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
Abby S. Van Voorhees, MD
Diane S. Berson, MD
Erin 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 K. Farris, 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

Not Present
Jane M. Grant-Kels, MD, Vice President-Elect
Robert A. Weiss, MD
Heidi Wat, MD, Residents/Fellows Board Observer
Mauricio Goihman-Yahr, MD, International Board Observer

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
Lawrence Green, MD, Incoming Class of 2023
Cyndi Yag-Howard, MD, Incoming Class of 2023

Speakers / Guests
Sabra Sullivan, MD, PhD, Chair, Council on Government Affairs and Health Policy
Craig Elmets, MD, Chair, Council on Science and Research and the Guidelines Workgroup
Karen Edison, MD, Specialty Positioning Communications Workgroup
Patrick McCabe, President, McCabe Message Partners
Brianna Gavio, Senior Director, McCabe Message Partners
Anthony Bennett, Managing Director, RedSky Strategy
Kimberly Orton, Managing Director, RedSky Strategy
CALL TO ORDER
Suzanne Olbricht, MD, President and presiding, called the meeting of the Board of Directors of the American Academy of Dermatology and Association to order at 7:30 a.m. (CDT) on Saturday, November 3, 2018.

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. Olbricht 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
Dr. Mathes 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.
AAD OFFICER AND DIRECTORS REPORTS

President’s Report
Dr. Olbricht reported the progress of the Ad Hoc Task Forces on Augmented Intelligence and Modernizing Clinical Guidance. She also reported on the several meetings that she and other officers attended since the last Board meeting. She noted that AAD.org has been ranked as highly recommended by HealthWeb.org, a non-profit site created by physicians to connect the public with authoritative health content. She also noted that Dr. Lim and Dr. Mathes both received International Achievement Awards from the European Academy of Dermatology & Venereology (EADV).

Dr. Olbricht next noted that she wrote a letter to the President of the American Board of Dermatology (ABD) expressing concern regarding 13 candidates for ABD certification who were incorrectly notified that they failed the certifying exam. She also noted that AAD leadership would be meeting with ABD leadership the next day (November 4, 2018) and that issue would be discussed, along with the ABD recent decision to offer a new Mohs Surgery certification.

Dr. Olbricht also discussed several advocacy wins for AAD/A, including reversal of proposed Medicare cuts and a proposal to require Qualified Clinical Data Registries (QCDRs) to license their measures to other QCDRs, funding for skin cancer prevention and melanoma research, and a modified Food & Drug Administration compounding policy.

Dr. Olbricht reminded the Board of the upcoming AAD Annual Meeting in Washington, DC in March 2019, the World Congress in Italy in June 2019, and the Tropical Dermatology meeting in Tanzania in January 2020.

Presidential Citations
Dr. Olbricht referred the Board to pp. 473-475 of the Board background materials for the 2019 Annual Presidential Citations Awards.

A motion was made and duly seconded to approve the 2019 Presidential Citation awardees as presented for information only.

ACTION: Approved

Secretary-Treasurer’s Report
Third Quarter Financial Report Ending September 30, 2018
Dr. Mathes presented the Third Quarter Financial Report Ending September 30, 2018. She first went through the expense and revenue categories in some detail, noting that dues collection for 2019 was underway. She noted that meeting revenue from the Summer Meeting in Chicago was better than expected and staff had done a great job of holding down expenses for that meeting. Unfortunately, investment returns were lower than expected due to the poor performance of the financial markets generally.

Dr. Mathes reported that the net GOF surplus as of September 30 was estimated to be $5.8 million and that the end-of-year surplus is expected to be about $2 million, well over the budgeted amount. She also noted that the Reserve Income Fund balance is under policy by $7 million. She said that part of this deficit will be addressed by actions taken later in this meeting.

A motion was made and duly seconded to approve the Third Quarter Financial Report Ending September 30, 2018 for information only.
Board Statement Regarding the Proposed International Associate Bylaws Amendment

Dr. Mathes stated that earlier this year the Board approved a proposed bylaws amendment to create an International Associate category and re-alignment of other international membership categories to address gaps and inconsistencies in the current application process and align international categories with US categories. Dr. Mathes stated that the following statement in support of this amendment will go into the ballot book if approved.

Board Statement Regarding the Proposed International Associate Bylaws Amendment

The proposed amendments to the bylaws are to align international membership categories with U.S. categories. By clarifying category requirements for Fellows and Associates based on their type of training, these amendments will allow members to remain in the membership category their training dictates no matter where they reside in the world. Just as in the U.S., both International Fellows and International Associates will be required to prove they have completed dermatology residency training that meets their country's certifying exam requirements or is approximately equivalent to that required in the U.S. (if no certifying exam exists).

There is no significant fiscal impact anticipated for the proposed change, as a small number of international dermatologists will be able to join as a result of the bylaws change.

The Board is asking for your yes vote for the creation of the International Associate category of membership and the related bylaw modifications.

Some Board members felt this statement needed further clarification to address the situation in which countries don’t have a board certification process. It was agreed that this issue would be brought back to the Board via email vote on BoardEffect.

President-Elect Report

Dr. Hruza reminded the Board that the Academy’s Leadership Forum will take place on May 31, 2019, which all Board members have been strongly encouraged to attend. In additional, Dr. Hruza has added sessions on June 1 specifically for the Board to attend which will discuss ways of facilitating effective Board interactions.

