b>	All states will be required to offer dual membership (member of both national and state) in addition to state-only membership. National members may also elect to remain as national-only. The Partner Affiliate Agreement will also include a new Dual Organizational Membership product in addition to Dual Individual Membership.
<b>What is the enrollment process and financial model for Dual Individual Membership?</b>	Dual individual members enroll through the national MGMA website and pay a single dues amount based upon a discounted state dues rate and discounted national dues rate (12.5% discount each). States will also provide a Dual Membership landing page on their website with a link to the national MGMA Dual Membership landing page. MGMA will collect and distribute back to the state their share of the dues via EFT. States will be notified of each new/renew dual member in their state so they can onboard and engage that member in the same way they handle all their other state members.

<b>Will there be costs to a state for electing either the Partner Affiliate or Chapter option?</b>	No, there will not be a cost to the state for electing either model other than a percentage of the Dual Organizational Membership dues allocated to the state to cover administrative costs associated with the sales process.
<b>What benefit(s) does National MGMA feel the states have with an MGMA partnership?</b>	<p>One of the main benefits is the national recognition of the MGMA brand as a leader in the industry and the primary association supporting the business of medical practice management.</p> <p>Through a more closely aligned partnership, each can leverage their strengths, maximize their resources, and better position themselves to demonstrate a unique and compelling value proposition to members. By moving to a partner affiliate and chapter model, we believe this approach will benefit you, your members and MGMA. This is an opportunity to create stability and improve the quality of the services you provide to your members.</p>
<b>MGMA States each have differing dues structures. How will this work for Individual Membership?</b>	Both MGMA and the MGMA State will take a 12.5% discount on dues and that is the amount charged. The MGMA State can choose to take more of a discount, for example, GA MGMA charges \$1 over national dues for a dual membership (Slogan: MGMA is \$399 and for a dollar more you can have both National and State Membership!)
<b>We would like to request at least a one-year due diligence period to resolve any questions in the new agreement, hold an in-person membership meeting to discuss and share the impact, and also to have sufficient time to determine a route forward with pre-existing long-term commitments for future state conference and meeting spaces.</b>	Due to the tenuous position of several of our state organizations, MGMA feels it is important to move forward with the new models quickly. The only change in moving from the Affiliate to the Partner Affiliate Agreement is the addition of the Dual Membership products. As states will continue to be able to offer state-only membership, this should not have an impact on current members, other than to offer access to national and state membership through a single enrollment process. Regional conference participation for Partner Affiliates will be optional so as not to interfere with existing contracts or commitments. However, if a state is interested in participating in regional conferences, the national M&C staff would work with the state in negotiating out of an existing contract.
<b>Is there a longer-term plan to move all Chapters to the "State Chapter" model? If yes, what is that timeframe?</b>	No, there is not a long-term plan to move all states to the chapter model.
<b>Does MGMA have a preference in which model a state elects?</b>	No. The purpose of two options is to give a state the opportunity to select the model that will best serve the state association and its members. However, if a state is "at risk" based on the KPI benchmarks, MGMA will work with the state in transitioning to the chapter model. The goal behind the introduction of a chapter option is to offer a model that provides greater resources and support than can be provided through an affiliate relationship. The most significant advantage of the chapter option is that MGMA assumes financial responsibility for the state association. This allows state leadership to focus on membership growth and retention, member benefits and education.

What happens if a state refuses to sign the new Partner Affiliate Agreement or the Board of Directors and/or membership does not approve amending the bylaws to transition to a Chapter?	We recognize that these changes may be unexpected and concerning at first, but please understand that we have evaluated them and their impact on both state organizations and members. Our goal is that the terms of this new agreement will be beneficial to you, your members and MGMA. Even if your state organization is performing well, we know that we cannot be complacent and must continue to innovate. As a result, we have developed a new Partner Affiliate Agreement that will go into effect on Jan. 1, 2024. Each state organization must sign the new Partner Affiliate Agreement to maintain its affiliation with MGMA.
Will MGMA bear the financial responsibility for general operation expenses for a struggling affiliate?	MGMA will only bear financial responsibility for chapter expenses.
Will the move from the current State Affiliate Agreement to the Partner Affiliate Agreement have an impact on state roles and responsibilities? (i.e., is National MGMA going to be taking over our responsibilities when it comes to membership, conferences, meetings, accounting, etc.?)	The main change for states moving from Affiliate to Partner Affiliate in 2024 will be the requirement to offer a dual membership option for its members. Partner Affiliates will also be given the opportunity to participate in a new Regional Conference strategy. All other state responsibilities will remain unchanged.
Who will MGMA be contracting with to manage the states selecting the chapter option? Will existing state staff or association management companies be included as options in the state chapter model?	MGMA will not bring chapter association management responsibilities in-house. We know there are so many excellent state staff and management organizations that do an incredible job managing their states and know our industry well and we plan to start there first. It will not be one organization or person, as there will be several chapters needing management support. We are just starting the work to define the delegated association management responsibilities and contracting processes. MGMA will be the contracting organization with the outsourced association management staff on behalf of the chapters; however, the state leadership will maintain an active role.
Who selects the chapter association management company? Will there be a Request for Proposals (RFP) process? Will state leadership be involved in the selection process?	There will be an RFP and MGMA will hold the contract with the management company. MGMA will work with the leaders of state associations moving to the chapter model to identify and select association management support during and after the transition. This may include the option of contracting with the state's current association management company or staff.
Can you share the data illustrating the impact of the administrative management support MGMA has provided to Illinois MGMA?	National MGMA became the Association Management company for Illinois MGMA in February 2022 at the request of the ILMGMA Board of Directors. At the time of the change, ILMGMA was in a critical financial situation and needed assistance. With the help of National MGMA staff <b>and a very engaged and committed Board of Directors</b> , ILMGMA has increased net income by 180%,

