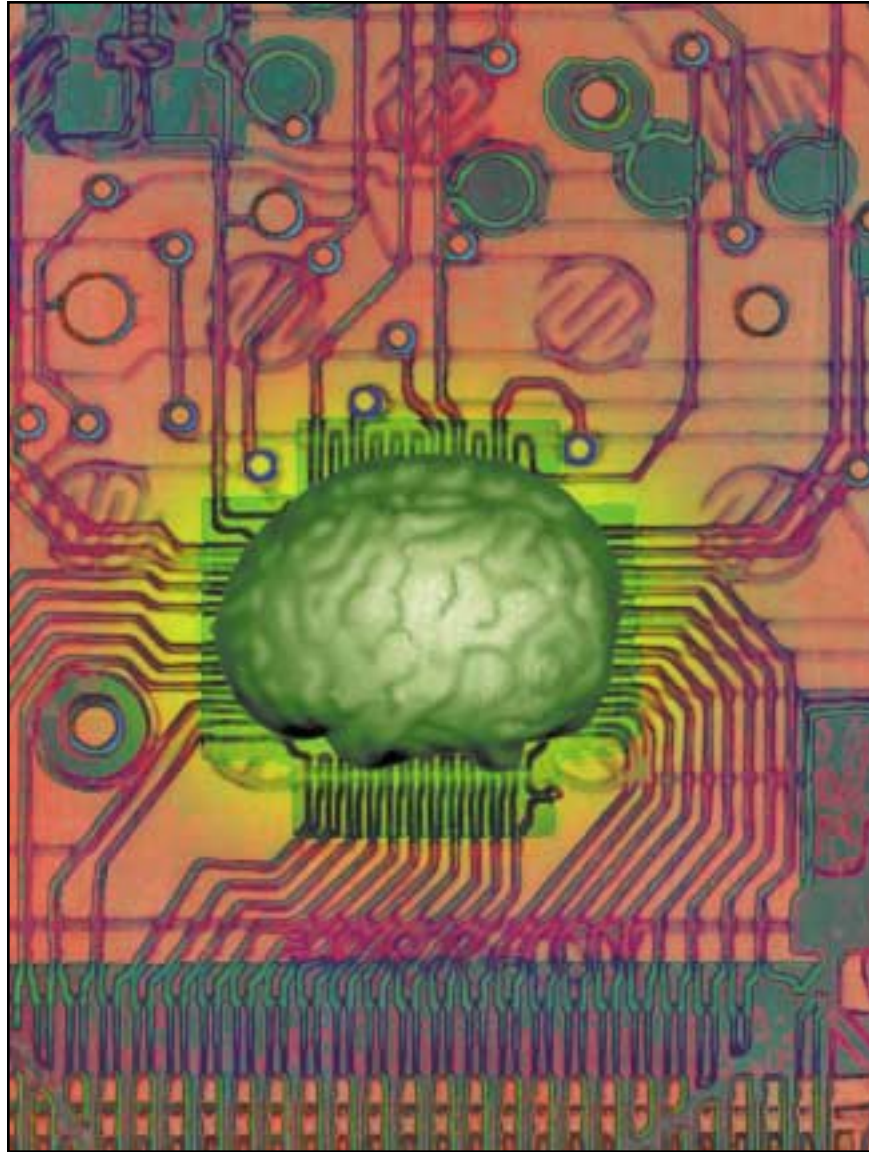


American Academy of Neurology



1999 Annual Report





Francis I. Kittridge, Jr., M.D.

This has been an outstanding year. I'm pleased to report that the Academy has made a great deal of progress toward better serving our profession and our patients. Here's where we are to date on our five strategic directions:

1. IMPROVE THE QUALITY OF CARE AND DEMONSTRATE THE VALUE OF THE NEUROLOGIST BY LAUNCHING A COMPREHENSIVE INITIATIVE IN OUTCOMES RESEARCH. Our goal has been to demonstrate the value of the neurologist in patient care. As part of this effort, we have completed a pilot study in stroke which has the potential for significantly changing the outcomes for patients who have stroke or are threatened with stroke. We expect to start other pilots in the next year or two.

2. ESTABLISH AND EXPAND THE SCOPE OF NEUROLOGIC PRACTICE IN TRADITIONAL AND NEW AREAS. The board has approved a Commission on Sub-specialization, which is working to develop a template that supports development of a variety of specialty areas in neurology.

