

# 07

Annual Report



American Academy of Otolaryngology—Head and Neck Surgery  
*Working for the Best Ear, Nose, and Throat Care*

## ANNUAL REPORT

AMERICAN ACADEMY OF OTOLARYNGOLOGY—  
HEAD AND NECK SURGERY

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HEAD AND NECK SURGERY

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# 07

AAO-HNSF  
Annual Report

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## A Message from the Leadership

As our more than 13,000 members can attest, the value of membership and unity within the specialty allow this organization—your Academy—to speak and act with one strong, articulate voice to better serve the future of otolaryngology—head and neck surgery.

To focus on our mission of Working for the Best Ear, Nose, and Throat Care, this year's annual meeting will celebrate all that can be accomplished when "Sharing a Commitment to Care in Otolaryngology," the theme of our report.

The strategic priorities of your Academy and Foundation began as a focus on improving the quality and safety of patient care. Executing these strategies has led to a renewed commitment to sharing our expertise and resources with the community of otolaryngology—head and neck surgery. This report outlines the accomplishments of our strategic activities and offers a glimpse of new and evolving activities.

The AAO-HNS/F strategic planning outlined areas of focus (see page 2), with several measurement tools to track progress. One of these, the key indicators dashboard, was published in the December 2006 *Bulletin* by Treasurer Dr. Ron KupperSmith. An updated version is offered to the right. The most detailed mechanism, a strategic tactic tracker, has been updated for every Board of Directors meeting and has enabled achievement for Issue 9, Prioritizing, Innovating, and Sun-setting, and Issue 10, Cultivating Staff Resources.

Please take a moment to review this report of what the Academy is doing to benefit the specialty. We thank you for your continued support.

## Key Performance Indicators

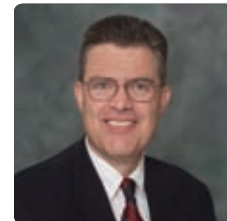
As of 6/30/2007	FY '05/06	FY '06/07
	Indicators	Indicators
<b>Financial</b>		
Revenue	\$17,116,202	\$16,626,768
Expenses	\$16,869,582	\$17,230,488
Unrealized gain (loss) on investments	\$278,247	\$1,027,919
Contribution/Use of Reserve	\$524,867	\$424,196
Reserve percentage	61%	61%
Corporate support dollars	\$2,126,994	\$1,406,873
Member donation dollars	\$290,748	\$132,663
<b>Staffing</b>		
FTEs	87	87
Revenue per employee	\$196,738	\$191,112
Expenses per employee	\$193,903	\$198,052
<b>Meetings</b>		
AM Location	Los Angeles	Toronto
Total AM Attendance	8,371	8,619
Percent of Online Registrations	66.26%	80.06%
Revenue per AM Attendee	\$1,045	\$1,059
Expenses per AM Attendee	\$688	\$450
Instruction Course hours presented	6,849	7,540
<b>Membership</b>		
Number of members	12,649	12,559
Number of international members	1,247	1,258
Product sales (\$ enduring materials, pamphlets)	\$410,995	\$657,062
<b>Publications</b>		
Supplements in pipeline	3-6	6
Supplement Sales	\$744,100	\$757,439
Webpage visits Per Quarter	1,000,000	1,533,634
<b>Research</b>		
Number of grants reviewed	133	122
Number of CORE grants awarded by All Societies	24	30
Number of CORE grants awarded by AAO-HNS/F	13	20
Restricted Grant Funds & Restricted Research Funds	\$1,189,034	\$1,302,131

Based on Actuals



*Richard T. Miyamoto MD*  
Richard T. Miyamoto  
AAO-HNS/F President

*David R. Nielsen MD*  
David R. Nielsen, MD  
AAO-HNS/F EVP/CEO



## What are the Strategic Priorities for the AAO-HNS/F?

Issue 1	Improving Healthcare Quality and Safety for Patients
Issue 2	Adapting to Changes in Certification and Education
Issue 3	Influencing Fair Physician Payment Policy
Issue 4	Seeking Research Evidence as the Basis for Otolaryngology
Issue 5	Engaging Stakeholders and Future Leaders
Issue 6	Securing Funds in the Face of Changes in Development
Issue 7	Maintaining a Strong Otolaryngology Workforce
Issue 8	Upholding the AAO-HNS Knowledge Repository
Issue 9	Prioritizing, Innovating, and Sun-setting
Issue 10	Cultivating Staff Resources

## Improving Healthcare Quality and Safety for Patients

James C. Denny III, MD, Former Coordinator, Socioeconomic Affairs

Charles F. Koopmann Jr, MD, MHSA, Coordinator, Practice Affairs

### The strategic issue:

As a specialty, we want to engage actively in creating and implementing valid and relevant evidence-based, patient-centered performance measures that focus on clinical, not fiscal, outcomes to preserve patient access to high-quality, safe healthcare without unnecessary costs.

