



COLLEGE of AMERICAN
PATHOLOGISTS

Improving Health Your Diagnosis—Precise and Accurate



2017 Annual Report

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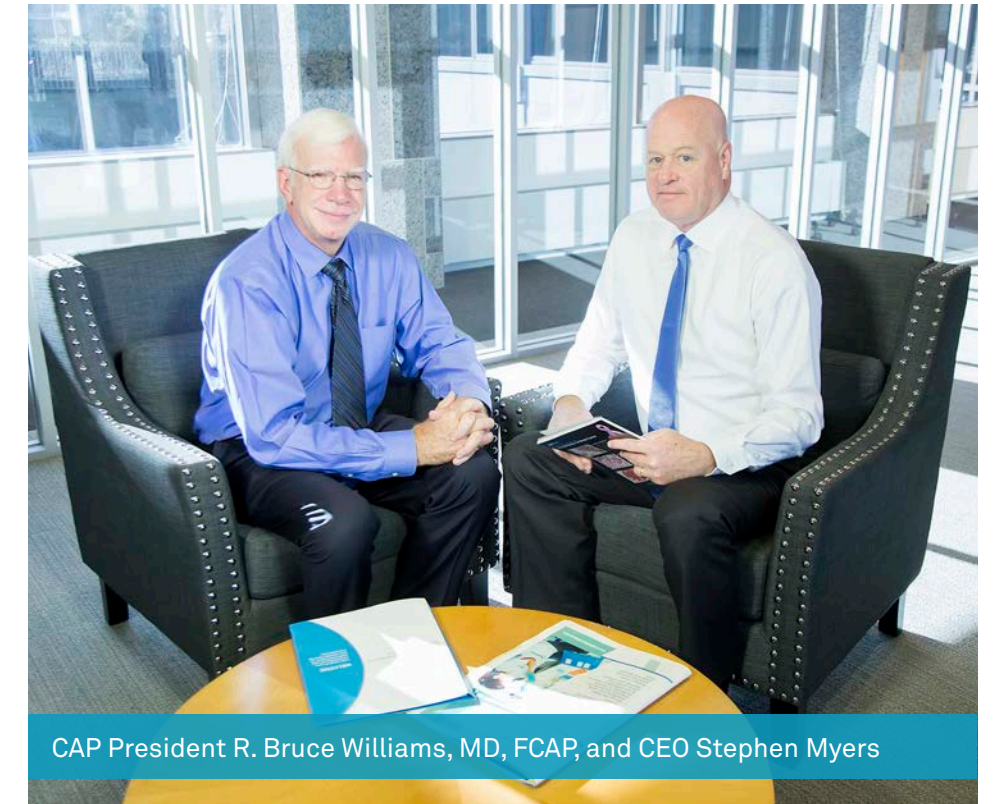
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Members and Staff Partner to Make People Healthier

Pathologists are important to all of us. They run our laboratories and examine our tissue and blood under a microscope. They see us, diagnose us, and help us heal. They give us the definitive answers that lead to better health. And because of them, we can get back to doing the things we love. We can live again!

In 2017, members of the College of American Pathologists released more cancer protocols than ever before. Our members were responsible for providing accreditation checklists to ensure that every laboratory can produce accurate, quality results. They developed a registry to guarantee payment for their work in improving health. And they made the impact of pathologists known in their own hospitals and in national media.

The CAP is proud of its accomplishments with members and staff working hand in hand. The voice of the membership matters, and it's time to hear from them. Whatever this organization can do to help members be better pathologists, run their practices more effectively, and give families peace of mind—the CAP is here to support them.



Pathologists are important to all of us. ...
 They give us the definitive answers
 that lead to better health.

CAP Leads in Laboratory Excellence

No matter where patients are in the world, they can trust their laboratory results to be reliable and accurate because of CAP members' dedication and expertise.

People are healthier because of the CAP's commitment to ensure laboratory quality and set high standards to improve patient care. Scientific rigor underpins all Laboratory Quality Solutions programs. Thousands of member experts, including pathologists and laboratory professionals, volunteer their time and expertise so patients can ultimately benefit from external quality assurance and accreditation. The entire laboratory community around the world is better because of the important work CAP members do.

In 2017, more than 20,000 laboratories enrolled in proficiency testing (PT) programs, and the CAP accredited more than 8,000 laboratories worldwide. CAP members are both the designers and participants of these laboratory improvement programs. The Council on Scientific Affairs generated more than 600 appointed positions for pathologists to serve in. The Council on Accreditation assigned more than 2,000 pathologists and laboratory professionals to inspection teams.

