

2018 ANNUAL REPORT

DELIVERING ON
THE PROMISE OF
MEMBER VALUE

AAOS

AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

AMERICAN ASSOCIATION OF
ORTHOPAEDIC SURGEONS

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2018 LEADERSHIP

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

Executive Leadership Team

Thomas E. Arend, Jr., Esq., CAE, Chief Executive Officer
Dino Damalas, MBA, Chief Operating Officer
Laura Abrahams, Chief Human Resources Officer
Jennifer Wolff Jones, MBA, CAE, Chief Membership Officer
William O. Shaffer, MD, Medical Director
Anna Troise, MBA, Chief Education Strategist

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, the AAOS is the world’s largest 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.

THE PROMISE OF MEMBER VALUE



David A. Halsey, MD
AAOS President

David Halsey MD

AAOS is built upon the energy, experience, and commitment of our members.

Their support enables the Academy and the Association to consistently deliver value that benefits the lives and practices of our members, their patients, and the orthopaedic profession. An annual report provides the opportunity to reflect on our progress bringing the highest level of value to our members in the past year, and reaffirms our dedication and excitement to enhance such value in the years to follow.

At the Annual Meeting in March 2018, we talked about how form follows function. To deliver the greatest member value in 2018 and position AAOS for the future, we focused our structure, activities, and priorities to respond to the various disruptive changes affecting orthopaedic medicine. Our 2018 priorities included:

- Building new, more effective models for governance and strategy
- Managing orthopaedic tribalism through partnerships
- Enhancing the Academy's member benefits
- Supporting advocacy through research and quality

We successfully adopted our first set of governance principles and approved a new five-year Strategic Plan. We held two summits with specialty societies on how we can best work together, and created principles of partnership. We dramatically increased member value with new benefits, such as re-launching an enhanced Orthopaedic Video Theater (OVT) as a free member benefit and adding hundreds of surgical technique modules across specialties for online learning.

The American Joint Replacement Registry (AJRR) is the largest registry in orthopaedics with over 1.4 million procedures by annual procedure count. AJRR integrated Medicare claims data to reflect over 50 survivorship curves in its 2018 Annual Report. The Shoulder & Elbow Registry and the Musculoskeletal Tumor Registry Pilot also launched last year, as we continue to build a family of registries to support quality patient care and advocacy.

From a broader advocacy perspective, the AAOS-led Sports Medicine Licensure Clarity Act (H.R. 302) became law in October. We secured unprecedented guidance to remove total knee arthroplasty from the Medicare Inpatient-only list. These and other advocacy wins were supported by the success and influence of The Orthopaedic PAC, which raised a historic \$4 million for the 2018 election cycle and celebrates its 20th birthday in 2019.

We are proud of our many accomplishments and could not have been successful without the continued dedication and support of our volunteers and staff. We are excited to pursue our new Strategic Plan in 2019, continuing to grow member value as we together work to achieve our future vision.

On behalf of leadership and staff, thank you for another great year!



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

Thomas E. Arend Jr.

MEMBERSHIP

AAOS MEMBERS **39,000**

FELLOWS **18,000**

AAOS
Delivering
4x
THE VALUE

Active Fellow Dues \$995
**MEMBER VALUE
RECEIVED \$3,998**

AAOS

AMERICAN ACADEMY OF
ORTHOPAEDIC SURGEONS

AMERICAN ASSOCIATION OF
ORTHOPAEDIC SURGEONS

**2018
AT-A-GLANCE**

ANNUAL MEETING

27K ANNUAL MEETING ATTENDEES

9K DOMESTIC PHYSICIANS

3K INTERNATIONAL PHYSICIANS

250K NET SQ. FT EXHIBITORS

EDUCATION

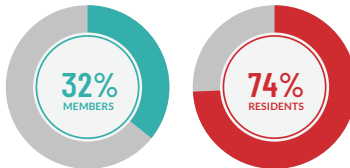
ACCESSED EXAMS IN 2018

OITE: **REGISTRANTS 5,000+**

CME COURSES: **SURGEONS 3,000+**

RESSTUDY: **RESIDENTS 2800+**

ACCESSED LMS IN 2018



OVER 1,000 NEW MODULES & PRODUCTS ON LMS

Journal of the
AAOS

AMERICAN ACADEMY OF ORTHOPAEDIC SURGEONS

**EXPANDED from 12 to 24
Issues Annually**

**MOST READ orthopaedic
clinical review journal
(Kantar Media 2018)**

ORTHOPAEDIC VIDEO THEATER

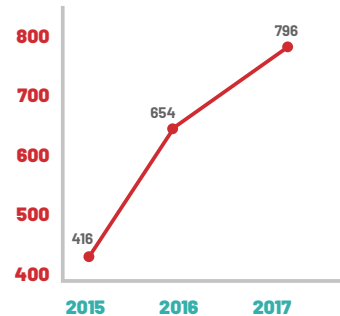
NOW A
FREE
MEMBER BENEFIT!

