Present
Suzanne Olbricht, MD, President
Theodore Rosen, MD, Vice President
Henry W. Lim, MD, Immediate Past President
Barbara M. Mathes, MD, Secretary-Treasurer
Marta J. Van Beek, MD, MPH, Assistant Secretary-Treasurer
George J. Hruza, MD, MBA, President-Elect
Jane M. Grant-Kels, MD, Vice President-Elect
Abby S. Van Voorhees, MD
Erin E. Boh, MD, PhD
Gary S. Wood, MD
Janet G. Hickman, MD
Kimberly J. Butterwick, MD
Linda F. Stein Gold, MD
Marc D. Brown, MD
Mark D. Kaufmann, MD
Neil S. Sadick, MD
Patricia Farris, MD
Robert A. Weiss, MD
Robert S. Kirsner, MD, PhD
Scott M. Dinehart, MD
Seemal R. Desai, MD
Terrence A. Cronin, Jr., MD
Valerie D. Callender, MD
Danette D. Bentley, MD, Young Physician Board Observer
Mauricio Goihman-Yahr, MD, International Board Observer

Not Present
Diane S. Berson, MD
Heidi Wat, MD, Residents/Fellows Board Observer
Sabra Sullivan, MD, PhD, Chair, Council on Government Affairs and Health Policy

Incoming Board Members
Bruce H. Thiers, MD, Incoming President-Elect
Susan C. Taylor, MD, Incoming Vice President-Elect
Daniel D. Bennett, MD, Incoming Assistant Secretary-Treasurer
Adelaide Hebert, MD, Incoming Class of 2023
Alexander Miller, MD, Incoming Class of 2023
Cyndi Yag-Howard, MD, Incoming Class of 2023
Lawrence Green, MD, Incoming Class of 2023

Speakers / Guests
Dirk M. Elston, MD, Editor, Journal of the American Academy of Dermatology
Hon S. Pak, MD, Member, Health IT Committee
Joyce Rico, MD, Member, Corporate Relations Committee
Kathryn Schwarzenberger, MD, Physician Editor Dermatology World
Misha Rosenbach, MD, Chair, ERG on Climate Change and Environmental Issues
Paul D. Meyer, Principal Consultant, Tecker International
SUMMATION REPORT
AAD BOARD OF DIRECTORS MEETING
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Staff
Elaine Weiss, JD, Executive Director and CEO
Robert M. Portman, JD, General Counsel
Barbara Greenan, Sr. Director, Advocacy & Policy
Cindy Kuhn, Sr. Director, Membership Engagement
Damon Marquis, Sr. Director, Education/Chief Learning Officer
Krista D. Kauper, Sr. Director, Constituent Relations & Strategic Planning
Matthew Fitzgerald, DrPH, Sr. Director, Science, Quality & Practice
Melanie Tolley Hall, Sr. Director, Integrated Communications
Nancy Ali, Sr. Director, Community, Corporate & Philanthropic Relations
Sarah Tancredi, MBA, PHR, Managing Director, Administration
Steve Debnar, Chief Financial Officer
Beth Laws, Director, Advocacy and Policy Operations
Bianca Reyes, Director, Clinical Registries, Reporting & Improvement
Cyndi Del Boccio, Director, Executive Office
Erik Horn, Director, Information Technology
Katie Domanowski, Director, Communications
Lara Graf, Director, Medical Journals Publishing
Leslie Stein Lloyd, JD, Director, Regulator and Payment Policy
Rachna Chaudhari, Director Practice Management
Shawn R. Friesen, Director, Legislative, Political and Grassroots Advocacy
Suzanne Lothary, MBA, Director, Marketing
Tim Moses, CMP, Director, Meetings and Conventions
Richard M. Nelson, MS, Associate Director, Publishing
Sandra Robinson, Associate Director, Quality & Patient Safety
Allen McMillen, MS, Manager, Research & Liaison Support
Laura Vera, Sr. Manager, Performance Measurement & Improvement
Swapna Bhatia, Manager, Health Technology & Informatics
Toyin Lamina, Manager, Clinical Guidance

CALL TO ORDER
Suzanne Olbricht, MD, President and presiding, called the meeting of the Board of Directors of the
American Academy of Dermatology to order at 8:01 a.m. (CDT) on Saturday, July 28, 2018. Dr.
Olbricht welcomed the Board members, observers, incoming Board members and guests.

QUORUM
Barbara M. Mathes, MD, Secretary-Treasurer declared that a quorum was present for the
transaction of business.

ORDER OF BUSINESS/INTRODUCTORY MATTERS
Antitrust Compliance Policy, Fiduciary Obligations, and Note Taking
Dr. Mathes referred the Board members to the background materials regarding the AAD/A Antitrust
Compliance Policy and note taking during meetings and reminded them about the importance of
following their fiduciary obligations, including maintaining confidentiality and declaring conflicts of
interest.