More laboratories and health systems are recognizing the value of integrated improvement programs and are choosing to become CAP accredited and to exclusively use CAP PT. No matter where patients are in the world, they can trust their laboratory results to be reliable and accurate because of CAP members' dedication and expertise.

Record Number of Cancer Protocols Released

More than 200 pathologists and clinicians collaborated to revise more than 52 of the CAP Cancer Protocols and electronic Cancer Checklists (eCC) to reflect content from the *American Joint Committee on Cancer (AJCC) Cancer Staging Manual*, 8th edition. These protocols provide guidance for collecting essential data elements for complete reporting on malignant tumors, directing effective treatment for patients.

CAP members served on review panels and offered feedback to improve the elements included in the protocols. One key factor that members influenced was timing. The AJCC originally asked pathologists to implement a whole new staging system in just three months. That's when CAP members spoke up to explain how that short time period would adversely impact pathologists, registrars, and other protocol users. Based on this feedback and the AJCC's agreement to delay the implementation, the CAP was able to release the updated protocols six months ahead of the AJCC implementation date of January 1, 2018, allowing pathologists, organizations, and anatomic laboratory information system vendors sufficient time to make necessary updates to their systems.

Both members and nonmembers offered feedback during an open comment period on specific elements of the protocols, such as the histologic type of the tumor, its size and margins, and all elements that impact staging and treatment.

More than 4,400 pathologists in the United States and Canada are now licensed to use the CAP eCC, the electronic version of the protocols developed to streamline reporting on surgical pathology cancer cases. More than 60 new sites became licensed in 2017. The Pathology Electronic Reporting (PERT) Committee and its staff continue to align with federal initiatives to help advance cancer reporting quality, data sharing, and other work to improve patient care.

The importance of integrated and aligned cancer reporting was startlingly illustrated recently: Several provinces in Canada use the eCC exclusively and started noticing a stage of colon cancer that had higher incidence in one region of Ontario. After examining the data, they found it was happening at one institution. A surgeon there was resecting tumors incorrectly, leading to incorrect staging. The data told the story, and that hospital was able to educate the surgeon who then improved his clinical practice and patient care.

CAP Leads in Laboratory Excellence (continued from page 3)

Another significant effort in 2017 involved the Cancer Committee, PERT, and staff working to develop a single source of truth for producing the CAP's cancer reporting products. Both the Cancer Protocols and the eCC will be produced from the same content using a newly developed electronic tool that speeds up the release cycle and reduces the chance of errors.

Data Drives Patient Care Decisions

With laboratories supplying the majority of data contained in a patient's record, it is important for pathologists to understand the opportunities for data analysis within their organizations. The Informatics Committee continued to develop resources for members, including numerous education courses focused on informatics and information technology topics as well as a revision to the *Clinical Informatics Resource Guide*. The Informatics Committee also worked closely in 2017 with

CAP accreditation programs on requirements from laboratories on IT interpretation of laboratory accreditation program checklist requirements. In addition, the committee's active participation in standards development ensured that the needs of the laboratory were incorporated into laboratory information systems.

Center Guidelines Improve Patient Care

The CAP's Pathology and Laboratory Quality Center (the Center) expanded its impact in 2017, enhancing powerful new collaborations that benefit clinicians and patients. With the release of an evidence-based guideline for the evaluation of molecular biomarkers in colorectal cancer, the CAP collaborated with both clinical and laboratory partner organizations. This pivotal work guides targeted therapy decisions and advances personalized care for patients with colorectal cancer, which is the second-leading cause of cancer-related deaths for women and men combined in the US.

In a first for both organizations, the CAP partnered with the American Society of Hematology (ASH) to develop an evidence-based guideline to improve care for leukemia patients. This work underscores the essential steps for coordination and communication between pathologists and treating physicians for ensuring optimal patient outcomes.

Also in 2017, the Center published a critically needed guideline to ensure accurate testing and targeted treatment for patients with certain types of head and neck cancers.

