

**American Academy of Orthopaedic Surgeons
Board of Directors Meeting
The Vendue – Charleston, SC
June 15, 2021**

APPROVED MINUTES

Members of the Board present for all or portions of the American Academy of Orthopaedic Surgeons Board of Directors meeting on Tuesday, June 15, 2021 were as follows:

Daniel K. Guy, MD, FAAOS, President
Felix H. Savoie, III, MD, FAAOS, First Vice-President
Kevin J. Bozic, MD, MBA, FAAOS, Second Vice-President
Alan S. Hilibrand, MD, MBA, FAAOS, Treasurer
Michael L. Parks, MD, FAAOS, Treasurer-Elect (Ex-Officio)
Joseph A. Bosco, III, MD, FAAOS, Past-President
Wayne A. Johnson, MD, FAAOS, Board of Councilors Chair
Claudette M. Lajam, MD, FAAOS, Board of Councilors Chair-Elect
Alfonso Mejia, MD, FAAOS, Board of Councilors Secretary
Kevin D. Plancher, MD, MPH, MS, FAAOS, Board of Specialty Societies Chair
Alexandra E. Page, MD, FAAOS, Board of Specialty Societies Chair-Elect
Armando F. Vidal, MD, FAAOS, Board of Specialty Societies Secretary
Matthew P. Abdel, MD, FAAOS, Member-at-Large
Valerae O. Lewis, MD, FAAOS, Member-at-Large
Karen M. Sutton, MD, FAAOS, Member-at-Large
Alexander Vaccaro, MD, MBA, PhD, FAAOS, Member-at-Large
Lisa N. Masters, Lay Member
Thomas E. Arend, Jr., Esq., CAE, Chief Executive Officer (Ex-Officio)

Staff participating for all or portions of the videoconference meeting were as follows:

Todd Applebaum, MBA, Director, Strategic Planning and Performance Management
Rachel Bowers, CPA, MBA, Controller
Dino Damalas, MBA, Chief Operating Officer
Donna Malert, CAE, Director, Governance and Affiliate Relations
Susan McSorley, Director, Live Events
Tina Slager, CPA, MBA, Director, Finance
Anna Salt Troise, MBA, Chief Commercial Officer
Melissa Young, JD, General Counsel

I. Call to Order

The American Academy of Orthopaedic Surgeons Board of Directors meeting was called to order by Daniel K. Guy, MD, FAAOS, President, at 8:34 a.m. EDT.

Dr. Guy welcomed everyone to the meeting. He remarked on the various topic for the meeting today, and he reminded Board members on sensitivity of discussions held by the Board and the importance of keeping the discussions confidential. He added that Board materials are confidential and should not be shared outside of the BoardEffect portal.

As with all meetings of the Board of Directors, Dr. Guy drew attention to the Ground Rules, Strategic Plan, Core Values and Governance Principles as resources for the Board to keep in mind when discussing the various agenda topics.

II. Disclosure of Conflicts of Interest

Dr. Guy commented on the disclosure policy and the enhanced financial information that is required to be completed by the Board of Directors and Council Chairs. Dr. Guy noted that disclosures are reported in agenda books for Board meetings and made available to other AAOS members as well as to the public through the AAOS Orthopaedic Disclosure Program.

Dr. Guy asked meeting participants to disclose any new conflicts and to update the AAOS Orthopaedic Disclosure Program as changes occur. No new disclosures were reported. He also reminded Board members to communicate with Ms. Malert if any new potential conflict of interest matters are identified. Ms. Malert will facilitate a discussion with the Committee on Ethics and Outside Interests (CEOI) as needed.

III. President's Report

A. *President's Schedule*

Dr. Guy commented on the number of meetings held since he took office in March 2021, including meetings with the Board of Councilors (BOC) leadership, Board of Specialty Societies (BOS) leadership, and meetings with the diversity societies, including, Ruth Jackson Orthopaedic Society (RJOS), J. Robert Gladden Orthopaedic Society (JRGOS) and the American Association of Latino Surgeons (AALOS). Separate leadership meetings were also held with leadership from the Arthroscopy Association of North America (AANA), American Orthopaedic Foot and Ankle Association (AOFAS), and American Orthopaedic Association (AOA). He added that New Board Orientation was also held virtually over a two-day period. All meetings were held virtually to date.

B. *Letters to and From the Presidential Office*

Dr. Guy drew attention to the various letters that were included in the agenda book. He thanked the volunteers and staff for their efforts in preparing many of the responses. AAOS continues to be a very active participant in commenting to the various government entities.

C. *Recognizing Deceased Members*

Meeting attendees were asked to participate in a moment of silence to recognize recently deceased AAOS members. Dr. Guy specifically noted the death of Dr. Lawrence Dorr, a well-known leader in the orthopaedic profession.

IV. Consent Agenda

Dr. Guy drew attention to the items listed under the consent agenda for approval. He reminded Board members of the opportunity to remove topics if further discussion is needed.