Disclosure of Conflicts of Interest and Code of Conduct
The Board members’ disclosures of potential conflicts of interest and code of conduct were
circulated. Dr. Mathes asked Board members to update their disclosures and to declare any other
actual or potential conflicts of interest with respect to specific agenda items for this meeting. None
were declared.
Separate Order of Business
Mr. Portman reminded the Board members that they would be following the American Institute of Parliamentarians Standard Code of Parliamentary Procedure (formerly Sturgis Code of Parliamentary Procedure), and that it is essential that the AAD follow the order of business and observe corporate formalities necessary to ensure the separateness of the two organizations.

OFFICER AND DIRECTORS REPORTS
President’s Report
Dr. Olbricht first discussed Hawaii’s recent legislation banning the sale and distribution of sunscreens with oxybenzone and octinoxate effective 2021. The ban is based on the adverse effect of these chemicals on coral reefs. Dr. Olbricht noted that the State Policy Committee was recommending that AAD/A stay neutral on environmental protection legislation like Hawaii’s sunscreen ban, but advocate for approval of other sunscreen ingredients that are not harmful to environment. She also noted the need to continue AAD’s vigorous efforts to educate patients on the need to protect their skin.

Dr. Olbricht then reported on AAD’s May skin cancer month activities; the mission of the Ad Hoc Task Force to Evaluate Educational Stipends; the successful Legislative Conference earlier in July; and AAD Association comment letters to various federal agencies on drug pricing, modifier -25; and a skin tag product called Dermabellix.

She next provided an update on her attendance at several dermatology society meetings where she gave AAD Updates, including the American College of Mohs Surgery, the American Society of Mohs Surgery, the Spanish Academy of Dermatology and Venereology, the Canadian Dermatology Association, and the ILDS World Skin Summit. She also noted that she had several upcoming trips to state and regional society meetings.

Drs. Olbricht and Mark D. Kaufmann then discussed several aspects of the Fiscal Year 2019 proposed Medicare Physician Fee Schedule that will affect dermatology, the comments that the AAD Association will be submitting on the proposed rule, and the education efforts that are underway to help members understand the effect of the proposed rule on their practices.

Honorary Members
Dr. Olbricht then reported on her proposed nominations for Honorary Memberships. She reminded the Board to keep the Honorary Membership recipients confidential. She presented six (6) members who had been nominated for Honorary Membership. Dr. Olbricht noted that in 2017 the Board approved limiting the number of honorary memberships granted per year to five (5), not including the Gold Medal recipient.

A motion was made and duly seconded to approve the following nominees for honorary membership:
- Ernesto Gonzalez, MD, FAAD
- Evangeline B. Handog, MD
- Marcia Ramos-e-Silva, MD, PhD
- Ilona J. Frieden, MD, FAAD
- Robert L. Baran, MD

ACTION: Approved

It was noted that the sixth nominee would be considered in 2019 for 2020.
Gold Medal Recipient
Dr. Olbricht next reported on her proposed Gold Medal recipient. She reminded the Board of the importance of keeping this Gold Medal information strictly confidential. She stated that the nominee for the 2019 Gold Medal award recipient is Jean L. Bolognia, MD, FAAD, from New Haven, Connecticut. She referred the Board to the background materials for the information on Dr. Bolognia’s impressive background.

A motion was made and duly seconded to approve the Gold Medal to Jean L. Bolognia, MD, FAAD, from New Haven, Connecticut.

ACTION: Approved

Secretary-Treasurer’s Report
Second Quarter Financial Report Ending June 30, 2018
Dr. Mathes presented the Second Quarter Financial Report Ending June 30, 2018. She first reminded the Board of the major initiatives on which the Board agreed to focus during the 2018 budget process. She then discussed specific categories of revenues and expenses and reported that the net surplus at the end of the second quarter was approximately $8.85 million. She noted that this figure was ahead of budget and should lead to a higher than expected surplus at the end of the year, but not as high as last year. She also cautioned that the mid-year surplus is always a bit inflated because of the misalignment in the timing of revenues, which are collected early in the year, and related expenses, which are paid later in the year.

Dr. Mathes next reported that the Reserve Income Fund (RIF) had balance of $16.7 million as of June 30, which is $7.5 million below that required by AAD/A policy. She noted that AAD has other assets available to meet 50% best practice standard for reserve amounts.

Dr. Mathes also reported on the AAD/A investment portfolio performance and budget process.

After discussion, a motion was made and duly seconded to approve the Second Quarter Year-to-Date Financial Report Ending June 30, 2018 for information only.

ACTION: Approved

Executive Committee Member-At-Large
Dr. Mathes presented Drs. Valerie D. Callender, Robert S. Kirsner, and Robert A. Weiss from the Class of 2021 as candidates for the Member-At-Large seat on the Executive Committee that will be vacated by Dr. Kaufmann at the end of the 2019 Annual Meeting. Drs. Callender, Kirsner, and Weiss each made a short statement about their interest in serving on the Executive Committee.

ACTION: The Board selected Dr. Callender by written ballot from the Board Class of 2021 to serve the two-year term of the Member-At-Large seat. Dr. Callender’s term will begin at the close of the Annual Meeting in March 2019.