REGISTRIES

AJRR American
Joint Replacement
Registry
Improving Orthopaedic Care Through Data

**Largest Orthopaedic Registry
by Annual Procedures**
**1.4 Million Hip & Knee
Arthroplasty Procedures**

OF FACILITIES SUBMITTING DATA



NEW PARTNERSHIPS

THE JOINT COMMISSION:
*Hip/Knee Certification Now
Requires AJRR Participation*

CMS: *Integrated CMS Data and
Developed Survivorship Curves*

**INTERNATIONAL SOCIETY
OF ARTHROPLASTY
REGISTRIES:** *Launched
International Prosthesis
Library (IPL)*

NEW REGISTRY PROGRAM LAUNCHES

- › **Shoulder & Elbow Registry**
- › **Musculoskeletal Tumor Registry Pilot**

GOVERNANCE

Approved New Five-year
Strategic Plan

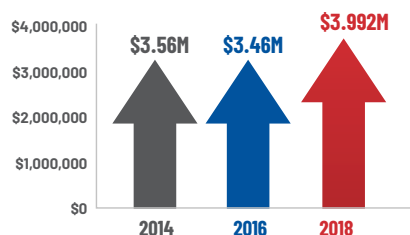
Adopted First Principles
of Governance

Developed Partnership
Principles with
Specialty Societies

ORTHOPAEDIC PAC

\$4 MILLION
in CONTRIBUTIONS

PAC SEES 15% GROWTH



KEY ADVOCACY WINS



REPEALED:
**INDEPENDENT
PAYMENT ADVISORY
BOARD (IPAB)**



PASSED:
**SPORTS MEDICINE LICENSURE
CLARITY ACT (H.R. 302)**



APPROVED:
**BUNDLED PAYMENT
FOR CARE IMPROVEMENT
(BPCI) ADVANCED**



DOWNSIZED:
**COMPREHENSIVE CARE FOR
JOINT REPLACEMENT (CJR)**



2018 FINANCIAL PERFORMANCE

FINANCIAL POSITION (DOLLARS IN THOUSANDS)

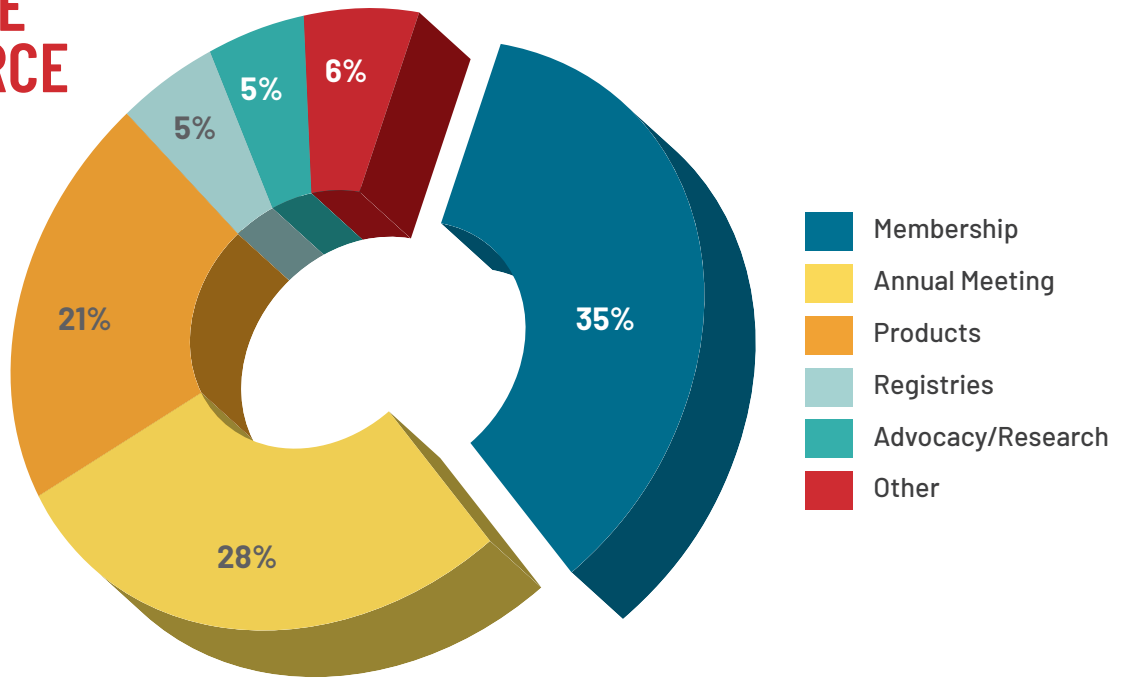
		Dec 2018	Dec 2017
ASSET	Cash & Cash Equivalents	31,562	33,804
	Accounts Receivable	6,566	7,826
	Investments	97,683	101,227
	Property and Equipment	8,583	7,498
	Other Assets	5,232	4,015
	TOTAL	149,626	154,370
LIABILITY	Accounts Payable and Accrued Expenses	8,481	9,331
	Deferred Revenue	26,568	27,897
	TOTAL	35,049	37,228
NET ASSETS	Unrestricted	110,435	112,656
	Temporarily Restricted	4,143	4,486
	TOTAL	114,578	117,142

CHANGE IN NET ASSETS (DOLLARS IN THOUSANDS)

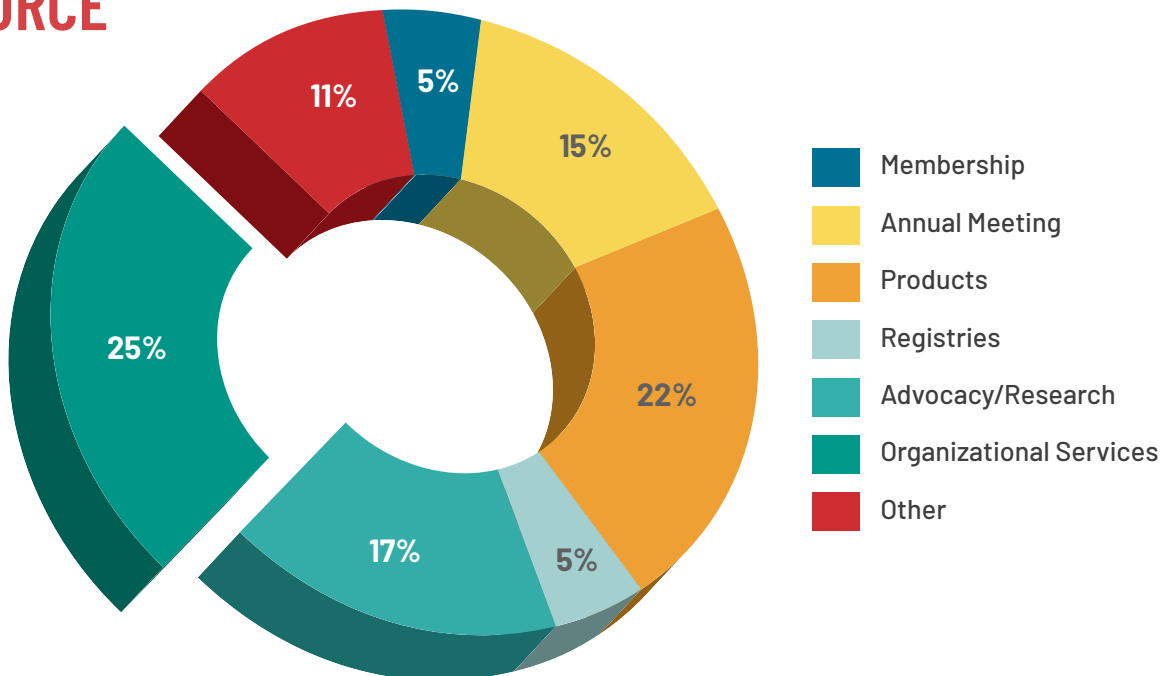
	Dec 2018	Dec 2017
REVENUES	63,188	59,684
EXPENSES	59,299	59,606
NET INCOME FROM OPERATIONS	3,888	78
INVESTMENTS	(4,078)	10,017
INVESTMENTS IN OPLLC	527	282
INVESTMENTS IN PROJECTS (FROM RESERVES)	(2,558)	(950)
CHANGE IN NET ASSETS	(2,221)	9,427