Ms. Malert reported that requests were received to remove the following items from the Consent Agenda:

- AAOS Mandatory Disclosure Policy – Revised
- AAOS Policy on Failure to Disclose Accurately and Completely – Revised
- AAOS Protocol for President to Use – Disclosure – Revised
- AAOS Information Statement 1040: Obesity and Musculoskeletal Care – Revised
- AAOS Information Statement 1041: Surgeon and Surgical Team Concentration - Revised

Dr. Guy indicated these items will be discussed separately.

Dr. Guy entertained a motion to approve the following topics under the consent agenda:

- March 12, 2021 Board of Directors Meeting Minutes
- April 5, 2021 Board of Directors Meeting Minutes
- May 24, 2021 Executive Committee of the Board of Directors Meeting Minutes
- June 10, 2021 Executive Committee of the Board of Directors Meeting Minutes
- May 26, 2021 Committee Appointment Program Committee Report
- June 7, 2021 Leadership Review Group Report
- Five Year Review of AAOS Resolutions
- American Orthopaedic Association for Sports Medicine Research Contribution
- Resident Assembly Podcast – Professional Development
- AAOS Information Statement: Three-Dimensional (3D) Printing in Orthopaedic Surgery
- Endorsement of the Corticosteroids in Total Joint Arthroplasty: The Clinical Practice Guidelines of the American Association of Hip and Knee Surgeons, American Society of

Regional Anesthesia and Pain Medicine, American Academy of Orthopaedic Surgeons, The Hip Society and The Knee Society

- Endorsement of the Regional Nerve Blocks in Total Hip Arthroplasty: The Clinical Practice Guidelines of the American Association of Hip and Knee Surgeons, American Society of Regional Anesthesia and Pain Medicine, American Academy of Orthopaedic Surgeons, The Hip Society and The Knee Society
- Endorsement of the Regional Nerve Blocks in Total Knee Arthroplasty: The Clinical Practice Guidelines of the American Association of Hip and Knee Surgeons, American Society of Regional Anesthesia and Pain Medicine, American Academy of Orthopaedic Surgeons, The Hip Society and The Knee Society
- Endorsement of the Periarticular Injection in Total Joint Arthroplasty: The Clinical Practice Guidelines of the American Association of Hip and Knee Surgeons, American Society of Regional Anesthesia and Pain Medicine, American Academy of Orthopaedic Surgeons, The Hip Society and The Knee Society
- Endorsement of the Ketamine in Total Joint Arthroplasty: The Clinical Practice Guidelines of the American Association of Hip and Knee Surgeons, American Society of Regional Anesthesia and Pain Medicine, American Academy of Orthopaedic Surgeons, The Hip Society and The Knee Society
- Preliminary AAOS Membership Drop List – 2021
- Orthopaedic Advocacy Week – Preliminary Summary

MOTION

Upon a motion duly made and seconded, the Board of Directors approved the Consent Agenda.

Separately, the Board discussed the following:

- AAOS Mandatory Disclosure Policy – Revised
- AAOS Policy on Failure to Disclose Accurately and Completely – Revised
- AAOS Protocol for President to Use – Disclosure – Revised

Board members provided feedback on the revised disclosure policies and requested that additional clarification be provided along with key definitions within the policies. Dr. Guy asked Board members to share any feedback with Ms. Malert. The information will be shared with the Committee on Ethics and Outside to further upgrade the policies. The revised documents will be presented to the Board of Directors for approval at a future Board meeting. Dr. Guy entertained a motion to table the revised AAOS Disclosure Policies.

MOTION

Upon a motion duly made and seconded, the Board of Directors tabled the approval of the revised AAOS Mandatory Disclosure Policy; AAOS Policy on Failure to Disclose Accurately and Completely; and AAOS Protocol for President to Use.

Dr. Guy drew attention to the AAOS Information Statement 1040: Obesity and Musculoskeletal Care – Revised as presented in the agenda materials. Dr. Guy entertained questions and feedback from the Board on the proposed revisions to the statement. The Board agreed to table approval of the revised statement and return the statement to the Patient Safety Committee for additional upgrades.

MOTION

Upon a motion duly made and seconded, the Board of Directors tabled the approval of the revised AAOS Information Statement 1040 and return to the Patient Safety Committee for additional revisions.

Dr. Guy drew attention to the AAOS Information Statement 1041: Surgeon and Surgical Team Concentration – Revised as presented in the agenda materials. Dr. Guy entertained questions and feedback from the Board on the proposed revisions to the statement. The Board agreed to table approval of the revised statement and return the statement to the Patient Safety Committee for additional upgrades.

MOTION

Upon a motion duly made and seconded, the Board of Directors tabled the approval of the revised AAOS Information Statement 1041 and return to the Patient Safety Committee for additional revisions.

IV. Strategic Goal 1: Member Experience

A. *2021 Annual Meeting Update*

Dr. Guy presented the Board with an update on the 2021 Annual Meeting, and briefly commented on the current federal, state and local guidelines that are in place. He reported on the registration to date and noted that over 200,000 square foot of exhibit space has been sold. He shared the current marketing plan to continue promoting the meeting and added that efforts will continue with targeted marketing campaigns to encourage AAOS members to attend the Annual Meeting.

