

iHEA Board Meeting Minutes

July 11, 2009 – 10:00am to 12:15pm Beijing Local Time

Present were board members: Uwe Reinhardt (chair), Jane Hall, Guillem Lopez, Toni Ashton, Dorte Gyrd-Hansen, Alistair McGuire, Tom Getzen
Regrets: David Cutler, Tom McGuire, Jim Burgess, Bob Evans, Mandy Ryan
Also attending: Bill Swan, Teh-Weh Hu. Anne Mills, Eric Nauenberg

The meeting was chaired by President Uwe Reinhardt and brought to order at 10:00 local time at the Beijing Crowne Plaza Wuzhou.

Welcome: Guillem Lopez as President-Elect (2010-2011) and Anne Mills pres-elect for 2012-2013. Grateful thanks to Teh-Wei Hu for organization of the Beijing 7th World Congress were heartily endorsed by all present.

Minutes: Approval of May 14, 2008 Conference Call minutes as distributed, with the following corrections:

1. Arrow Award: The Committee (Pedro Pita Barros (Chair) and 16 members) chose "Sources of Advantageous Selection: Evidence from the Medigap Insurance Market" by Hanming Fang, Michael Keane and Dan Silverman for the 2009 prize.
2. Sydney: CHERE (UTS) will host the 9th iHEA World Congress in 2013, seconded by the Australian Health Economics Society (AHES), which voted their approval at their last annual meeting.

Agenda: Approved as amended with motions from the floor placed between reports and budget.

Governance Report: Nominations, Board Terms and Structure: The new board structure and transition as outlined in the report "New Governance Structure for iHEA" {draft April 23 2009} was discussed at length and approved with the following changes (attached): In para 4, parts ii and iii were replaced by a new part ii "8 representatives chosen by the affiliates. The board may designate some affiliates with significant iHEA membership to nominate their own Board candidates, as determined from time to time." {With a note, not to be incorporated in the bylaws per se that initially the 2009 board proposes this to be 1 each from ECHE, HESG, ASHE and AHES} In para 5.2 the phrase "established groups" was replaced by "affiliates" and subsections i and ii were replaced by i. Conform to criteria set by the board. and ii. Be made in consultation with the nominating committee.

The first executive committee meeting was tentatively set for 7-8 November at Princeton. In order for the newly expanded board to quickly meet together, the upcoming board election was set for October 2010. Terms of existing board members will be extended to allow the new board members to take their positions during the year of an iHEA Congress. AHES, ECHE, ASHE and HESG will be informed so that they may choose (hopefully by election from the membership) a board representative before September 2010. A diagram of the new board structure was drafted by Reinhardt for

presentation at the General Membership meeting on July 14 (see attached). It was also decided after extensive discussion on Saturday at the strategy session that a letter should be sent to the entire membership, and to the various affiliates, seeking input before any decisions were made regarding the scheduling of future iHEA Congresses (see "Scheduling iHEA" attached).

Management Report Highlights:

- The Arrow Award Committee chose the paper "Sources of Advantageous Selection: Evidence from the Medigap Insurance Market" by Hanming Fang, Michael Keane and Dan Silverman, with Keane presenting a keynote address analyzing how the elderly actually make health insurance decisions that was extremely well received at the final closing plenary session.
- The 194 members of the Scientific Committee (pages 2-3) provided more than 4,000 reviews to select the organized sessions, papers and posters (pages 16-90) listed in the conference program.
- Approximately 2,070 registrants at the 7th World Registrants (including 819 local Chinese primarily attending the Chinese Forum).
- Scholarships for iHEA World Congress were very successful with \$27,500 to students and over \$200,000 to developing countries.
- There are currently "over 2000" individual iHEA members. Bill Swan noted that the apparent decline in membership was due almost entirely to a new method of counting (calendar vs. anniversary) imposed by implementation of the AVECTRA IT system. The next membership report will be restated to allow appropriate year-on-year comparisons to be made.
- All organizational memberships (University, NGO, Ministry, Corporate) now are priced at \$500 (USD) with a single contact (whose individual membership is automatically covered within the organizational membership).
- SSRN implementation of HEN (Health Economics Network) has been successful. The 832 papers listed for the 7th World Congress program in Copenhagen have been downloaded 3,375 times (most frequent: Richard A. Dunn, "Obesity and the Availability of Fast Food: An Instrumental Variables Approach," with 204 downloads) and the papers in the six eJournals {Demand & Supply: Geographic HE; Health and the Economy, Health Economic Evaluation Methods, Insurance and Financing in HE, Public Goods & Regulation in HE} have already been downloaded over 50,000 times.
- Journal subscriptions continue to decline. As of 2010, responsibility for journal subscriptions, fulfillment and collections will be transferred to the publishers.
- As of December 2010, ASHE will be transitioned to fully independent legal status with its own budget.
- Suggestions were made to supplement the current standing committees (Nominations; Executive; Finance) with new committees or Task Forces for:
 1. Scientific Committee
 2. Conference Program
 3. Publications (including SSRN/HEN)

