

Association Executive Directors Community
National Council Engage

Question: Association Dues Structure
Date: January, 2021

All, hope you are having a wonderful holiday season! I got a request from one of my members today to look at the dues structure for the organization. Currently members pay .1% of their annual operating budget with a minimum of $1,000 dues and a max of $20,000. Of my 35 members, 9 agencies contribute 63% of the total program revenue. My member would like to see it a bit more balanced. What structure do you use for dues and how do you balance large/small agency fees? Thanks so much!

Mary Windecker
Executive Director
Behavioral Health Alliance of Montana
Missoula MT

Mary,

We currently have a tiered dues structure, based on the amount of their state contracts. Minimum dues are $3,500 and max is $17,000 per year.   4 of our 16 centers pay more than 50% of our annual budget.  We are also looking to move to a new model that provides better equity.  Recently, and largely due to state budget cuts, we are seeing quite a few mergers/consolidations of operations due to budget cuts this year and our tier system could potential lose the association revenue as the smaller centers are consolidated into the larger ones.  I'd love to look at any other systems that you find!

Andi Summerville

Andrea Summerville
Executive Director
Wyoming Association of Mental Health & Substance Abuse Centers
Cheyenne WY

Hi, I have looked at this every year for the last 4 years.  Our Association has 10 CMHC members all paying an equal dues schedule quarterly that is a function of the annually approved budget.  The past few years, I have modeled splitting dues as a function of the gross revenue (add up all gross revenue and the CMHC would pay that % of the total budget, invoiced quarterly), and I modeled a hybrid approach, splitting 50% of the dues equally and 50% by a function of gross revenue.

When all was said and done the variation in dues was plus or minus $10k annually for any one CMHC and even the CMHC that stood to gain suggested that it wasn't worth it and it would create a perception that larger CMHCs had a larger voice – an issue that was very concerning to all members.

The end result is, we still split it equally.

Roland Lamy
Executive Director
New Hampshire Community Behavioral Healthcare Association
Concord, NH 03301

Hello Mary,

In Kansas, we have not really embraced the art of simplicity in developing our dues structure, but we also do not receive any complaints about fairness. We have a three-legged stool approach where there is a flat fee that each CMHC pays of $9K, plus an additional amount for a proportion of the state population they would have responsibility for in their catchment area (designated region), and an additional amount based on the proportion of their audited revenues.

I will provide a couple examples. Our smallest CMHC has audited revenues of about $2.6 million and their dues are about $10,700. The largest has audited revenues of a little over $32 million, and their dues are $39,000 which is the cap. We have two CMHCs that have hit that cap in a system with an overall size of around $300 million. The average revenue for a CMHC is a little over $11.5 million, and the average dues is just over $18,300 annually. We have only tinkered with this formula once in the seven years I have been in this role.

The annual reworking of the actual amounts of the dues come from the annual audited revenue amounts of each CMHC for the revenue proportion calculation. I think one year we had a member mention that he was going to be paying $500 or $600 more than the previous year, and without thinking I responded that I could check to see if his CMHC made that much more money or if he had colleagues whose revenues had dropped. He was quick to tell me that it was not a complaint, just an observation. I don’t think I gave it another thought until I saw your email.

Lastly, the population proportion is based on the census from 2010 so that doesn’t change...until the 2020 census numbers come out which I am really looking forward to. Ha, ha. That is a sarcastic e-laugh by the way.

Sorry for the dissertation and let me know as you have other questions.

Best,

Kyle Kessler
Executive Director
Association of Community Mental Health Centers of Kansas
Topeka, KS

Well, I wouldn't recommend it, because it's not the most "transparent" of structures  and our Board wants us to move to tiers in 2022, but our dues are now calculated using the square root of the last available 990 revenue (AMMR) multiplied by budget coefficient (the member agency's revenue proportional to total revenue needed from dues). Minimum dues are $265; dues are capped at $15,000.

We have three different types of memberships:

All organizations are assessed basic dues. These dues entitle member organizations to discounted education and training programs, the Annual Conference, free roundtables and forums, product and service discounts, regular nonprofit sector updates and communications, sector networking opportunities and more.