Executive Director Report

Ms. Weiss referred the Board to her written report for information only.

Young Physicians Board Observer Report

Dr. Bentley referred the Board to her written report for information only and stated that the young physician representative to the Scientific Assembly Committee (SAC) had been identified.

A motion was made and duly seconded to accept the Academy reports as presented.

ACTION: Approved

HEARD FROM THE FIELD

Because of time constraints, Dr. Olbricht invited Board members to raise issues of concern that they were hearing about in the field via email following the meeting.
AAD STRATEGIC DISCUSSION
Council on Communications
2019 SkinSerious Communications Plan
Dr. Karen Edison, Mr. Patrick McCabe and Ms. Brianna Gavio with McCabe Message Partners presented the revised 2019 SkinSerious Communications Plan, which is part of the Academy’s Specialty Positioning Campaign. The revised plan does the following:

- Based on a perceptions pulse check, the new plan pauses the campaign’s communication of access with external audiences until the specialty makes more widespread improvement to patient access. All of the current SkinSerious content addressing access will be kept on the webpage, but it will not be promoted to external audiences.

- Asks the Board to approve activities to encourage members to improve patient access will continue under the AADA’s advocacy and policy efforts.

- Uses first person storytelling by patients and non-dermatologist physicians to demonstrate the complexity and value of dermatologists

- Focuses the 2019 SkinSerious communications efforts primarily on the health care policymakers representing Congress, Department of Health and Human Services, and leadership of primary care physician societies.

While the 2019 plan initially targeted five distinct audiences - the House of Medicine, policymakers, private payers, AAD members and the public, the larger the target audience makes it more challenging to make an impact, especially with a limited budget. They noted that there is not enough budget to effectively reach the public and that more widespread progress on the access issue needs to be made before communicating these messages to them. It was noted that the AADA’s advocacy and policy efforts include, and will continue to include, SkinSerious messaging to private payers.

After providing feedback on the plan, a motion was made and duly seconded to approve, in concept, the 2019 SkinSerious Communications Plan as presented; the budget for this project will be approved later in the day during the Budget Committee presentation.

**ACTION: Approved**

**Access to Dermatologists**
Dr. Edison, Mr. McCabe, and Ms. Gavio stated the 2018 SkinSerious survey showed that other physicians’ perception of dermatologists’ treatment of serious disease and collaborative efforts in the House of Medicine has improved, but members of the House of Medicine reported that they are having more trouble referring patients to a dermatologist for a timely consult than before the SkinSerious campaign started.

Dr. Edison stated that the Specialty Positioning Work Group agreed that the issue of access to dermatologists is very important. They acknowledged that this is not something that a communications campaign can change, and more resources are needed to improve access. She stated that the Work Group also recognized that the SkinSerious efforts are moving the needle in changing the narrative of dermatology; however, to continue to be effective, their efforts need to be more focused.

Dr. Edison stated since a communications campaign cannot change perceptions grounded in fact or firsthand experience, the Work Group requested the issue of access to dermatologists be...
assigned to the Access to Care Committee to address.

A motion was made and duly seconded to approve assigning the issue of access to dermatologists to the Access to Care Committee with communication back to the Specialty Positioning Work Group for messaging.

**ACTION:** Approved

**Ad Hoc Task Force on Reimagining the Summer Meeting**

Ms. Weiss, Ms. Kauper and Mr. Marquis presented the report of the Ad Hoc Task Force on Reimagining the Summer Meeting. Ms. Weiss provided background on the Summer Meeting and the need for re-imaging it, including stagnating attendance and exhibitor dissatisfaction. She also presented several ideas that the AHTF was considering with the goal of attracting new, younger attendees. She said the focus was on significant but incremental changes. The three core ideas are an Innovation Day at the beginning of the meeting with innovation and entrepreneurial tracks and parallel conventional educational sessions; a Derm Xperience (interactive learning and networking) Hub; and Derm 365 (a virtual communication platform to engage members about the Summer Meeting throughout the year).

Ms. Weiss then discussed next steps, including:

- Seeking approval of the concepts presented
- Identifying projected costs for implementation of the concepts
- Developing proposed rebranding of the meeting
- Submitting a final proposal with corresponding budget to the Board in March 2019

After discussion, a motion was made and duly seconded to approve the report on Reimagining the Summer Meeting, including the initial concepts presented in the report.

**ACTION:** Approved

**Revising the Academy Conflict of Interest (COI) Procedures**

Dr. Olbricht referred the Board to pp 27 – 35 for the *New York Times* article titled, “Sloan Kettering’s Cozy Deal with Start-up Ignites a New Uproar”. She stated that the administrative regulation that governs the Academy’s conflict of interest policy was last updated in 2014. Dr. Olbricht noted that with the current culture’s sensitivity about potential conflicts of interest, she recommended that the Professionalism and Ethics Committee relook at AAD/A’s current policy and propose recommendations for the Board’s consideration.

After extensive discussion, a motion was made and duly seconded to approve charging the Professionalism and Ethics Committee with reviewing the current conflict of interest policy and proposing recommendations for the Board’s consideration.

