Thank you for your membership in the South Dakota State Medical Association. This guide will provide you with information about the SDSMA and ways to make your membership even more valuable. The best way to keep up with the latest developments in medicine and receive the full benefits of your membership is to be active, involved and informed.

As we look back on 2015 – and forward to the future – we are most proud of the SDSMA’s positive impact on you and all of our members. We’re helping physicians become more involved in advocating for their profession, improving the quality of care they provide to patients, and getting more out of life. Our SDSMA Center for Physician Resources is a powerful approach to help you even more in the future.

Throughout 2015, the SDSMA worked tirelessly to connect and develop deep and broad relationships with physicians, policymakers, thought leaders, medical educators, payers and other stakeholders to address the challenges of health care delivery and improve the health and safety of care provided to patients.

As a physician, you are impacted by issues that affect the health of your patients, administrative burdens in your practices, and the problems facing our state such as prescription drug abuse and our primary care physician workforce shortage.

So if you want to make changes in your practice, enhance your career, network with your colleagues, or worry less and live more, the SDSMA Center for Physician Resources is here to help.

It is an honor and privilege to serve as leaders for the SDSMA and represent you and your colleagues. We look forward to continuing to be a unified voice for physicians and helping you find more ways to enjoy your practice and your life.

Tim M. Ridgway, MD
Barbara A. Smith
Clark Jaye Pahlas, a graduate student at the University of South Dakota at the time, wrote an early history of the SDSMA in 1956:

In the scattered communities where two or three like-minded physicians happened to locate, they would meet to discuss their common problems. These men…formed the early beginnings of the Dakota Medical Society. As the communities began to grow in size and number, the physicians became more numerous and united into societies for their common benefit.

The medical profession in Dakota Territory formed its first official governing body in 1882. The name given to this infant society was the Dakota Medical Society. The purpose of the Association was to be twofold, professional advancement and public service.

From those early beginnings, the SDSMA and its component medical societies have grown to represent nearly 2,600 physicians, residents and medical students and the patients they serve. The SDSMA is dedicated to protecting the health of South Dakota patients and enhancing the effectiveness of physicians throughout the state.

Who We Are

Our Mission

To promote the art and science of medicine, protect and improve the health of the public, and advocate for the well-being of patients and the best environment for physicians to advance quality health care.

Values

Professionalism – Preserve the noble tradition of the art and science of medicine.

Physician-Patient Relationship – Defend the value of the medical profession and the sanctity of the physician-patient relationship.

Integrity – Promote integrity, trust and uncompromised professional ethics.

Physician-Led Team-Based Care – Advocate for the primacy of the physician as leader in providing the highest quality patient care.

Quality – Promote the delivery of high-quality patient care and service to citizens.

Stewardship – Provide responsible management of resources and advocate for fair reimbursement.

Inclusiveness – Value inclusiveness of all members and respect for diverse views.

Responsiveness – Promote excellence in service and responsiveness to members.

Goal

The SDSMA will be the most influential voice for patient care and physicians in South Dakota resulting in higher quality patient care and a desirable place to practice medicine.
Envisioned Future
The envisioned future of the SDSMA is to be an influential voice for patients and physicians in South Dakota resulting in higher quality patient care and a desirable place to practice medicine.

• SDSMA’s advocacy for healthier lifestyles and quality patient care improves the health of South Dakotans and assures that all South Dakotans have a medical home.
• SDSMA contributes to the professional and personal development of physicians by representing the profession as a whole and serving as a resource in addressing the many issues and needs physicians face.
• SDSMA ensures a powerful voice through its membership and member involvement.
• SDSMA is influential in state and federal policy decisions affecting the practice of medicine.
• SDSMA serves as South Dakota’s premier resource for medical information.
• South Dakota’s health care system values the physician-patient relationship and values the physician in the allocation of health care resources.
• Members serve in a trusted leadership role within their communities.

How to Reach Us

Online:  sdsma.org
Email:    membership@sdsma.org
Phone:   605.336.1965
Fax:      605.274.3274
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          2600 W. 49th St., Ste 200
          Sioux Falls, SD 57117-7406
Medicare Payment

Joining state and national medical societies, the SDSMA continued to call for eliminating the flawed payment system based on the sustainable growth rate (SGR). The SGR was repealed by a 92-8 vote in the U.S. Senate in April 2015 after many years of advocacy by the SDSMA, American Medical Association (AMA) and other state medical societies. The legislation contains core elements of a more reasonable and better-functioning Medicare program. The Association continues to work with South Dakota’s congressional delegation and the AMA to oppose an Affordable Care Act (ACA) provision that created an independent review board that is not representative of physicians or answerable to Congress to set Medicare payment rates and rules.

ICD-10 Transition

To prepare physicians and medical staff early for the changeover from ICD-9 to the more complex ICD-10 diagnostic coding system in October 2015, the SDSMA kept members informed of deadlines, advocacy efforts and delays by the Centers for Medicare and Medicaid Services (CMS). Educational resources focusing on an overview of the changes were presented to members and sent to members through E-News, and highlighted in South Dakota Medicine. The SDSMA continues to advocate for simplification of ICD-10 and other regulatory burdens.

Affordable Care Act

The SDSMA has remained ever-vigilant to inform and educate members about the impact of health care reform. Articles in South Dakota Medicine, E-News and InSession highlighted the state’s continued discussion of Medicaid expansion, the SDSMA’s response, and outlined the impact the health care law has on doctors and patients. The SDSMA will continue to monitor and report on ACA developments, and remains committed to working on behalf of
South Dakota’s physicians and patients to ensure the law is implemented in ways that support and incentivize better health outcomes and improve the state’s and nation’s health care system.

**Changing Practice Environment**
Change is manifested increasingly in new medical practice models – many as a direct result of health care reform. The SDSMA has focused resources on new models of care to provide information to members regarding the formation and operation of accountable care organizations (ACOs) and Medicaid health homes for patients with chronic conditions under the ACA rules.