	grew membership by 13.5% and continued to offer state specific education with nearly 400 attendees throughout the year. Additionally, ILMGMA's online presences via LinkedIn increased by 66%.
<b>KPIs</b>	
<b>Are these benchmarks based on healthcare associations? Was a non-profit association part of the criteria?</b>	<p>These benchmarks are not based solely on healthcare associations because, as with the MGMA data surveys, if you drill down too far, the "N" would have been too small, and the results would not have been helpful.</p> <p>Yes, the benchmarks were specific to non-profit associations.</p>
<b>Can you outline the <u>total number</u> or <u>percentage</u> of state affiliate chapters that landed in each color for the overall score? Can you outline the <u>total number</u> or <u>percentage</u> of state affiliate chapters who landed with a yellow or red score for their Membership/Retention KPI?</b>	<p>In respect to each state affiliate that has provided confidential financial information to us, we will not be sharing the number of states in each category. However, there were multiple states represented in each color category (green, yellow, red). Most states are in the overall yellow rating, with a smaller, almost equal number of states in the red and green overall ratings.</p> <p>The formula used for calculating Membership Retention was: Total Active Members for 2022 minus Total New Active Members in 2022, divided by Total Active Members in 2021.</p>
<b>What are the options for a state that received an overall "red" score on their 2022 KPI Benchmarking Report?</b>	<p>We have had conversations directly and are working individually with states who are in this category. Their individual Board of Directors are making a decision on next steps based on the information provided during the meetings.</p> <p>Any red organization may begin transition work to become a state chapter (that takes effect Jan. 1, 2024, or on a date to be determined collaboratively by MGMA and the state organization) or red organizations can elect the right to cure opportunity and will have until the end of 2023 to improve overall performance to a yellow or green status. If a state organization is unable to improve to yellow or green by year end, transition planning to the chapter model will be initiated. An individualized transition plan with corresponding timeline will be developed for each state moving to the chapter model.</p> <p>Any green/yellow organization can elect to sign the new Partner Affiliate Agreement (that takes effect on Jan. 1, 2024) or also elect to move to the chapter model.</p>
<b>Will we receive information on other states' benchmarks to compare them to our benchmarks?</b>	At this time, we are being sensitive to states that required an NDA to share their financial information with us or requested we do not share their financial information. That being said, we are exploring how we might best share comparative data for the MGMA State Affiliates that will not reveal any indicators of the specific state information.

Timeline and Transition	
<b>What is the timeline for implementation of the new Partner Affiliate Agreement?</b>	The current Affiliate and Partner Affiliate Agreements will not be renewed; therefore, the new Partner Affiliate Agreement must be signed by January 1, 2024.
<b>If a state has the option to sign the new Partner Affiliate Agreement, why does it need to be signed by January 1, 2024?</b>	The major change in the new Partner Affiliate Agreement is the addition of the Dual Organizational Membership product. MGMA currently has over 900 Organizational Members. The biggest membership renewal month is January and the sales process for Organizational Membership renewals begins 90 days prior to the renewal date. Therefore, renewal discussions with current national Organizational Members will begin in October 2023. The earlier a Partner Affiliate state signs the new agreement, the sooner the national sales team can include that state in renewal discussions for an upsell opportunity to Dual Organizational Membership. The goal was to be able to offer the Dual Organizational Membership opportunity to as many new and renewal organizations as possible knowing the volume of accounts that purchase a new OM or renew in January.
<b>What is the timeline for transition to a chapter?</b>	<p>There will be an ongoing transition period dependent on whether a red state has elected the right to cure period as well as each state's bylaws, contracts, etc. This transition will begin on January 1, 2024, unless a state requests to start the transition process sooner. There is no expectation that any state would be completely transitioned to state chapter by that date. All states transitioning to chapter will sign an interim Partner Affiliate Agreement that will be terminated upon completion of the transition process to chapter.</p> <p>If a red state is unable to increase their scores on the KPI to at least a yellow rating by Dec. 31, 2023, MGMA will move forward with transitioning the state to a chapter.</p>
<b>Will the move from the current Affiliate Agreement to the Partner Affiliate Agreement have an impact on state roles and responsibilities, i.e., is national MGMA going to be taking over our responsibilities when it comes to membership, conferences, meetings, etc.?</b>	The main change for states moving from Affiliate to Partner Affiliate in 2024 will be the requirement to offer a dual membership option for its members. Partner Affiliates will also be given the opportunity to participate in a new Regional Conference strategy. All other state responsibilities will remain unchanged.
<b>When will the new Partner Affiliate Agreement be available to review?</b>	The first draft of the new Partner Affiliate Agreement was distributed to states on July 28, 2023.

