



2019
ANNUAL REPORT

BREAKING **BARRIERS**

AAOS

AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

AMERICAN ASSOCIATION OF
ORTHOPAEDIC SURGEONS

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2019 LEADERSHIP

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Thomas E. Arend, Jr., Esq., CAE
(Ex-Officio)
Rosemont, Illinois

EXECUTIVE LEADERSHIP TEAM

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Laura Abrahams, Chief Human Resources Officer

Anna Troise, MBA, Chief Education Strategist

Nathan Glusenkamp, MA,
Chief Quality and Registries Officer

BREAKING **BARRIERS**

LETTER FROM THE PRESIDENT AND CEO



Kristy L. Weber, MD, FAOS
AAOS President



Thomas E. Arend, Jr., Esq., CAE
AAOS Chief Executive Officer



AAOS has a rich history serving the profession of orthopaedics and leading its members forward with a focus on education, quality, and advocacy. To become the trusted leaders in advancing musculoskeletal health, the Academy is continuing to evolve and innovate every year. In 2019, AAOS consistently worked to break barriers, including achieving unique accomplishments with its people, strategy, and performance. This year's Annual Report is a platform on which to highlight progress on barriers broken and to renew the Academy's commitment to growth, diversity, quality and leadership in the future.

In 2019, AAOS welcomed the first female president in its 87-year history and launched a new five-year strategic plan and core values, which included a goal focused on increasing diversity in the Board and volunteer structure. The new strategic plan also challenged the Academy to lead orthopaedics in innovative ways, such as committing to guide members and their patients with evidence-based standards for Biologics in musculoskeletal health, and developing a comprehensive Resident Curriculum to transform and standardize the current resident education model.

AAOS improved and relaunched key education products such as the Orthopaedic Video Theater (OVT) and Career Center with increased member value and new levels of personalization to support a more seamless member experience. The Academy broke barriers in educational content delivery by live-streaming orthopaedic courses and offering OnDemand recordings of live Annual Meeting and course content on its online learning platform.

The American Joint Replacement Registry (AJRR) is the largest registry in orthopaedics by annual procedure count and has collected data on almost 1.9 million total procedures. AAOS continues to expand its family of registries in new directions. In 2019, the Academy launched rotator cuff repair and elbow arthroplasty modules to the Shoulder & Elbow Registry (SER) and signed a formal partnership agreement with the American Association of Neurological Surgeons (AANS) to launch the American Spine Registry (ASR) in January 2020.

AAOS led advocacy by spearheading grassroots efforts to support patients and orthopaedic surgeons when Surprise Billing emerged as a key issue this year. The Orthopaedic Political Action Committee (OrthoPAC) remained the largest disbursing healthcare PAC in the country, and celebrated its 20th birthday by raising \$1.9 million in 2019.

Just before this 2019 AAOS Annual Report went to print, the Academy Board of Directors made the difficult decision to cancel the 2020 Annual Meeting in Orlando due to the accelerating risk of the COVID-19 virus in the United States. Many of the accomplishments included in this report were to be celebrated at the meeting, and new initiatives were to be announced. The AAOS team will creatively identify ways to communicate the current and future direction of the organization including via the presidential, incoming presidential, and incoming first vice presidential speeches and find ways to provide some of the educational content in a virtual fashion throughout the months ahead. Visit aaos.org for more information on upcoming plans.

On behalf of the Academy's leadership and staff, we thank you for your strong engagement, service and relationship with AAOS. We are excited to move forward and continue to break barriers together.

ABOUT **AAOS**

THE AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS

Founded in 1933, the Academy is the preeminent provider of musculoskeletal education to orthopaedic surgeons and others in the world. Its continuing medical education activities include a world-renowned Annual Meeting, multiple continuing medical education (CME) courses held around the country and at the Orthopaedic Learning Center (OLC), and various medical and scientific publications and electronic media materials.

THE AMERICAN ASSOCIATION OF ORTHOPAEDIC SURGEONS

Founded by the Academy Board of Directors in 1997, the Association engages in health policy and advocacy activities on behalf of musculoskeletal patients and the profession of orthopaedic surgery.

The Political Action Committee of the American Association of Orthopaedic Surgeons or “The Orthopaedic PAC” is the only national political action committee in Washington, DC, representing orthopaedic surgeons before Congress.

OVERVIEW

With more than 39,000 members, AAOS is the world’s premier medical association of musculoskeletal specialists. The AAOS provides education programs for orthopaedic surgeons and allied health professionals, champions and advances the highest quality musculoskeletal care for patients, and is the authoritative source of information on bone and joint conditions, treatments and related issues.

AAOS MISSION

Serving our profession to provide the highest quality musculoskeletal care.

AAOS VISION

The trusted leaders in advancing musculoskeletal health.

AAOS CORE VALUES

Leading to Serve. Shaping the Future. Excellence Together.

2019 AT-A-GLANCE

PEOPLE

AAOS MEMBERS **39,000**

FELLOWS **18,000**

1st FEMALE PRESIDENT
in 87-year history

AAOS DELIVERING **4x** THE VALUE
Active Fellow Dues \$995
MEMBER VALUE RECEIVED \$4,022

EXPERIENCE



Enhanced Orthopaedic Video Theater (OVT), now a **FREE** member benefit



Launched JAAOS Unplugged® Podcast



First ever live-streamed course



\$4.9M investment to transform Resident Curriculum

PERFORMANCE

ANNUAL MEETING
LAS VEGAS, NV

29K ANNUAL MEETING ATTENDEES

10K DOMESTIC PHYSICIANS

4K INTERNATIONAL PHYSICIANS

250K NET SQ. FT EXHIBITORS

QUALITY

ADVOCACY



GRASSROOTS:
Promoted Surprise Billing arbitration



GRANTS:
\$30M in funding for extremity war injury research



APPROVAL:
CMS lifted gainsharing cap on BPCI Advanced



INNOVATION:
CMMI Demonstration Model for Physician-Owned Hospitals

REGISTRIES

AAOS
AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

AJRR
American
Joint Replacement
Registry

Largest Orthopaedic Registry
by Annual Procedures

NEW REGISTRY PROGRAM LAUNCHES

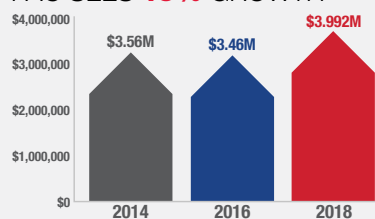
- Shoulder & Elbow Registry: 2 new modules
- Musculoskeletal Tumor Registry launch
- Announce 2020 launch of American Spine Registry (ASR) in collaboration with the American Association of Neurological Surgeons