**Protecting Patients**

**Access to Care**
It is important that South Dakotans have access to a health care system that provides the greatest possible access to basic, high-quality and affordable health care. The expanded health care coverage under the ACA allows opportunities for patients to see their physicians earlier rather than waiting for treatment until they are sicker and care is more expensive. In addition, the law funds important research on the effectiveness of drugs and treatments, and protects expanded coverage for prevention and wellness care, which has benefited South Dakotans. The ACA also protects those in the Medicare “donut hole,” including the 5.1 million Medicare patients who have saved significantly on prescription drugs.

**Public Health**
Access to high-quality and affordable health care is essential in improving public health. The SDSMA has worked to implement programs to promote healthy lifestyles, eliminate health disparities, and improve awareness of public health issues, including the harmful effects of tobacco use and secondhand smoke, obesity, and drug and alcohol abuse. Further, the SDSMA supports funding, education, and state requirements for vaccines and opposes exemptions related immunization requirements.

**Scope of Practice**
The SDSMA believes in the need for a strong physician-led team to provide health care services. The SDSMA has worked to increase awareness among members and to educate the public that it takes a team to deliver great health care, a team of dedicated professionals and specialists with a well-trained physician in the lead. The SDSMA will continue its work to ensure that patients receive the best medical care from the people best trained to deliver that care, and to eliminate unnecessary medical liability by opposing efforts to allow non-physicians to independently practice medicine beyond the scope of their education and training.

**Medicaid**
The medical community understands the financial challenges facing South Dakota and our country, and there are no easy decisions for policymakers when it comes to balancing the needs of the state with the resources available. SDSMA representatives served on the governor’s Health Care Solutions Coalition in 2015 to work toward improving health care for Native Americans and toward expanding Medicaid coverage in South Dakota. The SDSMA continues to advocate for adequate funding for the Medicaid program, including Medicaid eligibility expansion, and for the program to promote wellness and prevention, coordinated care for patients with chronic diseases, and for all Medicaid patients to have a medical home.

**Recruiting and Retaining Top-Quality Physicians**
The SDSMA continues to work to strengthen primary care in South Dakota. More than one in four South Dakota residents is living in a primary care shortage area. Currently, South Dakota has 225 medical students and only 134 residency training slots. With Gov. Daugaard’s expansion of the medical
school class size by 44 students, and the addition of the medical school's geriatrics, general surgery and pediatrics programs, more opportunities for medical students are becoming available, which means a better chance they will practice in the state. Additionally, Gov. Daugaard's Primary Care Task Force, created in 2012, provided input on the development of the University of South Dakota Sanford School of Medicine's rural training track program and made recommendations to ensure accessibility to primary care for all South Dakotans – particularly in rural areas.

**Prescription Drug Abuse**

The problem of prescription drug abuse and its related health consequences is a significant public health problem. The SDSMA is at the forefront on this issue by providing physicians with helpful, evidence-based guidelines for prescribing opiate analgesics to both effectively treat pain and minimize patient risk. Through a special committee on pain management and prescription drug abuse, the SDSMA developed a whitepaper, *Opiate Analgesics for Chronic Non-Cancer Pain*, available at sdsma.org, to serve as a resource for physicians and prescribers when treating patients for chronic, non-cancer pain. The committee researched evidence-based guidelines based on a review of the literature by a diverse group of highly trained physicians on this subject.

Download the SDSMA Whitepaper, *Opiate Analgesics for Chronic Non-Cancer Pain* at sdsma.org
At The Legislature

Together, we can and do make a difference. The SDSMA works to ensure legislators who are friendly to medicine stay in office and all our elected officials clearly understand issues facing physicians and the patients they serve.

SDSMA members have the opportunity to serve as Doctor of the Day, a one-day volunteer commitment providing basic medical assistance to legislators and staff as needed, while learning the ins-and-outs of the legislative process and how to best approach legislators regarding health care issues.

The SDSMA’s Doctor of the Day program is a huge success every legislative session. The Doctor of the Day has the unique opportunity to interact with legislators and show not only expertise in the field of medicine, but also concern for the health of South Dakotans. Volunteer physicians have the opportunity to meet one-on-one with legislators, sit in on committee meetings and see action on the House and Senate floors, and begin building relationships with legislators.

SDSMA members can also provide testimony on behalf of the Association’s legislative efforts by serving as a physician lobbyist.

Sign up to be Doctor of the Day during the 2017 session! Dates fill up quickly, so reserve your place today! Contact Mark East at meast@sdsma.org or 605.336.1965. Want to know more about the Doctor of the Day program or being a physician lobbyist? Visit sdsma.org.

The SDSMA advocated for the passage of the Interstate Medical Compact during the 2015 legislative session. SDSMA lobbyists Dean Krogman and Justin Bell pose with Gov. Dennis Daugaard, state officials, and other health care advocates at the bill’s signing.

RESOURCES DURING SESSION

SDSMA Legislative Agenda: Available at sdsma.org and at Presidential District Visits.

InSession: Emailed weekly and posted at sdsma.org, InSession is an up-to-date look at the issues on which the SDSMA is advocating.

Legislative Accomplishments: An overview of accomplishments during the most recent legislative session is available at sdsma.org.

Policies: For more information on SDSMA policies and positions on certain issues, please contact Mark East at meast@sdsma.org or 605.336.1965.
Working for the Physicians of South Dakota

Get Involved

Annual Conference
Join us each year for social and networking opportunities, association meetings and industry updates.

Seminars and Webinars
The SDSMA Center for Physician Resources helps you balance life and work, sharpen your skills in practice management, and prepare for leadership positions.

Legislative Session
Are you interested in promoting the medical profession or advocating on behalf of issues important to medicine? Serve for one day as Doctor of the Day or volunteer physician lobbyist during the state legislative session.