### Accomplishments:

- We developed and sponsored the Quality in Otolaryngology Conference held in July 2007. We also developed a guideline on sinusitis, physician performance measures from the Academy's AOE/OME guideline, and member tools for participation in the Physician Quality Reporting Initiative (PQRI). Flow sheets appeared in the August 2007 *Bulletin* and were available with step-by-step instructions for PQRI reporting. Such achievement was enabled by the BOG Socioeconomic & Grassroots Committee when they created flow sheets for Gastroesophageal Reflux Disease (GERD) and Antibiotic Prophylaxis measures to be used in reporting for the PQRI.
- To maintain efforts to partner with other stakeholders in quality initiatives, the Quality Conference ensured that a significant number of physicians and their staff leaders will



Above: A sample of a PQRI Flow Sheet from the August *Bulletin*  
Below: Quality in Otolaryngology Conference Flyer

continue to engage in quality issues, and carry forward the momentum as mentors and trainers for other stakeholders.

- A process was developed for endorsing other guidelines, and development of consensus statements, rather than focusing on issuing consensus guidelines.
- To explore options for applying technology toward integrating guidelines into practice, staff met with AllMeds president Bill Russ. Discussion is ongoing on a model to offer otolaryngic patient education components as an integral feature of EMR systems.
- In addition to promoting our efforts through the *Bulletin* and at annual meeting, a proposal is pending for support of a three-year public outreach initiative on Quality and Safety, with funding to be used for free distribution of materials. The plan sets eight areas of activity addressing advocacy for quality care through patient education. They include multiple task forces that have come together in a quest for support under this initiative's umbrella, including those on Dangerous Decibels, Antibiotic Resistance, and others.

## Significance

As medical care providers, Academy members understand that what really matters is how well our patients fare as a result of the care we provide. We have sworn to “first, do no harm.” Our government, too, has recognized that safe and quality care go hand in glove with improved outcomes. Medical care must be patient-centered care, and what is best, is best determined by those who engage in its practice. This year, the Academy has made great strides toward defining quality and safety in practice—a service for all.

## Adapting to Changes in Certification and Education

*J. David Osguthorpe, MD, Coordinator for Education*

*Mark Wax, MD, Coordinator-Elect for Education*

*Rodney P. Lusk, MD, Coordinator for Internet Technology*

*Educational Advisory Committee*

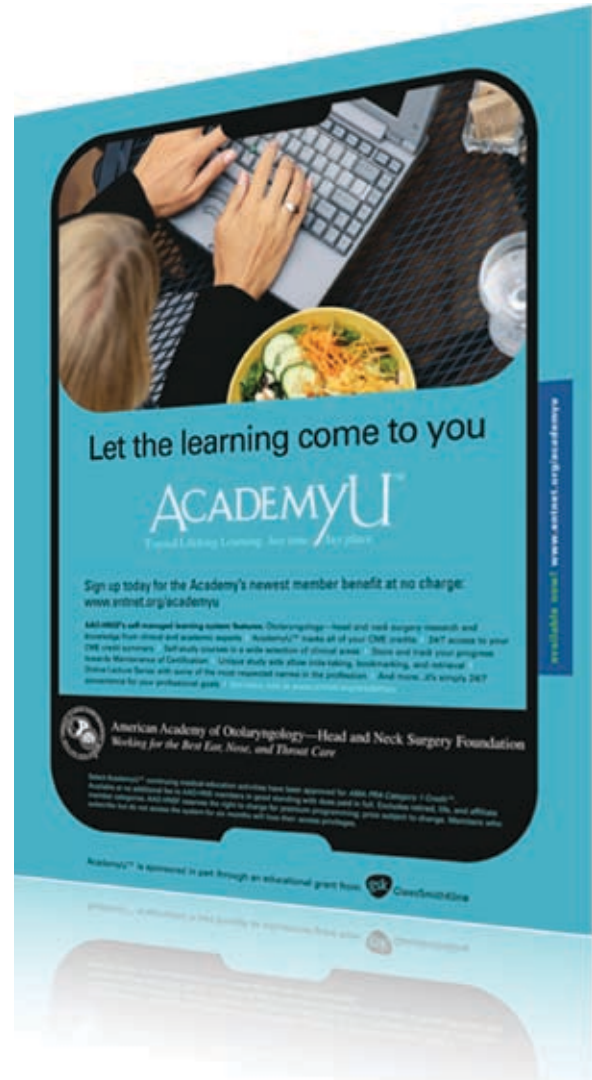
### The strategic issue:

*Delivery of physician professional certification and education is being influenced by new public, payer, and regulatory forces that will blend into a new system of medical education, focused on performance improvement and incentives, enabled by technology, and where success is achieved by education providers who can sustain a position of influence amid the change.*

### Accomplishments:

- Being an accredited provider of CME to our members and the profession remains an important priority for the Foundation. In March 2007, we were awarded a four-year reaccreditation (to March 2011) from the Accreditation Council for Continuing Medical Education (ACCME) to provide continuing medical education for physicians.
- The AAO-HNSF leadership and faculty moved the online education platform (AcademyU™) forward with a successful awareness campaign, and a soft introduction at annual meeting 2006. Preparation for member subscriptions in spring 2007 initiated the launch of this new program.
- Educational activities in AcademyU are organized according to a clinical taxonomy based on the National Library of Medicine’s Medical Subject Headings (MeSH®), and categorized along the American Board of Otolaryngology’s Scope of Knowledge and its maintenance of certification outline, as well as with the Accreditation Council for Graduate Medical Education (ACGME) (core clinical competencies).
- To launch this exciting new program, a strategy of rapid content development is being used to restructure education faculties and staff to meet the demand of adding one new online activity. Members have created, and have access to, more than 750 Continuing Medical Education (CME) courses, many of which can be taken at the Annual Meeting & OTO EXPO, where over 8,000 specialists convene for the world’s largest gathering and exhibition of otolaryngology’s products and services.

- The Education Advisory Committee (EAC) and the Education department are working on integrating the updated criteria for ACCME reaccreditation into its planning, implementation, and evaluation processes for CME activities.



Bulletin advertisement for AcademyU launch

### Annual Meeting

*Andrew Blitzer, MD, DDS, Coordinator for Instruction Course*

*Stephen G. Harner, MD, Coordinator for the Scientific Program*

*David L. Witsell, MD, MPH, Coordinator for Research*

Foundation Coordinators are supported by active member committees to provide quality programs, evaluate and assess current programs, and recommend changes that keep the vitality of our premier educational event, the Annual Meeting & OTO EXPO.

### Accomplishments:

- The Healthcare Convention and Exhibitors Association recently named the AAO-HNSF Annual Meeting & OTO EXPO



The AAO-HNS/F Booth at the 2006 OTO EXPO



a prestigious ranking among the 50 largest tradeshows in Canada, according to the 2007 edition of the *Tradeshow Week 200*.

- The success of this year's cosponsored and supported society meetings and workshops in Washington, DC, underscored the collaborative strength of the specialty.
- The AAO-HNSF Annual Meeting & OTO EXPO once again generated the most non-dues revenue of any Foundation program.

### Significance

CME activities are being offered in a variety of delivery formats via AcademyU, the Academy's new online education system, including the Online Lecture Series—CME activities of convenient length that convey new information to enhance your diagnostic and therapeutic skills. The Online Lecture Series amortizes great presentations and taps our expert teachers from annual meeting instruction courses. Now we can extend the Annual Meeting & OTO EXPO beyond the current year's venue by offering these condensed highlights to all our members via AcademyU.

Whether you like to learn from your peers at the annual meeting or by reading a scholarly article at home, education is

as one of the top 100 medical meetings worldwide. The August 2007 announcement noted the Foundation meeting as one of "the class of bellwether events that define patient therapy in its discipline."

- The 2006 AAO-HNSF Annual Meeting & OTO EXPO in Toronto, Canada, attained

a vital part of what we do at the Academy. The AAO-HNSF now can boast life-long learning, when and how you want it.

### Influencing Fair Physician Payment Policy and Maintaining a Strong Otolaryngology Workforce

*David W. Kennedy, MD, Coordinator for Governmental Relations*  
*James C. Denny III, MD, Former Coordinator for Socioeconomic Affairs*

*Charles F. Koopmann Jr, MD, MHSA, Coordinator, Practice Affairs*

#### The strategic issue

*We will employ a flexible, multi-factor approach for influencing legislative, regulatory, and private payer policies to advance our vision of being a powerful voice shaping health policy and practices for fair and equitable payment for otolaryngology—head and neck surgery.*

We take very seriously the trust all members place in the Academy to advocate for the profession, at both the state and national level. The Academy has supported its grassroots members in proactively setting state and federal legislative agendas and opposing inappropriate scope-of-practice expansion by non-physicians.