Travel Expense Reimbursement Policy for the President, Secretary-Treasurer, Assistant Secretary-Treasurers and Executive Director Board Governance Policy
Dr. Mathes presented the housekeeping edit to the Board Governance Policy that ensures that the territory covered by this policy for the President mirrors that which is covered for the Secretary-Treasurer and Executive Director. It proactively addressed covering travel to Canada as the Scientific Assembly Committee has been contemplating having meetings in Canada.
Accompanying Spouse or Guest
In recognition of the time commitment required by the President, he/she may include their spouse or guest when traveling within the continental United States and Canada as an official representative of the Academy. In 2010, the Priorities Committee agreed to exclude travel to EADV or ILDS meetings.

The Secretary-Treasurers and Executive Director/CEO may include their spouse or guest when traveling within the continental United States and Canada as an official representative of the Academy when the expected length of stay is three days or longer, or at which the social activities are a strong component of the meeting. In all other instances, the Secretary-Treasurers and Executive Director/CEO will be responsible for all expenses associated with their spouse or guest’s travel including meals, double room rate differential, etc.

A motion was made and duly seconded to approve the housekeeping edits as presented.

ACTION: Approved

Executive Director Report
Ms. Elaine Weiss referred the Board to her written report in the background materials and highlighted the following issues in her verbal report:

- The registration and revenue results of the Summer Meeting, which were going according to projections, including the projected surplus
- Recent significant activities/events, including the State Society Leadership Conference and the Legislative Conference
- The upcoming budget process
- The challenges and opportunities presented by the proposed 2019 Medicare Physician Fee Schedule
- A meeting with the Hawaii Dermatological Society regarding the recent sunscreen legislation passed by the Hawaii legislature
- The recent meeting of the Ad Hoc Task Force on Election Oversight and the significant changes it is recommending to the AAD election rules.
- An update on Practice Management Center activities, including a state-of-the art interactive map on truth-in-advertising laws in various states and an interactive toolkit on compounding
- The ranking of AAD.org’s content as highly recommended by HealthWeb.org
- New developments in AAD/A’s member research/mobile survey capabilities

International Board Observer
Mauricio Goihman-Yahr, MD referred the Board to his written report for information only. He expressed thanks to staff for their support and complimented Drs. Olbricht and Mathes on their trip to Viet Nam. He also stressed the importance of recognizing the contributions from Latin American dermatologists.

Young Physicians Board Observer Report
Danette D. Bentley, MD referred the Board to her written report for information only.
Dr. Elston, MD, Editor, gave his report. He stated the JAAD is all about improving patient outcomes. He discussed JAAD’s plans to make images available to dermatologists and acknowledged this must be done carefully to avoid legal pitfalls (e.g., HIPAA and other privacy concerns). Dr. Elston also discussed a proposal to create an international version of JAAD.

Concerns were raised about creating a journal that will accept articles that were rejected by JAAD. Dr. Elston explained that the International JAAD will have the same high quality articles as JAAD, but focused on the interests of international dermatologists rather than U.S. dermatologists. He noted that costs would vary based on where the reader is located. He also noted that this journal will follow the open access model, so it will not be a closed member benefit. He asked the Board for permission to continue exploring this proposal and to finish developing a business plan.

Dr. Elston stated that the business plan includes meeting with AAD and JAAD leadership during the European Academy of Dermatology & Venereology (EADV) in September 2018 and the focus group sought the Board’s “vote of confidence” on the JAAD International project prior to setting up these meetings.

A motion was made and duly seconded to approve a “vote of confidence” on the JAAD International project to ensure that the JAAD International Focus Group is proceeding with a journal publishing initiative that has the support of the Board of Directors.

ACTION: Approved

A motion was made and duly seconded to approve the rest of the JAAD report for information only.

ACTION: Approved

A motion was made and duly seconded to accept the reports of the Academy Officers, and the International Board Observer and Young Physician Observer reports as presented.

ACTION: Approved

The Board moved into Executive Session at 10:22 a.m. (CDT).

The Board recessed Executive Session at 1:45 p.m. (CDT).

Note that the minutes of the Executive Session are kept in the confidential files of the Executive Office and legal counsel.

Heard from the Field
Dr. Olbricht invited Board members to raise issues of concern that they were hearing about in the field.

The Board discussed the backlash that a dermatologist at the University of Pittsburgh received from the Pennsylvania Society of Physician Assistants for publishing an article that analyzed and reached negative conclusions about the quality of diagnoses of melanomas by physician assistants compared to dermatologists.

The Board also discussed a lecture panel discussion at the Summer Meeting on the role of private equity in purchasing and managing dermatology practices and the presence of a non-member who asked questions at the session without revealing his conflicts (he was an investment banker).
was noted that the discussion was mostly civil and non-adversarial. Staff was asked to bring this to the attention of the Scientific Assembly Committee and ask that it review its policy on which sessions non-members should be allowed to attend.

