



## FAQs | State Strategy

V1: July 21, 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>	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.
<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 everyone 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 is a Partner Affiliate? Why is the current Affiliate Agreement no longer being offered as an option?</b>	<p>The revised Partner Affiliate Agreement will look similar to our current Partner Affiliate 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, and the addition of a dual organizational membership option. This dual 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 to the 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. Over the last two years, eighteen states have elected the Partner Affiliate Agreement and successfully participate in dual membership. The goal now is to provide consistent membership product offerings in all states so that all members have access to a product 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>	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>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>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 states, 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 a 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>	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.
<b>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?</b>	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.
<b>Will MGMA bear the financial responsibility for general operation expenses for a struggling affiliate?</b>	MGMA will only bear financial responsibility for chapter expenses.
<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, accounting, 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>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 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.
<b>Who selects the management company? Will there be an RFP?</b>	National MGMA will select the management company, there will be an RFP and MGMA will hold the contract for the management company.
<b>Will state leadership be involved in the selection process for their association management companies (with the chapter option)?</b>	We have not determined this yet but will consider how a state chapter might play a part in the association management selection process.

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 been able to increase 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%. National MGMA would like to reiterate that the IL MGMA Board of Directors was highly engaged and dedicated to the success of the association which required months of hard work and difficult conversations and decisions.
<b>KPIs</b>	
Are these benchmarks based on healthcare associations? Was a non-profit association part of the criteria?	<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>
Can you outline the <u>total number or percentage</u> of state affiliate chapters that landed in each color for the overall score? Can you outline the <u>total number or percentage</u> of state affiliate chapters who landed with a yellow or red score for their Membership/Retention KPI?	<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>
What are the options for a state that received an overall "red" score on their 2022 KPI Benchmarking Report?	<p>We have had conversations directly with states who are in this category. We are working with them one-on-one. Their individual Board of Directors are making a decision 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 the year 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>
Will we receive information on other states' benchmarks	At this time, we are being sensitive to states that had required an NDA to share financial information or requested we do not share their financial information. That being said, we are exploring how we might best share comparative data for

<b>to compare them to our benchmarks?</b>	the MGMA State Affiliates that will not reveal any indicators of the specific state information.
<b>Timeline and Transition</b>	
<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 each state's bylaws, contracts, etc. This transition will begin on January 1, 2024. There is no expectation that any state would be completely transitioned to state chapter by that date.</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, accounting, 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>	We have the first draft from legal counsel, and it is under review. We hope to have the initial draft available for the State MGMA's to review no later than July 31 <sup>st</sup> .
<b>Under the state Partner Affiliate Agreement, are</b>	No.

<b>there any required changes to governance?</b>	
<b>If a state is in the “green” category, can they have extra time before implementing the agreements 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 you to develop an individualized six-month transition plan. However, all red organizations that do not improve to green by 12/31/23 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 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 either 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 not approve amending the Bylaws to transition to Chapter?</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 December 31, 2023, there will be no contractual relationship between MGMA and the state effective January 1, 2024. This includes the Trademark and Licensing Agreement.  <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

	<p>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.</p>
<p><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></p>	<p>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.</p>
<p><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></p>	<p>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.</p>
<p><b>Is a change to Chapter status permanent?</b></p>	<p>Due to the legal and financial complexities associated with transitioning to a chapter, the status will be permanent.</p>
<p><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></p>	<p>MGMA will not be bringing 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.</p>
<p><b>Will there be total transparency in finances between the national and state chapters? What will that process look like?</b></p>	<p>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.</p>
<p><b>If MGMA is bearing the financial responsibility in the Chapter model, how</b></p>	<p>Each Chapter will have its own budget and both revenue and expenses will be allocated to that budget.</p>

<b>will revenue be shared in that model?</b>	
<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 you become a partner affiliate, handling the financial and administrative duties of the organization will be up to you to handle as you see fit.
<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>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 MGMA's, 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 is 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?</b>  <b>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>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.</p> <p>MGMA will continue to plan for our annual conference in the fall and add the regional conferences in the spring.</p>

