

2011 Annual Report

Henry D. Royal, M.D., Executive Director



The ABNM has never issued an annual report. The purpose of the report is to explain the mission of the ABNM, to review our business plan and to disclose how your fees and donations are spent. The chairman's report summarizes some of the major changes that have occurred within the ABNM during the last year.

The mission of Boards are different than specialty societies because boards respond to the needs of the public whereas specialty societies respond to the needs of their members. Future board members are elected by current board members whereas the leadership of specialty societies is typically elected by the membership of those societies.

Boards play a critical role in assuring the public that the profession can be trusted. Ironically, by giving away some of our autonomy to the public and by gaining some of the public's trust, we retain some of our ability to self-regulate. If we lose the public's trust, others will regulate us.

ABNM Mission Statement

The ABNM is the primary certifying organization for nuclear medicine physicians in the United States. The Board serves the public through assurance of high quality patient care by establishing standards of training, initial certification, and continuing competence of physicians providing nuclear medicine diagnostic and therapeutic services.

As we all know, our current health care system is unsustainable. During this period of uncertainty, boards are one of the few trusted physician organizations that will have some input into the future of healthcare. For example, CMS is very interested in recognizing and rewarding quality in health. The ABNM is one of only 5 ABMS boards whose MOC program is recognized by CMS as a marker for quality.

The ABNM believes that its diplomates practice the highest quality nuclear medicine and that any reforms to the healthcare system that recognize quality will benefit ABNM diplomates. That said, defining practical valid measures of quality is not easy. Despite the difficulties, the ABNM believes that its most important task in the next few years will be to define practical valid quality measures. Please send any thought you have regarding quality measures to the Board.

The great majority of our diplomates recognize the unique role of the ABNM and support us with payment of fees and donations. Although we probably do not express our gratitude often enough, we are very grateful for your support and we make a very conscious effort to use the resources you provide us prudently.

ABNM Business plan

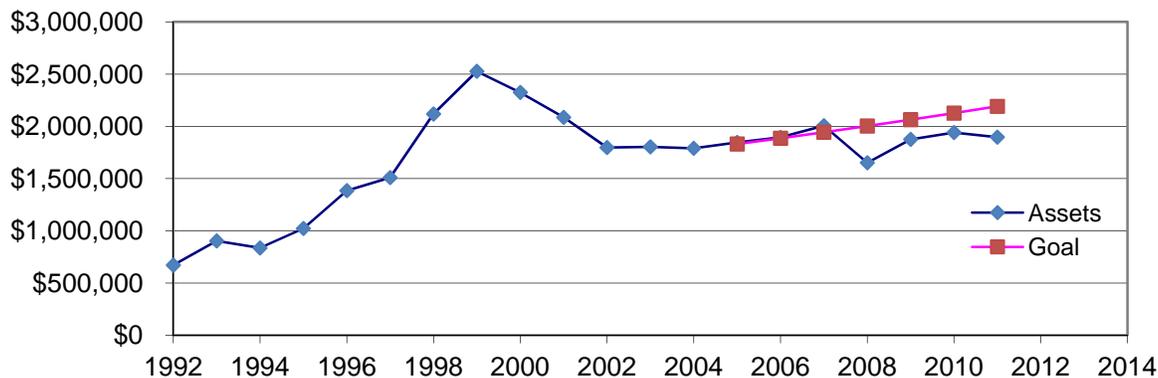
The ABNM is one of the 3 smallest ABMS boards. Many of the costs (developing and giving exams, developing and maintaining a website, etc.) of meeting all of the ABMS requirements for boards are fixed costs. In order for the ABNM to be financially viable, we need to be very creative in figuring out how to do things efficiently and inexpensively. Despite our efforts, we recognize that our unit costs are high because of the small number of our diplomates.



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In 2005, the ABNM adopted its current business plan. At that time the ABNM had about 1.8 million dollars in assets. The board decided that it would be prudent to grow our assets by 3% per year to keep up with inflation. The Board also expected to earn an average of 6% per year on these assets which would mean half of the income (a little less than \$60,000) could be used to support operations. As shown in the graph below, the board compliance with this plan was good until 2008 when there was a major drop in the stock market. Note that the assets of the board have not increased significantly over the last 10 years

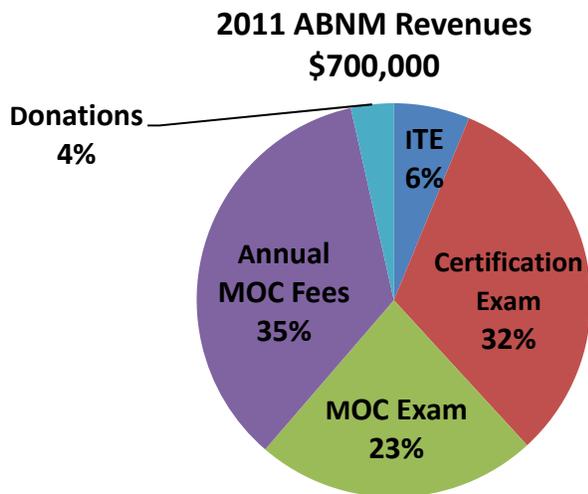


Having a business plan allows the board to only increase fees when absolutely necessary. In addition, the finance committee reviews the income and expenses of the board each month and compares these data with prior years so it can immediately identify any unanticipated expenses.

Revenues and expenses

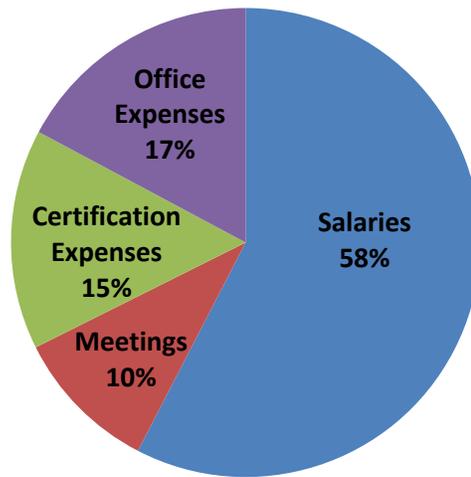
The best way to determine the revenues and expenses of any nonprofit organization is to go to the website www.guidestar.org. The 990s of all nonprofits can be found on this site.

Below, the revenues and expenses of the ABNM are summarized. The major source of revenue for the Board is its diplomates. As shown in the pie chart below, the ABNM's total revenue for 2011 was about \$700,000. 4% of revenues came from donations, 6% of the revenues were from the in-training exam (ITE), 23% was from the MOC Exam, 32% was from the Certification exam and 35% was from annual MOC fees.



ABNM expenses are shown in the expense pie chart. As with any nonprofit organization, the largest expense is salaries (58%). The ABNM has 6 employees (4 office employees and 2 members of the executive staff [Drs. Royal and Parker]). Board members are not paid. Office expenses (rent, utilities, maintaining a website, lawyer's fees, etc.) are the next largest expense (17%). Expenses directly related to the certification process (15%) include the cost of a psychometrician, seat charges from the Pearson-Vue sites giving the exam and dues the ABNM pays to ABMS. The final and smallest category of expense is the cost of holding 2 board meetings a year (10%).

**2011 ABNM Expenses
\$700,000**



The Board hopes this brief overview helps you better understand where your money goes and gives you an appreciation of the fact that the Board works hard to be fiscally responsible.