#### Accomplishments:

- To highlight the impact of payment issues on quality through multi-audience strategic PR efforts, our efforts included increased visibility and a stronger policymaking role for the Academy in the physician community; enhanced communication and outreach to our membership; and improved marketing of our advocacy activities.
- With assistance from our members and various state medical societies, we successfully defeated or modified harmful

legislation in over a dozen states including, scope-of-practice expansion efforts by non-physician providers in Arizona, California, Colorado, Connecticut, Maine, Maryland, Nebraska, New York, and Tennessee. BOG leadership and other state members championed these struggles locally and were active on a variety of other issues including, payment, medical liability reform, and certificate of need.

- We improved our ENT PAC marketing activities and experienced a successful first half of 2007 for donations to ENT PAC, garnering more than \$160,000 in contributions from over 700 Academy members. This represents an increase of nearly 6 percent from the first half of 2006.



- We actively pursued the introduction of federal legislation (H.R. 2260), called the Healthcare Truth and Transparency Act, requiring non-physician providers to fully disclose their licenses and training in any public advertising. Enactment of this bill would protect patients from receiving care from unqualified individuals, who may not have the expertise to diagnose and treat specific health conditions.
- We continued to increase the membership in the ENT Congressional Advocacy Network (ENT-CAN) to 489 members and the State Legislative Contact Network (SLCN) to 800 members.
- We launched “The ENT Advocate,” a biweekly, online newsletter highlighting federal and state legislative developments of importance to the specialty.
- We hosted our spring round of BOG Legislative Conference Calls, on which 34 regional and specialty societies were represented—a 6 percent increase in participation over the series of calls held last fall.

### **Health Policy and Coding**

*James C. Denny III, MD, Former Coordinator, Socioeconomic Affairs*

*Charles F. Koopmann Jr, MD, MHSA, Coordinator for Practice Affairs*

Academy leaders—your colleagues—work tirelessly within the AMA’s Relative Value Update Committee (RUC), the Practice Expense Review Committee (PERC), and the Centers

for Medicare and Medicare Services (CMS) to represent otolaryngologists’ positions with payers, government, and key policy makers and ensure fair payment practices that will improve the quality of otolaryngology care.

### **Accomplishments:**

- Fair reimbursement accomplishments included overturning a McKesson edit on CPT codes 31610 and 38724 (tracheotomy and neck dissection), which led to removal of all edits on related codes.
- We advocated to overturn Aetna’s policy that denied separate reimbursement for CPT code 30802.
- We were able to achieve increased values for CPT codes 31360, 31365, 31367, 31390, and 41155, from the values in the proposed rule.
- We overturned three proposed edits in round one of the NCCI Medically Unlikely Edit set, and were successful in overturning CMS’s bilateral designation for CPT codes 31545/31546.
- In addition, we have worked with a variety of payers (Anthem, Wellpoint, Cigna) on policy development for otolaryngology services.

### **Significance**

Despite our relatively small size in the greater house of medicine, otolaryngology continues to maintain a larger-than-life profile when it comes to working for equitable reimbursement.

Over the past year, we offered comment to CMS as it reconsiders its National Coverage Determination (NCD) for Continuous Positive Airway Pressure (CPAP) therapy for Obstructive Sleep Apnea (OSA). The current NCD provides coverage benefits only when the sleep testing is done in a laboratory setting; our reconsideration request asks for home testing to be included in the policy. Additionally, our role at the RUC and CPT Editorial Panel meetings are instrumental in helping establish reporting for physician services, appropriate valuation of physician Relative Value Units (RVUs), and for fair physician reimbursement.

### **Seeking Research Evidence as the Basis for Otolaryngology**

*David L. Witsell, MD, MPH, Coordinator for Research*

*Research Advisory Committee*

*CORE Executive Committee*

### **The strategic issue:**

*As scientific evidence is the cornerstone of quality healthcare, we will deploy volunteer and financial resources to facilitate and engage in studies to gather and translate evidence of the effectiveness of otolaryngology—head and neck surgery interventions.*