<b>Under the state Partner Affiliate Agreement, are there any required changes to governance?</b>	No.
<b>If a state is in the “green” category, can they have extra time before implementing the new Partner Affiliate agreement due to contracts already signed for varying activities?</b>	There are not any changes to the Partner Affiliate agreement that would impact state contracts already in place.
<b>What support is MGMA offering to help my “red” organization get on track in the next 6 months?</b>  <b>If I am part of a “red” organization, what are my options?</b>	At the request of a state, MGMA will work with them to develop an individualized six-month transition plan. However, all red organizations that do not improve to yellow or green by Dec. 31, 2023 must begin the transition planning to become state chapters.
<b>Chapter and Partner Affiliate Transition</b>	
<b>What is the legal process for transitioning a state affiliate to a chapter?</b>	Becoming a State Chapter will require amendments to the Articles of Incorporation and Bylaws. Depending upon the structure of the current state Bylaws, amendments may require a vote by the Board of Directors and/or the membership. MGMA legal counsel has developed an outline of the baseline procedures for transition to a chapter and will also develop a customized transition plan and timeline for each state transitioning to a chapter.
<b>If a state chooses to become a chapter, will MGMA cover the legal costs involved with changing the Bylaws?</b>	Yes, MGMA is covering the legal and applicable accounting/finance costs associated with the chapter transition process.
<b>What will happen if a state cannot sign the new Partner Affiliate Agreement by the Jan. 1, 2024 date due to timing of state meetings and these changes require changes to the Bylaws?</b>	The new Partner Affiliate Agreement does not require a change to state Bylaws. The new agreement will need to be signed by Jan. 1, 2024 to continue as an MGMA affiliated association. There will not be a Chapter Agreement and we understand that this transition will involve an amendment to the Bylaws and require a vote of either the Board of Directors or the members. We will work with each state moving to a chapter model to develop an individualized transition plan and corresponding timeline based on state bylaws requirements. States moving to the chapter model will need to execute an interim Partner Affiliate agreement by Jan. 1, 2024 which will be terminated when the chapter transition process is complete.
<b>What happens if a state refuses to sign the new Partner Affiliate Agreement or the Board of Directors and/or membership does</b>	The current Affiliate and Partner Affiliate Agreements are not being renewed. If a state has not signed the new Partner Affiliate Agreement and/or elected to move to a Chapter model by Dec. 31, 2023, there will be no contractual relationship between MGMA and the state effective Jan. 1, 2024. This includes the Trademark and Licensing Agreement.

<b>not approve amending the Bylaws to transition to Chapter?</b>	<u>Obligations Upon Termination.</u> In the event of termination of this Agreement for any reason, all licenses granted hereunder shall cease immediately and each party shall promptly remove any hypertext link from its website to the other party's website. Partner Affiliate agrees that it will promptly cease all use of the MGMA Names, the MGMA Partner Affiliate Logo and the List Exchange and will promptly change its name to remove all references to "MGMA or "Medical Group Management Association." Partner Affiliate shall, at MGMA's stated option, deliver to MGMA or destroy all records or copies of the List Exchange and all promotional or other materials then in its possession or control using or displaying the MGMA Name and logos or such other names or marks which imply an affiliation between Partner Affiliate and MGMA and shall promptly cease representing itself as a Partner Affiliate of MGMA.
<b>If MGMA decides not to sign the new Partner Affiliate Agreement or approve transition to a Chapter, will MGMA start and support a new state MGMA chapter subsidiary on their own?</b>	Yes, if it is determined that maintaining a local MGMA presence is in the best interest of the members who joined an MGMA-affiliated state association.
<b>How will the chapters be governed? What level of autonomy will state chapters have with financial matters, such as decisions around costs, making changes to dues amounts, etc.?</b>	There will continue to be state leadership that will work with MGMA on governing the state chapters. The details are in process and will be presented during the "Governance" Town Hall meeting if not before.
<b>Is a change to Chapter status permanent?</b>	Due to the legal and financial complexities associated with transitioning to a chapter, the state chapter status will be permanent.
<b>Who will MGMA be contracting with to manage the states selecting the chapter option? Will existing state staff or association management companies be included as options in the state chapter model?</b>	MGMA will not bring chapter association responsibilities in-house. We know there are so many excellent state staff and management organizations that do an incredible job managing their states and know our industry well and we plan to start there first. It will not be one organization or person, as there will be several chapters needing management support. We are just starting the work to define the delegated association management responsibilities and contracting processes. MGMA will be the contracting organization with the outsourced association management staff on behalf of the chapters; however, the state leadership will maintain an active role. MGMA will conduct an RFP process, and MGMA will hold the contract with the association management.
<b>Will there be total transparency in finances between the national and state chapters? What will that process look like?</b>	Financial management processes are currently being developed. MGMA will work closely with the designated state association management for chapters to determine the best processes for financial management responsibilities and sharing of financial information.



<b>If MGMA is bearing the financial responsibility in the Chapter model, how will revenue be shared in that model?</b>	Each Chapter will have its own budget and both revenue and expenses will be allocated to that budget.
<b>With MGMA assuming fiscal responsibility for state chapters, does that mean they will be covering management services expenses for those states?</b>	Yes, MGMA will be financially responsible for all state chapter expenses, including association management expenses. MGMA will contract with association management staff/companies to support each state chapter and management expenses will be incorporated into the chapter budget.
<b>As a Partner Affiliate, who handles membership renewals and invoicing for state-only memberships?</b>	The state Partner Affiliate (or their association management staff) will continue to handle state-only new membership enrollment, renewals, invoicing and dues collection.
<b>Will we receive information on other state's benchmarks to compare them to our benchmarks?</b>	At this time, we are being sensitive to states that had required an NDA to share financial information or requested that we not share their financial information. That being said, we are exploring how we might best share comparative data for the MGMA State Affiliates that will not reveal any indicators of the specific state information.
<b>What will happen to our staff/vendors if we choose to become a chapter?</b>	If you choose to become a chapter, all administrative and financial responsibilities will be handled by national MGMA moving forward.
<b>What about if we opt to be a Partner Affiliate instead?</b>	If your state is a Partner Affiliate, the state will continue to be responsible for handling the financial and administrative duties of the organization.
<b>Why weren't state leaders and/or state staff included in the development of the new state strategy?</b>	MGMA's concern for the health of the state organizations, and commitment to preventing additional state dissolutions or displacement of members required us to develop a model that provides help and support quickly. When MGMA previously included state MGMA participation in the process of creating the Partner Affiliate Agreement (including aligned membership categories, core benefits and dual membership), it took almost three years. We couldn't risk waiting for several years before taking action to assist MGMA States in jeopardy of closing.
<b>Will state leadership be involved in the selection process for their association management companies (with the chapter option)?</b>	National MGMA will select the management company, there will be an RFP and MGMA will hold the contract for the management company. We will consider how a state chapter might play a part in the association management selection process.