**ACTION:** Approved

**AAD UNFINISHED BUSINESS**

**Ad Hoc Task Force on Strategic Corporate Positioning**

**Corporate Positioning Branding Research Survey Results**

Dr. Abby Van Voorhees, Mr. Anthony Bennett, and Ms. Kimberly Orton from RedSky Strategy presented the Corporate Positioning Branding Research Survey Results. They stated with the Academy embarking upon a new strategic plan, coupled with satisfaction scores slightly falling, more non-traditional competition in the space, and the changing needs of AAD members (based
on insights gained in brand perception research), there is enough data to indicate that a refresh may be necessary. They said member surveys showed that the Academy is relevant, prestigious, and trusted, but it is not seen as agile, transparent, modern, or innovative. Nor is it seen as listening to its members. Dr. Van Voorhees stated that based on member survey responses, the AHTF was recommending that the Academy change its branded identity to become more modern and innovative and transparent and that this messaging change must be backed up with real actions to be effective. She noted that the next phase of this project would be creative design and testing.

After discussion, a motion was made and duly seconded to approve moving to phase 2 of project, creative design and testing.

ACTION: Approved

Strategic Plan: Approval and Next Steps
Dr. Olbricht presented the draft Strategic Plan on pp. 40-43. She stated that based on the concepts identified at the June 2018 Board of Directors Retreat, a draft strategic plan was developed for review at the July 28, 2018 Board meeting. Following the discussion at that meeting, the consensus comments of the Board were incorporated into the draft plan. In addition, the strategic goals were consolidated and refined. Dr. Olbricht then discussed the plan for communicating the plan to the members through DW Weekly, Dermatology World, and the AAD website. She noted that she was appointing an ad hoc task force, including Drs. Lim, Hruza, Rosen, Boh, and Bennett to oversee the implementation of the strategic plan.

After discussion, a motion was made and duly seconded to approve the strategic plan as presented with minor edits raised by Board.

ACTION: Approved

The Board moved into Executive Session at 12:41 p.m. Central

The Board moved out of Executive Session at 2:16 p.m. Central

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

Council on Communications (pulled from Consent Agenda)
Dr. Van Voorhees gave the report of Council on Communications regarding the promotion of industry research at the AAD Annual Meeting. She stated that the Council recommended that industry research could be displayed at the meeting if it is highly rated by physician reviewers, of interest to general public, and at least one author is an Academy Fellow.

After discussion, a motion was made and duly seconded that for one year, industry-sponsored research can be selected as topics for news releases and other promotional activities at the AAD Annual Meeting if it is highly rated by physician reviewers, of interest to general public, and at least one author is an Academy Fellow.

ACTION: Approved
Ad Hoc Task Force on Election Oversight
Election Reform Communication Strategy
Ms. Weiss presented the Election Reform Communications Strategy report. She noted that this was a work in progress. As planned, Dr. Terry Cronin will be the chief spokesperson, correspondent, and master of ceremonies for the communications strategy. She went through the goals of the strategy, including to increase respectful member engagement and trust in the election process. She then described the main components and phases of the strategy prior to, during, and after the Annual Meeting, including:

- Election Connection website
- Election Weekly Update videos
- *Dermatology World* Election Weekly emails
- #AADelection2019 social media site and strategy
- Annual Meeting Town Hall event
- Derm on the Street interviews
- Online polls regarding issues member want the candidates to discuss

A motion was made and duly seconded to approve moving forward with this concept as outlined.

**ACTION:** Approved

AHTF on Election Oversight
Henry W. Lim, MD presented the Ad Hoc Task Force on Election Oversight (AHTF) report. He stated that the AHTF met twice since the July Board meeting and developed an Election Communications Board Governance Policy, proposed edits to streamline the AR on Nomination and Election Procedures and proposed a Bylaws amendment on the Composition of the Nominating Committee for the Board’s consideration.

*Election Communications Board Governance Policy*
Dr. Lim stated that the Election Communication Governance Policy included: the process for submitting and gaining approval of questions submitted to the *AAD Election Connection* website; candidate guidelines for using other social media sites; the definition of professional communication and cyberbullying; and outlined the authority which the AHTF has to resolve issues as well as member and candidate sanctions for failure to comply with regulations.

A motion was made and duly seconded to approve the Election Communication Governance Policy as presented.

**ACTION:** Approved

Administrative Regulation (AR) on Nomination and Election Procedures – Candidates and Other Individual Members
Dr. Lim presented the changes to the AR on Nomination and Election Procedures for Candidates and Other Individual Members on lines 306 – 325 and 348 - 361. He stated that the text from these two sections of the AR was combined to streamline the AR. The AHTF determined that non-candidate members and other individual members referred to the same group of members.

A motion was made and duly seconded to approve the edits to lines 306 - 325 and 348 – 361 of the AR on Nomination and Election Procedures as presented.
b. Once the official slate of candidates is announced, candidates, and other individual members, but not groups or organizations, are permitted to engage in the dissemination of letters, emails, or other forms of written or electronic communications in support of their candidacies or the candidates. 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. Candidate(s) who are also current sitting AAD officers or directors may disseminate written communications in support of their own candidacy in addition to their one optional letter. They may not send communications in support of other candidates. 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.

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, potential 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.

ACTION: Approved by required 2/3 vote

AR on Nomination and Election Procedures – Groups or Organizations

Dr. Lim stated that the purpose for deleting “dermatologic societies” and adding “groups or organizations” was to make the language more encompassing. He stated that this change also standardizes all the language which describes “groups and organizations” the same throughout the AR.

A motion was made and duly seconded to approve the edits to lines 363 – 371 of the Administrative Regulation (AR) on Nomination and Election Procedures as presented.