## Accomplishments:

- Building Evidence for Successful Treatments in Otolaryngology (BEST ENT), now 340 members strong, is focusing on the entire research continuum, with these recent accomplishments:
  - Clinical trials: The SLEEP study results will be presented at this year's annual meeting;
  - TO TREAT tonsillectomy studies will appear in an upcoming supplement to the journal; and
  - SMILE has begun enrolling patients.
- While external forces are driving the demand for performance measures, your Academy is taking the lead in defining the best practices that will provide improved quality in otolaryngic patient care, by developing evidence-based guidelines. With the essential support of subspecialty societies, member experts, and grassroots action, we have developed and published three new evidence-based guidelines, with several others on the way. Otolaryngology now boasts state-of-the-art clinical practice guidelines on the topics of acute otitis externa, otitis media with effusion, and antimicrobial therapy for acute rhinosinusitis in adults.
- In addition to moving forward in clinical research, a strategic priority for this past year has been to strengthen the research grants process. The Centralized Otolaryngology Research Efforts (CORE) grants program took a unified application approach across participating societies this year, resulting in a 60 percent increase from last year to this, in funding awarded. This year's awards will provide more than \$660,000 to 38 researchers. It is truly an example of where the whole is much bigger than the sum of the parts and exhibits CORE's commitment to research—and to ultimately improved patient care and outcomes.
- Two exciting new projects have begun through collaboration with NIH and our community-based partners to address our most pressing clinical challenges. In collaboration with the Medical Outcomes Trust and the NIH Patient-Reported Outcomes Measurement Information System (PROMIS) team, we are designing a study to assess quality of life in parents of children aged six months to two years with otitis media. This study will give us much-needed information to address the continuing questions surrounding the issue.
- Pilot-testing of the Physician Quality Reporting Initiative measures for Otitis Media with Effusion (OME) and Acute Otitis Externa (AOE) are under way, and plans to assist with Gastroesophageal Reflux Disease (GERD) are in development.

## Significance

This year we began a journey to excellence by optimizing our Research Forum and Scientific Programs at our annual meeting, strengthening the grants program, and building our infrastructure to gather and translate evidence of best practices into quality patient care.

## Engaging Stakeholders and Future Leaders

### The strategic issue:

*Creating and sustaining a loyal, motivated, and engaged membership requires strong stakeholder relations, a continuous pool of leaders capable of governing the organization, and targeted actions with customers to identify new opportunities for success and help the specialty reach a higher level of performance and relevance.*

### Leadership and Volunteerism

*Richard T. Miyamoto, MD, AAO-HNS/F President*

*Paul R. Lambert, MD, AAO-HNS/F Vice-President*

*Peter C. Weber, Chair, Board of Governors*

*J. Pablo Stolovitzky, MD, Chair-Elect, Board of Governors*

*Board of Directors*

Academy policies and programs would not exist if not for the countless hours of volunteerism offered by more than 940 committee members. At each annual meeting, we honor more than 100 of you for the distinguished service you provide to the Academy, the profession, and the world, in addition to the commitment you make to your patients every day.



2006–2007 Board of Directors

### Accomplishments:

- This year's Opening Ceremony at the annual meeting placed a new emphasis on acknowledging members who serve. A vibrant format showcased not only the influence of the host president, but also spotlighted those who have been constant in extraordinary service to the specialty. They include the Distinguished Honor Award Winners, who have earned more than 50 honor points in service to the Academy, as well as the three leadership awardees: Distinguished Award for Humanitarian Service—Lt. Col. Drew M. Horlbeck, MD; Holt Leadership Award—Monica Tadros, MD; and Jerome C. Goldstein, MD, Award for Public Service—William B. Lewis, MD. Other acknowledgements during the meeting were also established for specific leadership and service.

- A restructuring of governing bodies continues to evolve with the changing needs of the organization. Guided by the Boards of Directors' self-assessment, the leadership has shown remarkable presence and responsibility in assessing its governance. This change is nowhere more evident than in the new roles of Board members and in the restructuring of committees.
- Last year's Leadership Development Program is being updated for 2007 and will use online learning through AcademyU™.
- The BOG celebrates 25 years of grassroots leadership by restructuring its Big On Goals Program to expand focused volunteerism.
- The Section for Residents and Fellows and the Young Physicians were given a strong voice in governance and recognition for their innovative contributions.

### **International Affairs**

*KJ Lee, MD, Coordinator for International Affairs*

A strategic priority for the Academy is to leverage stakeholder relations to create and sustain a loyal and motivated membership and customer base, to identify new opportunities for success, and to help the specialty reach a higher level of performance and relevance. In International Affairs, this happens through outreach to corresponding societies, joint meetings, and humanitarian missions.