Action Alerts
Contact South Dakota’s elected officials. We’ll let you know when you need to contact your lawmakers about important issues.
SDSMA PAC
Help elect friends of medicine to state and federal office.

Committees and Task Forces
Take on a leadership role by serving the organization.

District Medical Societies
Local involvement provides networking and leadership opportunities to impact health care in your home area.

Membership Sections for Medical Students, Residents, Young Physicians and Senior Physicians
At different points throughout a physician’s career, needs vary. These membership sections connect physicians, provide mentoring and leadership opportunities, and lead to a wide range of resources at each stage of a physicians’ career.

Publications

South Dakota Medicine
South Dakota Medicine is a monthly peer-reviewed medical journal and news magazine published by the SDSMA, presenting timely information on public health, medicolegal, medical economics, science, medical education and legislative issues affecting you and your patients. All SDSMA members receive a complimentary subscription for the entire duration of their membership.

SDSMA Member Directory
The directory is published annually and contains up-to-date member contact information and photos, and is produced for SDSMA members, clinic administrators and many other health-related agencies and referral organizations. A complimentary copy is mailed to members and additional copies are available for purchase.

E-News
SDSMA’s E-News presents health care news and timely and important information about SDSMA’s legislative, legal, and public health activities.

InSession
A weekly update during South Dakota’s legislative session, InSession keeps you informed about SDSMA’s legislative activities and key health-related bills and action alerts.

The Issue Is…
The Association’s monthly update on key federal and state policy issues of importance is delivered monthly through South Dakota Medicine, keeping you up-to-date on key federal and state policy issues of importance and SDSMA’s policy-related activities throughout the year.

For Your Benefit
Delivered through South Dakota Medicine monthly, For Your Benefit is the SDSMA’s update on programs and services available to physicians through their affiliation with the SDSMA and keeps you informed about member benefits.

Legal Briefs
The SDSMA’s series of legal briefs, brought to you through the SDSMA Center for Physician Resources, serve as a source of information with regard to state statutes and regulations that impact medical practice, and important medical-legal questions.

Council Comments
SDSMA’s Council Comments recaps meetings of the SDSMA Council of Physicians.

Log on to sdsma.org to find all of these features online.
Engaging Members

SDSMA Center for Physician Resources

As the delivery of health care continues to evolve, the SDSMA Center for Physician Resources is committed to strengthening the physician-patient relationship and helping physicians sustain their medical practices in an ever-changing environment. The Center addresses the core challenges faced by physicians by offering resources that help balance life and work, improve health care delivery, and build leadership skills. Educational events have been held on a number of topics, and webinars and resource materials have been developed so physician members can access information whenever it fits their schedule.

In 2015, the Center offered members a second Practicing Medicine Series on Clinical Risk Mitigation. This series was offered in partnership with MMIC, and offered programming on: the tips, tricks and steps to take to avoid a malpractice lawsuit; underwriting considerations in medical malpractice insurance; apology and communication in medicine; the anatomy of a medical practice lawsuit; and physician resiliency – healing the healer.

In addition, the Center partnered with the American Medical Association and a number of topic experts across the country to offer a second Practicing Medicine Series on physician employment issues. Physicians are increasingly entering into contractual relationships with hospitals, group practices and others. This SDSMA Center for Physician Resources series offered programming on: pre-employment considerations; understanding and interpreting employment contracts; negotiating quality of life issues; negotiating compensation and benefits; and the necessary steps and safeguards when terminating an employment contract.

In addition to the educational resources, more than 50 legal briefs have been developed and are available to answer important medical-legal questions including contracting and managed care liability, medical ethics and office practice guidelines. These legal briefs serve as an excellent source of information with regard to state statutes and regulations that impact medical practice. New legal briefs for 2015 include: Immunization Requirements; Informed Consent; Investigational Treatments; Medical Record Privacy – Disclosure Without Patient Consent; Medical Record Privacy – Protected Health Information; Newborn Requirements; the Performance of Abortion; and Reportable Diseases. All legal briefs are available online at sdsma.org.

SDSMA Center for Physician Resources
Health Leadership Institute

In 2015, the SDSMA launched the SDSMA Center for Physician Resources Health Leadership Institute (HLI). The Institute will offer new and effective ways to prepare health care professionals to lead change in the increasingly complex and dynamic environment that we call medicine. The HLI will prepare clinicians to assume roles of greater influence and authority by providing practical, hands-on opportunities to drive change in their practice, hospitals, and health systems.

It is the vision of the HLI to prepare physicians to lead the transformation of health care delivery by improving their development of knowledge, skills, insights, relationships and confidence to bring the clinical perspective to decisions essential to the delivery of quality, efficient, and cost-effective care to patients. Competencies for the foundational leadership course include the following: systems awareness and strategic thinking, self-awareness and interpersonal communications, business financials, teamwork and collaboration, and health policy and advocacy. The HLI is posed to launch its first foundational leadership course cohorts in 2016.
Log On
dsdsma.org

Website Highlights and Resources
• Fill out an application to join the SDSMA
• Renew membership dues
• Sponsor student memberships
• View a calendar of events
• Register for events
• Read full issues of South Dakota Medicine
• Contribute to SDSMA PAC
• Donate to the SDSMA Foundation
• Send Action Alerts to elected officials with just the click of a button
• The SDSMA Center for Physician Resources page contains webinars, presentations, legal briefs and other resources
• A Committee Portal allows for convenient access of meeting materials

Follow us on Facebook and Twitter!
Facebook: facebook.com/SDStateMedAssn
Twitter: @sdsma
South Dakota Medicine

*South Dakota Medicine*, the monthly peer-reviewed medical journal and medical magazine published by the SDSMA, reaches 95 percent of the licensed doctors of medicine and doctors of osteopathy practicing in the state. Members receive the journal through a mailed subscription as a member benefit and have access to the journal online at sdsma.org.