<b>Dual Membership</b>	
<b>How does Dual Membership work under the Partner Affiliate Agreement?</b>	All states will be required to offer dual membership (member of both national and state) in addition to state-only membership. National members may also elect national-only membership. The Partner Affiliate Agreement will also include a new Dual Organizational Membership product in addition to Dual Individual Membership.
<b>What is the enrollment process and financial model for Dual Individual Membership?</b>	Dual Individual members enroll through the national MGMA website and pay a single dues amount based upon a discounted state dues rate and discounted national dues rate (12.5% discount each). States also provide a Dual Membership landing page on their website with a link to the national MGMA Dual Membership landing page. MGMA collects and distributes back to the state their share of the dues via EFT. States are notified of each new/renew dual member in their state so they can onboard and engage that member in the same way they handle all their other state members.
<b>What is the enrollment process and financial model for Dual Organizational Membership?</b>	<p>Dual Organizational Membership will be sold by the national MGMA sales team as an option for new Organizational Members or as an upsell opportunity to existing OM's during the renewal process. If a national organizational member elects to participate in the Dual OM product, the sales team will complete the invoicing for both the national and state dues. As with Dual Individual Membership, the state portion of the dues revenue (less a 25% administrative fee) will be transmitted to the state along with the list of individual members participating under the organizational membership. The state will then be responsible for adding the individuals as state members and initiating the state's onboarding and member engagement activities.</p> <p>The complete financial model is attached for reference.</p>
<b>In the State Affiliate model, if a member selects the state-only membership option, will there be a percentage of the dues that still roll up to national MGMA? If a member selects the national-only option, will there be a percentage of dues that roll down to the state?</b>	There are no dues sharing for state-only or national-only memberships. The state retains 100% of state-only dues and national retains 100% of national-only dues.
<b>Have all eighteen (18) states taking part in the Dual Membership program grown their membership at least enough to cover the cost of the discount?</b>	MGMA does not have visibility into state financials, so we are unable to model this. However, all participating states have enrolled Dual Members and overall, the retention rate for Dual members is higher than the national only or state only retention rates for Active members. There have also been participating states that have discounted their state dues even more than the required 12.5% as they believe that greater membership growth will create more downstream revenue through conferences/events, affiliate memberships, etc.

<b>What happens if an individual enrolls as a Dual Individual Member and does not meet the state definition of an Active/Regular member?</b>	<p>The current state affiliation agreements include the standard definition of an Active or Regular member. The national definition of an Active member is somewhat broader, but in the 2 ½ years since Dual Individual Membership has been in effect, there have been very few instances of a new Dual member not meeting the state definition of an Active member. In the few instances that a new member has purchased Dual Membership and a state identifies that the member does not meet the state Active member criteria, there are processes in place to move the member to the national-only membership and/or the appropriate state membership category.</p> <p>National organizational memberships are categorized as either Provider Organizations or Business Services Organizations and are sold through different sales teams. Dual Organizational Memberships will only be offered to Provider Organizations and all individuals enrolled as members under the umbrella organization must be added as members at the state level.</p>
<b>Will Dual Membership just entail including a tab on the state website offering “Dual Membership” that leads directly to the MGMA national website?</b>	Yes. States currently participating in Dual Individual Membership typically have a landing page on the state website (usually under the “Membership” tab) that describes the Dual Membership product offering and provides a direct link back to the national MGMA Dual Membership enrollment page.
<b>If a state currently offers a “state only” Organizational Membership, can they continue? If an organization purchases a Dual OM through national and has an existing state-only organizational membership, how will this be reconciled? Won’t the different membership options confuse potential members?</b>	<p>If a state has an existing organizational membership product, they can continue to offer the state-only option in addition to the national Dual Organizational Membership product. If a national organizational member purchases the dual product, we will work with the state to reconcile the two memberships.</p> <p>We have not seen the addition of a dual membership option create member confusion. The options are very clearly delineated on the MGMA website (national only versus dual). The growth of dual membership has proven that the option of purchasing national and state membership through a single administrative process has been seen as a positive addition.</p>
<b>Dual Membership Questions Added from Sept. Town Hall</b>	
<b>How will MGMA set the KPI calculation for state-only, dual, and national-only members per the Partner Affiliate Agreement?</b>	MGMA will request retention numbers for state-only active individual and organizational members (if applicable). Retention rates for new dual individual membership states and all dual organizational members will not be measured in the 2024 state matrix as these dual members will all be new in 2024.
<b>How many members did those individual states lose as a result of increased cost of membership?</b>	We are unable to provide this information as we did not receive detailed information on state membership from the Partner Affiliates; however, states should not have experienced membership loss as a result of increased cost of (dual) membership as the ability to purchase state-only membership was still available.