Because advocacy services are a significant part of the Alliance's expense budget, additional dues are assessed to organizations that receive funding from the state departments of mental health and addiction services, developmental disabilities, children and families, social services and Court Services and Support Division of the Judiciary branch.

Here's a description as provided to members:

**Partner** – All organizations are assessed Partner dues. These dues entitle member organizations to The Alliance's wide range of benefits and services such as discounted education and training programs, discounted tickets to the Annual Conference, access to roundtables and forums, product and service discounts, regular nonprofit sector updates and communications, sector networking opportunities, and more.

**Champion** – Champions are non-state funded nonprofits that want to take an active role in advocacy and want access to The Alliance's policy and advocacy benefits. Champions receive all the benefits that Partners receive plus expertise and advice from The Alliance's policy team and registered lobbyists, legislative consulting, as well as exclusive and timely analysis of the state budget, legislative bill tracking, and issue briefs on legislative priorities.

**Advocate** – All state-funded nonprofits are Advocates at the forefront of the policy fight for increased funding and other legislative priorities. Advocates guide The Alliance's advocacy strategy, and advance nonprofit priorities at the State Capitol alongside The Alliance's experienced public policy team. Advocates have full access to all benefits offered to Partners and Champions. In addition, they receive membership to ANCOR or the National Council of Behavioral Health, and a policy staff person dedicated to their issue who staffs sector-specific Division meetings where members engage with state agency Commissioners and policy-makers.

 Because advocacy services are a significant part of the Alliance's expense budget, additional dues are assessed to organizations that receive funding from the State.

 **Calculation**-- Partner and Advocate dues are calculated using the square root of the last available 990 revenue (AMMR) multiplied by budget coefficient (the member agency's revenue proportional to total revenue needed from dues). Champion dues are half of Advocate dues. Minimum dues are $265.

Gian-Carl

Gian-Carl Casa
President and CEO
Connecticut Community Nonprofit Alliance, Inc.
Hartford CT

 Good Morning All -

Our dues structure has been the same for a number of years. We have two classes of membership: regular and corporate affiliate members. The corporate affiliate membership is customized and the dues are based on what the two organizations hope to accomplish through the partnership. The regular membership is tiered and based on the organization's total operating budget.

* Less than $500K = $500
* $500K-$1 mil = $1,000
* $1mil - $3.5 mil = $1,500
* $3.5+ = $3,500

Our membership dues are structured low. We did that intentionally in order to try and make sure everyone could have a seat at the table. If your intention is to have a mostly policy/advocacy organization, I think the structure works well (adjust it to cover your staff and other expenses). If you are trying to bring in speakers, work on innovative practice improvements, do research/studies, etc. - I'd recommend looking at something that provides more revenue.

I hope that helps - Tom Chard

 Our dues formula is a straight-forward test of math skills, which 96% of folks fail. The formula is:

1. Multiply the first $3 million of Maryland-based mental health and addiction program revenue by .0023.
2. Multiply the balance up to $10 million by .001.
3. Multiply the balance .0005.
4. Annual dues = #1 + #2 + #3.

The trick is in what is defined as countable revenue. There's wide variation in whether folks include grants, Crime Victims funding, commercial revenue, etc. Once someone has determined an amount to pay, it's very hard to get them to budge. Given the work we do with licensing boards, workforce, etc., I try to get as broad a definition as possible. I'd urge you to look carefully at how you define revenue as well as the amounts if you adopt a dues methodology based on it.

My other two cents of advice would be to do away with the dues maximum. A cap means that you will lose money if you are successful in getting members to grow. Raising the cap will be fought -- so just get rid of it as part of new dues policy changes.