ACTION: Approved by required 2/3 vote

AR on Nomination and Election Procedures – Ad Hoc Task Force on Election Oversight Composition

Dr. Lim stated that the AHTF looked at the AHTF on Election Oversight’s composition and determined that the Academy would be better served if its members included members with AAD
election knowledge and experience from recent election to oversee the issues that arise during the AAD Election.

A motion was made and duly seconded to approve the edits to lines 473 – 487 of the Administrative Regulation (AR) on Nomination and Election Procedures as presented.

**Lines 473 – 487**

**20. Ad Hoc Task Force on Election Oversight**

An ad hoc task force will be appointed each year prior to the Call for Nominations, to monitor the Academy’s election process and election activities. The ad hoc task force will be chaired by the Immediate Past President holding office when slated candidates are announced, and will be further comprised of the President, Secretary-Treasurer or Assistant Secretary-Treasurer, and the following individuals appointed by the President: past member of the Board of Directors, a recent past member of the Nominating Committee, a member of the Advisory Board, and a recent unsuccessful candidate. The president may appoint up to two (2) additional members at his/her discretion. Members asked to serve on the AHTF on Election Oversight should not accept the appointment if they anticipate becoming a candidate in the upcoming election. Upon acceptance of the AHTF appointment, the member must remain neutral throughout their term, which includes, but is not limited to, the nominating process and Election Period. The AHTF members are restricted from submitting nominations, supporting nominees, writing letters or speaking in support of any nominee, potential candidate, slated candidate or write-in candidate running for office.

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

**AR on Nomination and Election Procedures – Member and Candidate Sanctions for Failure to Comply with Regulations**

Dr. Lim stated that the AR language parallels the language approved in the Election Communications Governance Policy. It outlined the AHTF’s responsibility for resolving election issues and that the Board has the authority to impose further sanctions if the regulations are violated.

A motion was made and duly seconded to approve the edits to lines 494 – 499 of the Administrative Regulation (AR) on Nomination and Election Procedures as presented.

**Lines 494 – 499**

**21. Member and Candidate Sanctions for Failure to Comply with Regulations**

The Ad Hoc Task Force on Election Oversight is responsible for addressing inappropriate communications and works with the member, individual, slated or write-in candidate(s) to resolve the issue. The Ad Hoc Task Force has the authority to block a member’s or candidate’s access to the AAD Election Connection! Should further review or sanctions be required, the Ad Hoc Task Force will refer the issue to the Board of Directors or the Professionalism and Ethics Committee.

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

**Proposed Bylaws Amendment – Nominating Committee Composition**

Dr. Lim stated that the bylaws amendment was presented due to the concern of transparency expressed over the last several years about the composition of the Nominating Committee. He stated that the AHTF pointed specifically to the number of former presidents that put their name forward and win a seat on the Nominating Committee. Dr. Lim stated that the current Nominating Committee’s composition is seven (7) members – two (2) members elected by the Board; two (2) elected by the Advisory Board; two (2) elected by the membership; and the chair who is selected
by the Committee to serve a third year after completing two (2) years on the Nominating Committee. Dr. Lim noted that when a former president is eligible to be considered for the chair position, they have always been successful, which only perpetuates the issue.

Dr. Lim stated that the proposed bylaws amendment increases the composition of the Nominating Committee from seven (7) to eight (8) members. The eighth position would be filled by a former president who would serve as a non-voting, member on the Nominating Committee. He stated that it would be a non-voting member on the Nominating Committee with a one-year term beginning after the former president completes his/her one-year term on the AHTF on Election Oversight. Dr. Lim further stated that this change does not allow other former presidents to be elected or appointed to serve on the Nominating Committee.

Dr. Lim stated that if approved, the amendment would go to the Bylaws Committee for review and would come back to the Board for a final vote in early 2019 before it would go to the membership for a vote in the 2020 AAD Election.

A motion was made and duly seconded to approve the proposed change to Article VI, Section 3. (a) and send it to the Bylaws Committee for evaluation and bring it back to the Board in early 2019.

AAD BYLAWS

ARTICLE VI

Board of Directors

Section 3. Nomination and Election

(a) The Nominating Committee shall consist of six (6) members and a Chair who shall be voting members, and one (1) former president who shall be a non-voting member of the Committee. All shall be Fellows of the Academy (or Life or Honorary Members who have been Fellows) in good standing. Two (2) members of the Nominating Committee shall be elected by the Board of Directors; two (2) shall be elected by the Advisory Board; and two (2) shall be elected by the membership by electronic and/or other written ballot. Each member of the Nominating Committee except the Chair shall serve a term of two (2) consecutive election cycles, provided, however, that the terms of these members shall be staggered so that in each year the Board of Directors and the Advisory Board shall each elect one (1) member for a term of two (2) election cycles, and the membership shall elect one (1) member for a term of two (2) election cycles from two (2) candidates presented by the Nominating Committee. At the conclusion of each election cycle, the Nominating Committee shall elect one (1) member who has completed two (2) election cycles on the Committee to serve as Chair of the Committee for the next election cycle. Candidates for membership on the Nominating Committee shall be selected with due regard for geographic representation. No incumbent member of the Board of Directors may serve on the Nominating Committee. No person may serve consecutive terms on the Nominating Committee. Members of the Nominating Committee shall not be eligible for election to office or to the Board of Directors in the election following any election for which they have served on the Nominating Committee. The former president shall serve an automatic one-year appointment on the Nominating Committee upon completion of his/her appointment on the Ad Hoc Task Force on Election Oversight. No other former president shall, through election or appointment, serve on the Nominating Committee.