Note: Numbers may not sum due to rounding

REVENUE BY SOURCE



EXPENSES BY SOURCE



MEMBERSHIP UPDATE

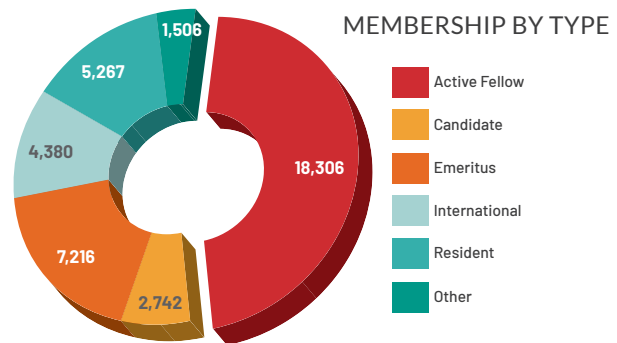
Value Through Member Benefits

In 2018, the Academy expanded existing resources and added new programs that generate more value to members at all career stages, from Annual Meeting to more peer-reviewed education and research by doubling the number of JAAOS issues, to re-launching a significantly enhanced Orthopaedic Video Theater (OVT) as a free member benefit. As a result, 2019 will deliver an even better return on our members' investment in membership.



Value in Membership Strength

2018 membership remained strong with more than 18,000 Active Fellows and 39,417 total members, including 2.3 percent overall membership growth from the prior year. This was also the first full year of membership for Physician Assistants, a new category that already includes 185 members.



ACADEMY VALUE

2019 Member Dues - Active Fellows			\$995
Academy Value	Nonmember Price	Member Price	Member Value
AAOS Annual Meeting advance registration	\$1,425	\$100	\$1,325
AAOS Career Center—CV review	Not available	Free	150
AAOS Now	86	Free	86
AAOS clinical webinars ¹	420	Free	420
Clinical Orthopaedics and Related Research	684	Free	684
Discounts on AAOS products, courses, and self-assessment ²	Not available	Not Available	150
JAAOS, JAAOS Global Research & Reviews, JAAOS+ webinars	489	Free	489
Newly expanded Orthopaedic Video Theater	349	Free	349
Surgical technique learning modules at learn.aaos.org ³	Not available	Free	345
			\$3,998

¹ value based on registration for 12 webinars ² value based on average annual savings ³ value based on estimated content usage

Value Through Partnership

The AAOS convened our first Partnership Summit at the 2018 Annual Meeting to identify key themes to advance our orthopaedic specialty partnerships, such as transparent communication, access to leadership, and tailored support. The Summit led to development of the AAOS Partnership Guiding Principles that will help build even greater collaboration, trust, and member value through our society relationships. The AAOS Board of Directors approved these principles in April and shared them at a second Partnership Summit at the National Orthopaedic Leadership Conference (NOLC) in June. We are excited to enhance our collaboration with diverse specialty societies in 2019.

THE AAOS IS COMMITTED TO DEVELOPING INTERACTIVE AND VIBRANT PARTNERSHIPS THAT WILL:

- P**rovide **AAOS Member Value**: All partnerships deliver value to AAOS members.
- A**lign with the **AAOS Strategic Plan**: All partnerships support the AAOS Strategic Plan and enhance partner value.
- R**einforce **Effective Communication**: Partners will establish and maintain clear, effective, and accountable two-way communication.
- T**hrive on **Professionalism and Mutual Value**: Interactions are centered around professionalism, respect, collegiality, trust, and appreciation of the relationship's mutual value.
- N**egotiate **Equitable, Clear, and Consistent Agreements**: Partnership agreements are equitable and comprehensive.
- E**stablish **Effective Processes with Assigned Accountabilities**: Partnership processes and roles are clear and utilized to increase efficiency and mutual accountability.
- R**eview and **Track Progress**: Every partnership creates and tracks metrics that are reviewed, communicated, and revised as necessary. Lessons learned are documented and shared.