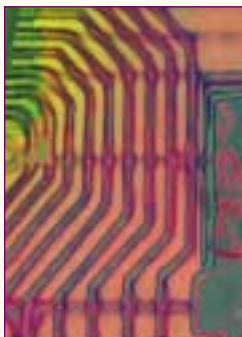
3. DEFINE SOCIETAL NEEDS FOR NEUROLOGISTS AND ATTRACT THE HIGHEST QUALITY PROFESSIONALS INTO THE FIELD OF NEUROLOGY. The board has approved the Work Force Task Force recommendations on the future of neurology.

4. OPTIMIZE PATIENT CARE BY NEUROLOGISTS BY SIGNIFICANTLY INCREASING AAN'S ADVOCACY AND COALITION-BUILDING CAPABILITY AND OTHER INITIATIVES TO INFLUENCE PUBLIC AND PRIVATE POLICY MAKING PROCESSES. This is an extraordinarily important initiative for the Academy. Because the public doesn't view neurological disease as an integrated group of diseases, it's difficult for many people to understand the economic and social impact of diseases that affect the nervous system. As a result, our efforts are dissipated among different entities. We hope to bring together the organizations that represent neurological diseases so we can be more effective.

5. GIVE NEUROLOGISTS IN ALL SETTINGS BETTER TOOLS TO SUCCEED IN A RAPIDLY CHANGING HEALTH CARE ENVIRONMENT. We have developed tools for stroke and are also developing a disease management system so that special interventions – both diagnostic and therapeutic – can be taken in certain defined circumstances.

As you can tell, everything we are doing centers on patient-focused care. Where do we go from here? There is nothing more difficult than to predict the future, but I believe there will be a number of dramatic changes – in therapies, diagnostic techniques and technology – occurring across the board in the next 25 years.

At the Academy, we basically have two functions – to inform and educate our members to ensure they maintain up-to-date skills, and to inform and educate the public regarding what is available for neurological care. Reaching the public is a challenge for the Academy and the AAN Education & Research Foundation. We need your support for this immensely important effort.



It's hard to believe that a year has passed since I joined the Academy. During the interview process, I was impressed with the commitment of the physicians and the dedication of the staff to the Academy's mission. My background in association management and hospital administration, coupled with 12 years as a state legislator, helped prepare me for the exciting challenge ahead of me.

From the outset, I was charged with increasing the Academy's advocacy efforts, further establishing the AAN as the premier resource for information concerning neurological diseases, and developing a staff that continually works to exceed members' expectations. I am pleased to report that we have made a great deal of progress on all three of these objectives.

Regarding our advocacy efforts, we have spent the year speaking up for neurology and achieving numerous wins through our Center for Health Policy. Advocating, through our Medical Economical Management Subcommittee, resulted in increased funding for neurologists in Medicare Fee Schedule changes approved by the Health Care Financing Administration.

Our efforts to further establish the AAN as the premier resource for information have included fine tuning our Web site, moving publication of the Neurology journal to 24 times a year, and developing a communication and marketing strategy that will help put a face on the Academy. We also had our biggest and most successful annual meeting with over 9,000 attendees.

When I came to the Academy, my operational objective was to stabilize the staff and to make sure we had the right people with the right talents and skills doing the right work. During 1999, we hired a new director for the Foundation and a new director of Education. We also hired a director of Marketing, Communications and Public Relations, which is a new position, and moved the Human Resources function to the director level as well. These directors joined with the director of Membership and Meetings, the director of the Center for Outcomes Research, and our Assistant Executive Director to form a team of high achievers and exceptional performers.

So what are our goals for the coming years? We want to make sure our members have the information they need at their fingertips, and we want to ensure that patients and families who are touched by neurological diseases will receive the best possible care.

Most of all, my goal for your Academy is to make it the envy of all those who want to affect patient care. I truly believe we have the elements in place to do just that. This is a highly energized Academy with forward focused initiatives in place that will prepare us for the future.



Catherine M. Rydell





Workforce Task Force

- The Academy's Workforce Task Force conducted a study to determine the number of neurologists needed in the next 20 years and to develop a strategy to attract outstanding medical students to the profession. The Task Force, which was formed in 1997, made its final report to the Board in June. It recommended a 10-year campaign to attract youth to the field, collaborating with other professional neurological groups to collect data, studying methods to improve U.S. distribution of neurologists, and supporting programs to enhance residency training programs, among others initiatives.

Education Programs – SIGN

- Since the SIGN (Student Interest Group in Neurology) program was developed in 1998, medical student membership in the AAN has increased by 400 percent. The program's purpose is to introduce medical students to the field of neurology through discussions, patient presentations, seminars, journal clubs, learning materials and workplace shadowing. There are currently 41 registered SIGN chapters at accredited North American medical schools.