After discussion, a motion was made and duly seconded to amend the main motion to remove all of the above changes and insert a last sentence that says, “No more than one former president may serve on the Nominating Committee at one time and only through election by the members.”
A motion was made and duly seconded to amend the primary amendment and replace it with an amendment to remove all the above changes and insert a last sentence that says, “No more than one former president may serve on the Nominating Committee at one time and only through election by the Advisory Board.”

**ACTION on first motion to amend the primary amendment:** Defeated

Another motion was made and seconded to amend the primary amendment and replace it with an amendment to remove all of the above changes and insert a last sentence that says, “No former president may serve on the Nominating Committee, whether through election or appointment.”

**ACTION on second motion to amend the primary amendment:** Defeated

**ACTION on primary amendment to main motion:** Defeated

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

*The Board moved back into Executive Session at 4:00 pm Central time.*

*The Board moved out of Executive Session at 4:37 pm Central time.*

**Journal of the American Academy of Dermatology (JAAD)**

**JAAD International Formal Business Case**

Marta J. Van Beek, MD presented the report on the proposed business case for **JAAD International**. She noted that the purpose of an international edition would be to reach a broader audience and cover research topics and provide articles that are of international interest. She noted that this would be an open-access journal in which authors would have to pay a fee to have their articles published. She also noted that Elsevier has said there would be no financial exposure to the Academy from this journal. The next step is to negotiate a contract with Elsevier and the new journal is slated to be launched by 2020. She referred the Board to the background materials for more information.

A motion was made and duly seconded to approve the JAAD report for information only and to move forward with the planning of the JAAD International initiative.

**ACTION:** Approved

**Ad Hoc Task Force on Data Collection Platform and Registries**

Dr. Van Beek presented the report on DataDerm. She provided information on the number of users, patients, and other data collected by DataDerm. She noted that DataDerm is in the process of signing agreements with major academic departments and engaging a physician clinical advisor.

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

**AAD NEW BUSINESS**

**Budget Committee**

Dr. Mathes presented the Budget Committee report. She first provided an overview of the budget
process. Ms. Weiss described the new positions in the proposed budget.

AAD/A General Operating Fund (GOF) Budget
A motion was made and duly seconded to approve the 2019 AAD/A General Operating Fund with a fiscal impact of:

- Combined AAD/A Revenues of $53,282,982
- Combined AAD/A Expenses of $53,169,790
- Combined AAD/A Net Surplus of $113,192

ACTION: Approved

Annual Meeting Revenue and Impact on the General Operating Fund
Dr. Mathes stated revenues from meetings represent a significant portion of the budget every year. Revenues vary with the location of the Annual Meeting and this motion allows the Academy to allocate meeting revenue for a meeting that is in a traditionally less well-attended location, such as Denver. Although allocating dollars from the meeting surplus means less dollars available for Strategic Reserve Fund (SRF) or other funds, this is offset by having predictable meeting revenue year to year and minimizes the negative budget impact of meetings in less well-attended locations.

A motion was made and duly seconded to approve allowing the Secretary-Treasurers’ to recommend to the Board of Directors the option of deferring revenue for future Annual Meetings where a future Meeting location is not expected to generate adequate revenues.

ACTION: Approved

AAD/A Strategic Reserve Funds (SRF)
A motion was made and duly seconded to approve the following programs to be drawn down in 2019 from the Strategic Reserve Fund

- $297,000 for Specialty Positioning
- $180,873 for Performance Measures
- $119,505 for Quality Innovative Center
- $103,376 for Social Media
- $60,000 for Find a Dermatologist Campaign
- $50,000 for Research Membership Experience

ACTION: Approved

AAD/A Technology Funds’ Budget
A motion was made and duly seconded to approve the Technology Fund’s Budgets that were covered in Executive Session.

ACTION: Approved

AAD/A Property, Plant, & Equipment Funds (PP&E) Budgets
A motion was made and duly seconded to approve the 2019 AAD/A Property, Plant & Equipment Fund Budgets with a fiscal impact of $69,000.

ACTION: Approved

2017 General Operating Fund (GOF) Surplus
Dr. Mathes presented the proposed allocation of the 2017 General Operating Fund (GOF) Surplus. She stated that the 2017 financial statements of the Academy were presented during the July 28, 2018 Board of Directors meeting which showed the Academy closed the 2017 fiscal year with a net surplus of $3,948,363 in the GOF. She noted that the Secretary-Treasurer and Assistant Secretary-Treasurer were charged with making recommendations on which fund(s) to transfer the 2017 GOF surplus.

Dr. Mathes stated that the recommended allocation of $448,363 to the Strategic Reserve Fund (SRF) is not for a specific SRF project. Rather, it provides resources in SRF in the event of unanticipated budget needs in 2019. The SRF budget as of September 30, 2018 had $415,188 in unallocated SRF dollars; additional funds provide a cushion should a need arise.

A motion was made and duly seconded to approve moving the 2017 General Operating Fund (GOF) surplus of $3,948,363 to two funds: $3,000,000 to the Reserve Income Fund (RIF), and $948,363 to the Strategic Reserve Fund (SRF) of which $500,000 will be allocated for future Annual Meeting Revenue Fund, $448,363 to unallocated SRF.