With a 100-year history as the state’s leading provider of medical information and South Dakota’s only peer-reviewed medical journal, *South Dakota Medicine*’s original research, educational articles and industry news combine to offer you a comprehensive information support system that can help with the decisions you make every day. The journal has unmatched reach and unsurpassed readership within its field and is unique in meeting the needs of all physicians in state – from retired doctors and primary care physicians to specialists, medical students and residents.

In 2015, the special issue, *Preventive Medicine: The Best Medicine For All Time* was published. Read the entire issue at sdsma.org.

Submit a Manuscript

Are you interested in having your work published? *South Dakota Medicine* editors review many manuscripts each year, and we encourage you to submit an article. Please confirm that your manuscript meets the guidelines at sdsma.org before submitting your manuscript for peer-review.

Support the Journal

*South Dakota Medicine* brings important medical news to South Dakota’s physicians, and advertising in the journal generates revenue that helps support the SDSMA’s ability to provide high-quality information. Help support *South Dakota Medicine* by advertising your practice while gaining excellent exposure – find more information at sdsma.org.
Council of Physicians
The Council of Physicians is SDSMA’s official policymaking body, made up of 77 voting members. The Council meets twice annually, including during the SDSMA annual conference.

District Medical Societies
The point of entry for membership in the SDSMA is generally through one of the 12 district medical societies, which provide an opportunity for physicians to meet, socialize, strategize and collaborate with peers.

Executive Committee
The Executive Committee is made up of officers, the immediate past president, AMA delegates and two at-large members elected by the Council of Physicians. The Executive Committee transacts the business of the SDSMA during intervals between Council meetings and functions in an advisory capacity to the president in his or her role as public spokesperson for the SDSMA.

Committee on Ethics and Judicial Affairs
The five Association immediate past presidents make up this committee. It interprets the Principles of Medical Ethics of the AMA, and the bylaws and policies of the SDSMA, how they apply to the practice of medicine and to relations of physician to one another and to patients.

Ad-Hoc Committee on Pain Management and Prescription Drug Abuse
Opioids are important tools for providing pain relief to patients. However, misuse and abuse is a growing problem, and overprescribing of opioids can result in multiple adverse health outcomes, including fatal overdoses. The SDSMA convened an ad-hoc committee of stakeholders to examine pain management. The ad-hoc committee reviewed statutes, rules and current opioid prescribing practices in South Dakota. The committee developed guidelines that are available to South Dakota prescribers in the whitepaper *Opiate Analgesics for Chronic Non-Cancer Pain*, available at sdsma.org to aid in the effective management of pain and reducing prescription drug abuse.
Ad-Hoc Committee on Physician Wellness

Physicians, residents and medical students often work long hours, placing the health and well-being of others at a level of priority above their own. The demands of a medical career can have a negative impact on their lifestyle and family. As members and representatives of the medical community, we have an obligation to ensure that physicians, residents and medical students are able to provide safe and effective care. To promote health and wellness, the Committee on Physician Wellness is working to develop educational programming to aid in identifying and managing stress and burnout, anxiety, depression, and substance abuse while improving physical wellness and interpersonal relationships.

Ad-Hoc Committee on Good Samaritans

The Committee on good Samaritans researched and developed statutory language to provide legal protections to ensure that those who truly need emergency assistance, or who are themselves in need of emergency assistance, are not afraid to access it due to fear of punishment. The SDSMA believes a person acting in good faith who seeks medical assistance for another person who is experiencing alcohol poisoning or an alcohol-related overdose should not be subject to arrest, charges or prosecution. The SDSMA further believes an individual who is experiencing alcohol poisoning or an alcohol-related overdose and is in need of medical assistance too should not be subject to arrest, charges or prosecution.

Get Involved!

Are you interested in serving on a committee? This is an excellent way to become involved and help promote the SDSMA. Committees plan and implement programs and projects, and recommend actions and policies to the Council of Physicians. Contact membership@sdsma.org or 605.336.1965 to learn more.

Streamlined Governance

At the September 2015 Council meeting in Mitchell, the SDSMA Governance Task Force proposed a number of revisions to the Association’s articles and bylaws to streamline the Association’s governance to better meet the needs of members and to engage more members in policy development. The Council approved the task force’s recommendations at that meeting. When the task force was convened in 2013, the Association had been operating within that structure of governance for 15 years. Change was needed to increase involvement of members in an efficient manner.

At the conclusion of the 2017 SDSMA Annual Conference, the Council of Physicians will become the Policy Council and will have a more purposeful role in policy work. The role of the Policy Council will be to set policy by adopting position policy statements. The Policy Council will also retain the sole power to amend the articles and bylaws. The Executive Committee will be renamed the Board of Directors, and will be the governing body of the Association.

Issue-specific committees on health care topics of the day replaced standing committees. These ad-hoc committees will be shorter-term or time-limited and will provide more opportunity for involvement of members on a variety of topics to address timely issues.

In 2016, the Policy Council will transition to two meetings per year – a meeting to coincide with the SDSMA Annual Conference, and a fall meeting. Terms of Councilors taking office at the close of the 2015 and 2016 annual conferences will end at the close of the 2017 Annual Conference.
Residents and medical students are considered associate SDSMA members and are invited to participate in all member benefits and activities. Resident membership dues are paid annually by the residency program, and medical student dues are paid by generous sponsorships from current active physician members and cover all four years of medical school and membership to the American Medical Association (AMA).