<b>Do you have dates and locations for 2024 regional conferences? Do you have dates and locations beyond 2024?</b>	<p>We are changing our historical Finance and Operations conferences for 2024 to include state participation where states are interested. We'll be in San Diego, CA in April 2024 and are currently sourcing for a June 2024 conference in the Midwest (Illinois, Wisconsin and possibly Michigan or Minnesota).</p> <p>We anticipate growing the number of events in 2025 and 2026, but 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>
<b>Will states be able to continue offering their annual conferences per year or will they be replaced by the regional conferences?</b>	Participation in regional conferences is voluntary for all partner affiliates. States moving into chapters will work with National and their State Staff to determine an event strategy for 2024 and beyond to drive the most member benefit and organizational revenue as possible, hopefully adjoining that chapter's annual conference with the regional event.
<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>	For any state wanting to be a participant in one of the two 2024 events, but with a previously negotiated contract for their own event, National's conference team will work with the State's board and the hotel/event space to discuss potential rescheduling or other cancellation terms.
<b>Are the regional conferences intended to compete against state conferences, take away potential registrants or remove state conferences altogether?</b>	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.
<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 execution, etc.), speaker selection and contracting,</b>	National will create a planning team for each regional conference, and participating states will join that planning team. In addition, each participating state will be asked for state-specific content, speakers, vendors, etc. to ensure each participating states' attendees get a significant state-lens during the event.

<b>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>	For the regional conferences, we estimate there will be around 350 attendees at a 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 shows in the spring. HOWEVER, during the first year of a regional show, there will be special discounts to bring the price more in line with traditional state annual conference attendee registration fees. The eventual price an attendee pays will be in between what they paid in the past and 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 still need to choose 1-3 sessions of content that will be related to the industry concerns of their localities. 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>	The plan is for the National sales team to work with states to identify the previously sold exhibit and sponsor packages and get those partners placed into regional conferences when a state opts into participating. We believe there is enough inventory to accommodate those vendors and new ones, assuming there two to four states interested in joining together for a regional conference.
<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 couple of instances that we know of where this is happening, the idea is to not hold a regional conference that competes geographically.
<b>Will there be a regional conference offered as an option in every region, every year? If not, how will states know if they should</b>	It is unlikely there will ever be a regional conference in every region across the U.S. We anticipate many states will continue to hold their 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>schedule a state conference in any given year? What will states do if there is not a regional conference in their area?</b>	
<b>Is MGMA moving away from a National Annual Conference and moving solely to a regional conference strategy?</b>	<p>No. The idea is 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>	<p>The concept for a state to participate in regional conferences is to take the financial risk, toll of planning and marketing activity and reposition it to shorter, easier-to-attend events held locally. Most states are large enough and have member bases that desire face-to-face events in localities near them. By participating in regional events, hosted by national, it should free up state resources to host Legislative Days in their capital cities, or career days in multiple cities. Or host local meet up happy hours or luncheons in a variety of places to reach the members near their homes or practices.</p>
<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>	<p>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. We are looking into the Midwest for a second regional conference, but there is no contract signed to date for that one.</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)
  - \$450 conference; \$100 registration revenue to state (Model 1)
- \$1000 Non-member (Registration + state and national membership)
  - \$550 conference revenue
  - \$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 1:
  - 12% Exhibit/Sponsorship revenue per each participating Partner Affiliate state
  - \$6000 opportunity for state sponsorship revenue
  - \$100 registration revenue per state only attendee
- Model 2:
  - 10% Exhibit/Sponsorship revenue per each participating Partner Affiliate state
  - \$6000 opportunity for state sponsorship revenue
  - Registration revenue:
    - \$0 registration revenue for less than 20 registrants per state
    - \$2000 registration revenue for 20 – 40 registrants per state
    - \$5000 registration revenue for more than 40 registrants per state
    - New Dual Member Registration
      - \$550 conference revenue
      - \$350 national dues
      - \$100 state dues

## 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 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:
  - \$2500.00 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 \$2500.00 per state.
  - Any Organizational Member with over 50 individuals enrolled will be charged an additional \$50.00 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 \$200.00 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. Similar to 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.