**ACTION:** Approved

**Reserve Income Fund (RIF) Policy**

Dr. Mathes stated that the Budget Committee reviewed the status of the RIF and noted that over several years the Academy has not been in compliance with the RIF policy. She restated that the RIF is out of policy by approximately $7,000,000, and the annual operating budget now exceeds investment revenue which is the source of RIF funding, and projections are that investment income will fall short of policy in 2019. She noted that the loss on the sale of the Schaumburg building of approximately $3.8 million exacerbated the RIF shortfall. She stated that the Budget Committee recommended including considering the Endowment Fund’s net assets for purposes of assessing compliance with the RIF policy as a short-term measure. She stated that in the event that the net assets of the AAD RIF do not cover the funding required as stated in the RIF policy, then the net assets of the Endowment Fund will be considered to be part of the AAD RIF’s net assets for purposes of assessing compliance with the policy. This would not be the case for assessing AADA’s compliance with its RIF Policy as the Endowment Fund assets are not available for AADA activities. Dr. Mathes noted that the Budget Committee recommended that long-term solutions for RIF and its policy be discussed as part of the Long-Term Financial Retreat.

A motion was made and duly seconded to approve the edits to the Reserve Income Fund Policy (RIF) as presented for the purposes of calculating whether the AAD/A is in compliance with its RIF policy.

The American Academy of Dermatology (AAD) and the American Academy of Dermatology Association (AADA and collectively AAD/A) maintain a Reserve Income Fund (RIF), in addition to a General Operating Fund (GOF), Excellence in Dermatology Endowment Fund, and a Strategic Reserve Fund (SRF).

**Purpose**

The RIF represents the long-term, undesignated funds of the AAD/A that are intended to support AAD/A operations in the event of a financial emergency. The RIF balance is generally not to be used to fund normal (non-emergency) operations or near-term (3-5 year) strategic initiatives of the AAD/A.

**Required Reserve Levels**

The AAD and AADA RIF net assets in total shall be maintained equivalent to:
1. For AAD and AADA, 50% of the annual GOF expenses less GOF expenses covered by Funds;
2. For AAD only, 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. For AAD only, the current annual portion ($409,091) of the Building Loan until it is fully repaid. *

Excess Reserve Levels
At the discretion of the Board of Directors, an amount in excess of the reserve level required by the RIF policy may be returned to the GOF or SRF. **

Operations of the RIF
The AAD RIF will fund the annual Technology Fund and Property, Plant and Equipment Fund expenses as approved by the board of directors prior to the start of each financial year. The RIF will receive funding as needed from GOF to maintain the required reserve levels outlined above.

Investment of the RIF
The RIF shall be invested according to the AADA/A’s Long-Term Conservative Growth Investment Policy as adopted by the AADA/A’s Investment Committee and approved by the board of directors.

Term of the RIF
Ongoing duration.
*Full repayment of the Building Loan is scheduled to occur in December 2028. Each quarter, the AAD 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.

** In the event of a deficit in the RIF Policy with respect to the AAD, the Excellence in Dermatology “Endowment” fund net assets will be added to AAD’s RIF net assets to establish compliance with the RIF Policy. No part of the Endowment fund assets will be used for purposes of covering any deficit in the RIF Policy with respect to the AADA. The use of the Excellence in Dermatology Endowment funds for purposes of covering a deficit in the AAD RIF will be reviewed by the Board of Directors no later than 2023.

ACTION: Approved

Excellence in Dermatology Endowment Fund
Dr. Mathes stated in conjunction with the changes to the RIF policy, edits were needed to the “Endowment” Fund policy so that these two funds can, if necessary, work together. She further stated that edits were made in the Endowment policy as it was apparent that some of the items in this policy were out of date or were addressed when the Board of Directors approved the AAD Gift Acceptance and Valuation Policy.

A motion was made and duly seconded to approve the edits to the Excellence in Dermatology Endowment Fund as presented on pages 19 – 24 in the Board background materials.

ACTION: Approved

A motion was made and duly seconded to approve the rest of the Budget Committee report of September 27, 2018 for information only.
Organizational Structure Committee
Council on Community, Corporate & Philanthropic Relations (CCPR)
Sports Committee
Dr. Mathes noted that the Sports Committee has been in place for over 15 years. It was established when the Academy developed its partnership with Major League Baseball (MLB), called Play Sun Smart (PSS). Although the Sports Committee has also overseen different sports-themed programs, PSS was the signature program associated with this Committee. In 2016, the MLB ended the PSS program thereby reducing the need for this Committee.

In addition, with the creation of the Council on Community, Corporate and Philanthropic Relation and its related committees, aspects of the Sports Committee’s mission have become duplicative. Many of the new projects under discussion by the Committee can be directed to other committees under the Council on CCPR as well as the Council on Communications.

A motion was made and duly seconded to sunset the Sports Committee.