Some of the great benefits associate members receive include:

- Access to member-only information and resources on the SDSMA website including numerous legal briefs and industry reference materials.
- Residents and medical students are represented on the Council, the SDSMA’s leadership and governing body. The representative positions provide great leadership experience and access to colleagues across the state.
- Educational programs offered through the SDSMA Center for Physician Resources which include in-person learning events as well as webinars on a variety of personal and professional topics presented by industry professionals.
- Regular industry and Association updates from the newsletter E-News and the monthly journal, South Dakota Medicine, a peer-reviewed publication delivered to each SDSMA member.
- Attendance to the SDSMA Annual Meeting offered each spring providing networking opportunities with SD physicians.
- A Member Directory published annually with contact information of all SDSMA members and distributed throughout the state as a reference guide for the medical community.
- The SDSMA Foundation is a philanthropic arm of the SDSMA and a great way for members to support the future of organized medicine in South Dakota. The SDSMA Foundation provides scholarship and loan opportunities to medical students.
- Advocacy is a core value of the SDSMA and the Association works closely with state and national lawmakers on issues important to patients and health care in South Dakota. Associate members are encouraged to become involved in state advocacy efforts.
- The Doctor of the Day (DOD) program is a great way for residents to get involved during the annual legislative session. DOD volunteers spend a day in Pierre and provide medical assistance to legislators and staff while getting a first-hand look at the legislative process, and interacting with legislators.

Medical students and residents are encouraged to take advantage of the many great opportunities available.
2015 Membership Information
The SDSMA is made up of nearly 2,600 active, honorary and associate members. Members pay annual state dues and must belong to one of South Dakota's 12 district medical societies, some of which also require dues. SDSMA membership is $490 per year for physicians, while dues for public physicians (e.g., Veterans Affairs or Indian Health Services) are $245. Membership for residents is $20 annually, and four-year memberships for medical students are $100. Medical student memberships include both SDSMA and AMA membership and are sponsored by individual SDSMA members.

In 2015, there were 2,088 physician members in South Dakota, which includes both active and life members. Additionally, there were 505 resident and medical student members for a total membership of 2,593, an increase of 3.4 percent over 2014. During the past five years, the total number of SDSMA members increased from 2,099 in 2011 to 2,593 in 2015, an increase of 494 or 23.5 percent.

Financial Review
Revenue
Total revenue for the year ended Dec. 31, 2015 was $2,190,685, a decrease of $65,860, or 2.9 percent, compared to the same period in 2014. The largest contributors to the decreased revenue were in unrealized investment gains and other revenues.

Membership dues remain a significant source of revenue for the SDSMA and accounted for approximately 40.9 percent of total revenues. During 2015, dues earned were $895,504 compared to $870,736 for 2014, an increase of 2.8 percent. Revenues from rent accounted for 27.8 percent of total revenue in 2015 with the current facility containing 40,330 square feet and the largest tenant being DAKOTACARE, which occupies approximately 82.8 percent of the building. The other tenant is the South Dakota Foundation for Medical Care,
which occupies approximately 9.6 percent of the building, and the SDSMA occupies the remaining 7.6 percent, which is approximately 2,000 square feet of direct space.

Other sources of revenue include a mutual-assistance agreement with Midwest Medical Insurance Company (MMIC), a physician-owned professional liability insurance carrier located in Minneapolis. The agreement provides an annual payment for marketing and legislation monitoring accounting for 8.1 percent of annual revenue. Investment income increased 9 percent from 2014 to 2015 and accounts for approximately 1.4 percent of total revenue. Collections from DAKOTACARE and ancillary organizations for salary, fringe benefits and administrative expenses accounted for approximately 14.2 percent of revenues. Advertising revenue accounts for approximately 5 percent of revenues. Advertising revenues were $108,911 in 2015 and includes revenues for placements in the SDSMA Member Directory and South Dakota Medicine.

**Expenses**

Total expenses for 2015 were $1,870,661 compared to $1,703,449 for 2014, and increase of 9.8 percent. The increase in expenses is due to an increase in contracted services including legal, audit and accounting, as well as some other general expenses such as website maintenance, office supplies and other operating expenses.

Personnel is the single-largest expense category for the SDSMA and accounts for approximately 38.3 percent of expenses. Personnel expenses, which includes salaries, fringe benefits and payroll taxes, amounted to $716,959 in 2015 compared to $699,886 in 2014. Expenses related to occupancy, including building maintenance, interest paid on the building note, depreciation of capital assets, and unrelated business income taxes on the debt-financed building, accounted for 25.1 percent of total expenses.

In 2015, the SDSMA maintained agreements for administrative, legal, accounting, professional graphic design, website maintenance, and lobbying services. Expenses related to these services accounted for approximately 9.1 percent of expenses, or $170,982. Approximately 9.8 percent of expenses in 2015 were related to printing and postage primarily for the membership dues invoices, annual member directory, annual meeting promotions, and South Dakota Medicine.

Other expense areas include legislative advocacy expenses, travel costs provided for the SDSMA’s president, president-elect, vice president, AMA delegate and AMA alternate delegate to attend the annual AMA Advocacy Conference; and the president, president-elect, AMA delegate and AMA alternate delegate to attend the AMA’s annual and Interim meetings, and staff travel also includes in-state travel to attend Council of Physicians meetings, the annual meeting, presidential district visits, and various policy and advocacy meetings; and some miscellaneous expenses.
In 2015, the SDSMA had excess of income over expenses of $320,204, which was $232,892 or 42.1 percent less than the gain in 2014 of $553,096. The difference was due in large part to fewer net gains on investments.

Assets, Liabilities and Equity
Total assets for 2015 were $7,197,899 compared to $11,007,698 in 2014, a decrease of $3,809,799, or 34.6 percent. Current assets, including cash and cash equivalents, amounts invoiced and not yet paid, income taxes recoverable, and expenses paid and not yet incurred, decreased by $45,021 from 2014 to 2015 for a total of $2,469,900. The decrease is due primarily to the decrease in investments.

Total liabilities, or financial obligations of the SDSMA, as of Dec. 31, 2015 were $2,293,897 of which 49 percent, or $1,123,207, were from long term debt including current maturities, and 36.9 percent, or $846,475, from deferred revenues. Total liabilities decreased 17.4 percent, or $484,795, from Dec. 31, 2014.