ORTHOPAC

\$4 MILLION
DONATIONS IN 2-YEAR ELECTION CYCLE

\$1.9 MILLION
DONATIONS IN 2019 NEW CYCLE

PAC SEES **15% GROWTH**



THOUGHT LEADERSHIP

Biologics Commitment

11 New CPGs and AUCs

Orthopaedic Definition of Quality and Value

ACCESSED EDUCATION IN 2019

3,900+

CME COURSE REGISTRATION

5,100+

OITE REGISTRANTS

7,600+

WEBINAR REGISTRANT COUNT

128,000+

CME CREDITS CLAIMED

STRATEGY

ROLLED OUT NEW
5-YEAR STRATEGIC PLAN

IMPLEMENTED NEW
GOVERNANCE PRINCIPLES

ADOPTED NEW
CORE VALUES

LIST OF ACRONYMS USED:

AUC: Appropriate Use Criteria

CME: Continuing Medical Education

CMS: Centers for Medicare & Medicaid Services

JAAOS: Journal of the American Academy of Orthopaedic Surgeons

BPCI: Bundled Payments for Care Improvement

CMMI: Center for Medicare and Medicaid Innovation

CPG: Clinical Practice Guideline

OITE: Orthopaedic In-Training Exam



BREAKING BARRIERS — **PEOPLE**

LEADERSHIP

For the first time in its 87-year history, AAOS was led by a female President. Dr. Kristy Weber and the Board of Directors successfully launched a new five-year strategic plan that includes a goal focused on increasing diversity in the AAOS Board and volunteer structure.

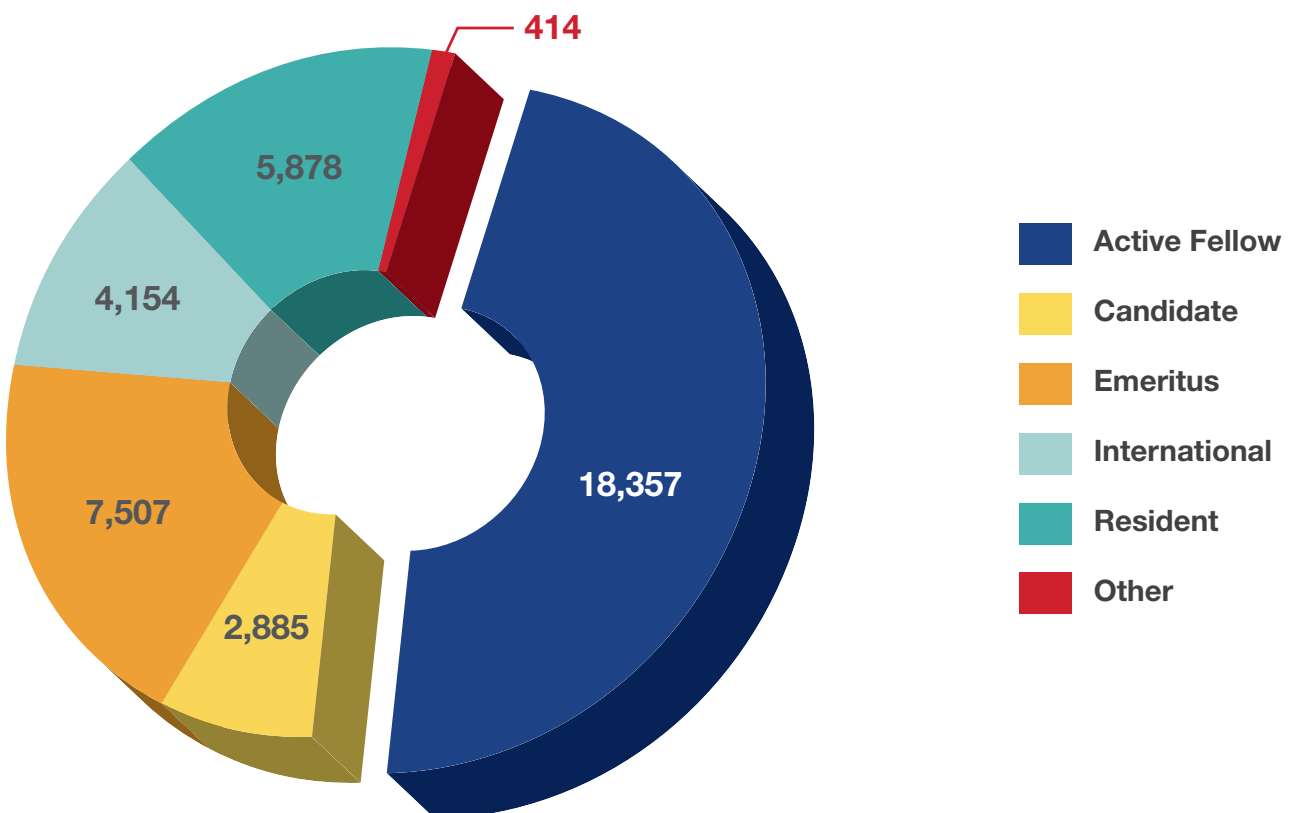
In 2019, AAOS' governance volunteer structure included 12% female and 7% under-represented minority (URM) members.

AAOS is working with its Diversity Advisory Board (DAB) to execute a variety of new initiatives focused on leader recruitment, selection, retention, and culture. The Academy's goals are to increase leadership and staff awareness of diversity and implicit bias to ultimately increase diversity among AAOS leadership by 2023.

MEMBERSHIP GROWTH

2019 membership remained strong with more than 18,000 Active Fellows and 39,195 total members. 2019 was the second full year of membership for Physician Assistants, with 298 members (growth from 185 in 2018). 2019 is also the first year in which Osteopathic Doctors (DOs) were granted full membership status and benefits equal to those of AAOS Fellows who are Medical Doctors (MDs).

2019 MEMBERSHIP **BY TYPE**





MEMBER OFFERINGS

AAOS continued to build upon its unrivaled value proposition for members, with overall value for an Active Fellow membership exceeding \$4,000, delivering over four times the value compared to annual dues. Highlights include:

- The upgraded Orthopaedic Video Theater (OVT) with more than 1,100 videos and learning opportunities, which became a free member benefit.
- A revamped AAOS Career Center with improved reach, functionality, and member experience. The new site doubled the posted jobs and users and increased page views six-fold compared to 2018.
- A new program to increase the awareness, use, and value of the FAAOS designation (Fellow of the American Academy of Orthopaedic Surgeons), designed to differentiate AAOS Fellows as the leaders in musculoskeletal health.
- A new online Advocacy Action Center that allows members to support advocacy efforts as a direct voice to lawmakers. In 2019, AAOS members generated more than 2,000 engagements and over 4,800 letters to Congress.

AAOS DELIVERING
4x
THE VALUE

Active Fellow
Dues **\$995**
**MEMBER VALUE
RECEIVED \$4,022**

AAOS Career Center
2018 ▶ 2019
2x Posted Jobs
2x Users
6x Page Views

BREAKING BARRIERS — **PERFORMANCE**

ANNUAL MEETING

The AAOS Annual Meeting is the largest orthopaedic gathering in the country and delivered on high expectations with 91% of attendees reporting high satisfaction scores.