ACTION: Approved unanimously

Council on Science & Research (AAD)
Dr. Mathes stated a Work Group of the Council was charged to develop an enhanced framework around the ERGs. This effort was undertaken to provide clarity around a number of parameters not addressed in the existing ERG Policies and Procedures document. She stated that given the growing interest in forming ERGs, the groups’ increased levels of activity and visibility, and resource implications, the Council felt it was important for the framework to address the following parameters: maximum number of ERGs; application process and requirements; criteria for evaluating the potential benefit/value of new ERGs; annual reporting requirements; renewal of ERG status; criteria for maintaining ERG status; preferred relationship with the Academy; financial implications; and changes to individual group missions. Dr. Mathes stated that given the Council’s approval of the enhanced framework, the ERG Policies and Procedures document has been revised accordingly.

A motion was made and duly seconded to approve the edits to the Board Governance Policy on Expert Resource Group (ERG) Policies and Procedures as presented in the Board background materials.

ACTION: Approved

Geriatric Dermatology Expert Resource Group
Dr. Mathes stated that Council on Science and Research recommends creation of a Geriatric Dermatology Expert Resource Group.

A motion was made and duly seconded to approve the formation of the Geriatric Dermatology Expert Resource Group.

ACTION: Approved

Appointment Selection Committee
2019 AAD/A and AAD Committee Appointments
George J. Hruza, MD presented the committee’s recommendations to the Board for the 2019
AAD/A & AAD committee appointments.

A motion was made and duly seconded to approve the 2019 AAD/A & AAD committee appointments.

**ACTION:** Approved

**2019 AAD/A & AAD Exception Committee Appointments**

Dr. Hruza presented the 2019 AAD/A & AAD exception committee appointments. He stated that these members each bring a level of expertise to the entity, which they are recommended to serve.

A motion was made and duly seconded to approve the 2019 AAD/A & AAD exception committee appointments—*i.e.*, members who did not complete the online applications but have special expertise needed for committees to which they are being appointed.

**ACTION:** Approved

**Leadership Development Steering Committee**

**Awards Board Governance Policy - William D. James, MD Mentor of the Year Award**

Seemal R. Desai, MD stated the Leadership Development Steering Committee (LDSC) recommended that the Academy honor our colleagues that make the commitment to the next generation of dermatologists by giving their time and sharing their knowledge and experience as mentors. Dr. Desai reported that the LDSC recommended the establishment of the William D. James, MD, Mentor of the Year Award to annually recognize an Academy member who has demonstrated throughout his/her career a longstanding commitment to mentoring. He stated that the LDSC recommended naming the award in honor of Dr. William D. James for his dedication to mentoring students, residents and junior faculty.

A motion was made and duly seconded to approve the addition of the William D. James, MD Mentor of the Year Award and that it be included in the Awards Board Governance Policy.

**ACTION:** Approved

**William D. James, MD Mentor of the Year Award Recipient**

Dr. Desai stated the Leadership Development Steering Committee (LDSC) recommended William D. James, MD, FAAD as the first recipient of the William D. James, MD Mentor of the Year Award. Dr. James has worked tirelessly to further not only the AAD’s mentoring programs but mentoring as a whole. Dr. James exemplifies what mentoring should be and that there would be no one else better than him to receive the first Mentor of the Year award.

A motion was made and duly seconded to approve William D. James, MD, FAAD as the first recipient of the William D. James, MD Mentor of the Year Award.

**ACTION:** Approved

**Council on Member Services**

**Administrative Regulation on Procedures for Proposed Amendments to the Articles of Incorporation, Bylaws or Dues Increases/Special Assessments**

Patricia K. Farris, MD stated the Council on Member Services recommended the following addition to the Administrative Regulation which clarifies that a membership vote is not required for discounts from the standard dues rates for domestic Fellows for non-Fellows and Military Fellows.

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A motion was made and duly seconded to approve the addition to the Administrative Regulation on Procedures for Proposed Amendments to the Articles of Incorporation, Bylaws or Dues Increases/Special Assessments.

**DUES INCREASES/SPECIAL ASSESSMENTS**
The Board of Directors interprets Article XI: Dues and Assessments, Section 1: Annual Dues of the Academy bylaws; and Article X, Section 1 of the Association bylaws regarding increases in Total Dues to apply only to increases in the regular dues rate for Fellows residing in the U.S. and Canada. This rate may also be known as the “Domestic Fellow Rate”. The Board may approve discounts or reductions from the Domestic Fellow Rate for non-Fellow categories or Military Fellows in its discretion and may modify such discounts from time to time, as long as the resulting rate is not greater than the Domestic Fellow Rate.

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

**Sunset the Arnold P. Gold Foundation Humanism in Healthcare Award**
Dr. Farris reported that the Arnold P. Gold Foundation notified the Academy late in 2017, that it will no longer be funding the award, beginning in 2018, and that the future of the award program was uncertain. The award grant had been reduced to $1,000 in 2017 from the $2,500 that was awarded in previous years. Dr. Farris stated that because of the decision to remove award funding, and the fact that the future of the award was unknown, the Academy did not present this award in 2018. For these reasons, the Council on Member Services recommended that the Academy stop administering the award.

A motion was made and duly seconded to sunset the Arnold P. Gold Foundation Humanism in Healthcare Award.

**ACTION:** Approved

**Incoming AAD/A-AMA Resident Representatives**
Dr. Farris stated the AAD has three Resident/Fellow Delegate seats in the AMA House of Delegates. The three current delegates will complete their residency/fellowships leaving three vacancies in 2019.

A motion was made and duly seconded to approve the appointment of Drs. Luisa Christiansen, Gaurav Singh, and Matthew M. Wallace to serve as AAD/A-AMA Resident Representatives beginning July 1, 2019 and ending with the completion of their residency or subsequent fellowship programs.