AAD UNFINISHED BUSINESS

Ad Hoc Task Force on Data Collection Platform and Registries
Marta J. Van Beek, MD, MPH, presented the Ad Hoc Task Force on Data Collection Platform and Registries report for information only. She first gave some history on the genesis of DataDerm, its purpose, and the types of activities it engages in, including collecting data on outcomes and AAD-developed measures. She reported that DataDerm is collecting data from 3,000 providers and over 1,000 practices and has data on 17 million visits by 6 million patients. She noted that DataDerm integrates with electronic health records, either by pulling data from electronic health records (EHRs) or receiving pushed data from them. She discussed some recent analyses DataDerm has done on atopic dermatitis and Mohs. She also discussed the service DataDerm offers to AAD/A members as a Qualified Clinical Data Registry in the Medicare Merit-based Incentive Payment System. She noted that DataDerm’s 99% data audit score is the highest among FIGmd’s database clients. She then discussed the goals for year three, including expanding DataDerm’s participating sites to academic medical centers and the opportunities and challenges posed by this objective.

A motion was made and duly seconded to approve the Ad Hoc Task Force on Data Collection Platform and Registries report for information only.

ACTION: Approved

Ad Hoc Task Force (AHTF) on Election Oversight
Proposed Election Reform and Administrative Regulation (AR) on Nomination and Election Procedures
Henry W. Lim, MD discussed the composition of AHTF on Election Oversight and history of its recent recommendations regarding changes in election rules. Specifically, the AHTF made several recommendations in the recent past that Board did not approve, but rather referred back to the AHTF. The AHTF met on July 14, 2018, considered Board comments from its April 2018 meeting, and proposed the following election reform components:

• Edits to the Administrative Regulation (AR) on candidate communications and use of social media
• Proposal to increase engagement and interaction of AAD members during the election process through new communication strategies
• Re-enforce the message that integrity and professionalism (via social media, interactions, communications, etc.) are key to the election process and will be taken seriously during the 2019 election season.

Dr. Lim noted that social media has become an important part of election process, but professionalism needs to be maintained. He stated that AAD must pursue the goals of protecting the integrity of the election and candidates from cyberbullying, while also providing members with full information and opportunity for discussion about candidates.

Solicitation and Dissemination of Support Letters (AR lines 299 – 309)
Dr. Lim stated that these edits to the AR on Nomination and Election Procedures address non-candidate activities. He stated that the AHTF considered the feedback it heard from members – specifically not knowing the candidates well enough. Based on that feedback, it proposes to allow
non-candidate members to send communications in support of candidates via the Academy sanctioned forms of communication, when authored by individuals not groups or organizations.

Dr. Lim stated that the AHTF felt that a candidate’s personal colleagues could provide insight into the candidates and that this additional information might inspire more members to vote. The AHTF has received complaints about non-candidate communications in support of candidates during every recent election. Dr. Lim stated that this revision better reflects changes in the way members communicate with each other and allows for fuller discussion by non-candidates about the election.

Dr. Lim also stated that the AHTF also agreed that the following members would not be allowed to send support communications: current AAD officers or directors, Nominating Committee members and AHTF on Election Oversight members. Candidate(s) could not fund or receive financial support for such communications. This change will also apply to any Director Write-in candidates. The specific language changes were as follows:

AR Lines 299 – 309

b. Once the official slate of candidates has been announced, non-candidate members may disseminate letters, emails, or other forms of written communications in support of candidates via Academy-sanctioned forms of communication; such communications must be authored by individuals and not groups or organizations. These individuals may not be current AAD officers or directors, or members of the Nominating Committee or Ad Hoc Task Force on Election Oversight. Such communications may not criticize, defame, or denigrate other candidates and must be consistent with the Academy’s Code of Medical Ethics for Dermatologists, including the responsibility that Academy members treat each other with mutual respect in their communications with each other. Candidates cannot fund or request others to finance the cost of such communications.

A motion was made and duly seconded to approve the edits to lines 299 – 309 in the Administrative Regulation (AR) on Nomination and Election Procedures.

The Board asked several questions about this proposal, including whether it would prevent the use of other group’s email lists by a non-candidate (YES) and why current officers and directors were excluded (because they would have undue influence). A friendly amendment was made and accepted to remove “via Academy-sanctioned forms of communication” from the proposed revision.

ACTION: Approved as amended by required 2/3 vote

Engagement in Electronic and Other Written Communications (AR lines 331 – 347)

Dr. Lim stated that these election reform proposals build on each other. This proposal allows for an open dialogue between members and candidates during the election period. He stated that this change would also apply to any Director Write-in candidates. Dr. Lim stated that the AHTF would continue to monitor election activities, communication and address any issues that arise. He stated that a policy would be developed by the AHTF to address consequences that will be implemented for social media posts that are defamatory, degrading, disrespectful, or otherwise inappropriate.

AR Lines 331 – 347

g. Once the official slate of candidates has been announced, candidates and other individual members, but not groups or organizations, are permitted to engage in electronic and other written communications in support of their candidacies as long as such communications do not criticize, defame, or denigrate other candidates and are consistent with the Academy’s Code of Medical Ethics for Dermatologists, including the responsibility that Academy members treat
each other with mutual respect in their communications with each other.