<p>The MGMA Organizational Membership is for 50 people at \$2500. The state would receive the amount less 25%. How does MGMA think states can provide member benefits at \$37.50 per person [knowing that we can collect more per person than MGMA?]</p>	<p>The MGMA Dual Organizational Membership dues rate of \$2500 per state covers “up to” 50 individuals. The assertion that states will only receive \$37.50 per member is assuming that every Dual Organizational Member will enroll 50 individual members. Currently, the average number of individual members enrolled under a Tier 2 and above Organizational Membership is 22. This equates to dues of \$113.64 per member less 25% or \$85.23. This also does not consider the overall membership growth potential that a State Affiliate will receive from the Organizational Membership-</p> <p>MGMA is also offering Tier 1 Organizational Members (1-6 physician FTEs) the opportunity to add state membership at no additional cost. MGMA will allocate \$200 in dues revenue to the state directly from the national OM dues. The average number of individuals enrolled in Tier 1 is 3 which equates to dues of \$66.67.</p> <p>There are currently over 900 national Organizational Members. In developing this model, the MGMA Finance team completed an extensive analysis of current Organizational Members, total number of individual enrollees per account, distribution of enrollees across multiple states (if applicable) and average state dues for Active members. The goal was to develop a model that was not only a reasonable upsell to national Organizational Membership but also produce revenue and membership growth for the states. It does not make business sense for MGMA to develop a model for Dual Organizational Membership that is financially detrimental to either MGMA or the state associations. The growth opportunity is also not limited to membership but more members should drive revenue growth in many areas including conferences, affiliate memberships, sponsorships, local events, etc.</p>
<p>Is there a discount offered for auto renewal under dual membership?</p>	<p>There is not an additional discount for auto renewal under dual membership.</p>
<p>The 12.5% discount is not specified in Section 4a of the draft agreement that National sent the States. Was this an oversight? Without including the specific discount amount it appears that National could increase that discount at their discretion.</p>	<p>The discount for dual membership has never been included in the Partner Affiliate Agreement. The 12.5% discount was mutually agreed upon by national and the states when the dual membership program was launched. It was also agreed that both national and the participating states would offer the same base discount amount which is also notably higher for the national dues. The rate is also not specified in the agreement as several states participating in dual membership chose to provide a greater discount than the agreed upon 12.5%. Specifying the discount in the Partner Affiliate Agreement would prohibit states from making individual business decisions to provide a greater discount if they felt it was in the best interest of their state strategy.</p>
<p>How do you define a Provider Organization?</p>	<p>An organization that provides direct patient care.</p>
<p>What about Local Chapters? Nothing that I have seen has addressed how this affects our local chapters within our states.</p>	<p>National MGMA does not specify requirements of how State Affiliates work with their local chapters as that varies from state to state. Because each state interacts with their locals in a different way, it is up to the individual states to address how or if dual members interact with local chapters.</p>

How do you handle orgs who employ only NP or PA and contract for MD supervision?	We don't see this scenario often and we will handle it on a case-by-case basis.																																
Could you show us each of the org levels?	<table border="1"> <thead> <tr> <th>FTE</th><th>Tier</th></tr> </thead> <tbody> <tr><td>1-6</td><td>1</td></tr> <tr><td>7-25</td><td>2</td></tr> <tr><td>26-50</td><td>3</td></tr> <tr><td>51-100</td><td>4</td></tr> <tr><td>101-250</td><td>5</td></tr> <tr><td>251-500</td><td>6</td></tr> <tr><td>501-750</td><td>7</td></tr> <tr><td>751-1000</td><td>8</td></tr> <tr><td>1001-2000</td><td>9</td></tr> <tr><td>2001-3000</td><td>10</td></tr> <tr><td>3001-4000</td><td>11</td></tr> <tr><td>4001-5000</td><td>12</td></tr> <tr><td>5001-6000</td><td>13</td></tr> <tr><td>6001-7000</td><td>14</td></tr> <tr><td>&gt;7000</td><td>15</td></tr> </tbody> </table>	FTE	Tier	1-6	1	7-25	2	26-50	3	51-100	4	101-250	5	251-500	6	501-750	7	751-1000	8	1001-2000	9	2001-3000	10	3001-4000	11	4001-5000	12	5001-6000	13	6001-7000	14	>7000	15
FTE	Tier																																
1-6	1																																
7-25	2																																
26-50	3																																
51-100	4																																
101-250	5																																
251-500	6																																
501-750	7																																
751-1000	8																																
1001-2000	9																																
2001-3000	10																																
3001-4000	11																																
4001-5000	12																																
5001-6000	13																																
6001-7000	14																																
>7000	15																																
If some of these goals were to assist those states with red or yellow KPIs, I'm not understanding how the dual membership funds being distributed are helpful at all.	Dual membership products were not designed for the purpose of assisting states with red or yellow KPIs but to drive membership growth for all states and provide consistency in membership product offerings at the national and state levels. Dual Individual Membership was implemented as a pilot in January 2020 and included in the Partner Affiliate Agreement beginning in June 2021. It was introduced as an initiative to increase awareness of our state associations and drive membership growth. It also provided members interested in both national and state membership the ability to enroll through a single, simplified administrative process at a slightly discounted rate. Due to the successful implementation of the Dual Individual Membership product, many states requested the addition of a Dual Organizational Membership product.																																
The renewal process was just mentioned as a "conversation to begin...". What is the full process used by the "sales team" for <b>state-only, dual, and national-only memberships</b> ?	<p>Individual Membership – The renewal process begins 60 days prior to the annual renewal date with an email campaign. The email campaign runs a week after expiration and has several reminders throughout the 60-day timeframe. Additionally, a letter is sent at the 30-day mark. Members that are current dual members receive specific information about renewing as a dual member. Messaging is different for those that are not a dual member. We do promote and provide the option to join as a dual member, if applicable, to individuals who are not currently a dual member and have access to the dual membership product in their state.</p> <p>Organizational Membership – Renewal for current organizational members is handled through an account manager and begins 90 days prior to the renewal date. The MGMA account manager works closely with the primary account contact. Additionally, we have a series of emails that are sent throughout the 90-day renewal window.</p>																																