**ACTION:** Approved

**Council on Education**
AAD04 (A-18) Advisory Board Resolution: Position Statement on Accreditation Council for Graduate Medical Education (ACGME) Dermatology Residency and Fellowship Training Exclusivity for ACGME Dermatology Resident and/or Fellows

Marc D. Brown, MD stated at its April 28, 2018 meeting, the AAD Board of Directors referred the following Advisory Board resolution to the Council on Education with a directive to draft the positive statement.

**RESOLVED,** that the AAD issue a position statement, that is forwarded to Residency Training Program Directors and Department Chairs, stating that terms such as “residency
“training” and “fellowship training” be reserved for physicians as described by the Accreditation Council for Graduate Medical Education (ACGME); and be it further

RESOLVED, that the AAD/A as the pre-eminent teaching organization for dermatologists in the United States opposes the teaching of Nurse Practitioners and Physician Assistants alongside physicians in ACGME accredited dermatology residency programs using titles such as “dermatology residencies” and “dermatology fellowships.” Testimony was only heard in support of the resolution. It was highlighted how these titles may mislead the public. Some expressed that there still needs to be a way for non-physicians to be credentialed. Members also discussed how the AAD’s truth in advertising position statement is in the process of being updated and may help address several of these issues.

A motion was made and duly seconded to approve the Position Statement on Accreditation Council for Graduate Medical Education (ACGME) Dermatology Residency and Fellowship Training Exclusivity for ACGME Dermatology Resident and/or Fellows as presented.

Board members expressed concern that this statement was too broad and might prevent the use of the term research fellows and that it doesn’t cover American Osteopathic Association-approved programs prior to the effective date of the merger with ACGME.

A motion was made to refer this back to Council on Education for further consideration consistent with the Board member comments.

ACTION: Approved

2019 Thomas G. Pearson, EdD Memorial Education Award - CONFIDENTIAL
Dr. Brown presented Warren R. Heymann, MD, FAAD as the recipient of the 2019 Thomas G. Pearson, EdD Memorial Education Award.

A motion was made and duly seconded to approve Warren R. Heymann, MD, FAAD as the recipient of the 2019 Thomas G. Pearson, EdD Memorial Education Award.

ACTION: Approved

AAD CME Award Program
Dr. Brown presented the Council’s on Education’s recommendation to sunset the AAD CME Award Program. He noted that with the recent phasing out of the AAD Recognized Credit program, the requirements for the CME Award had shifted. More so, the number of award applications continuing to decline and the overall need for the award has lessened. Dr. Brown stated that the application fee is $40. In 2017, revenues were $3,880 and they are expected to continue to decline.

A motion was made and duly seconded to sunset the AAD CME Award Program.

ACTION: Approved

Scientific Assembly Committee
Everett C. Fox, MD, Award and Lectureship Recipient - CONFIDENTIAL
Dr. Mathes presented Amy McMichael, MD, FAAD as the recipient of the 2019 Everett C. Fox, MD, Award and Lectureship.
A motion was made and duly seconded to approve Amy McMichael, MD, FAAD as the recipient of 2019 Everett C. Fox, MD, Award and Lectureship.

**ACTION:** Approved

A motion was made and duly seconded to accept the rest of the Council on Education of September 28, 2018 for information only.

**ACTION:** Approved

**Council on Science & Research**
Guidelines of Care for the Management and Treatment of Psoriasis with Biologics
Guidelines of Care for the Management and Treatment of Psoriasis with Awareness and Attention to Comorbidities
Craig Elmets, MD presented the report on the proposed Psoriasis Clinical Guidelines. He stated in accordance with the Administrative Regulations for Evidence-Based Clinical Practice Guidelines, the proposed guidelines were developed using an evidence-based methodology by the Psoriasis Guideline Work Group with assistance from AAD staff, and Dr. April Armstrong as Clinical Guidelines Committee liaison. He stated that the Work Group is co-chaired by himself and Alan Menter, MD.

Dr. Elmets stated that the Psoriasis Guideline Work Group, the Clinical Guidelines Committee, and the Council on Science and Research reviewed and approved the draft guidelines. Additional information on the compliance of the draft guidelines with the National Academy of Medicine (previously known as Institute of Medicine (IOM)) and Council of Medical Specialty Societies standards for trustworthy clinical practice guideline development are shown as reference.

Dr. Elmets stated that the draft guidelines were also posted for member feedback for 10 business days (August 15-28). He stated that the Chairs and the Work Group members have reviewed and addressed all comments received during the member comment and approval process. A table summarizing all received comments and responses is provided for the Board’s reference.

Dr. Elmets stated that pending the Board’s approval of the proposed guidelines they will be submitted to the *Journal of the American Academy of Dermatology (JAAD)* for peer-review process and publication in February 2019. Dr. Elmets summarized the various sections of the guidelines.

A motion was made and duly seconded to approve the draft guidelines of care for the management and treatment of psoriasis with biologics.

**ACTION:** Approved

A motion was made and duly seconded to approve the draft guidelines of care for the management and treatment of psoriasis with awareness and attention to comorbidities

**ACTION:** Approved

**ADJOURNMENT**
There being no further business, Dr. Olbricht adjourned the AAD Board of Directors Meeting at 6:13 p.m. (CDT).

Respectfully Submitted,