Slated candidates may include links in their communications to the Academy election webpage containing their optional letter (see Section 13.a.) or video (see Section 13.i. - j.).

During the nomination period, nominees and candidates may not engage in any such election-related communications other than direct, one-on-one, personal communications with friends and colleagues until the official slate of candidates is announced by the Academy.

A motion was made and duly seconded to approve the edits to lines 331 – 347 in the AR on Nomination and Election Procedures.

The Board discussed the pros and cons of this motion. A friendly amendment was made and accepted to add the same “no funding” language to this provision as was made to the revisions to Section 13.b.—i.e., “Candidates cannot fund or request others to finance the cost of such communications.” This language would be added to the end of the first paragraph of this revised section.

ACTION: Approved as amended by required 2/3 vote

Social Media Discussions and Responses (AR lines 317 – 320)
Dr. Lim stated that this proposal was added to clarify that candidates are allowed to engage in or continue their online/social media interactions during the election period for non-election related activities. However, when an election issue is raised, the candidates are strongly encouraged to refer their responses back to the Academy social media election site. Candidates will be counseled to use their own judgement in weighing the risk/benefit of responding. He stated that the Academy would provide the candidates with a way to gracefully move the conversation to an Academy sanctioned site, which will be monitored to ensure that all participants are following the Academy’s code of ethics and members are treating each other with mutual respect in their communications.

Dr. Lim stated that the AHTF discussed, at length, the verbiage – strongly encouraged. He stated that it felt that the candidates should be allowed, should they so choose, to defend themselves on a social media site other than the Academy’s should the need arise.

AR Lines 317 - 320

d. Candidates may participate in social media discussions. However, when responding to questions on issues that are of relevance to their candidacy, candidates are strongly encouraged to refer their responses back to the Academy’s social media election site. In no circumstances may candidates criticize, defame or denigrate other candidates in their social media discussions.

A motion was made and duly seconded to approve the edits to lines 317 – 320 in the AR on Nomination and Election Procedures.

The Board discussed the pros and cons of this revision. Concerns were raised about requiring candidates to only respond to social media questions/postings on the Academy social media election site versus strongly encouraging them to do so and effectively giving them the option of doing one or the other.

A motion to amend was made and duly seconded to change “strongly encouraged” to “must” in the above revision.

ACTION: Defeated
After further discussion, a motion was made and duly seconded to call for a vote on the main motion.

**ACTION:** Approved by required 2/3 vote

**ACTION on main motion:** Approved by required 2/3 vote

### Online Forum – AAD Election Connection!
Dr. Lim stated that the AHTF was proposing that a new AAD Election Connection! site be developed to replace the old Town Hall and be one component of the proposed strategy that is designed to bolster member communication during the election period and to develop a policy regarding use of this forum and use of social media generally during election.

A motion was made and duly seconded to approve the Academy’s hosting of AAD Election Connection! online site for members to interact with candidates.

**ACTION:** Approved

### New Election Communication Strategy
Ms. Weiss presented the new election communication strategy. She noted that Dr. Cronin will act as the AAD election correspondent, interviewing candidates throughout the election period. The new strategy will involve: greater use of interactive media; member questions being posted on AAD Election Connection!; live candidate forums at the Annual Meeting in which candidates will give presentations and answer questions; and periodic updates during the 2-week election voting period.

A motion was made and duly seconded to approve new election communication strategy.

**ACTION:** Approved

### AB Resolution: AAD07 (A-17) Freedom of Candidates to Communicate and Campaign
Dr. Lim stated the AHTF members discussed the resolution on Freedom of Candidates to Communicate and Campaign and determined that the recommendations made earlier address this resolution.

A motion was made and duly seconded to adopt the Advisory Board resolution on Freedom of Candidates to Communicate and Campaign.

**ACTION:** Approved

### Ad Hoc Task Force on Governance
Dr. Olbricht presented the Ad Hoc Task Force on Governance report. She stated at its February meeting, the Board postponed taking action on the AHTF’s recommended edits to the definition of a direct financial relationship as outlined in the Administrative Regulations on Code for Interactions with Companies. The AHTF recommendation would replace the Code’s existing research exceptions with a broader exception that would go beyond the Council of Medical Specialty Society’s Code for Interactions and also would charge the three most immediate former presidents to act as a rapid response team to resolve any questions whether a compensated service or activity constitutes scientific research. The specific recommended changes were as follows:

Definition: A Direct Financial Relationship is a compensated relationship held by an individual that should generate an IRS Form W-2, 1099 or equivalent income report. Key Society Leaders

**AAD BOD MINUTES – FINAL – NOVEMBER 3, 2018**
No motion was made to approve this proposal.

A motion was made and duly seconded to approve the rest of the Ad Hoc Task Force on Governance Report for information only.

**ACTION:** Approved

A motion was made and duly seconded to sunset the AHTF on Governance as it has completed its charge.