ACADEMY BENEFITS

Benefit - Active Fellows	Nonmember	Member
"Fellow" designation		✓
AAOS Career Center—online job board		✓
Find an Orthopaedist (private directory)		✓
Find an Orthopaedist (public directory)	✓	✓
Headline News Now, Advocacy News Now		✓
Legislative and regulatory advocacy	✓	✓
Patient education resources at OrthoInfo.org	✓	✓
Professional compliance program, standards of professionalism		✓
Professional networking and volunteer opportunities		✓
Public and media relations resources		✓
Quality resources (clinical practice guidelines, appropriate use criteria, performance measures)	✓	✓
Tracking of continuing medical education credits and automatic submission to American Board of Orthopaedic Surgery		✓

ANNUAL MEETING

Value Attending Annual Meeting

Annual Meeting provided significant member value in 2018, with a member discounted attendance fee of only \$100 for AAOS Fellows who joined us in New Orleans. With almost 14,000 professional attendees, and over 27,000 including exhibitors, **the AAOS Annual Meeting was again the largest orthopaedic gathering in the country.** The meeting earned high satisfaction scores with 91 percent of our attendees.

Value Pursuing Knowledge

The 2018 Annual Meeting embodied the Academy's tradition as an unparalleled source of knowledge across orthopaedic specialties and topics. Attendees took advantage of a wide array of learning opportunities, including:

- 25 symposia;
- 243 Instructional Course Lectures (ICL) for which we sold over 26,000 tickets;
- 1,022 scientific posters;
- 900 paper presentations; and,
- 11 career development sessions in addition to targeted education for residents and medical students.

Specialist and General tracks in 10 classifications premiered and provided a customized approach to learning. **Annual Meeting education continues to have the highest level of importance to attendees.** The 2018 OnDemand product launched at the meeting with over 500 hours of recorded meeting content and 100 hours of CME. Over 1,600 units were sold. Academy Hall showcased various learning and engagement opportunities, such as OVT, Poster Tours, Scientific Exhibits and the Career Center.

Value Making Connections

With almost 250,000 net sq. ft. of exhibitor booth space in New Orleans, the 2018 Annual Meeting offered opportunities for members to connect with over 760 companies. Over 90 percent of attendees reported the technical exhibits are a valuable opportunity to learn about new products, visit multiple exhibitors in one location, visit specific exhibitors and evaluate/compare products. Networking connections with industry expanded with the addition of Industry Lunch and Learn Sessions. The meeting represents a chance to network and connect with almost 14,000 orthopaedic-related professionals of which 9,000 are AAOS members, as well as over 3,250 international physicians. The ability to make connections, catch up with others and meet people from around the world was identified by survey as an influential reason to attend the Annual Meeting.



TOTAL PROFESSIONAL ATTENDANCE: **13,843**

9,096

Domestic
Physicians

3,254

International
Physicians

1,493

Allied Health
and Medical Students

10,609 EXHIBITORS

2,663 OTHER

27,115

ANNUAL MEETING
ATTENDANCE



EDUCATION

Value in New Benefits

In October 2018, the Academy launched an enhanced Orthopaedic Video Theater (OVT) as a free member benefit to the entire AAOS membership. OVT Plus videos feature the same high-quality, peer-reviewed content previously highlighted at AAOS Annual Meetings and will also now be paired with continuing medical education (CME) for members who view the videos.

Another new benefit: Citations from all honorable mention and award-winning OVT videos from each AAOS Annual Meeting will be published in the Journal of the American Academy of Orthopaedic Surgeons (JAAOS), the premier orthopaedic peer-reviewed journal in the country and also a free benefit to AAOS members. This elevates the authors' profiles while underscoring the academic and educational value of their video contributions. Beyond OVT Plus video, aaos.org will soon offer content from leading institutions, industry, and societies. In addition, authors can submit videos for faster publishing under the new user-submitted video category. The all-new OVT will quickly become the destination website for surgeons to expand their knowledge and interact with peers from around the globe.

Value Through Access

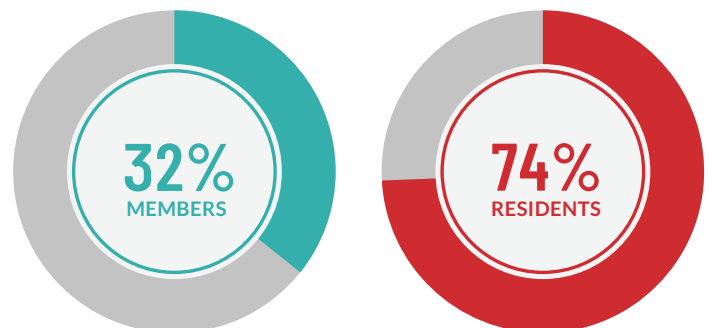
The AAOS dramatically increased the educational content accessible to our members in 2018. Over 1,000 new online learning products and modules were added to the Learning Management System (LMS), including OVT videos and both generalist and specialty-based surgical technique guides. Approximately 90 percent of LMS content is now free to AAOS members.

ACCESSED EXAMS IN 2018



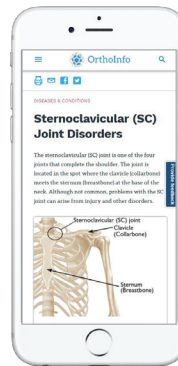
The Orthopaedics In-training Exam (OITE) remained the premier residency exam in the country. ResStudy is a companion product offering more than 4,000 test questions. More than 2,800 residents have subscribed to ResStudy. Over 3,000 surgeons took live courses offering CME credit, including skills courses at the state-of-the-art Orthopaedic Learning Center (OLC).

ACCESSED LMS IN 2018



JAAOS also doubled from 12 to 24 issues annually. As a result, JAAOS significantly increased the research presented and delivered greater access to new orthopaedic knowledge for AAOS members.

In 2018, OrthoInfo.org, the Academy's patient education website, received more than 34 million visits. A free member resource, OrthoInfo provides a trustworthy access point to medical information for our members and their patients. OrthoInfo features more than 400 articles, videos, and animations on common orthopaedic topics, all developed and peer-reviewed by Academy members.