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Shannon Hall
Executive Director
Community Behavioral Health Association of Maryland
Catonsville MD

We have several sets of dues schedules, given the make-up or our membership. Our association represents the 46 public CMHs (providers and purchasers of BH/IDD services), 10 public specialty (BH/IDD) Medicaid health plans formed and governed by the CMHs, 100 private providers (non-profit and for-profit) in the CMH and specialty health plan networks, and then a small number of organizational and individual members who are not CMHs, nor public plans, nor providers (with a new category that we recently added for individuals, typically clinicians, academics, and others who want to take advantage of the resources that we offer). Given this diverse membership make-up, the architecture of our dues is built around these groups:

1. CMHs – as the core members of our association, a portion of their dues are tied to tiers, based on budget size,  with a cap so that the very large CMHs do not dominate the dues revenue (and hence the politics) of our association, with the much smaller segment of their dues tied to absolute size, with no cap. The dues range from $7,260 to $28,671

2. Public specialty health plans – since the CMHs who formed and govern them already pay dues, these plans are charged an annual fee (as opposed to dues) based on the cost of supporting our association's work that is specifically tied to supporting these members. That fee is $5,273 per plan.

3. Private providers (as the Provider Alliance) – dues based on budget size:

* Provider organizations with annual budgets over $3 million – $2,645/year
* Provider organizations with annual budgets of $1 million to $3 million – $1,200/year
* Provider organization with annual budgets of $1 million or less – $474/year

4. Affiliate members (organizations that are not CMHs, public plans, nor providers) – dues based on the level of services that they select, gold or sliver (more information on these two dues levels at <https://cmham.org/membership/become-a-member/> )

* Corporate/Organizational Affiliate Member (Gold) – **$**2,645/year
* Corporate/Organizational Affiliate Member (Silver) – **$**474/year
* Individual Affiliate Member (Gold) – **$**500/year
* Individual Affiliate Member (Silver) – $200/year

Robert Sheehan
Chief Executive Officer
Community Mental Health Association of Michigan
426 South Walnut Street
Lansing, MI

Hi everyone,

In AZ we have 3 types of members:

1. General Membership (provider organizations) - dues are based on revenue, starting at $750 annually, all the way to $12,000 annually, and there are 15 revenue tiers
2. Associate Membership (vendors) - dues are a flat fee of $2,500
3. Health Plan Membership (MCOs) - dues are a flat fee of $18,500

We also allow other types of associations to have free membership, if they agree to give us free membership to their association etc.

Our dues have not changes for years, other than adding the MCOs a few years back. We are looking for ways to adjust this, as well as create equity for our members. I have the same concerns with mergers happening and it leading to a loss of revenue. With our current structure, and because we have a cap at $12,000, those larger organizations that continue to acquire smaller organizations will never see an increase, but we will lose revenue from those mergers. It's a slippery slope, one I would love to explore more with this community.

Take care and have a wonderful New Year!

Candy Espino
CEO
Arizona Council of Human Service Providers
Phoenix AZ

The New Jersey Association of Mental Health and Addiction Agencies (NJAMHAA) has the following types of members:

1.    Regular (organizations that provide behavioral healthcare and support services): Dues are based on their behavioral health budgets. An annual dues amount has been determined for each budget range. For example, for the smallest budget range (up to $250,000), annual dues are $800 and for the largest budget range ($130,000,001 and higher), annual dues are $12,996.

2.    Councils (vendors) – These businesses offer products and services that help our members enhance the efficiency and effectiveness of their clinical and support service programs. The Information Technology Council includes vendors of electronic health record systems and technology services, such as support to help increase cybersecurity. The Integrated Healthcare Council includes Managed Care Organizations, diagnostic labs and other businesses. Each business in the Councils pays a flat annual dues rate of $1,500.

NJAMHAA also has a Life Sciences and Innovation Council (LSIC), which serves as a noncompetitive forum to share ideas and information among pharmaceutical companies and NJAMHAA's members, and to develop and implement strategies for addressing challenges that affect individuals' access to all types of treatment. The annual dues for the LSIC are $4,465.

Currently, NJAMHAA is in the process of restructuring both the format and dues of our Educational Council after a hiatus.

In addition, we have in-kind memberships with other state trade associations.

