

## Executive Director's Message 2012 Annual Report



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This is the second ABNM 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.

Our mission is unchanged and is summarized in our mission statement.

### *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.*

The mission of boards is different than specialty societies because boards primarily respond to the needs of the public whereas specialty societies primarily respond to the needs of their members. This difference is apparent from the differing governance structure of boards and specialty societies. 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.

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 continues to be very interested in recognizing and rewarding quality in health. The ABNM is one of only 7 ABMS boards whose MOC program is recognized by CMS as a marker for quality.

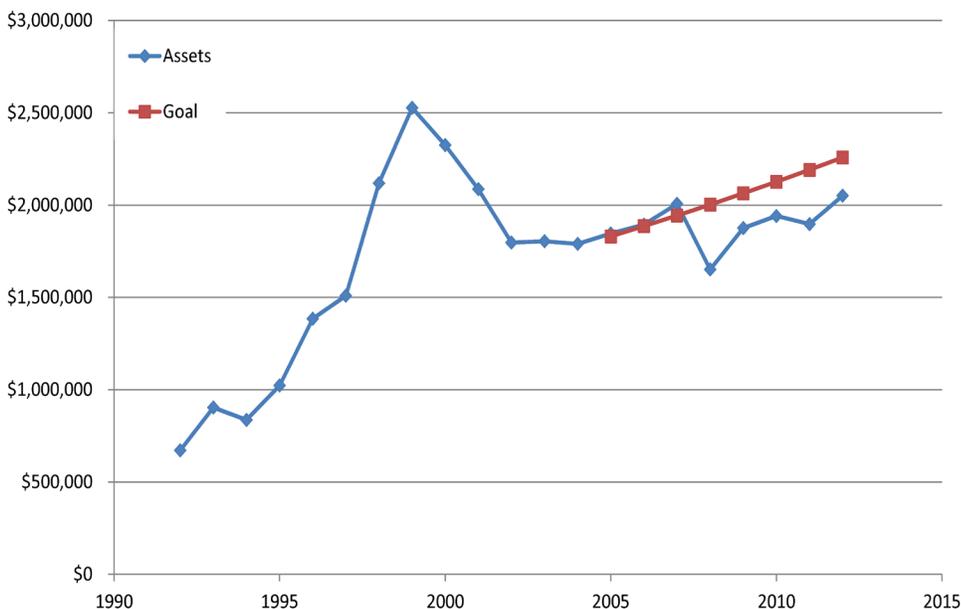
The majority of diplomates recognize the unique role of the ABNM and support us with payment of fees and generous donations. Although we probably do not express our gratitude often enough, we are very grateful for your support and we make a very conscious effort to use the resources you provide us prudently.

I hope all diplomates appreciate the work of our unpaid board members who work tirelessly on behalf of the board. They all participate in MOC and try to anticipate future changes to MOC.

## 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 large and are not greatly affected by the number of diplomates. 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.

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.

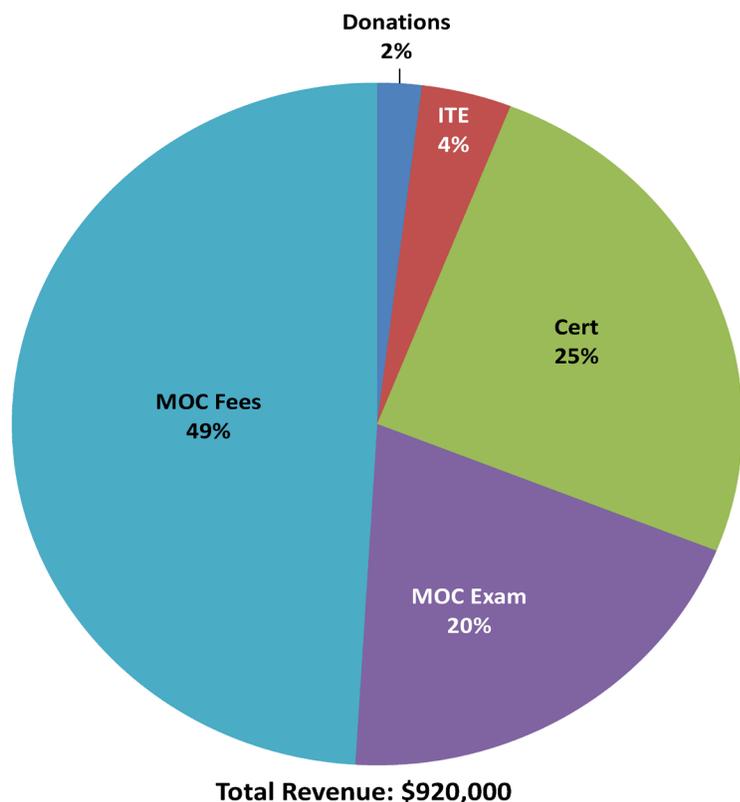


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Having a business plan allows the board to only increase fees when absolutely necessary. The ABNM has not increased its certification exam fee for the last 5 years. The MOC examination fee is decreasing by \$205 per year so that in 10 years the entire cost of the MOC exam will be included in the annual MOC fee (which was raised to \$400 per year in 2012 to accommodate this change). The finance committee also 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](http://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 2012 was about \$920,000. 2% of revenues came from donations, 4% of the revenues were from the in-training exam (ITE), 20% was from

the MOC Exam, 25% was from the Certification exam and 49% was from annual MOC fees.

ABNM expenses are shown in the expense pie chart. As with any nonprofit organization, the largest expense is salaries (56%). The ABNM has 6 employees (4 office employees and 2 members of the executive staff [Drs. Royal and Parker]). As stated above, our board members are not paid. Expenses directly related to the certification process (16%) include the cost of a psychometrician, seat charges from the PearsonVue sites giving the exam and dues the ABNM pays to ABMS. Office expenses (rent, utilities, maintaining a website, lawyer's fees, etc.) and the cost of holding 2 board meetings a year each account for about 14% of total expenses.