Value in Lifetime Learning

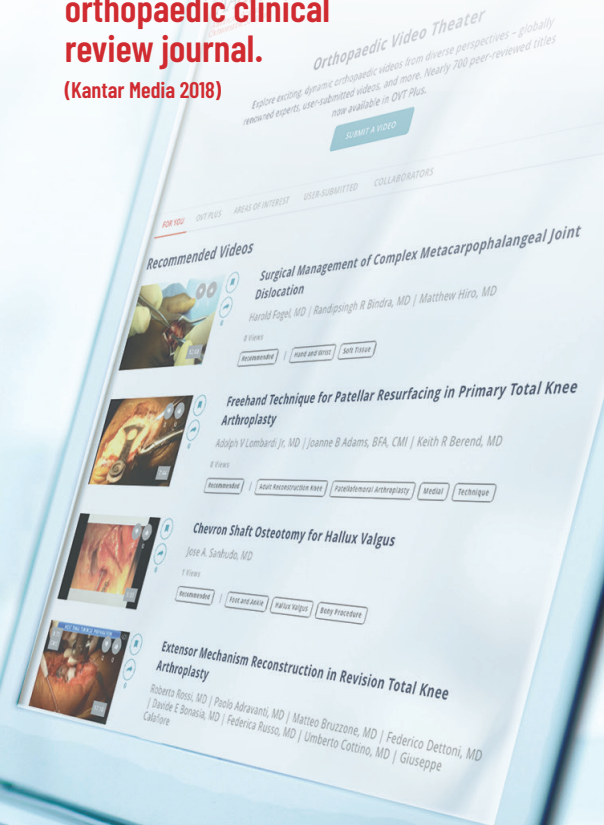
The Academy enabled members to pursue lifelong learning tailored to any career stage, orthopaedic topic, or sub-specialty on varied platforms meeting any learning style. AAOS members were provided an unprecedented range of online learning in 2018, often as a free member benefit or at discounted cost. This included learning opportunities across the educational spectrum, from video to online learning, live courses to Annual Meeting, and ResStudy to Maintenance of Certification (MOC) exams for CME.

Explore exciting, dynamic orthopaedic videos from diverse perspectives on the newly expanded OVT—now available **FREE** as a benefit of AAOS membership!

video.aaos.org

JAAOS is the most read orthopaedic clinical review journal.

(Kantar Media 2018)



ORTHOPAEDIC VIDEO THEATER
VIEW MORE • SUBMIT MORE • BENEFIT MORE

AAOS FAMILY OF REGISTRIES

Value as Registry Leader

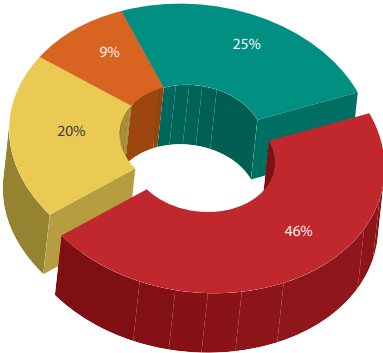
2018 marked an exciting year for AAOS and our growing Registry Program, including our cornerstone registry, the American Joint Replacement Registry (AJRR). Our registry mission is to improve orthopaedic care through the collection, analysis, and reporting of actionable data. With over 1 million patients and over 1.4 million hip and knee arthroplasty procedures, the AJRR is the largest orthopaedic registry in the world by annual procedure count.

Value Through Data

The AJRR's 2018 Annual Report reflected data on almost 1.2 million procedures from 796 institutions collected since 2012. AJRR has expanded collection of patient-reported outcome measures and launched the International Prostheses Library (IPL), hosted by AJRR in partnership with the International Society of Arthroplasty Registries (ISAR). AJRR acquired and integrated Medicare claims data in 2018, allowing presentation of over 50 survivorship curves and providing a more complete picture of our patient population and their outcomes, including data on comorbidities and revision procedures performed at non-AJRR participating hospitals.

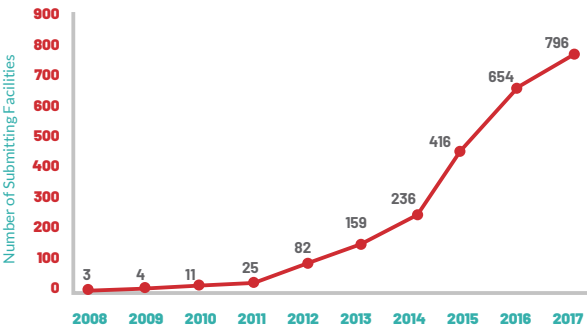
AJRR Data: All Types of Institutions are Submitting Data at a Growing Pace

HOSPITAL SIZE (BED COUNT) OF SUBMITTING HOSPITALS* (N=735)



- Small (1-99 beds): 183
- Medium (100-399 beds): 336
- Large (400+ beds): 147
- Unknown Bed Count: 69

NUMBER OF FACILITIES SUBMITTING DATA BY YEAR



**AHA Annual Survey Database Fiscal Year 2015 used to determine bed size. Not all participating hospitals had relevant data in the AHA survey*



Value Through Expansion

The Academy is building upon the foundation of AJRR, developing a wider family of orthopaedic registries that can support research, advocacy, reimbursement, and quality improvement for our members. In October 2018, AAOS launched our newest registry, the Shoulder & Elbow Registry (SER). The first module covers shoulder arthroplasty procedures with plans to launch additional modules for rotator cuff repair and elbow replacement in 2019. The Academy's Registry Program also initiated, in collaboration with the Musculoskeletal Tumor Society (MSTS), the Musculoskeletal Tumor (MsT) Registry Pilot for data covering procedures in orthopaedic oncology. The effort involves six pilot sites at major U.S. academic centers.

The AAOS also expanded the reach and value of registries through a partnership with The Joint Commission (TJC), to require AJRR participation for providers and institutions to obtain TJC's Total Hip and Knee Replacement (THKR) Certification.

Additionally, we have expanded the access of the AAOS RegistryInsights™ platform so surgeons at participating sites can view their cases on easy-to-navigate dashboards. This allows surgeon members access to national benchmarks and reports for quality initiatives and improvement activities.