4. Affiliates (replacing the former Regional Council)
5. IT and Web Pages
6. Membership
7. Others as needed.

The rationale for this structure is to keep the board focus on mission, strategy and oversight, devolving responsibility for operational tasks to temporary (and some permanent) working groups.

- In order to meet the requirements of Canadian tax authorities and to reduce administrative burden on the Philadelphia office, responsibility for most aspects of operations have been devolved to a legally separate Canadian corporation providing association management services as "ROI / Real Objectives Inc." acting as primary contractor for iHEA, with Bill Swan as the principle of the corporation. As a primary contractor, all payments to ROI will be reported as a distinct category within iHEA's financial statements and annual IRS 990 report.
- Eric Nauenberg of the University of Toronto will chair the 8th World Congress in Toronto, Canada. Jane Hall of the University of Technology, Sydney, will chair the 9th World Congress July 7-11, 2013 in Sydney, Australia. The potential for using Dublin / Milan as venues for 2014/ 15 was discussed with regard to the potential for a shift to annual meeting from the current ever-other-year schedule (see "Scheduling iHEA" below)

Finance Committee Report: The 17 June 2009 report of the Finance Committee (Jim Burgess-Chair, Michael Drummond, Michael Morrissey, Elizabeth Savage) was presented by TE Getzen as Treasurer Jim Burgess was prevented from attending due to family illness. The report noted "The general state of financial affairs is excellent...with no major issues of concern." The large asset fluctuations from year to year was noted as an area for additional investigation (risk analysis), although it was concluded that the substantial losses from investments in 2007 and 2008 were in line with those experienced by other charitable organizations. Analysis of the geographic breakdown and trends in memberships (individual and organizational), the timeliness of iHEA audits, and the use of accounting software was also suggested. FY 2008 revenues of \$811,525 with expenses of \$873,335 and a year-end fund balance of was reported, and the fy2010-2015 budget as presented (including no conference in 2012 and a potential conference in 2014). During discussion, the board asked to have further analysis of continuing overhead versus revenues and expenses for each conference, and an assessment of financial and operational risks.

Risk Analysis: It was noted by the Executive Director that conference revenues and expenses can deviate widely ($\pm 30\%$) from expected amounts, putting significant pressure on finances and necessitating ample reserves. However, in his opinion, the most significant risk factors were threats to academic integrity (conflicts of interest, plagiarism, scientific misconduct) and inability to adapt to changing conditions. In that regard, he noted that the rapid growth in the profession of health economics (probably in excess of 10% annually since the founding of iHEA) posed both threats and opportunities for the association, and might necessitate a shift toward annual meetings

(or declining relevance) at some point in the near future. This follow up to extensive discussions at the strategy session on Saturday led to a proposal to gather input from members and affiliates over the next few months to assess the scheduling of iHEA conferences, including the support of regional meetings as well as World Congresses.

Motions from the Floor:

Resolved: That the iHEA Board thanks Teh-Wei Hu and the Chinese Health Economics Association for organizing the 7th World Congress in Beijing.

Resolved: That the board structure and transition plan outlined in the document “New Governance Structure for iHEA (aka Governing iHEA)” be implemented forthwith.

Resolved: That the budget for fy2010 be approved as presented, with further discussion of risk factors and analysis to be undertaken by the executive committee.

Future Board Meetings: Executive Committee 7-8 November 2009, spring/summer 2010, fall/winter 2011, with potential teleconference for full board late 2010. Next meeting of full board July 2011 in Toronto, with training session held in advance. It was noted that the board would like a report containing a further assessment of financial, operational and other risks, conference scheduling, and a more detailed analysis of continuing operational overhead as compared to revenues and expense of particular conferences and programs.

The Board meeting was adjourned at 12:15 PM local time.

Respectfully submitted,
(from notes by TE Getzen and input from other board members)
James F. Burgess, Jr., Ph.D., Treasurer