What sort of education is being provided to the National Sales Team regarding state memberships?	Martha Huckaby and Allison Gault will train the sales team on the benefits of our State associations and the value of membership at both the national and local levels. State specific benefit questions will be sent to the state to answer as individual state benefits vary.
Will MGMA be giving each state an idea of what the organizational membership could potentially look like?	If your state MGMA is interested in seeing the current Organizational Membership numbers look like in your state, please contact <a href="mailto:membership@mgma.com">membership@mgma.com</a> .
How many individual memberships are included in the Tier One Organization Membership?	We will limit the number of individual enrollees at the Tier 1 level to 10. Additional enrollees will be \$50.00 each. Currently, there are 155 Tier 1 Organizational Members and 90% of those have 10 or fewer members. The average number of individuals enrolled under these Tier 1 OMs is 3.
Will business affiliates be offered similar membership offerings for State Membership?	At this time, we do not plan to offer dual membership to business affiliates.
<b>Do members have the option for national-only memberships? State-only?</b> Or is dual membership the only option for members going forward?	Yes, members will continue to have the option to choose national-only, state-only or dual membership.
Some/Many states ask for information about the practice during the application process. Will MGMA ask these questions, or will it be incumbent upon the state to get the missing information?	National MGMA asks for some of the same information. We will review the information provided to State Affiliates as a part of the process for dual membership.
<b>Conference Strategy</b>	
<b>What is the regional conference strategy?</b>	<p>The Regional Conference strategy will provide all members with the opportunity to participate in a combined national and state conference in their area. MGMA will take on financial risk and partner with participating states on the content development. There will also be a revenue share opportunity with sponsors/exhibitors and registrations. Participation in the regional conferences is optional for Partner Affiliate states.</p> <p>MGMA will continue to plan for our annual conference in the fall and the regional conferences will replace the existing national only Finance and Operations conferences held in the spring.</p>

<p><b>Do you have dates and locations for 2024 regional conferences? Do you have dates and locations beyond 2024?</b></p>	<p>In 2024, the historical MGMA Finance and Operations conferences will convert to regional conferences with the option for state participation, state/regional content and networking opportunities. The two 2024 regional conferences will be held in San Diego, CA from April 25-27, 2024 and <b>in Chicago from May 30-June 1, 2024.</b></p> <p>We anticipate growing the number of events in 2025 and 2026 minimally. The idea is to host another event or two in each of the following years, depending on where states are struggling to reach attendance goals and partnering with those interested states to bring a regional event to their area to try and boost attendance and state revenues. Since it will be in part driven by state interest, there are no current plans for which locations will be targeted at this point.</p>
<p><b>Will states be able to continue offering their annual conferences per year or will they be replaced by the regional conferences?</b></p>	<p>Participation in regional conferences is optional for all Partner Affiliates. States moving into chapters will work with National MGMA and their management staff to determine an event strategy for 2024 and beyond to drive the greatest member benefit and organizational revenue as possible.</p>
<p><b>What if a state has already signed a venue contract for a 2024 conference in the same region as the planned national/state regional conference? Can MGMA help negotiate a contract cancellation if we want to participate in the regional conference?</b></p>	<p>For any state wanting to be a participant in one of the two 2024 events but with a previously negotiated venue contract for their own event, National MGMA's conference team will work with the State board and the hotel/event space to discuss potential rescheduling or other cancellation terms.</p>
<p><b>Are the regional conferences intended to compete against state conferences, take away potential registrants or remove state conferences altogether?</b></p>	<p>MGMA has held two national spring conferences every year with locations varying from year to year. These are national conferences focused on a specific topical area (I.e., Finance or Operations). The goal of the regional conferences is to create collaborative national/state conferences focused on both national content AND state/regional content and networking. The regional conference model will also remove any downside financial risk for the participating states while incorporating a revenue share model. Partner Affiliates are not required to participate in the regional conferences and have the option of continuing to sponsor state-only conference(s). MGMA will continue to hold spring conferences; however, the model will be modified to incorporate value for states wishing to participate.</p>
<p><b>Who will be responsible for planning the regional conferences? If states participate in the regional conferences, who will be responsible for logistics (venue selection, contracting, onsite</b></p>	<p>MGMA will create a planning team for each regional conference, and participating states will have representation on that planning team. In addition, each participating state will be asked for state-specific content, speakers, vendors recommendations, and state specific networking events to ensure each participating state's attendees get a significant state experience during the event.</p>

<b>execution, etc.), speaker selection and contracting, conference theme and graphic design, marketing, etc.?</b>	
<b>What is the financial model (revenue and expense share) for states participating in the regional conferences? How will the states receive their revenue share?</b>	We estimate there will be around 350-400 attendees at each regional conference. The registration rate would be between \$700-\$900. See attached description of the Regional Conference financial model.
<b>What are the registration fees for regional conferences?</b>	Standard registration fees for regional conferences will be the same as current national MGMA spring conferences. HOWEVER, during the first year of a regional conference, there will be special discounts to bring the price more in line with traditional state annual conference attendee registration fees. After the first year, the price an attendee pays will trend toward what standard registration fees are today.
<b>How will states be involved in development of the conference content (sessions/speakers) and networking events?</b>	State boards will identify 1-3 sessions of content that will be related to the local industry concerns. Payer, legislative, market conditions, etc. are examples of content that have localized nuances that should be addressed based on what state members and industry leaders need to understand. Local networking will also be fostered in either event specific spaces or in groups spaces but with designated state “meet up” venues.
<b>Who will be responsible for selling exhibits and sponsorships for the regional conferences? What is the process if states have established relationships with vendors who are interested in exhibiting at regional conferences?</b>	When a state opts to participate in a regional conference, the National sales team will work with states to identify the previously sold exhibit and sponsor packages and get those partners placed into regional conferences. We believe there is enough inventory to accommodate those vendors and new ones. There will inevitably be some state vendors that opt not to be part of the regional conference and likely some national vendors that may choose to not participate in the new model.
<b>Many state affiliates already partner with neighboring states to sponsor regional/multi-state conferences. How will MGMA’s plan to offer regional conferences compete or compliment these conferences?</b>	In the instances we are aware of an existing multi-state conference, we do not plan to hold a regional conference that competes geographically.
<b>Will there be a regional conference offered as an</b>	It is unlikely there will ever be a regional conference in every region across the U.S in a single year. We anticipate many states will continue to hold their