### **Accomplishments:**

- This summer, Academy participation in two joint meetings shared information about the efforts of otolaryngologists practicing in different parts of the world. Our first-ever joint meeting with Russian professors was held in Moscow and St. Petersburg in July. In August, the ASEAN Otolaryngology Societies Congress in Ho Chi Minh City, Vietnam, allowed a large U.S. delegation to meet with the Vietnamese Society of ORL-HNS. Participation was enhanced by the involvement of Byron Bailey, MD, and Brent Senior, MD, who headed an REI Vietnam humanitarian mission to coincide with the Congress.
- On the global front, the coordinator and Humanitarian Efforts committee are active in donating for CME purposes current, but discontinued, educational materials to those in need.
  - The Pan-American Association of Otolaryngology received 3,000 copies of the Antimicrobial Therapy booklet and 2,054 SIPacs, which it will distribute to training programs and teaching hospitals throughout Latin America.
  - The Yul Brynner Foundation received 55 copies of the Oral Cancer Screening video;
  - Project Hope received 202 slide lectures for distribution to developing countries; and
  - Bridges to Asia received 980 slide lectures for shipment to China.

- The Caribbean Association of Otolaryngologists received 290 patient leaflet packs for distribution at its annual meeting in Jamaica in May.
- In addition, the Humanitarian Efforts Committee will distribute 140 slide lectures to Academy members and residents going on overseas medical missions for training and teaching.

### **Significance**

As 2007 Academy President Richard Miyamoto said, "Involvement stimulates the work we do. Together, we can continue to provide the best possible care to patients and the greater community."

### **Securing Funds in the Face of Changes in Development**

*Ron KupperSmith, MD, MBA, AAO-HNS/F Treasurer*

*David R. Nielsen, MD; EVP/CEO*

*ENTRI Board of Directors*

### **The strategic issue:**

*Changes in the requirements for corporate support, coupled with our increasing dependency on unpredictable sources of revenue, demand a new tactical plan for reaching new donors, obtaining long-term commitments from existing donors, and establishing alternative revenue channels to reduce the risk of unexpected revenue interruptions in order to sustain the strategic growth necessary for the organization.*

### **Accomplishments:**

- Statements for several funding needs, including research/CORE grants, AcademyU, and the John Q. Adams Center have been discussed with members and corporate stakeholders. These case statements present compelling reasons of why it is important to give to the Foundation, and will serve as the basis for future proposals, campaign materials, and for ongoing development efforts.
- A planned giving program is being created, giving members and friends of the AAO-HNS if further viable options in estate planning. This program, which will include advice from a professional physician tax strategist, will be launched at the 2007 Annual Meeting & OTO EXPO.
- We have started a campaign to Advance the History and Awareness of Otolaryngology.

### **ENTRI**

### **Accomplishments:**

- The new Academy Advantage Program offers a premium brand range of products and services for professional, business, and personal needs at members-only discounted prices. Vendor partners include: Choice Hotels, Marsh, Bank of America, Excitations, Lifelock, Financial Solutions, and the Doctors Company. Most participating vendors will contribute a royalty fee back to the AAO-HNS to help support our mission.

- The Buyers Guide Online is a web-based resource dedicated to providing an accurate and complete collection of suppliers of goods and services available to members. It provides a



convenient marketplace for expert buyers to quickly find qualified vendors that meet their unique needs, without the “clutter” of general purpose search engines.

### Significance

The groundwork is set for the Physician-Patient Partnership to support the Best Ear, Nose, and Throat clinical research.

### Upholding the AAO-HNS Knowledge Repository

*Richard M Rosenfeld, MD, MPH, Editor, Otolaryngology—Head and Neck Surgery*

*Rodney Lusk, MD, Coordinator for Internet and Information Technology*

#### The strategic issue:

*Facing both opportunities and challenges brought by the new information age, the AAO-HNS/F will take action to maintain its relevance as the complete otolaryngology—head and neck surgery knowledge resource for the profession and the public.*

### Technology and Website

#### Accomplishments:

- The coordinator works closely with various Academy staff to bring initiatives to the membership that increase connectivity and communication, promote efficient information management, enhance educational offerings, and ultimately improve quality of care. Dr. Lusk has been key in the launch

of Academy U, and for its use as a knowledge repository for policy statements, practice guidelines, and treatment decision trees and algorithms.

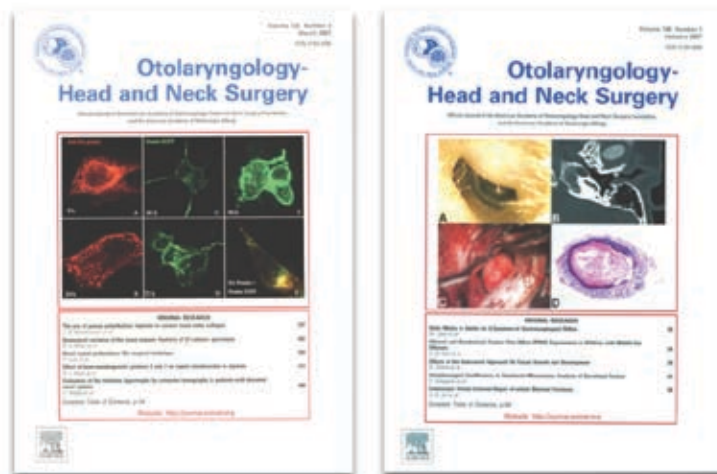
- An ongoing strategic focus is to use technology to help the organization maintain its relevance as the complete knowledge resource for the profession and the public. The first step is to improve the usability and content of the Academy’s website. A redesign now in progress is slated for release early next year. It will feature enhanced search functions, streamlined navigation, and other features designed to help you stay current with research, manage your practice, and help us tell the story of otolaryngology to a wider public. A prototype redesign was shown at the 2007 annual meeting.