**ACTION:** Approved

**AAD NEW BUSINESS**

**Audit Committee**

**2017 Audit Report**

Dr. Mathes stated that the Audit Committee performed a detailed review of the audited 2017 financial statements and discussed the required independent disclosures with the auditors. She reported that no significant errors or disagreements were noted. She stated that an unqualified opinion (the highest option you can receive) was provided to the Academy’s financial statements for the year ended December 31, 2017, noting no unexplained variances for the year. She reported that the Committee was satisfied that the audit report, as presented to the Board of Directors, is complete and accurate. She commended Ms. Weiss, Steve Debnar, and their staff for this excellent outcome.

A motion was made and duly seconded to approve the rest of the 2017 Independent auditor’s report of the December 31, 2017 financial statements.
Reserve Income Fund Policy (RIF)
Dr. Mathes referred the Board to the Reserve Income Fund (RIF) policy. She stated that the RIF Policy states that required reserve levels shall maintain net assets equivalent to:

1. 50% of the annual GOF less GOF expenses covered by Funds;
2. 50% of the annual Technology Fund and Property, Plant and Equipment Fund expenses; excluding budgeted Tech and Property Plant and Equipment that will be capitalized; and
3. The current annual portion ($500,000) of the Industrial Revenue Bond (IRB) until it is fully repaid.*

And with the sale of the Schaumburg property, the policy needed to be updated as follows:
1. 50% of the annual GOF less GOF expenses covered by Funds;
2. 50% of the annual Technology Fund and Property, Plant and Equipment Fund expenses; excluding budgeted Tech and Property Plant and Equipment that will be capitalized; and
3. The current annual portion ($409,091) of the Building Loan until it is fully repaid.*

Full repayment of the Building Loan is scheduled to occur in December 2028. Each quarter, the Academy makes a $102,272.72 principle payment on the loan. Thus, this requirement will decrease $409,090.88 per year until December 2028 when the loan will be paid in full.

A motion was made and duly seconded to approve the change to the building loan language in the Reserve Income Fund policy to reflect the new loan agreement. (lines 20–21, 41–44)

ACTION: Approved

Audit Committee Procedures Policy
Dr. Mathes stated that the Industrial Revenue Bond that was linked to the sold Schaumburg property was paid off as part of the sale proceeds. The Audit Committee Procedures policy change reflects that the Audit Committee will no longer review the status of the Industrial Revenue Bond.

A motion was made and duly seconded to approve the edits to the Audit Committee Procedures policy as presented. (delete lines 44–49)

ACTION: Approved

A motion was made and duly seconded to approve the rest of the May 21, 2018 Audit Committee report for information only.

ACTION: Approved

Bylaws Committee
AAD Proposed Bylaws Amendments for International Associate
Mark D. Kaufmann, MD, presented the Bylaws Committee report. He stated this proposed bylaws amendment was proposed to the Board by the Council on Member Services, pursuant to the recommendation of the Membership Committee, to create a new International Associates category.
and align other membership categories accordingly. In addition, consistent with the Fellows and
Associates categories, this amendment focuses and clarifies category requirements on the type of
member training and allow members to remain in the membership category their training dictates
no matter where they reside in the world. The Bylaws Committee reviewed the proposed bylaws
amendment and recommended sending it to the membership for vote with a recommendation to
approve it.

A motion was made and duly seconded to approve the new membership category of International
Associate and changes to the Fellow, International Fellow, Associate, and Affiliate member
categories as presented and send the proposed AAD bylaws amendment to the membership for
vote.

ACTION: Approved

Board Recommendation – Proposed AAD Bylaws Amendments
Dr. Kaufmann referred the Board to p. 97 in its background materials for the excerpt from the
administrative regulations on Bylaws Committee.

If the proposed amendment is submitted to the membership for vote through an electronic
and/or mail or other written ballot, a concise summary of the recommendation of the Bylaws
Committee and/or the Board shall be included in the Notice of Proposal sent to the
membership along with and in addition to statements expressing support for or opposition to
the proposed bylaws amendment in accordance with Article XVII, Section 3 of the Bylaws and
Administrative Regulation(s) governing such statements. If the Bylaws Committee and/or the
Board makes no recommendation, the Notice of Proposal shall so state."

A motion was made and duly seconded to approve sending the proposed AAD bylaws amendment
to the membership for vote with a recommendation to Approve from the Board of Directors.

ACTION: Approved

Council on Science & Research

Position Statement on Climate and Health
Misha Rosenbach, MD, presented a new Position Statement on Climate and Health. He stated
that the Climate Change and Environmental Affairs Expert Resource Group (ERG) felt it was
important for AAD to add its support to the growing chorus of voices within organized medicine,
who are drawing attention to the health consequences of climate change. Dr. Rosenbach stated
that the ERG believes that the issuance of a formal Position Statement on Climate and Health
would signify a further commitment on the part of the AAD to address this issue on behalf of its
patients and of its membership. While the impact of climate change on skin health is less widely
appreciated by both the general public and other health care providers, a growing body of
evidence is making it abundantly clear that the specialty, and our patients, will not be spared.