Breaking a threshold of 15,000 professional attendees, and nearly 30,000 people in total including exhibitors, the AAOS Annual Meeting exceeded 2018 performance and offered all attendees unique opportunities to learn, network, and engage.

The 2019 Annual Meeting offered access to knowledge across orthopaedic specialties and topics, including:

- 26 symposia;
- 237 Instructional Course Lectures (ICL) with almost 25,000 tickets sold;
- 1,022 scientific posters;
- 870 paper presentations;
- 128 video presentations; and
- 11 career development sessions, in addition to targeted education for residents and medical students.

The 2019 Annual Meeting introduced several innovations to elevate the attendee experience:

- The Innovation Theater, featuring 25 presentations from exhibitors about new technological developments and innovations;
- Free, guided exhibit hall tours for medical attendees debuted, showcasing the newest developments in orthopaedic devices; and
- New programs for residents and medical students, such as speed mentoring with leading orthopaedic surgeons.

AAOS ANNUAL MEETING ATTENDANCE
2019 LAS VEGAS, NV

TOTAL ATTENDANCE: 29,448

TOTAL PROFESSIONAL ATTENDANCE: 15,011



9,654

Domestic Physicians

3,645

International Physicians

1,712

Allied Health and Medical Students

11,101 EXHIBITORS

3,336 OTHER



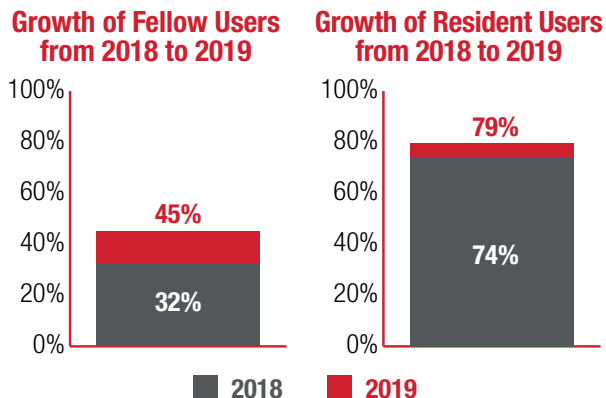
MEMBER ENGAGEMENT

Engagement with AAOS education was strong across diverse learning opportunities in 2019, in several cases reaching record levels. Over 25,000 unique users visited the Orthopaedic Video Theater (OVT), claiming over 14,000 CME credits for OVT videos. Nearly 17,000 unique users visited the Learning Management System (LMS), averaging 468 users per day compared to 325 per day in 2018. Orthopaedic In-Training Exam (OITE) registration exceeded 5,150 users. The Academy's premier exam review tool, ResStudy, was launched more than 140,000 times last year—over 32,000 times in October, in preparation for the OITE.

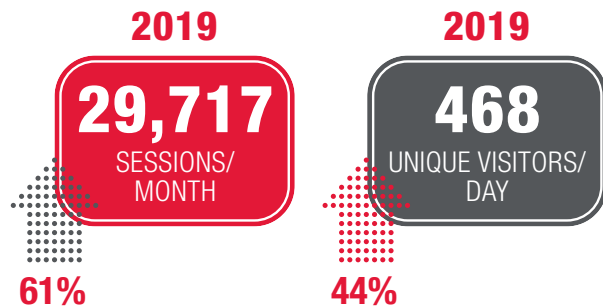
ACCESSED EDUCATION IN 2019



ACCESSED LMS IN 2019



learn.aaos.org



SOCIAL MEDIA OUTREACH



A Social Media Ambassador Program launched in 2019 to increase two-way engagement between members. Engaging a group of members with significant social media experience, the Academy has already experienced unprecedented growth on Twitter, Facebook, LinkedIn, and Instagram.

These members serve as brand ambassadors in the social space and contributed tremendous value to the AAOS social media presence across hashtag campaigns like **#WeAreAllOrtho**, **#FacesofOrthopaedics** and **#PatientsOverProfits**.

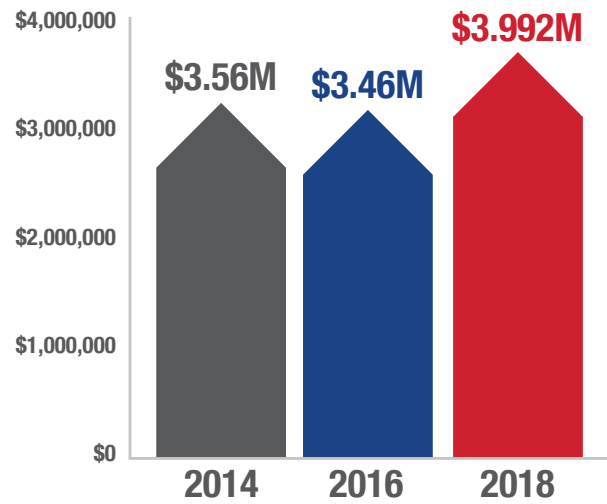
When comparing social media metrics earned during the 2018 Annual Meeting to the 2019 Annual Meeting, impressions increased by 47%, engagements increased by 32%, and link clicks to AAOS web properties increased by 43%.

PAC ENGAGEMENT

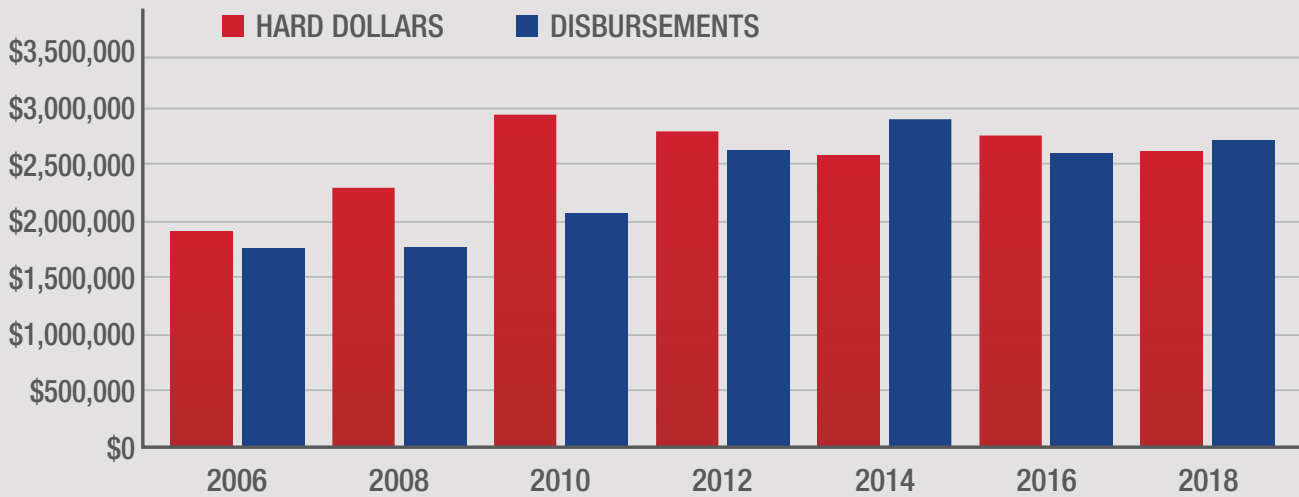
OrthoPAC engagement also increased substantially. The PAC operates on a two-year election cycle and is coming off the best period in its history, reaching a \$4 million fundraising goal for the 2018 election cycle, 15% growth from the previous cycle. In 2017-18, OrthoPAC supported over 320 candidates and Members of Congress, with win rates of 90% in the House and 86% in the Senate.