Our dues have remained low. We instituted a 3% increase for members a few years ago and beginning July 1 of this year, we slightly increased the Council dues to account for costs associated with the pandemic and other increases in expenses.

As other members have indicated, we are concerned about the impact of mergers – of members, as well as Council businesses – on our revenues, which have already resulted in some decreased income for our association.

Debra Wentz
President & CEO
New Jersey Association of Mental Health and Addiction Agencies
Mercerville, NJ 08619

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| Budget |   | Since 2011 |
| More than 10 million |   | $14,097 |
| Between 7.5 and 10 million |   | $12,100 |
| Between 5 and 7.5 million |   | $10,890 |
| Less than 5 million |   | $7,260 |

Mark Drennan
Chief Executive Officer
West Virginia Behavioral Healthcare Providers Association
Charleston, WV

Hi Mary,

In Maine we have a similar system to yours. We have 35 members. The minimum is $1,500 (which is also the amount paid by associate members), the maximum is $12,000 and in between they pay .016 times their budget.

Mallory Shaughnessy,
Executive Director
Alliance for Addiction and Mental Health Services
Augusta, ME

Our dues are by member agency, hospital (including affiliated practice groups), and MCO/commercial insurance plan (though, we currently only have MCOs).

Member agencies are by behavioral health revenue - $435 - $19,850. Except our entry category, each category is about 20% higher than the previous, based on $19.80 per $10,000 in revenue (0.001980%). We will add a new dues category that goes about 20% higher each time we have at least four members pay in the highest dues category (that gives us a cap annually but allows the cap to increase over time).

Hospitals basically follow the same revenue categories as member agencies but tracked in billions gross revenues for all services instead of millions in behavioral health revenues. Hospitals can't vote for or serve on the Board.

MCOs are based on number of enrolled beneficiaries, which is a proxy for their gross revenues, but that's not how we advertise it.

We also have a catch-all affiliate option, and unless I have good reason to pick something different, it's 30% of the second-lowest member agency rate (higher than the rate for organizations with budgets below $500K, but less than almost all of my voting members pay). This year, that's about $815, and goes to vendors, organizations that bill less than 30% of their services to Medicaid, etc.

Our annual increase is roughly the least of a 0.006% change to the multiplier, a 2.5% inflationary adjustment, or an adjustment to a logarithmic dues increase to help balance the small versus large problems. Behind the scenes, I do the math so that 'least of' option balances the association's costs for the coming year.

Mark LeVota

Executive Director

District of Columbia Behavioral Health Association
Washington, DC

We just changed our formula a couple years ago. Our dues are based on only BH service-related expenses, so we are having a similar issue as others with dues not being equal across all our members. Some of our larger members, with multiple programs but smaller BH programs, are paying less in dues than our middle-sized members.

2020 Dues = $3,800+(0.00071 \* (Expenses-$2,000,000))

* $3,800 = lowest dues amount calculated and paid in FY 2018
* 0.00071 = single rate factor
* Expenses\* = Agency expenses
* Dues are calculated based on an agency's expenses above the first $2,000,000

\*Expenses for programs substantively outside the organization's behavioral health programming are NOT included in MACMHP dues.

It's been really helpful seeing how other sister associations are set up.

Thanks!

Jinny

Jin Lee Palen
Executive Director
Minnesota Association of Community Mental Health Programs|MACMHP
Saint Paul, MN

The Ability Network of Delaware

 ***The A.N.D. Dues Structure***

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| --- | --- | --- | --- |
| **Tier** | **Member's *Delaware* Revenue** |  | **Dues** |
| **1** | Below $899,999 |  |  |  | $ 1,500 |
| **2** | $ 1,000,000 | to | $ 2,999,999 |  | $ 3,000 |
| **3** | $ 3,000,000 | to | $ 5,999,999 |  | $ 8,000 |
| **4** | $ 6,000,000 | to | $ 11,999,999 |  | $ 9,000 |
| **5** | Above $12,000,000 |  |  |  | $ 10,000 |

Carolyn A. Petrak, MPA

Associate Executive Director

The Ability Network of Delaware

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