A motion was made and duly seconded to approve the AAD/A Position Statement on Climate and
Health as presented.

A friendly amendment was made and accepted to change line 17 of the Position Statement from
“Promote research into the effects of climate change on skin health and skin disorders;” to “Raise
awareness about the effects of climate change on skin health and disorders;”

ACTION: Approved

Melanoma Guideline
Erin E. Boh, MD, PhD stated that in accordance with the *Administrative Regulations for Evidence-Based Clinical Practice Guidelines*, this proposed guideline was developed using an evidence-based methodology by the Melanoma Guideline Work Group with assistance from AAD staff, and Shasa Hu, MD Clinical Guidelines Committee (CGC) member. She stated that the Work Group is co-chaired by Susan Swetter, MD and Hensin Tsao, MD, PhD.

Dr. Boh stated that the Melanoma Guideline Work Group, the Clinical Guidelines Committee, and the Council on Science and Research reviewed and approved the draft guideline. She noted that additional information on the compliance of this draft guideline with the Institute of Medicine and Council of Medical Specialty Society standards for trustworthy clinical practice guideline development is provided for reference.

Dr. Boh stated that the draft guideline was posted for ten (10) business days for member feedback (June 5-18, 2018), which is in accordance with the Administrative Regulation. The Chairs and the Work Group members reviewed and addressed all comments received during the member comment and approval process. A table summarizing all received comments and responses was provided in the background materials for Board reference.

Dr. Boh stated that pending Board approval of the proposed guideline, the document will be submitted for publication to *Journal of the American Academy of Dermatology (JAAD)*.

A question was raised as to whether this guideline would be consistent with the Mohs Appropriate Use Criteria (AUC) that was being developed. It was confirmed that the Mohs AUC is in process and using similar literature as used in the Melanoma Guideline. Both the guideline and AUC could be updated as new literature is available.

Concerns were also raised about the Melanoma Guidelines’ treatment of genomic testing. Drs. Boh and Jane Grant-Kels (also on the Melanoma Guideline Work Group) assured the Board that these concerns were raised by commenters and addressed in the Guidelines, but also indicated that more data on this issue was necessary to draw further conclusions about the utility of genomic testing in diagnosing melanoma.

A motion was made and duly seconded to approve the Melanoma Guideline as presented with an amendment that a footnote be added to indicate that the AAD is in the process of updating the Mohs AUC and upcoming criteria will be incorporated in the AUC.

**ACTION:** Approved
Performance Measure Set Topics
Dr. Boh stated that given the increase in demand for performance measures, particularly by the Centers for Medicare and Medicaid Services (CMS) for the Merit-Based Incentive Payment System (MIPS) and for AAD's dermatology clinical database, DataDerm™, the Performance Measurement Committee (PMC) worked proactively to expand the number and type of dermatology specific measures. Dr. Boh noted that the Academy employs an evidence-based methodology for developing quality measures, defined as tools that evaluate clinical processes to ensure that the best quality of care is performed, as well as clinical outcomes to demonstrate how successful treatments and interventions are in improving patient health outcomes. Dr. Boh stated that performance measures are supported by the current internal developed guidelines; externally developed guidelines; or other relevant evidence. She described the elaborate process for developing the new list of recommended measure topics and referred to the Board to the background materials for more details.

Dr. Boh presented the ranked list of measure topics.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Measure Set Topic Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Actinic Keratosis (AK)</td>
<td>AK is a highly prevalent condition associated with high costs and probabilities of being diagnosed with other skin diseases. This measure set could focus on prevention and costs of treatment.</td>
</tr>
<tr>
<td>2</td>
<td>Cost Resources Utilization for Dermatologic Procedures</td>
<td>This measure set would address common dermatologic procedures such as Mohs surgery, excisions, etc. and will address gaps in care such as diagnostic accuracy and pre &amp; post-operative care and outcomes that lead to unnecessary treatment and cost.</td>
</tr>
<tr>
<td>3</td>
<td>Medication Utilization</td>
<td>The focus of this measure set is on commonly used medications in dermatology that are of high cost and use. Specifically, this measure set would focus on diagnostic accuracy and cost-effective prescribing in regards to the diseases within the priority list.</td>
</tr>
<tr>
<td>4</td>
<td>Atopic Dermatitis/ Eczema</td>
<td>This common condition can have great impact patient's quality-of-life. This measure set would focus on patient-reported outcomes and outcomes of various treatment modalities.</td>
</tr>
<tr>
<td>5</td>
<td>Acne &amp; Rosacea</td>
<td>As a common, costly condition that can greatly affect patient’s quality-of-life, this measure set can cover the spectrum of the disease from patient-reported outcomes, management of symptoms, comorbidities, and other aspects of care.</td>
</tr>
<tr>
<td>6</td>
<td>Psoriasis</td>
<td>With high costs associated with this condition and the impact to quality-of-life of patients, this measure set can cover the spectrum of the disease, particularly in regards to cost effectiveness of treatment (e.g. phototherapy), patient-reported outcomes, and assessment and/or management of comorbidities.</td>
</tr>
<tr>
<td>7</td>
<td>Hidradenitis Suppurativa</td>
<td>As a condition with a high impact on patient quality-of-life, this measure set will focus on patient-reported outcomes in the treatment and management of the disease.</td>
</tr>
<tr>
<td>8</td>
<td>Viral and Fungal Disease</td>
<td>As highly prevalent and costly skin conditions, this measure set would focus on the prevention, management of symptoms as well as the cost effectiveness of prescribing medications for treatment.</td>
</tr>
</tbody>
</table>
In line with the National Quality Forum (NQF) and the Centers for Medicare & Medicaid Services (CMS) priorities, this measure set would center on assessing the quality of care provided using telehealth modalities. Areas of focus include chronic care management, access to care, cost effectiveness, and communication and care coordination.