In 2019, the OrthoPAC started the 2020 election cycle even stronger. OrthoPAC raised over \$1.9 million, \$45,000 ahead of the pace from 2017, the last off-election fundraising year. AAOS secured 300+ first-time PAC donors and disbursed over \$1 million to engage on key advocacy issues.

PAC SEES **15%** GROWTH



ORTHOPAEDIC PAC POLITICAL DISBURSEMENTS



Election Cycle	2005-06	2007-08	2009-10	2011-12	2013-14	2015-16	2017-18
Hard Receipts	\$1,915,700	\$2,277,000	\$2,951,100	\$2,738,200	\$2,508,800	\$2,638,000	\$2,532,000
Disbursements	\$1,778,100	\$1,703,800	\$2,025,500	\$2,552,000	\$2,879,300	\$2,576,000	\$2,695,000

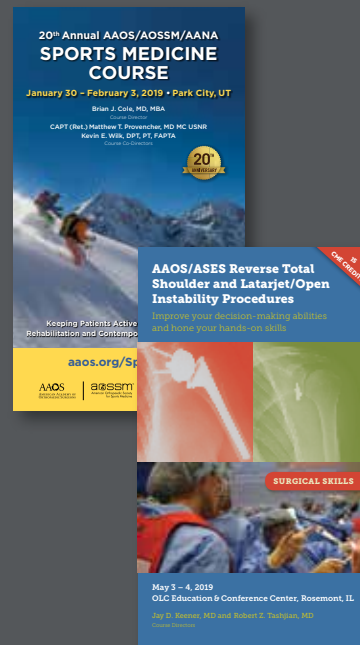
BREAKING BARRIERS — EXPERIENCE

CONTENT DELIVERY

In 2019, AAOS expanded into new frontiers for content with a series of first-time offerings.

Courses and Online Learning

- Expanded into hybrid and seamless course delivery by offering AAOS Outpatient and Rapid Recovery in Total Joint Replacement as the first live-streamed full-day course in AAOS history.
- Created new access to education by broadcasting Saturday Morning AM Live sessions, offering members the opportunity to sit in remotely on AAOS' surgical skills courses.
- Launched the OnDemand suite of products, including the live orthopaedic course and Annual Meeting sessions, providing the opportunity to take a virtual seat and learn as if attending in person.
- Hosted 68 webinars and launched 72 new learning items on the Learning Management System (LMS).



JAAOS®

- Branched into podcasts, launching JAAOS Unplugged® and generating more than 20,000 downloads.
- JAAOS Global Research & Reviews, the Academy's official open access journal, is now included in PubMed Central®, The Emerging Sources Citation Index (ESCI), and the Directory of Open Access Journals (DOAJ).
- Residents and medical students can engage through the launch of a new section of JAAOS—The Training Room, and a monthly blog—Sounds from the Training Room, both focused on mentoring and resident education.



Orthopaedic Video Theater (OVT)

- The relaunched OVT created new types of content and drove record usage. AAOS launched 6 OVT channels, published 26 videos in the new category of user-submitted content, and reviewed over 200 new videos for release in 2020 on OVT Plus.
- OVT Plus videos feature the same high-quality, peer-reviewed content as OVT and are now paired with continuing medical education (CME). AAOS partnered with academic institutions such as Yale and the University of Pennsylvania to create sponsored channels.



NEW AREAS OF EDUCATION

In 2019, AAOS made significant strides delivering on its Practice Management (PM) Strategy.

AAOS held 18 PM sessions during Annual Meeting and launched a dedicated PM channel on OVT. Along with a four-part coding webinar series, such offerings enabled physicians to run more efficient, profitable, and compliant practices.

AAOS upgraded its Code-X product to relaunch in early 2020, increasing efficiency with more points of access and allowing physicians to reduce denied and rejected claims and use a Relative Value Unit (RVU) tracker to forecast upcoming payments.



TRANSFORMING RESIDENT CURRICULUM

The AAOS Board of Directors approved a \$4.9M strategic investment to revolutionize resident education. With no universal orthopaedic curriculum today, residency programs vary based upon the organization and implementation of each individual Program Director. The AAOS will transform the current, fragmented resident curriculum model into a comprehensive and standardized one.

The Academy plans to better facilitate the capability to test knowledge consistently, align the Orthopaedic In-Training Exam (OITE) with the American Board of Orthopaedic Surgery (ABOS) Part I Exam, identify and support struggling learners, and focus on educational content in the area of procedural skills/techniques. Residents will have education more personalized to their individual learning needs, while Program Directors will see a more seamless setup of cohorts and easy access to curriculum pathways based on need, with timely data-driven reporting.

TECHNOLOGY AND DATA

The Academy invested in its technology infrastructure to make the member, customer, and partner experience more personalized and seamless. With its website a primary touchpoint for engagement, AAOS redeveloped its entire platform and site infrastructure in 2019, to launch a refreshed website in early 2020.

AAOS upgraded data collection capabilities and developed a new common member profile, reaching 90% completeness for key demographic and preference data for all domestic members.

AAOS increased the ability for members to manage their marketing preferences and share topic and sub-specialty education interests in order for AAOS to better tailor communications and offerings to member needs.

BREAKING BARRIERS — **QUALITY**

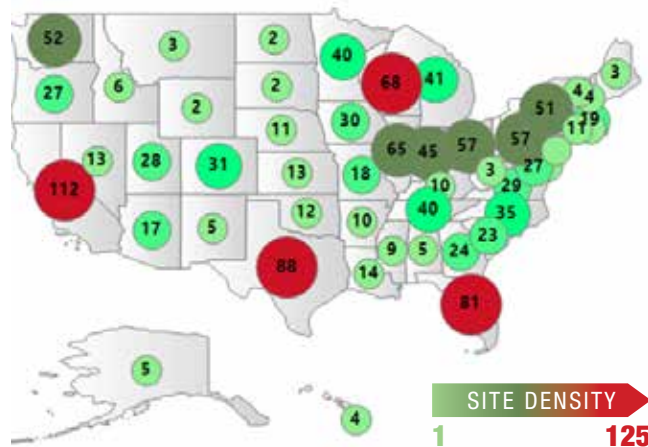
REGISTRY VALUE

The AAOS family of registries' mission is to improve orthopaedic care through the collection, analysis, and reporting of actionable data. In 2019, AAOS continued to build participation and engagement for its cornerstone registry, the American Joint Replacement Registry (AJRR), while also growing its family of registries in new directions.