### Publications/Communications

#### Accomplishments:

- *Otolaryngology—Head and Neck Surgery* has infused its content with new quality features such as practice guidelines, the Cochrane Corner for systematic reviews, and articles to enhance journal learning, such as the “Practical Guides to Understanding the Literature,” by former editor J. Gail Neely, MD.
- Supplement publication in *Otolaryngology—Head and Neck Surgery* has tripled over 2006 to include: Sublingual Immunotherapy, Asthma and the Unified Airway, Keys to Successful Management of Patients with Allergic Rhinitis, the first Australian supplement, and the Clinical Practice Guideline on Adult Sinusitis. The Systematic Literature Review in Otolaryngology (by the Cochrane Collaboration), and TO TREAT (Tonsillitis Outcomes: Towards Reaching Evidence in Adults and Tots) are slated to round out a full year.
- The journal readership rate is now rated among the top three PERQ-reported ENT publications.
- There are new local edition partners for *Otolaryngology—Head and Neck Surgery*.
- The redesigned monthly *Bulletin* celebrates its 25th year as one of the most enjoyed member benefits. Advertisers like it,





The redesigned *Bulletin* and “white journal”

too, ranking it as the highest advertising exposure of all ENT publications.

- *The News* remains the best source for the latest information about the Academy and its various programs. Within 24 hours of its weekly release, more than 2,000 members read the emailed newsletter for its headlines about medicine, announcements about events, and opportunities for otolaryngologist—head and neck surgeons.
- In Public and Media Relations, we began a new press release strategy of interspersed “seasonal” topics that forward new research and educate the public. This has boosted overall media response to our information; the number of medical reporters who access our releases has increased by 10 percent.
- The 13th Edition of the *Pocket Guide to Antimicrobial Therapy in Otolaryngology—Head and Neck Surgery*, is being published. We are seeking support for distribution to all members.
- Voice Day Successes. The entire World Voice Day package appeared on the website of CASA, a voice society of a cappella singers. Other sites also offered extensive coverage.

#### Significance:

Coupled together, the various communication vehicles, from publications to public relations to the revitalized website, are making a great leap forward in offering Academy members solutions to all the ways they practice. We are positioned to deliver the best knowledge available on treating ear, nose, throat, and head and neck disorders.

### Prioritizing, Innovating, Sun-setting, Cultivating resources

Ron Kuppersmith, MD, MBA, AAO-HNS/F Treasurer

#### The strategic issue:

*By using decision-making and budgeting systems that support prioritization, stimulate innovation, and foster a strategy of planned abandonment, we will ensure member value and identify untapped*

*opportunities to gain resources through redirection and new sources of funding.*

#### Accomplishments:

See pages 1 for key indicators of our resource management and pages 10–11 for the 2006–2007 budget report.

### What members care about

At the heart and soul of each of these accomplishments is you—the otolaryngologist—head and neck surgeon, the humanitarian, the volunteer, the member. From the most recent member survey (July 2007), you tell us that we are meeting most of your needs.

Ninety-percent say you are satisfied or very satisfied with 29 of the 31 programs we offer. Your satisfaction has increased in areas that you rate as very important or essential, such as federal and state legislative advocacy. See the September 2007 *Bulletin* for more details on the member survey results.

With each accomplishment that brings some level of satisfaction, another plateau is reached in the ongoing struggle to improve otolaryngic care, another door is opened, another opportunity arises. Patient care is changed definitively for the better with each individual effort, and with the force of the commitment of others like you who join in this work.

Together, by “Sharing a Commitment to Care,” we all ensure a strong future for otolaryngology. By stimulating research through improved funding, expanding educational opportunities, and promoting unity among all otolaryngology specialties, we can achieve this goal.