<b>option in every region, every year? If not, how will states know if they should schedule a state conference in any given year? What will states do if there is not a regional conference in their area?</b>	successful conferences each year. Therefore, as states indicate to National when and where they would like to participate in a regional conference, future plans will be made and communicated. The idea would be to plan in 24 to 36-month increments.
<b>Is MGMA moving away from a National Annual Conference and moving solely to a regional conference strategy?</b>	<p>No. MGMA will continue to hold a National fall event, currently branded as the Leaders Conference, and then place regional events with functionally specific content in areas where attendees would have to travel less and more cost effectively to reach great content.</p> <p>The Leaders Conference is currently contracted out until 2027 in the following places:</p> <ul style="list-style-type: none"> <li>• 2023 Nashville, TN</li> <li>• 2024 Denver, CO</li> <li>• 2025 Orlando, FL</li> <li>• 2026 San Antonio, TX</li> <li>• 2027 Washington, DC</li> </ul>
<b>What events can Partner Affiliates or Chapters provide to members outside of the regional conferences?</b>	The concept for a state to participate in regional conferences is for MGMA to take on the financial risk, toll of planning and marketing activity so a state can focus on shorter, easier-to-attend local educational and networking events such as Payer Days, Legislative Days in their capital cities, career events, lunch and learns or happy hours and reach their members near their homes or practices.
<b>It can be cost prohibitive to have people attend conferences out of state. What happens if there isn't a regional conference in our area for three years?</b>	MGMA is in a period of transition, and we are still determining dates and locations for the regional conferences. In 2024 we are having one regional conference in San Diego and another in Chicago, May 30-June 1, 2024.
<b>According to MGMA's current affiliation agreements, "MGMA will provide notification of regional and national dates and locations no less than twelve months in advance of each conference." So isn't that already an issue with MGMA planning a conference outside of the agreement parameters?</b>	<p>Yes, the current affiliation agreements state that MGMA will provide notification of national conference dates and locations no less than twelve months in advance of each conference. Historically, MGMA has notified the state of the dates of a national spring conference being held in that affiliate's state. Due to the development of the new regional conference strategy and negotiations with venues to avoid attrition penalties from the 2022 MGMA Leaders Conference in San Diego, we were not able to provide twelve months' notice.</p> <p>The current affiliation agreements also state that "Affiliate agrees to coordinate the scheduling of its conferences by communicating with MGMA the dates being considered during the scheduling process and immediately notifying MGMA upon finalizing its conference date(s) and location(s)." To date, MGMA has not received notification of 2024 state conference dates from any affiliate in</p>

	the same state or region as the planned MGMA regional conferences to be held in California and the Midwest.
<b>What are the historical attendance numbers at the national Finance and Operations Conferences?</b>	Pre-pandemic, each spring conference was attracting approximately 400 paid attendees. Our latest combined conference in the spring of 2023 brought 500 paid attendees. We estimate that in 2024, each conference if held without participating states, will be attended by at least 300 attendees. With one or more participating states, we expect that number to be at least 350 and more as more states ask their members to attend.
<b>Why is MGMA using COVID as a reason to move to regional conferences? You stress “revenue” and “sales” &amp; amended your mission statement to refer to your ecosystem as customers. Is MGMA hurting financially?</b>	MGMA is on strong financial footing. Conference profitability should be a constant source of monitoring for states, and for a majority, it is. But there are states that largely due to upside down conference financials have either ceased to exist or are suffering to provide quality benefits to their members. That’s why we’re focusing on financials – without strong conference profitability, states are limited in the services they can offer to members. The goal is to deliver highly valuable member benefits and provide those who rely on strong profitability from conferences the ability to invest back into the organization.
<b>If a state opts not to participate in a regional conference, will the conference still be held in that state or be moved to another state that opts to participate?</b>	<p>In 2024, the conference locations are in San Diego and <b>Chicago</b>, regardless of whether states choose to participate in the regional conference strategy.</p> <p>In 2025 and beyond, National MGMA will work with states who desire to participate with us in a regional conference and will try to find locations that suit all interested parties. If no states are participating, National will choose locations to attract the most possible attendees to our spring conferences.</p>
<b>Are you committed to working with the smaller vendors who thrive in their state environment but can’t afford regional or national events?</b>	<p>Yes, the model presented has a variety of opportunities for vendors at a variety of price points to get involved in regional conferences. From discounted booths to a wide variety of sponsorships, current state-only vendors will have a good selection of ways to reach their target customers.</p> <p>In addition, regional conferences are intended to bring historically state- only vendors into the fold.</p>
<b>There is an error in the draft of the new Partner Affiliate Agreement forbidding state to hold events within 30 days of any MGMA conference. Will a corrected agreement be sent to states?</b>	The language in the final Partner Affiliate Agreement was updated to read: “Partner Affiliate shall coordinate the dates being considered for its state conference date(s) and location(s), which will not be within thirty (30) days (before or after) a scheduled MGMA face-to-face conference <b>being held in the same state</b> . Partner Affiliate shall notify MGMA of finalized dates and locations no less than twelve months in advance of each state conference or, in the event a conference is scheduled less than 12-months in advance, notification will be provided as soon as the conference date(s) and location(s) are finalized.”
<b>This will cause our current vendors to possibly change from state sponsors to regional conference which</b>	Prior to the introduction of a regional conference strategy, there were a small number of national organizations that we know of who exhibit/sponsor at state conferences, and also exhibit/sponsor at national events. The opposite is true