AJRR growth resulted in collected data on almost 1.9M hip and knee arthroplasty procedures. AJRR is the largest orthopaedic registry by annual procedure count, with participation spanning 1,340 sites, representing all 50 states and the District of Columbia.

All reuse opportunities for registry participation can be found online at www.aaos.org/registries, with an exciting value for AAOS members to receive up to 10 Self-Assessment Exam (SAE) credits. The AAOS Registry Analytics Institute launched, providing clinical investigators the opportunity to apply for analyses with registry data.

AJRR sites in the United States



EXPANDING FAMILY OF REGISTRIES

Since 2017, the AAOS Registry Program has added registries in new procedural and diagnosis areas including the Shoulder & Elbow Registry (SER) and Musculoskeletal Tumor Registry (MsTR). At the 2019 Annual Meeting, AAOS launched two new modules for SER beyond shoulder arthroplasty: one focused on rotator cuff repair and a second module for elbow arthroplasty. Launching in January 2019, the MsTR pilot, with collaborative support from the Musculoskeletal Tumor Society (MSTS), ascended to a full-fledged registry for orthopaedic oncology data. In addition, AAOS signed a formal partnership agreement with the American Association of Neurological Surgeons (AANS) to launch the American Spine Registry (ASR) in 2020.

AAOS REGISTRY PROGRAM

- ✓ American Joint Replacement Registry
- ✓ Shoulder & Elbow Registry
- ✓ Musculoskeletal Tumor Registry
- ✓ American Spine Registry, a partnership with the American Association of Neurological Surgeons

BUILDING INNOVATIVE PARTNERSHIPS

AAOS expanded its network of participants to include more Ambulatory Surgery Centers (ASCs) and private practices. To support this work, AAOS partnered with the Ambulatory Surgery Center Association (ASCA) to run a pilot supporting ASCs with limited technical capabilities and with OrthoForum to facilitate private practice feedback.

The AAOS and The Joint Commission partnership oversees scientific issues, performance measures, and quality improvement activities related to the Advanced Total Hip and Knee Replacement (THKR) Certification. As of July 2019, AJRR now serves as the sole pathway for hospitals and ASCs to meet the national registry participation requirement for achieving Advanced THKR certification.

In collaboration with the American Board of Internal Medicine's (ABIM) 2020 Choosing Wisely campaign, the AAOS Board approved five statements supported by AAOS' clinical practice guidelines. Through this contribution, the Academy's goal is to promote reduced utilization of non-evidence-based treatments in musculoskeletal healthcare.

COMMITMENT TO BIOLOGICS LEADERSHIP

The Academy is positioning itself to be a leader in the rapidly growing field of biologics.

In November 2019, AAOS announced the launch of its strategic investment in this biologics effort. AAOS will prioritize its efforts to develop a biologics-focused competency within the Academy's existing offerings. The Academy's focus is providing evidence-based, unbiased information to guide orthopaedic surgeons and inform patient education.

Over the next three years, the Academy will invest at least \$1.25 million in this initiative to support the prioritization and execution of key activities to develop and deliver a biologics-focused portfolio.

With the Academy's trusted, rigorous process for reviewing evidence, AAOS is in a prime leadership position to expand the science and understanding of biologics for orthopaedic care. Key activities of the initiative will include symposia, evidence-based systematic reviews, white papers and consensus statements, and other educational content.

The AAOS submitted the following evidence-based recommendations for inclusion in the 2020 Choosing Wisely campaign:

- 1** Avoid routine use of Continuous Passive Motion (CPM) after knee arthroplasty.
- 2** Avoid routinely performing arthroscopy with lavage and/or debridement in patients with a primary diagnosis of symptomatic osteoarthritis of the knee.
- 3** Do not transfuse asymptomatic postoperative hip fracture patients with a hemoglobin higher than 8g/dl.
- 4** Avoid routine use of therapy following carpal tunnel release.
- 5** Avoid routine use of opioids for treatment of knee osteoarthritis, hip osteoarthritis, low back pain, or rotator cuff injury.

Note: Approved by AAOS Board of Directors in October 2019

ADVANCEMENT OF THE HIGHEST QUALITY CARE

AAOS remains committed to advancing quality, providing thought leadership and guidance, and supporting clinicians as they deliver the highest quality orthopaedic care. AAOS developed 11 new Clinical Practice Guidelines (CPGs) and Appropriate Use Criteria (AUCs) in 2019, including:

- CPG for Diagnosis and Prevention of Periprosthetic Joint Infections
- CPG for Management of Rotator Cuff Injuries
- AUC for Surgical Site Infections

AAOS' unique expertise developing quality improvement programs is highly valued by partners. In 2019, AAOS utilized funding from the Department of Defense to develop additional CPGs and AUCs in specific targeted areas of scientific evidence:

- CPG and AUC for Limb Salvage or Early Amputation
- CPG for Evaluation of Psychosocial Factors Influencing Recovery from Adult Orthopaedic Trauma
- AUC for Acute Compartment Syndrome

AAOS partnered with several specialty societies, including developing and endorsing additional guidelines:

- CPG for Perioperative Pain Management with the American Association of Hip and Knee Surgeons (AAHKS)
- CPGs for Physical Therapy for Total Knee Arthroplasty and for Physical Therapy Management of Parkinson's Disease with the American Physical Therapy Association (APTA)
- CPG for Pain Management in Acute Musculoskeletal Injury with the Orthopaedic Trauma Association (OTA)

AAOS convened surgeon volunteers across its governance structure to develop definitions of Quality and Value specific to orthopaedics, for use in both quality and advocacy initiatives. In an evolving healthcare landscape that has seen consistent movement toward value-based care, AAOS is taking a leadership role to shape change in ways that support orthopaedic clinicians and their patients.