QUALITY AND ADVOCACY

Value in Research and Quality Improvement

CLINICAL PRACTICE GUIDELINES AND TOOLS

The AAOS is committed to advancing quality health care through scientific research, review, and development of guidelines and tools to enable our members to improve quality and patient outcomes. Our work developed in 2018 includes:

- New Clinical Practice Guidelines (CPGs) for Surgical Site Infections and for Acute Compartment Syndrome.
- Multiple Appropriate Use Criteria (AUC) for Developmental Dysplasia of the Hip, including one for Generalists and Referring Physicians, and a second AUC for Specialists.
- *Performance Measures for Management of Hip Fractures in the Elderly: Timing of Surgical Intervention; and Management of Carpal Tunnel Syndrome*. Both measures are being recommended to the Department of Health and Human Services (HHS) to be added to the Merit-based Incentive Program (MIPS) under the condition that they are endorsed by the National Quality Foundation (NQF).

The AAOS also partnered with several societies, including developing and endorsing:

- A CPG for Tranexamic Acid in Total Joint Arthroplasty with the American Association of Hip and Knee Surgeons (AAHKS);
- A CPG and AUC on the Use of Imaging Prior to Referral to a Musculoskeletal Oncologist with MSTs.

The Academy also published over 40 articles in AAOS Now to share quality and patient safety tools and developed an online Pain Relief Toolkit, along with many articles and presentations in non-AAOS venues.

RESEARCH AGENDA

The AAOS research agenda continued to flourish in 2018, with several key committees leading our efforts. The Committee on Biologics and Regenerative Medicine (CBRM) provided guidance to the FDA on cellular products, and worked on statements for emerging biologics, musculoskeletal tissue allografts, and tissue engineering.

The Biomedical Engineering Committee piloted a series of focus groups with leaders in government, industry, consulting, and surgery around registries being used for regulatory affairs to help validate products. The AAOS Council on Research and Quality (CoRQ) approved the Research Development Committee (RDC) recommendations for Kappa Delta Award winners, bestowed for outstanding manuscripts that focus on basic and/or clinical research related to the musculoskeletal system. The RDC also worked on the Clinician Scholar Career Development Program and collaborated with the Orthopaedic Research and Education Foundation (OREF) and the Orthopaedic Research Society (ORS) on a unified research agenda and combined missions to lobby on Capitol Hill.



Value Through Advocacy

2018 was a year of significant advocacy victories for AAOS. The AAOS is consistently focused on addressing the issues most vital for our members and advancing the orthopaedic profession.

▶ IPAB REPEAL AND MEDICAL LIABILITY REFORM

Perhaps the most notable victory was the repeal of the Independent Payment Advisory Board (IPAB). Over an eight-year period, the Office of Government Relations (OGR) team successfully built support by organizing hundreds of orthopaedic surgeons to advocate on Capitol Hill or talk to elected representatives on this issue.

The Sports Medicine Licensure Clarity Act (H.R. 302) was signed into law, providing legal protection for travelling team physicians across state lines to serve their injured athletes. The AAOS worked closely with the four co-leads on this legislation to shape the language and secure its passage.