Outcomes Research – QUINTEssentials

- QUINTEssentials is a self-assessment, peer comparison, quality improvement tool that AAN members are creating to assist one another in improving patient care. QUINTEssentials makes it possible for members to receive ongoing feedback about their practice, a comparison report, ways to improve care, and a follow-up assessment. The first module in the program was *Stroke Prevention for the Practicing Neurologist*.

Legislative/Advocacy Programs

- More than 40 people from the AAN and the Brain Advocacy Coalition met with members of Congress in Washington, D.C. during the year to deliver a strong message regarding patient protections, National Institutes of Health appropriations and work incentives legislation.
- The Medicare Fee Schedule changes sought by the AAN and other organizations were approved by the Health Care Financing Administration (HCFA) last fall, allowing for \$141 million in increased payments to neurologists over the next five years. The AAN is now working within a coalition of societies to achieve even further improvements in technical components with efforts underway to extend reimbursement increases in EMG, NCV and SEP testing.

Marketing/Communication

- Our journal, *Neurology*, is now published 24 times a year, providing readers with the same amount of information in a more timely manner. Previously, *Neurology* was published once a month, then moved to 18 issues a year in 1999. The issues come out the second and fourth Tuesday of every month. In addition, *Neurology* is now online and available to all Academy members at www.neurology.org.
- During the past year, AAN news releases based on *Neurology* articles and annual meeting abstracts resulted in more than 1,300 articles, reaching more than 244 million people. Academy news appeared in top media outlets such as USA Today, CNN, the New York Times, “20/20,” the Los Angeles Times, “Dateline” and the Washington Post. Top attention-getters were releases on the use of creatine for neuromuscular disorders, the role of mono-unsaturated fatty acids in developing dementia, and fetal cell transplants for Parkinson’s disease.

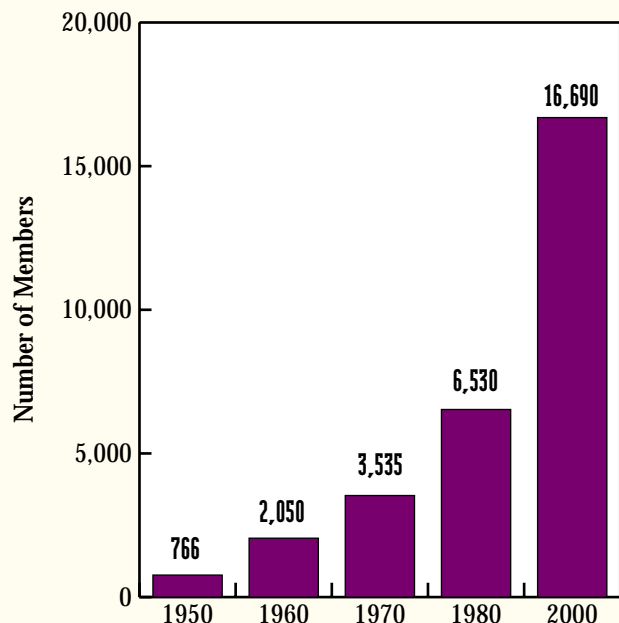
Foundation

- Since its launch in 1989, the AAN Education & Research Foundation has made significant progress, creating education and research initiatives such as clinical research training fellowships, young investigator awards, *The Brain Matters* public education campaign, the Hoechst Marion Roussel Minority Scholars, and the Public Leadership in Neurology Award. At the close of 1999, there were 62 founding members who had contributed to the Cornerstone Endowment.

Membership/Meetings

- The Academy held its 51st Annual Meeting in Toronto and members turned out in record-breaking numbers for the latest in research and trends. New events included the “NeuroBowl,” the Foundation’s Silent Auction, and the Luncheon for the Practitioner, which gave members an informal setting to ask questions of their peers and discuss the challenges facing the practicing neurologist.
- The Academy’s membership now exceeds 16,700, with continued growth in international members and huge growth in the number of medical students due to the SIGN program. The breakdown includes 80.9 percent of members from the United States, and 19.1 percent international.

Membership Growth





Jasper R. Daube, M.D.

The American Academy of Neurology continues to be a growing dynamic organization with a balanced budget. Revenues grew from \$14.6 million in fiscal year 1997-98 to \$15.9 million in fiscal year 1998-99, an overall increase of 8.9 percent. The major income sources were:

- **MEMBER DUES** – increased 9.0 percent with an increase in membership of 6.2 percent from 15,790 to 16,772.
- **ANNUAL MEETING** – corporate sponsorships provided an 18.8 percent revenue growth, while exhibitions and registration provided an 18.0 percent revenue growth. The annual meeting represents 27 percent of the Academy's total revenue.
- **NEUROLOGY JOURNAL** – another major revenue source, with consistent growth in advertising revenues.
- **INVESTMENT INCOME** – Academy investments had an overall return of 5.6 percent, or \$395,000.