AAOS DEFINITIONS OF QUALITY AND VALUE IN ORTHOPAEDICS

QUALITY

- Is the successful delivery of appropriate, evidence-based musculoskeletal healthcare in an effort to achieve sustained patient-centered improvements in health outcomes and quality of life
- Is exemplified by a physician-led musculoskeletal team focused on the individual patient's preferences in the delivery of care that is safe, accessible, equitable, and timely
- Fosters evidence-based innovation essential for the advancement of professional and scientific knowledge

VALUE

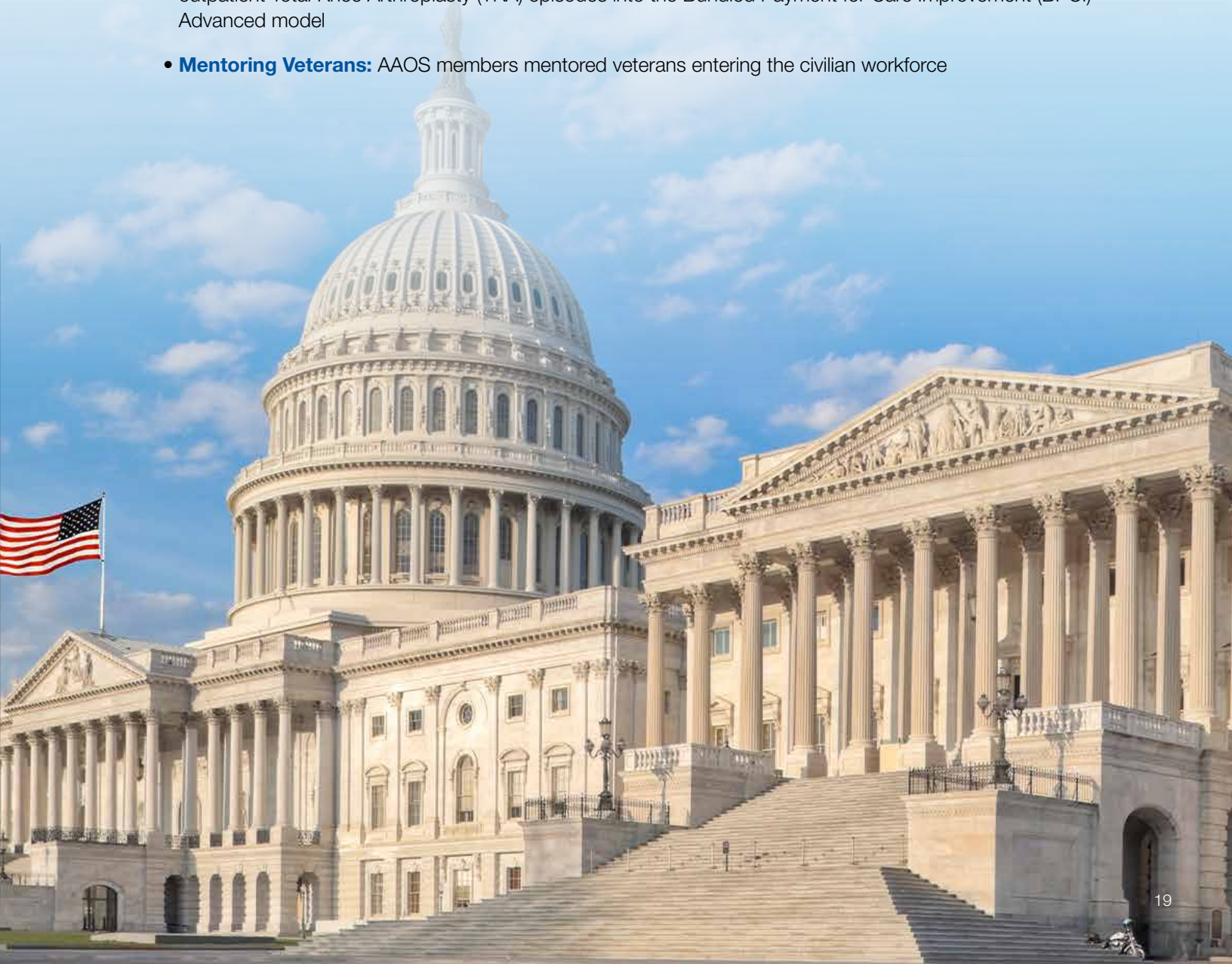
Value is defined as the relationship of a patient-centered health outcome to the total cost required to reach that outcome, given that:

- Care is: evidence based, appropriate, timely, sustainable, and occurs throughout a full cycle of musculoskeletal care for a patient's condition
- Cost of musculoskeletal care is an investment and includes consideration of greater lifestyle and economic impacts

ADVOCACY FOR ORTHOPAEDICS

Advocacy is a vital and thriving component of the influence and value AAOS provides its members and the orthopaedic profession. In 2019, AAOS focused on diverse issues, such as:

- **Surprise Billing:** AAOS built critical support for Independent Dispute Resolution, preventing 2019 passage of federal rate setting that would have led to a 15-20% rate cut for in-network physicians
- **Physician-Owned Hospitals:** AAOS worked with the Center for Medicare and Medicaid Innovation (CMMI) to create a demonstration model for physician-owned hospitals as a step toward repealing restrictions on physician ownership
- **Peer Reviewed Orthopaedic Research Program (PRORP):** AAOS secured \$30 million in funding to support research on extremity war injuries
- **CMS Guidelines:** AAOS strongly advocated for additional education on orthopaedic procedures coming off of the inpatient-only list and on Medicare's two-midnight rule, as well as on appropriate use criteria for advanced diagnostic imaging
- **Bundled Payments:** AAOS advocated with Centers for Medicare and Medicaid Services (CMS) leadership and initiated a Congressional letter to CMS that resulted in lifting the 50% gainsharing cap and adding outpatient Total Knee Arthroplasty (TKA) episodes into the Bundled Payment for Care Improvement (BPCI) Advanced model
- **Mentoring Veterans:** AAOS members mentored veterans entering the civilian workforce



PAC ADVOCACY AND PARTNERSHIP

The Orthopaedic PAC advocated for interests across a diverse membership with scale and access unmatched by individual specialty societies. AAOS continued to expand partnerships with orthopaedic societies through the Advisor's Circle, AAOS' premier PAC corporate donor program, raising over \$90,000 in new Advisor's Circle revenue and aligning on key issues in orthopaedics.



THE ORTHOPAC ADVISOR'S CIRCLE IS THE AAOS' PREMIER PAC CORPORATE DONOR PROGRAM.

The Orthopaedic PAC Advisor's Circle is a corporate donor program designed to provide AAOS Members' group practices and sub-specialties with a leadership role within the Political Action Committee of the American Association of Orthopaedic Surgeons (Orthopaedic PAC). The Advisor's Circle also maximizes political and legislative opportunities for each group on a personalized basis. When the program launched three and a half years ago, AAOS could not have imagined the success it would foster or the positive impact it would have on AAOS' legislative and regulatory advocacy efforts. Today, it is 25 groups strong and has a 100 percent retention rate.

Orthopaedic PAC Advisor's Roundtable offers orthopaedic group practices the ability to bring their particular expertise to the political process to help drive the advocacy agenda of the American Association of Orthopaedic Surgeons. The PAC Advisor's Roundtable advises the Orthopaedic PAC Executive Committee on initiatives that directly impact orthopaedic surgery.