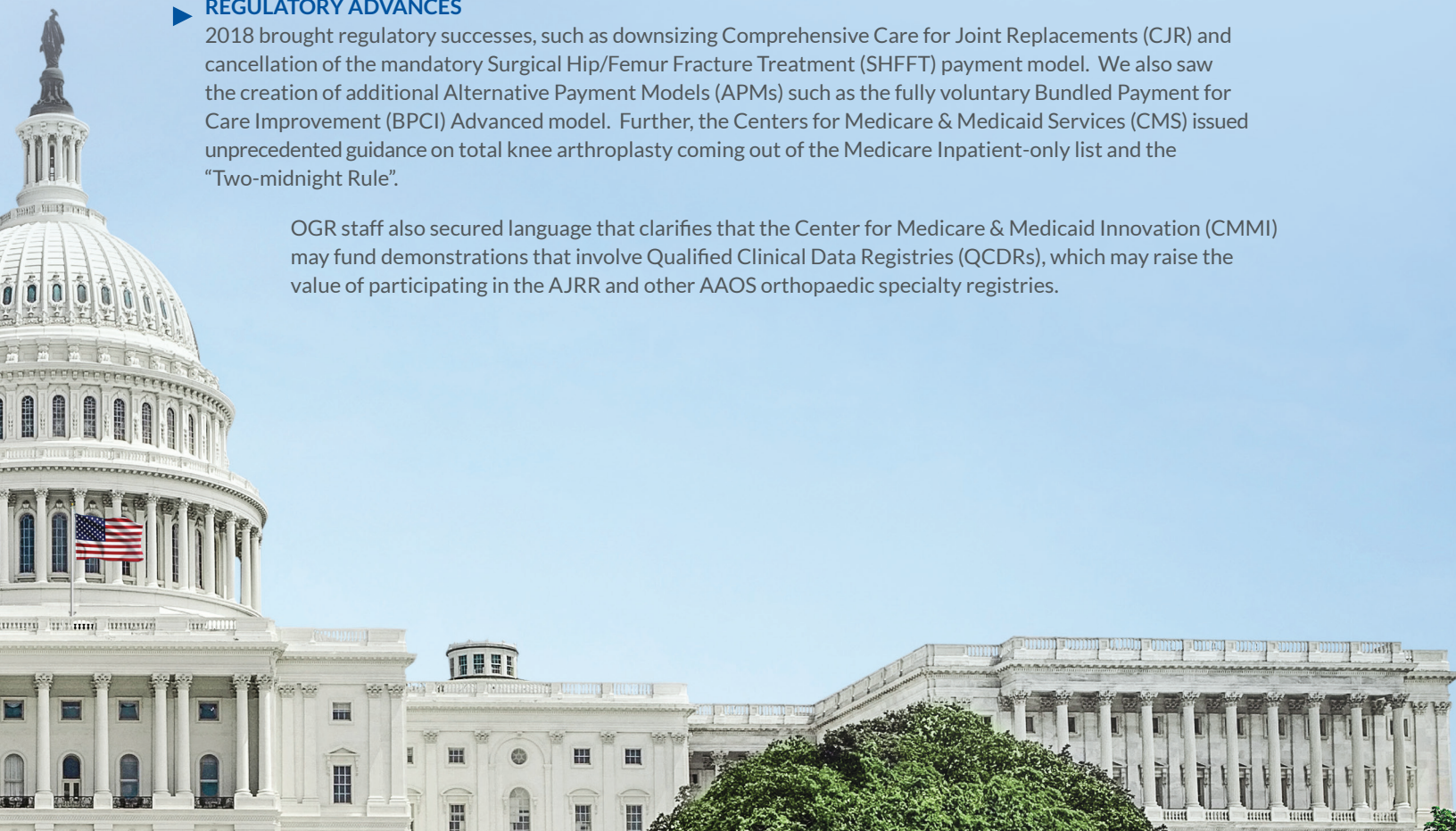
▶ PAYMENTS AND OWNERSHIP PROGRESS

In 2018, technical fixes that AAOS requested were made to the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), including improvements to the Cost performance category of the Merit-based Incentive Payment System (MIPS). The AAOS lobbied for and saw introduction of the Patient Access to Higher Quality Care Act of 2017 (H.R. 1156) which would lift the ban on creation and expansion of physician-owned hospitals.

▶ REGULATORY ADVANCES

2018 brought regulatory successes, such as downsizing Comprehensive Care for Joint Replacements (CJR) and cancellation of the mandatory Surgical Hip/Femur Fracture Treatment (SHFFT) payment model. We also saw the creation of additional Alternative Payment Models (APMs) such as the fully voluntary Bundled Payment for Care Improvement (BPCI) Advanced model. Further, the Centers for Medicare & Medicaid Services (CMS) issued unprecedented guidance on total knee arthroplasty coming out of the Medicare Inpatient-only list and the “Two-midnight Rule”.

OGR staff also secured language that clarifies that the Center for Medicare & Medicaid Innovation (CMMI) may fund demonstrations that involve Qualified Clinical Data Registries (QCDRs), which may raise the value of participating in the AJRR and other AAOS orthopaedic specialty registries.

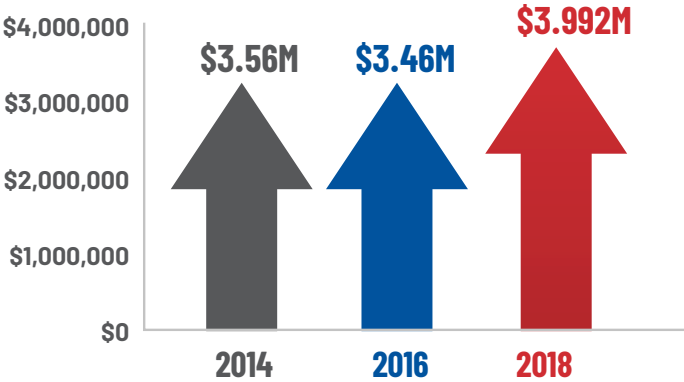


THE ORTHOPAEDIC PAC REPORT

Value in Your Participation

The Orthopaedic Political Action Committee (PAC) reached its best two-year cycle in our history, hitting its \$4 million goal and seeing 15% growth from our previous cycle. Thank you to everyone who has supported the Orthopaedic PAC this cycle. Every AAOS member, as well as our patients, benefits from having a strong and vibrant political action committee. In 2019, we will celebrate the 20th birthday of the PAC. We encourage all U.S. AAOS members to renew their support.

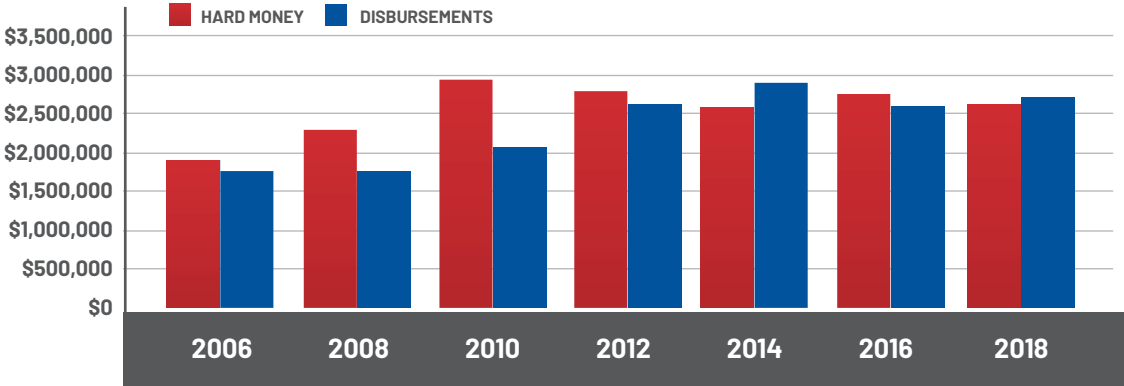
ORTHOPAEDIC PAC SEES 15% GROWTH



Value Through Our Political Support

In addition to our outstanding fundraising growth, we saw a tremendous increase in our political footprint through engagement with state and federal lawmakers. In the 2018 election cycle, we supported over 320 candidates and Members of Congress, with a win rate of 90 percent in the House and 86 percent in the Senate. We attended 1,200 events in Washington, D.C., and 120 events in-district, more than a 25 percent increase. We are the most active and unified PAC in the physician community with the highest participation and the largest health care disburser of funds.

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

Thank You to our 2018 Advisor's Circle Members



Value as the Voice of Orthopaedics

The AAOS has an unblemished reputation and is recognized as a political powerhouse in our nation's Capitol. Legislators, regulatory agencies, coalitions, other physician organizations and party committees recognize our clout and seek our input. Our political operation is sophisticated, with deep connections with legislators and physician activists.