<p><b>will greatly impact us. This is competition for \$\$\$\$. If a state does not want to partner, are you willing to not take revenue from those sponsors that have traditionally supported state meetings?</b></p>	<p>where some national organizations only exhibit/sponsor at national events. The regional conference model does not change this dynamic.</p> <p>When a regional conference is held in a state, for example, California in April 2024, if the State affiliate chooses not to participate in the regional conference, there will be some competition for vendor revenue. However, National has not and will not be interested in local companies exhibiting at these events, unless a State chooses to participate and wants a local vendor presence at the event.</p> <p>National will not seek out local vendor organizations for regional events. When states partner, we will certainly work with state sponsoring vendors to find them a way to reach local attendees.</p>
<p><b>What is MGMA doing to help ease the higher costs of attending regional conferences? What data do you have that supports your premise that a state member who pays between \$175 and \$300 will pay between \$700 and \$900 for conference registration?</b></p>	<p>There is no data to suggest “the” exact price point that drives a medical practice employee to choose (or is granted permission) to attend an event. We know from years of surveying members that over 90% of organizations pay both membership fees and conference registrations. Pricing then becomes a matter of what both the attendee and the paying organization get from the event.</p> <p>Also, from years of surveys, we know that price is commensurate with benefit. If the quality of the event is high, which our surveys consistently show is true, and the value to the attendee (and their organization) is high, the pricing becomes more flexible. The pricing in this model reflects that market driven analysis has historically proven successful at driving local and national audiences to past spring conferences.</p>
<p><b>Do you have a definition of what the regions are, and which states are included in each one?</b></p>	<p>There are no defined regions at this time. Regional events will be determined in 2025 and beyond by examining state organizations that transition to chapters and in trying to work around existing successful state events.</p>

## Regional Conference Strategy Financial Model

### REGISTRATION

- \$799 Current member (registration + additional membership: add either state or national)
  - \$450 conference; \$349 national dues or
  - \$699 conference; \$100 state dues
- \$550 State member only (registration only – does not want national membership)
  - \$450 conference; \$100 registration revenue to state
- \$799 Current Dual Member (registration only)
  - \$699 conference; \$100 registration revenue to state
- \$1000 Non-member (Registration + state and national membership)
  - \$450 conference revenue
  - \$100 registration revenue to state
  - \$350 national dues
  - \$100 state dues

### EXHIBITS & SPONSORSHIPS

- \$3750 Member (national Corporate or state Affiliate)
  - 20% discount for first time national conference exhibitors (\$3000)
- \$4250 Non-member
- \$2000 Limited tabletop opportunities
- \$500 - \$2500 State sponsorship opportunities (100% revenue to states)
  - State Happy Hour (invite all conference attendees to their state HH)
  - State Meeting Sponsorship
  - Welcome Gift
  - Other

### Revenue Distribution

- Model:
  - 10% Exhibit/Sponsorship revenue per each participating Partner Affiliate state
  - \$6000 opportunity for state sponsorship revenue
  - Registration revenue:
    - As defined above
  - New member dues revenue
    - As defined above

## Dual Organizational Membership

Dual Organizational Membership will be sold by the national MGMA sales team as an option for new Organizational Members or as an upsell opportunity to existing OM's during the renewal process. If a national organizational member elects to participate in the Dual OM product, the sales team will complete the invoicing for both the national and state dues. As with Dual Individual Membership, the state portion of the dues revenue (less a 25% administrative fee) will be transmitted to the state along with the list of individual members participating under the organizational membership. The state will then be responsible for adding the individuals as state members and initiating the state's onboarding and member engagement activities.

- Sold by National sales team as an upsell to National OM product. Sales team will introduce Dual Membership option during the initial sales process for new Organizational Members. MGMA Organizational Membership Account Managers will educate existing members of Dual OM option during the renewal process.
- National Organizational Membership is priced as a flat fee based on the organization's total physician FTE count. All individual employees have access to MGMA membership under the organizational membership umbrella (at the discretion of the employer). Individuals are added to the OM roster by the organization's identified administrative contact). Individuals added to the membership roster are then onboarded and educated on MGMA benefits and resources similarly to any other individual member.
- Dual Dues Structure:
  - \$2500 flat fee for state membership for all National OM tiers (flat rate covers up to 50 individuals). If a National Organizational Member has a presence in multiple states, they may select the state memberships they wish to add at a cost of \$2500 per state.
  - Any Organizational Member with over 50 individuals enrolled will be charged an additional \$50 per individual. Member counts will be reconciled annually at renewal.
  - 75% of state membership revenue will be allocated and distributed back to the state after payment is received by MGMA. National MGMA will retain 25% of the revenue to cover administrative expenses.
  - As a pilot, National Tier 1 OM's (1-6 physician FTEs) will be offered state membership at no additional cost. National will allocate \$200 of the national OM dues to the state. The goal is to drive increased retention of national Tier 1 OM's and drive state membership growth for practices that we believe will be highly engaged at the state level.
- MGMA will be responsible for invoicing and collections of all Dual Organizational membership fees. Like Dual Individual Membership processes, MGMA will distribute state dues to state via EFT as well as demographic information for individuals enrolled under the Organizational Membership.
- National organizational memberships are categorized as either Provider Organizations or Business Services Organizations and are sold through different sales teams. Dual Organizational Memberships will only be offered to Provider Organizations and all individuals enrolled as members under the umbrella organization must be added as members at the state level.