BREAKING BARRIERS — **CULTURE**

REFRESHED CORE VALUES

The Academy defined a refreshed set of core values and associated behaviors as a vital foundation within the new strategic plan. The new core values are now embedded in the strategic plan and will provide a guidepost for AAOS decision-making and behaviors going forward.

The Academy is focusing on its ability to serve its stakeholders through leadership, shaping the future instead of reacting to it, and renewing its commitment to build diversity, respect, and trust in its collaborations and actions.

LEADING TO SERVE

- 1 We relentlessly focus on enabling our profession to better serve our patients.
- 2 We mentor and support our members to drive excellence in musculoskeletal health.
- 3 We engage members, partners and patients where they are, and lead them forward.
- 4 We practice transparent decision-making and open communication.

SHAPING OUR FUTURE

- 1 We use data and evidence to stay a step ahead.
- 2 We advocate to promote quality musculoskeletal care.
- 3 We proactively embrace disruptors, and develop innovative products and services.

EXCELLENCE TOGETHER

- 1 We empower and seek input from all people, not just the majority.
- 2 We acknowledge unconscious biases, and seek to address barriers to inclusion.
- 3 We collaborate based on mutual respect and trust.





DIVERSITY AND LEADERSHIP

The new AAOS Strategic Plan includes a goal to evolve the culture of AAOS' Board of Directors and volunteer structure, including increasing diversity. To operationalize this renewed commitment to diversity, the AAOS Board of Directors charged its Diversity Advisory Board (DAB) to provide recommended tactics to achieve this goal. In June 2019, the AAOS Board of Directors approved all tactics and metrics as proposed by the DAB. The DAB will also be instrumental in the execution of the diversity strategy, which focuses on four key tactics:

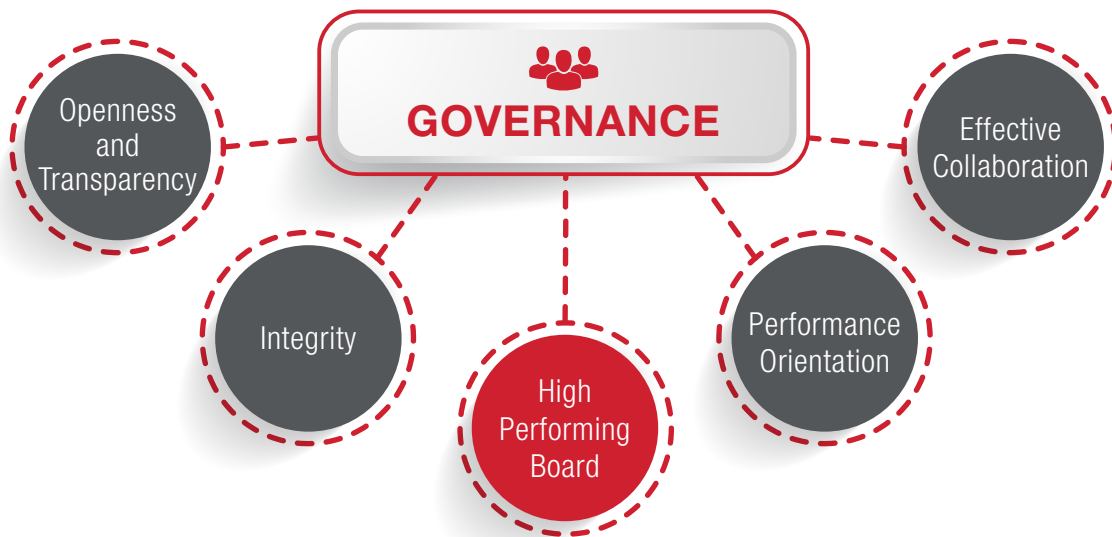


Supporting cultural goals to promote diversity, innovation, mentorship and future leaders, AAOS is building a new leadership development program for its member volunteers. The new leadership program will expand access to opportunities for more members and encourage growth in skills and competencies deemed most important to success as an AAOS leader. The program will launch in stages over the next two years.

BEST-PRACTICE GOVERNANCE

In 2019, AAOS expanded on its prior year approval of new governance goals of Engagement, Leadership, and Efficiency, to take its Board and member volunteers to new levels. AAOS began implementing Governance Principles throughout the organization, through several key activities, including:

- Established the first-ever Governance Committee, charged to develop and implement new governance structures and procedures to support the Governance Principles
- Created a Membership Council, elevating Membership from a committee level to a core focus within AAOS governance
- Redesigned and implemented new orientation and training for Board of Directors and volunteer leaders, focused on strategic thinking, fiduciary responsibility, and innovation



GOVERNANCE AND THE STRATEGIC PLAN

Governance provides strategic leadership in the execution of the Strategic Plan



BREAKING BARRIERS — **STRATEGY**

STRATEGIC PLAN

With a new five-year strategic plan approved in December 2018, AAOS focused in 2019 on implementation to develop, guide, and prioritize decision-making, current initiatives, and future strategy. With an ambitious new vision as the trusted leaders in advancing musculoskeletal health, the Academy sought to live up to the lofty ideals of the strategic plan with focused efforts along the lines of its key goals: Experience, Quality, and Culture.

We defined a new strategic direction.



Learn more at AAOS.org/StrategicPlan

All initiatives and actions are now aligned directly to the strategic plan. AAOS' mission, vision, and goals function as a lens through which to make decisions and prioritize activity. Examples of key initiatives aligning directly to the plan in 2019:

EXPERIENCE

Deliver a personalized and seamless member experience

- Live-streamed courses and JAAOS Unplugged® podcast
- Annual Meeting beacon system and Innovation Theater
- OVT, Code-X, Career Center, and Advocacy Action Center relaunches
- Enhanced aaos.org and member profiles

QUALITY

Equip members to thrive in value-based environments and advance the quality of orthopaedic care

- AJRR Growth and Partnership with The Joint Commission
- Expansion of AAOS Family of Registries
- Commitment to leadership in Biologics
- Definitions of Value and Quality

CULTURE

Evolve the culture and governance of AAOS' board and volunteer structure to be more strategic, innovative, and diverse

- New Core Values
- Governance Committee and redesigned orientation
- New Strategic Plan
- Diversity Strategy

AAOS is excited to continue moving in a strategic direction and has remained highly focused on aligning initiatives toward achieving its three core goals. None of these accomplishments could have been successful without the continued dedication and support of all AAOS members, partners and staff.

The Academy has broken many barriers in 2019 across the organization, and is ready to continue building upon this new foundation into the future.