The total equity, or aggregate value, of the SDSMA in the event that the organization would be liquidated, was $4,904,002 on Dec. 31, 2015, a decrease of $3,325,004, or 40.4 percent, from Dec. 31, 2014. Historically, total equity increased from $2,901,741 in 2011 to $4,904,002 on Dec. 31, 2015. This is an overall increase of 69 percent in five years.
Membership in the SDSMA supports South Dakota physicians throughout their careers, and we work with the American Medical Association (AMA) to extend that support nationally.

We encourage you to consider joining the AMA if you aren’t already a member. The AMA is an organization that represents physicians and works to provide an environment that makes sure the physician-patient relationship is protected. This support involves working in the congressional arena to educate our government leaders about what’s important when enacting legislation.

Beyond that, the AMA is supporting innovations in medical education to make sure our medical students are prepared to care for their patients when they start practice. And they are joining other national groups to work on improving the health in the U.S., like joining with the YMCA in a project to improve diabetes control through cooperative efforts. There are many other benefits with AMA membership, and we encourage you to join.

Each year, the AMA hosts its National Advocacy Conference and its annual and interim meetings. Representatives of the SDSMA attend these events along with hundreds of physicians and medical students from across the county. Here, physicians are able to network, learn about high-priority issues and help shape national policy. Participants of AMA conferences also engage in grassroots advocacy, voice concerns, and obtain valuable information and resources that help SDSMA members in their day-to-day medical practices.

Mary S. Carpenter, MD
Herbert A. Saloum, MD
AMA Advocacy
While in Washington, D.C., for the AMA National Advocacy Conference, SDSMA members have the opportunity to meet with members of South Dakota’s congressional delegation to discuss issues of importance to physicians and patients.

AMA Membership
AMA membership is not required in order to belong to the SDSMA; however, it is encouraged. AMA membership of South Dakota physicians, residents and medical students decreased from 967 in 2014 to 956 in 2015, a decrease of 11, or 1.1 percent. The number of AMA physician members enrolling through SDSMA also decreased from 285 in 2014 to 163 in 2015.

AMA Membership by District, 2011 to 2015

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<td>17</td>
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<tr>
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<tr>
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</tr>
<tr>
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<td>8</td>
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<td>-50.0%</td>
<td>-66.7%</td>
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<tr>
<td>District 5 (Huron)</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>-11.1%</td>
<td>-20.0%</td>
</tr>
<tr>
<td>District 6 (Mitchell)</td>
<td>9</td>
<td>13</td>
<td>18</td>
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<td>-50.0%</td>
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<tr>
<td>District 7 (Sioux Falls)</td>
<td>63</td>
<td>102</td>
<td>136</td>
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<tr>
<td>District 8 (Yankton)</td>
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<td>37</td>
<td>31</td>
<td>-62.2%</td>
<td>-54.8%</td>
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<tr>
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<td>65</td>
<td>84</td>
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<td>-59.5%</td>
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<tr>
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<td>2</td>
<td>3</td>
<td>6</td>
<td>-33.3%</td>
<td>-66.7%</td>
</tr>
<tr>
<td>District 11 (Northwest)</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>25.0%</td>
<td>400.0%</td>
</tr>
<tr>
<td>District 12 (Whetstone Valley)</td>
<td>5</td>
<td>8</td>
<td>10</td>
<td>-37.5%</td>
<td>-50.0%</td>
</tr>
<tr>
<td>Total</td>
<td>163</td>
<td>285</td>
<td>352</td>
<td>-42.8%</td>
<td>-53.7%</td>
</tr>
</tbody>
</table>

*This chart only indicates AMA members who join or renew through the SDSMA.
Giving Back

The journey of becoming a physician, the goals, the accomplishments, the years of work and the fruits of those efforts will find each of us in different stages of our lives. There will be times of professional and personal growth, and times of burden in both financial and professional areas.

The SDSMA Foundation works to facilitate medical education and student support through scholarships and loans funded by our endowment. We ask you to participate in ways that you find supportive to your medical practice and family life.

We challenge you to familiarize yourself with the work of the SDSMA and organized medicine, and to commit to supporting the SDSMA Foundation in its efforts to support medical student scholarships and loans. Such efforts enhance the future of medicine in educating our medical students who will take their place alongside us in our practices and communities.

Thank you for giving of your time and talent and we ask you please consider making a tax-deductible contribution today at sdsm.org or by contacting the SDSMA office at 605.336.1965.

Thank you for your support!

SDSMA Foundation Board of Directors
SDSMA Foundation Financials

The SDSMA Foundation is the philanthropic arm of the SDSMA that provides scholarships and low-interest loans for medical students to attend medical school in South Dakota, and participates in public health projects and quality improvement initiatives. The Foundation is a tax-exempt 501(c)(3) non-profit corporation. Any amount can be donated at any time throughout the year.

Donations
While financial support of the SDSMA Foundation is not required in order to belong to the SDSMA, the SDSMA promotes the Foundation through an annual dues billing, Council of Physicians and district medical society meetings.