We advocate for the interests of our diverse members, spanning practice type and specialty, with a level of scale and political access that is unmatched by any individual specialty society. We advocate as leaders representing the full orthopaedic profession, with the support of specialty society and corporate partners, including our 2018 Advisor's Circle members.

In a tumultuous political environment, you must have a presence to be heard. The voice of orthopaedics is the AAOS Orthopaedic Political Action Committee.

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 (The Orthopaedic PAC). The Advisor's Circle also maximizes political and legislative opportunities for each group on a personalized basis. When the program launched two and a half years ago, we could not have imagined the success it would foster or the positive impact it would have on our legislative and regulatory advocacy efforts. Today, it is 16-groups strong and has a 100 percent member retention rate.

The Orthopaedic PAC Advisor's Roundtable offers orthopaedic group practices affiliated with AAOS Members 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.

The Orthopaedic PAC Advisor's Roundtable meets annually to bring forth action items to the PAC Executive Committee, collectively nominate one advisor to serve on the PAC Executive Committee, and weigh in on critical political issues.

STRATEGIC PLAN 2019-2023

Value Through Vision

In December 2018, the AAOS Board of Directors approved a new five-year Strategic Plan. The new plan recognizes that, in a rapidly evolving health care environment, to deliver the strongest value to our members, the AAOS must lead the way to define musculoskeletal care and influence future change for our members, their patients, and our profession.

We have updated our Vision to reflect an ambitious direction for the Academy's future as the trusted leaders in advancing musculoskeletal health.

The AAOS will continue to evolve our culture, better understand our members' needs, advocate in their best interests, and enhance our member experience. We defined three key goals and four key enablers to re-focus and prioritize the Academy's activities over the next five years. We are proud to have approved this new direction in 2018 and are looking forward to start realizing our new Vision in 2019 and over the next five years.

Strategic Goals

- Deliver a personalized and seamless **member experience**.
- Equip members to thrive in value-based environments and advance the **quality of orthopaedic care**.
- Evolve the **culture** and governance of AAOS's board and volunteer structure to become more **strategic, innovative, and diverse**.

Key Enablers

- **Advocacy:** Advocate to advance access to and quality of musculoskeletal health care, and support providers to thrive in an evolving health care environment.
- **Communication:** Communicate renewed member value stemming from the new Strategic Plan.
- **Partnerships:** Partner to develop the right content, programs, and platforms to increase member value and drive greater impact.
- **Technology:** Continue modernizing AAOS's technology platforms to offer seamless experiences.

AAOS Mission

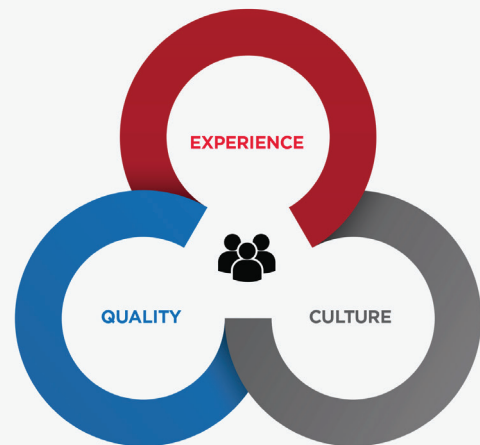
Serving our profession to provide the highest quality musculoskeletal care.

AAOS Vision

The trusted leaders in advancing musculoskeletal health.

We are defining a new strategic direction.

The trusted leaders in advancing musculoskeletal health.



Learn more at
[AAOS.org/StrategicPlan](https://www.aaos.org/StrategicPlan)

GOVERNANCE

Value Through Volunteer Leadership

The AAOS has long valued the energy, experience, and commitment of our members in many volunteer roles in its governance structure. Our volunteers work together to manage the organization, develop new educational products, pursue research and advocacy, and prioritize AAOS activities to serve the interests of our members.

In 2018, the Board of Councilors (BOC) provided state orthopaedic societies access to grassroots informational materials to help BOC members provide consistent messaging to constituents. The BOC Advocacy Resource Committee recruited over 200 ambassadors to collect priorities from each state society, allowing AAOS to integrate each society's specific issues into its larger advocacy efforts.

The Board of Specialty Societies (BOS) continued to collaborate with orthopaedic specialty societies through the Specialty Protocol for Decision and Response (SPDR) to gain support on regulatory efforts important to the orthopaedic community. The inaugural Fellowship Directors Forum was held at the 2018 Annual Meeting and the BOS Fellowship Committee launched the first unified fellowship application in August. A BOS Membership Audit was conducted to evaluate the purpose and structure of the BOS relative to its governing documents with results reported to the AAOS Board of Directors.

In September 2018, the Board of Directors approved its first set of Governance Principles that specify how it will be structured and governed to support a more nimble, decisive, and result-oriented organization.

AAOS Governance Goals: Engagement, Leadership, and Efficiency

Academy governance, principally through (or starting with) the Board, shall meaningfully engage the membership, effectively lead the Academy and do both with efficiency and excellence.

AAOS Governance Principles

1. *Members are the Academy's primary stakeholders.*
2. *The Academy represents and supports its members.*
3. *Governance shall be strategic in support of the Academy's mission.*
4. *Centralized authority with decentralized decision.*
5. *Clear and transparent governance.*
6. *Pursue simple, nimble and flexible governance structures and policies.*
7. *Board composition shall be a hybrid model of representative and competency-based director(s) selection with a Board size no greater than 19.*
8. *Prioritize diversity in its member composition, including gender, race, ethnicity, specialty, age, geography and thought.*
9. *Nominating Committee shall be a committee of the Board.*



A large crowd of people in business attire, mostly men in suits, are seen from behind or in profile, looking towards the left. The scene is brightly lit, suggesting an indoor event space.

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