2019 FINANCIAL PERFORMANCE

FINANCIAL POSITION (DOLLARS IN THOUSANDS)

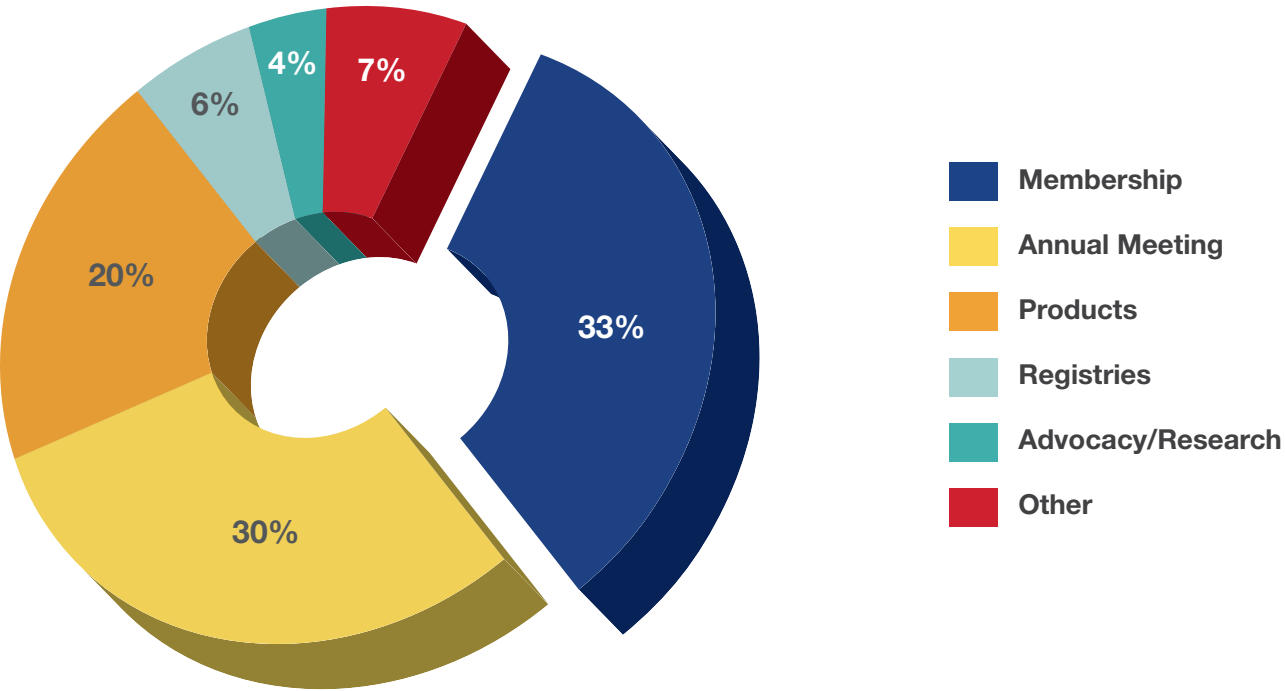
		Dec 2019	Dec 2018
ASSETS	Cash & Cash Equivalents	33,245	31,562
	Accounts Receivable	8,986	6,499
	Investments	112,659	97,683
	Property and Equipment	9,830	8,583
	Other Assets	3,892	5,232
	TOTAL	168,612	149,559
LIABILITIES	Accounts Payable and Accrued Expenses	8,895	8,544
	Deferred Revenue	25,892	26,567
	TOTAL	34,787	35,111
NET ASSETS	Unrestricted	129,503	110,305
	Temporarily Restricted	4,322	4,143
	TOTAL	133,825	114,448

CHANGE IN NET ASSETS (DOLLARS IN THOUSANDS)

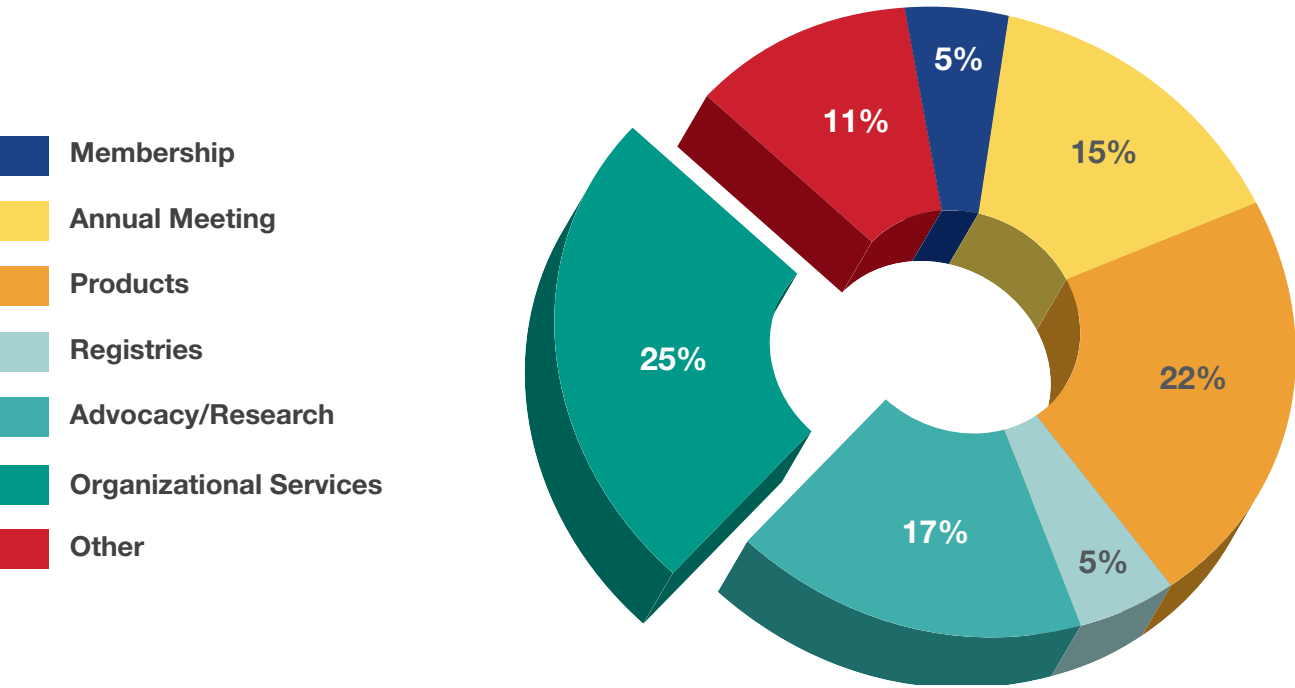
	Dec 2019	Dec 2018
REVENUES	66,415	63,120
EXPENSES	62,190	59,360
NET INCOME FROM OPERATIONS	4,225	3,760
INVESTMENTS	15,549	(4,077)
INVESTMENTS IN OPLLC	(576)	527
INVESTMENTS IN PROJECTS (FROM RESERVES)	0	(2,562)
CHANGE IN NET ASSETS	19,198	(2,352)

Note: 2019 results are unaudited

REVENUE BY SOURCE



EXPENSES BY SOURCE



WWW.AAOS.ORG



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