Several new initiatives will be rolled out at the Annual Meeting, including a condensed preliminary program, ticketless scanning for entry, purchase of ICL tickets from the app and increased zone tracking in the exhibit hall. Social media ambassadors will continue to promote the meeting as well.

Dr. Guy noted that the Board will continue to be updated on the Annual Meeting as any additional information is available.

V. Strategic Goal 4: Organizational Excellence

A. *Financial Update*

Dr. Alan Hilibrand, Treasurer, provided an overview of the overall financial position of the AAOS.

Dr. Hilibrand acknowledged the members of the Finance Committee and staff and thanked them for their efforts. He also recognized Ms. Slager and the finance staff for their efforts.

Operations are currently reported at \$589,000 better than budget with investment income reported at \$6.4 million. There was investment gain in the OPLLC of \$47,000. Spending from reserves is at \$549,000.

Total assets reported as of April 2021 are \$191 million and is a 14% or \$23 million increase over April 2020. The increase is primarily due to cash and investment earnings. There is 306 days of operating cash on hand. Cash and short-term investments were reported at \$36,286. Dr. Hilibrand commented on the spending from reserves to date, and noted the Board will continue to be updated on the spending from reserves at future meetings.

Year-end forecasts for 2021 were provided, and net income is currently reported at \$5,419,000, a change of \$6,651,000 of budget. He commented on several key initiatives items that are expected to be favorable through year end, such as registries, Annual Meeting and on-line learning.

Long-term investments through April 2021 are reported at \$112.4 million, a 15.52% increase.

Miscellaneous

The future meeting dates for the Finance Committee were reviewed. Dr. Hilibrand added that Board members are invited to join Finance Committee meetings to listen to discussions.

B. *Alternative Surplus*

Dr. Hilibrand provided the Board of Directors with an overview of the AAOS's healthy financial position that has been achieved through strong financial discipline over the last several years. He added that the AAOS has moved away from its dependency on reserves to offset its operations to now having operating reserves and investments that are over twice of what is required.

With its strong financial position, Dr. Hilibrand facilitated a discussion with the Board to determine how much reserves should be maintained and if the AAOS should consider modifying its policy to prioritize spending surplus generated from operating income. He added that by the end of the third quarter, the AAOS should have a very good line of sight on financial performance and have a good estimate as to how much surplus is required. A proposed process was presented to the Board for consideration that would include submission of measurable business plans developed by members and staff for internal review to ensure strategic plan alignment and feasibility. In addition, if requests exceed the surplus generated, the Board may choose to fund from operating reserves or scale back projects. Any surplus not allocated can be added to the Board Contingency Fund (up to \$600,000) for the following year with remaining funding available for future use. Two separate approaches, more conservative and less conservative, were presented to the Board.

Dr. Hilibrand entertained questions from the Board. Discussion ensued.

At the conclusion of the discussion, the Board was in favor of a more disciplined approach to leverage the current Member Innovation Process to support projects and initiatives that contribute to increased revenue, decreased expenses, improvement of adoption of quality products or other activities that will have a tangible impact on overall member value. The Board agreed that a proposal on the policy to prioritize the spending of surplus generated from operations be presented to the Finance Committee at July meeting, and formal approval by the Board of Directors at a future Board meeting.

C. *AAOS Strategic Plan Five-Year Progress*

Dr. Guy informed the Board that it is good practice for the Board to be updated on the progress of the five-year AAOS Strategic Plan. The three goals of the Strategic Plan were reviewed, and the progress reported. Several challenges were reported, and the Board agreed that the Strategic Plan should be revisited annually, and an ongoing review should continue. The Strategic Plan and Core Values should continue as active documents to impact Board, volunteer, and staff decision making. The baselines, targets and methodology should be refined as an ongoing basis.

Dr. Guy entertained questions from the Board and discussion ensued.

D. *Orthopaedic Learning Center Merger Update*

The Board was updated on the latest efforts with the OLC merger. A legal agreement has been drafted and signed by the AAOS, Arthroscopy Association of North America (AANA), and American Orthopaedic Society for Sports Medicine (AOSSM). The key acquisition principles were presented, and it was noted that the approach and terms were found to be acceptable by all parties as a baseline to continue moving forward.

The AAOS Board of Directors will now become the Board of the OLC and will be a separate 501c3 organization. The OLC no longer will have members and will become a supporting organization for the AAOS.

The next steps over the next 45 days and beyond were presented. Dr. Guy entertained questions from the Board. The Board responded favorably to the continues efforts with this initiative.

VI. Adjournment

Prior to adjournment of the meeting, and as part of best governance practices, Ms. Malert provided a recap of the Board meeting actions.

There being nothing further to come before the Board of Directors of the American Academy of Orthopaedic Surgeons, the meeting was adjourned at 1:45 p.m. CDT.

Prepared by: Donna J. Malert, CAE, Director, Governance and Affiliate Relations