### SDSMA Foundation Donations by District, 2011 to 2015

<table>
<thead>
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<th></th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>District 1 (Aberdeen)</td>
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<td>9</td>
<td>-16.7%</td>
<td>$1,900</td>
<td>$900</td>
<td>$1,160</td>
<td>111.1%</td>
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<td>$1,500</td>
<td>$1,850</td>
<td>$600</td>
<td>-18.9%</td>
<td>150.0%</td>
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<tr>
<td>District 3 (Madison/Brookings)</td>
<td>7</td>
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<td>$3,050</td>
<td>$2,250</td>
<td>$550</td>
<td>35.6%</td>
<td>454.5%</td>
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<tr>
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<td>2</td>
<td>13</td>
<td>2</td>
<td>-84.6%</td>
<td>$2,125</td>
<td>$2,450</td>
<td>$200</td>
<td>-13.3%</td>
<td>962.5%</td>
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<tr>
<td>District 5 (Huron)</td>
<td>5</td>
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<td>2</td>
<td>-16.7%</td>
<td>$2,875</td>
<td>$1,025</td>
<td>$300</td>
<td>180.5%</td>
<td>858.3%</td>
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<td>100.0%</td>
<td>$1,400</td>
<td>$700</td>
<td>$1,050</td>
<td>100.0%</td>
<td>33.3%</td>
</tr>
<tr>
<td>District 7 (Sioux Falls)</td>
<td>54</td>
<td>83</td>
<td>38</td>
<td>-34.9%</td>
<td>$16,575</td>
<td>$16,900</td>
<td>$10,030</td>
<td>-1.9%</td>
<td>65.3%</td>
</tr>
<tr>
<td>District 8 (Yankton)</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>-11.1%</td>
<td>$775</td>
<td>$6,150</td>
<td>$1,910</td>
<td>-87.4%</td>
<td>-59.4%</td>
</tr>
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<td>District 9 (Black Hills)</td>
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<td>58</td>
<td>16</td>
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<td>$11,220</td>
<td>$9,350</td>
<td>$2,920</td>
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<td>-42.9%</td>
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<td>$100</td>
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<td>3975.0%</td>
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<td>$100</td>
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<td>$0</td>
<td>-</td>
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<tr>
<td>District 12 (Whetstone Valley)</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0.0%</td>
<td>$1,200</td>
<td>$200</td>
<td>$0</td>
<td>500.0%</td>
<td>-</td>
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<tr>
<td>Non Member</td>
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<td>0</td>
<td>50.0%</td>
<td>$2,837</td>
<td>$450</td>
<td>$0</td>
<td>530.4%</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
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<td>207</td>
<td>89</td>
<td>-36.7%</td>
<td>$49,632</td>
<td>$44,300</td>
<td>$18,820</td>
<td>12.0%</td>
<td>163.7%</td>
</tr>
</tbody>
</table>

*Additional directed donations were received by the SDSMA Foundation from district medical societies, and their members, under new scholarship matching programs established by the SDSMA Foundation in 2014 and 2015. See the chart on the following page for the districts who established, and donated to, new scholarship funds.*
advertisements in South Dakota Medicine, and various mailings throughout the year.

From 2014 to 2015, the number of donors decreased from 207 to 131, however, donations increased from $44,300 to $49,632. This is an increase of $5,332, or 12.0 percent. Over the last five (5) years, the number of donors increased from 89 in 2011 to 131 in 2015, an increase of 42 donors, or 47.2 percent. An increase in donations was seen during that same period from $18,820 in 2011 to $49,632 in 2015, an increase of $30,812, or 163.7 percent.

Matching Gift Endowment Program

The SDSMA Foundation introduced a Matching Gift Endowment Program in 2014. This program offered district medical societies the opportunity to donate funds to the Foundation to establish, or enhance, endowed scholarship funds for South Dakota medical students. The SDSMA Foundation, in turn, matched those donations dollar-for-dollar, giving the districts a chance to double their investment. Districts had the opportunity to use district operating funds, solicit funds from their members, or partner with local organizations. Some districts finalized their funding, completed their agreements, and made contributions in 2015.

The Foundation offered a new scholarship matching opportunity in 2015 through a Matching Leadership Scholarship Program. This program allowed districts the opportunity to establish a scholarship fund for Physician Scholarships for physicians who attend the Center for Physician Resources Health Leadership Institute’s new Physician Leadership Program.

Through these two new scholarship programs, the SDSMA Foundation received, and matched, donations from districts and their members of $104,100 in 2014 and $127,000 in 2015.

<table>
<thead>
<tr>
<th>District Scholarships</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>District 4 (Pierre)</td>
<td>$2,000</td>
<td>$29,100</td>
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<tr>
<td>District 7 (Sioux Falls)</td>
<td>$100,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>District 8 (Yankton)</td>
<td>$25,000</td>
<td>–</td>
</tr>
<tr>
<td>District 9 (Black Hills)</td>
<td>–</td>
<td>$25,000</td>
</tr>
<tr>
<td></td>
<td>$127,000</td>
<td>$104,100</td>
</tr>
</tbody>
</table>

Helping Medical Students

The SDSMA Foundation awarded a significant scholarship worth $25,000 to a deserving freshman medical student for the 2015-16 academic year. This scholarship was part of $77,750 in total scholarships from 10 scholarship funds awarded to 14 South Dakota medical students. Over the last five years, the SDSMA Foundation has awarded $267,700 in scholarships to 58 students.

Since 2011, the SDSMA Foundation also helped 5 students with loan funding totaling of over $44,000 to assist in financing their medical school expenses at the University of South Dakota Sanford School of Medicine with loan amounts averaging $7,000-$9,000 per student.

Visit sdsm.org to donate to the SDSMA Foundation!
SDSMA PAC

The SDSMA PAC is a bipartisan, voluntary, non-profit organization whose membership is open to all physicians, spouses of physicians, residents, medical students, and SDSMA staff.

The SDSMA PAC encourages SDSMA members to take a more active and organized part in governmental affairs. Specifically, the purpose of the SDSMA PAC is to promote and strive for the improvement of government by encouraging physicians and others to take a more active part in public policy; assisting SDSMA members and SDSMA PAC members in organizing themselves for effective political action; and working to elect candidates who promote and support quality patient care, comprehensive medical education, and the high standards of medical care in public programs.

The SDSMA PAC provides an effective way for members to become politically involved at both the state and national levels. By joining with others, you create a constituency that represents your professional needs and concerns. Whether you are a solo practitioner, part of a group practice, or a clinician conducting medical research, you cannot afford to ignore the impact public policy makers have on the future of medicine. Regardless if the issue is tort reform legislation, expanded scope of practice of an alternative provider, or legislation impacting your ability to practice medicine, legislative action and being politically active is where it all begins.