Strengthened Academy membership programs and services warranted a 7.5 percent expense increase from \$14.7 million in fiscal year 1997-98 to \$15.8 million in fiscal year 1998-99. The major areas of growth were:

- **ANNUAL MEETING** expenses increased by 17.9 percent as a result of higher meeting attendance and expanded educational programs.
- **NEUROLOGY JOURNAL** subscription expenses increased by 4.6 percent due to increased membership.
- **GRANTS AND AWARDS** increased by over \$100,000 with a new two year clinical research grant sponsored by the corporate round table, and an increase in resident annual meeting education scholarships.
- **OUTCOMES RESEARCH** efforts from the AAN strategic plan have continued to grow with 1998-99 expenses of \$369,018.

The leadership has focused our budget on the critical needs of neurology and neurologists, through member services and the AAN's strategic directions. For the 1999 fiscal year, the Academy had an essentially balanced budget with a small net income of \$40,740. For 1999-2000, the AAN Board approved a conservative, \$18.3 million, balanced operating budget. The Investment Committee and Board are also evaluating investment practices and reserve balances to ensure that returns are appropriate and adequate monies are available to meet both short and long term needs of the organization.

It is an honor to serve as your treasurer. I thank the American Academy of Neurology's Board, Finance Committee, and staff for their leadership, support and hard work that have given us another successful year.



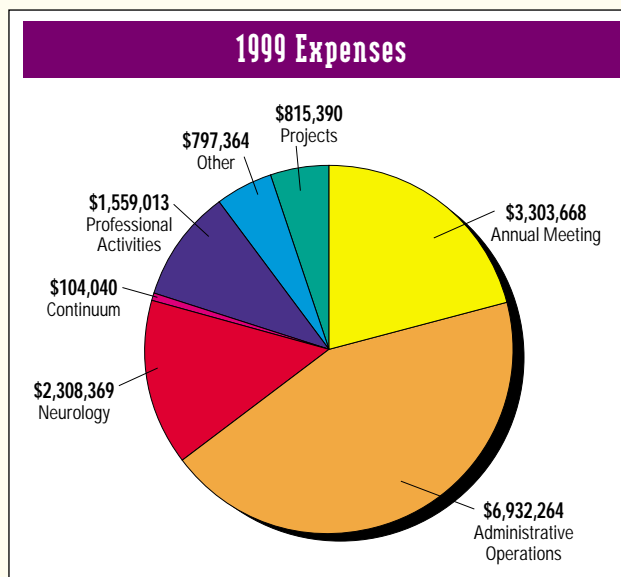
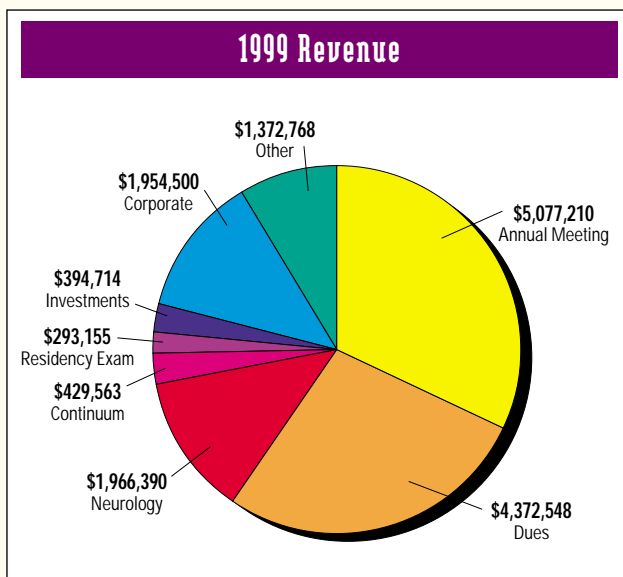
BALANCE SHEET

Fiscal Year Ending September 30,

	1999	1998
ASSETS		
Cash	\$ 1,975,741	\$ 469,382
Long Term Investments	6,990,708	6,678,705
Inventory (net)	44,394	49,583
Accounts Receivable	1,528,347	2,527,117
Prepaid Expenses	156,759	206,437
Equipment & Leasehold Improvements	1,112,980	1,160,735
Accumulated Depreciation	(852,624)	(703,137)
Total Assets	\$ 10,956,305	\$ 10,388,822

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 525,087	\$ 541,633
Deferred Revenue	1,284,848	1,188,874
Accrued Expenses	559,124	111,809
Fund Balance	8,587,246	8,546,506
Total Liabilities and Fund Balance	\$ 10,956,305	\$ 10,388,822



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1999 - 2001

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