This measure set would focus on the treatment and management of various connective tissue disorders.

A common condition, this measure set will focus on the treatment and management.

NOTE: Telehealth modalities may be considered for other measure topics as applicable.

A motion was made and duly seconded to approve the list of measure set topics in accordance with the needs assessment process of the Administrative Regulation on Quality Measures.

**ACTION:** Approved

A motion was made and duly seconded to approve the rest of the June 28, 2018 Council on Science and Research report for information only.

**ACTION:** Approved

**Council on Community, Corporate and Philanthropic Administrative Regulation: Recognition Events: Responsibilities of the President and Vice President at the Annual Meeting**

Kimberly J. Butterwick, MD, presented the Council on Community, Corporate and Philanthropic’s report. She stated that the Academy’s Administrative Regulations guiding recognition events and the responsibilities of the President and Vice President at the Annual Meeting was revised in 2013, shortly after the event was converted from the President’s Dinner, an annual culmination event for up to 350 individuals, to the President’s Gala. As the President’s Dinner, the Academy incurred expenses ranging from $100,000 - $250,000. Dr. Butterwick stated as the President’s Gala, it is now a revenue generating activity that raises in excess of $1M annually for Academy programs and services.

Dr. Butterwick stated since this last revision, the event known as the President’s Dinner has grown considerably as have other recognition events taking place during the Annual Meeting. As a result, the Council on Community, Corporate and Philanthropic Relations (Council on CCPR) reviewed the Administrative Regulation for this activity in order to ensure their alignment with the financial goals of the Academy and continue to accurately reflect the duties of the President and Vice President.

Dr. Butterwick summarized changes, including a revision to the invited guest list, and referred the Board to the background materials for more details.

A motion was made and duly seconded to approve the changes to the Administrative Regulations: Recognition Events: Responsibilities of the President and Vice President at the Annual Meeting as presented.

A friendly amendment was made and accepted that the Deputy Editors for *Journal of the American Academy of Dermatology* (JAAD) and the alternate delegates for the American Medical Association (AMA) would be added back to the invitation list for the Gala.
ACTION: Approved as amended by required 2/3 vote

Council on Practice Management
DirectTrust Membership
Hon Pak, MD, presented the Council on Practice Management’s report on DirectTrust Membership. He stated that DirectTrust is a collaborative non-profit association of 121 health Internet Technology (IT) and health care provider organizations to support secure, interoperable health information exchange via the DirectTrust message protocols. Dr. Pak stated that the DirectTrust message protocols are similar to email, but the main difference is that DirectTrust accredits organizations to facilitate messages that are encrypted in a specific way to ensure sensitive data is sent and received by authorized providers only. Over 300 Electronic Health Record (EHR) vendors’ products participate in this network to more than half the professionals in the U.S. health care system.

Dr. Pak stated that becoming a member of DirectTrust would highly benefit Academy membership to improve the communication between physicians and their patients to address the challenges our members face in interoperability. Members of the Academy could more easily utilize the DirectTrust platform to securely message other physicians for consults through their different EHR systems or utilize the platform to securely email with other providers. DirectTrust has created a “trust framework” that supports both provider-to-provider DirectTrust exchange and bi-directional exchange between consumers/patients and their providers. It makes it easy for health care professionals and their patients/customers to communicate securely, with identity proofing and regardless of end-user application. He noted that the annual membership cost is $2500 per year.

A motion was made and duly seconded to approve the Academy becoming a member of DirectTrust for one year at which time the Council on Practice Management would present a report to the Board outlining the benefits to the Academy and determine if the membership should continue.

ACTION: Approved

The Board moved into Executive Session at 5:55 p.m. (CDT) to

The Board recessed Executive Session at 6:15 p.m. (CDT).

Note that the minutes of the Executive Session are kept in the confidential files of the Executive Office and legal counsel.

ADJOURNMENT
There being no further business, Dr. Olbricht adjourned the Academy Board of Directors Meeting at 6:15 p.m. (CDT).

Respectfully Submitted,

Barbara M. Mathes, MD, FAAD
Secretary-Treasurer