Similar to the SDSMA, the SDSMA PAC has spent the last year reviewing the organization's bylaws. In October, the SDSMA PAC Board approved a proposed set of bylaws that reduced the SDSMA PAC Board of Directors from 79 to 35 members. Members of the newly formed PAC Board will include the following: five officers; 12 physician members – one from each district; one spouse, medical student and resident; and 15 members at-large. Additional changes include the appointment of a five-member Nominating Committee to aid in the recruitment of new board members, and requirements for board member attendance.

In addition to the passage of a set of revised bylaws, the SDSMA PAC has developed and approved a position description that outlines the role and expectations for all PAC Board members and has created a PAC operational manual.

As you know, 2016 is an election year and so your membership and support of the SDSMA PAC is critical. If you are not a member of the SDSMA PAC, I would ask that you consider doing so as the PAC advocates on behalf of South Dakota physicians and patients by supporting pro-medicine candidates at the state and federal levels. Visit sdsma.org to become a member.

Lucio Margallo, MD
**SDSMA PAC Membership**

SDSMA PAC plays an important role in advocacy and relationship building. As a voice for nearly 2,600 physicians, residents and medical students, SDSMA PAC plays a vital role in establishing and maintaining relationships with state and federal office holders. These relationships are foundational to our advocacy success.

SDSMA PAC supports candidates and legislators who understand and embrace our philosophy and vision of the future of health care. In addition, the PAC works to provide education by meeting with first- and second-year medical students to discuss the value of organized medicine and the importance of being active in the political process. An investment in SDSMA PAC is important – your support furthers our progress and truly makes a difference.

Contributors over the last five years average between 140-160 members, which is impacted by election years. In 2015, which was a non-election year, the SDSMA PAC had 145 contributors, a decrease of 11, or 7.1 percent, from 2014.

SDSMA PAC collected $33,150 in contributions in 2015, an increase of 12.1%

### SDSMA PAC Membership and Contributions by District, 2011 to 2015

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>MS/Resident/Other</td>
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<td>12</td>
<td>4</td>
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<td>$1,350</td>
<td>$1,425</td>
<td>$100</td>
<td>-5.3%</td>
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<tr>
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<td>7</td>
<td>6</td>
<td>-42.9%</td>
<td>$1,000</td>
<td>$1,400</td>
<td>$1,000</td>
<td>-28.6%</td>
</tr>
<tr>
<td>District 2 (Watertown)</td>
<td>5</td>
<td>9</td>
<td>13</td>
<td>-44.4%</td>
<td>$1,000</td>
<td>$1,300</td>
<td>$2,025</td>
<td>-23.1%</td>
</tr>
<tr>
<td>District 3 (Madison/Brookings)</td>
<td>10</td>
<td>9</td>
<td>12</td>
<td>11.1%</td>
<td>$2,300</td>
<td>$1,225</td>
<td>$2,600</td>
<td>87.8%</td>
</tr>
<tr>
<td>District 4 (Pierre)</td>
<td>5</td>
<td>3</td>
<td>7</td>
<td>66.7%</td>
<td>$1,175</td>
<td>$525</td>
<td>$1,375</td>
<td>123.8%</td>
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<tr>
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<td>8</td>
<td>-25.0%</td>
<td>$900</td>
<td>$850</td>
<td>$1,450</td>
<td>5.9%</td>
</tr>
<tr>
<td>District 6 (Mitchell)</td>
<td>7</td>
<td>3</td>
<td>8</td>
<td>133.3%</td>
<td>$1,525</td>
<td>$825</td>
<td>$1,325</td>
<td>84.8%</td>
</tr>
<tr>
<td>District 7 (Sioux Falls)</td>
<td>59</td>
<td>61</td>
<td>78</td>
<td>-3.3%</td>
<td>$12,600</td>
<td>$10,920</td>
<td>$14,400</td>
<td>15.4%</td>
</tr>
<tr>
<td>District 8 (Yankton)</td>
<td>7</td>
<td>9</td>
<td>12</td>
<td>-22.2%</td>
<td>$2,850</td>
<td>$1,775</td>
<td>$2,075</td>
<td>60.6%</td>
</tr>
<tr>
<td>District 9 (Black Hills)</td>
<td>29</td>
<td>36</td>
<td>35</td>
<td>-19.4%</td>
<td>$6,225</td>
<td>$8,400</td>
<td>$6,275</td>
<td>-25.9%</td>
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<td>District 10 (Rosebud)</td>
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<td>6</td>
<td>100.0%</td>
<td>$1,625</td>
<td>$925</td>
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<td>75.7%</td>
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<td>District 11 (Northwest)</td>
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<td>0</td>
<td>-</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>District 12 (Whetstone Valley)</td>
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<td>200.0%</td>
<td>$600</td>
<td>$0</td>
<td>$800</td>
<td>600.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>145</strong></td>
<td><strong>156</strong></td>
<td><strong>193</strong></td>
<td><strong>-7.1%</strong></td>
<td><strong>$33,150</strong></td>
<td><strong>$29,570</strong></td>
<td><strong>$34,575</strong></td>
<td><strong>12.1%</strong></td>
</tr>
</tbody>
</table>
percent from 2014, or $3,580. Similar to contributor numbers, history dictates that contributions to the SDSMA PAC fluctuate based on election years. With 2015 contributions, the SDSMA PAC ended the year with a fund balance of $121,670. In comparison to year-end balances of $94,918, $108,875, and $80,975 for years 2014, 2013 and 2012, respectively. For more details about 2015 contributors and contributions, review the chart.

We need to keep medical decisions in the well-trained hands of physicians. Successful legislative advocacy depends upon an integrated approach, consisting of lobbying, grassroots activity and the SDSMA PAC. Together, we can continue to achieve the legislative goals of the SDSMA.

Contribute to SDSMA PAC and become a member! Visit sdsma.org.