# 07

## The Financial Report 2006-2007

The fiscal year that ended June 30, 2007, shows a loss from operations of \$659,283 and marks the first time in four years that the Academy has not made a contribution to reserves from operations. Fortunately, the investment portfolio has performed in line with the overall market, which in turn has generated additional contributions to the reserve balance. This year's contribution to reserves is \$365,249. Over the past four years the Academy has contributed a total of \$3,609,614 to reserves. This has been done intentionally, as the board made a concerted effort that began five years ago to strengthen our financial position. Currently, our available reserves represent 54 percent of the annual operating expenses.

The annual budget process begins in December of every year and includes several sessions with the Board of Directors, the Executive and Finance Committee, and the Finance and Investment Subcommittee of the E&F. The process that is currently in place involves the elected leadership at every critical decision point. This process culminates in June as the Board of Directors approves the budget for the new fiscal year that begins July 1st. In June of 2007, the Board of Directors approved the fiscal 2007/2008 budget. This budget anticipates total revenues of \$19,280,950 and total expenses of \$19,280,950 for a balanced budget. While the annual revenue is budgeted to grow a total of \$2,694,185 when compared to prior year actual, this budget is again considered conservative and attainable. Board and management are working again this year on non-traditional sources of revenue, while strengthening our position with the mainstay revenue items. Overall, the course has been set and the controls are in place to ensure a strong financial future for your association, so that we will continue to provide excellent services to our members and the public.

<b>Expenses</b>				
	Actual 2006/07	%	Budget 2007/08	%
Member Relations	\$2,054,601	12%	\$2,718,935	14%
Health Policy	1,478,892	9%	1,763,455	9%
Government Affairs	1,583,249	9%	1,464,650	8%
Research	812,928	5%	1,461,903	8%
Communications	3,818,077	22%	4,203,550	22%
Education	2,598,206	15%	2,946,010	15%
Meetings	4,118,969	24%	3,943,600	20%
Operations	765,567	4%	778,847	4%
<b>Total Expenses</b>	<b>\$17,230,491</b>	<b>100%</b>	<b>\$19,280,950</b>	<b>100%</b>
Operating Revenue Over / (under)	(603,723)		0	
Unrealized Gain (loss) on Investments	1,027,919			
Change in Unrestricted Net Assets	424,196		0	

<b>Revenues</b>				
	Actual 2006/07	%	Budget 2007/08	%
Membership Dues	\$3,732,441	22%	\$4,703,758	24%
Meetings	5,678,996	34%	6,637,950	34%
Product and Program Sales	1,642,297	10%	1,689,875	9%
Publications	1,833,608	11%	1,849,000	10%
Royalties	1,713,203	10%	1,460,600	8%
Investment Income: Interest and Dividends	258,224	2%	202,000	1%
Corporate and Individual Support	1,742,708	10%	2,700,667	14%
Other Revenue	25,291	0%	37,100	0%
<b>Total Revenue</b>	<b>\$16,626,768</b>	<b>100%</b>	<b>\$19,280,950</b>	<b>100%</b>

## Member Giving

### Major Contributors

The Foundation expresses its sincere gratitude to the following 25 individuals who have made substantial gifts to further the specialty and the Foundation's mission. This support has helped to educate countless otolaryngologists, to advocate on their behalf, and to grow the specialty of otolaryngology—head and neck surgery.

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*As of September 10, 2007*

### The Legacy Circle

The Foundation is extremely grateful to the Legacy Circle members who have planned contributions to the Foundation through wills, bequests, life insurance policies, and other deferred gifts. These individuals recognize the importance of the Foundation's work and have taken an important step to ensure that the Foundation's mission continues beyond their lifetime.

Michael E. Glasscock III, MD  
Frank E. Lucente, MD  
Anthony P. Sertich Jr., MD  
P. Ashley Wackym, MD  
David L. Witsell, MD, MHS  
Three other individuals are anonymous members of The Legacy Circle.  
*As of August 10, 2006*

### Millennium Society

For those who believe in the Foundation's mission and generously provide financial support to help us achieve the Foundation's initiatives, membership is achieved through donation of at least \$1,000 in a given year to the Foundation (or \$250 for residents and young physicians). Established by the Foundation Board of Directors in 2001, as an adjunct to the President's Appeal, the Society continues to flourish.

The Foundation wishes to acknowledge the members of The Millennium Society for their generosity and dedication to the specialty.

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*As of September 10, 2007*

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### Michael M. Paparella, MD

And the Paparella International Hearing Foundation for the Paparella Award for Distinguished Contributions in Clinical Otolaryngology

### Robin T. Cotton, MD, and Cynthia M. Fitton

For the Robin T. Cotton and Cynthia M. Fitton Pediatric Otolaryngology Lectureship

*As of September 10, 2007*

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