Living Our Quality Mission

8,027
CAP-accredited laboratories

2,371
pathologists participating in on-site inspections

22,480
laboratories using CAP proficiency testing

SPOTLIGHT:
Council on Scientific Affairs



Raouf E. Nakhleh, MD, FCAP

A patient's health depends on pathologists making the right diagnosis. And for cancer patients, a pathologist must accurately report all the pathological staging elements to guide the most effective treatment. In June 2017, the CAP released 52 updated cancer protocols, the largest single release in the CAP's protocol history. These updated protocols reflect mandatory changes from the 8th edition of the *AJCC Cancer Staging Manual*.

"Some pathologists have told us this is disruptive, but they're appreciative that we released the cancer protocols early enough, giving institutions time to implement them in their cancer reporting systems," said Thomas P. Baker, MD, FCAP, chair of the Cancer Committee. "We're listening to feedback and updating the cancer protocols based on input from pathologists and clinical stakeholders."

The CAP's Cancer Protocol Oversight Project Team looked at the cancer protocols in totality to ensure consistency among different tumor types and streamline the content for reporting electronically or with manual systems. The CAP offers electronic cancer checklists and text versions of the cancer protocols at cap.org/cancerprotocols, allowing pathologists to integrate the content into their institution's cancer reporting system.



Thomas P. Baker, MD, FCAP

"A patient can't be treated optimally if important pathology staging elements are not reported," said Raouf E. Nakhleh, MD, FCAP, chair of the Council on Scientific Affairs. "We're working to perfect the cancer protocols because they help pathologists ensure they are reporting all the staging elements needed for optimal patient care in a format that can be easily read by clinicians. Pathologists are getting the worldwide-recognized standard, and they can have confidence in what they're doing."

Patients will often receive treatment at multiple facilities during their course of cancer care, and they need the right pathology information to get the appropriate care.

"As cancer care evolves and requires more information about the tumor, a gap in pathology information may potentially delay care," said Dr. Baker. "As pathologists, we're focused on how our protocols benefit the patient."

Because of the dedication of CAP members and partners, the cancer protocols have become de facto clinical guidelines for the appropriate reporting of pathologic features necessary for the treatment of cancer patients.

"A patient can't be treated optimally if important pathology staging elements are not reported."

Raouf E. Nakhleh, MD, FCAP



SPOTLIGHT:
Council on Accreditation



Bharati S. Jhaveri, MD, FCAP

The textbook on how to run a high-functioning laboratory can be found in the CAP's Laboratory Accreditation Program checklists, the most rigorous standards for quality and accuracy in laboratory medicine. The 2017 edition of the checklists contained approximately 3,000 requirements used during inspections to help laboratories stay in compliance with the Centers for Medicare & Medicaid Services (CMS) regulations and to help laboratories ensure quality testing for their patients.

"If the guidelines for predictive markers and their reporting requirements change, for example, we make sure to incorporate this in the checklists so pathologists meet the new requirements and understand the guidelines," said Bharati S. Jhaveri, MD, FCAP, chair of the Council on Accreditation (COA).

In 2017, the CAP worked toward more personalization of the checklists for each laboratory. The CAP's scientific resource committees provided the technical content through a collaborative effort with the Checklist Committee. While other organizations may publish standards every three years with few updates, the CAP stays on the cutting edge of new developments in laboratory medicine and technology. When molecular pathology emerged as a new discipline, the CAP included it in the checklists. We did the same more recently for next-generation sequencing.

These checklists go beyond the basic requirements for CMS approval to set the highest standards of quality. Still, the COA doesn't want to establish guidelines that only a few laboratories can meet.

"We don't want to be a burden on the laboratory because it is expensive and time consuming to meet these guidelines," said Dr. Jhaveri.

Ultimately, it's the patient who benefits from these rigorous checklists. "The patient is not a number," she said. "We want to make sure that every report the laboratory produces is a quality one and contributes to patient care."

In the 2017 accreditation checklist edition, the Team Leader checklist was renamed Director Assessment checklist to better reflect the checklist's intent of assessing the laboratory director's involvement and oversight of the laboratory. The CAP made some of its most significant changes to checklists for the sections on personnel, specimen collection and handling, laboratory director responsibility and oversight, anatomic pathology, and molecular-based testing.

"Ultimately, it's the patient who benefits from these rigorous checklists. The patient is not a number. We want to make sure that every report the laboratory produces is a quality one and contributes to patient care."

Bharati S. Jhaveri, MD, FCAP



Pathologists Protect Their Practices and Patients

Helping Pathologists Thrive in Medicare's Quality Programs

With Medicare's Quality Payment Program estimated to have a \$2 billion impact on the pathology specialty, the CAP provided ways for pathologists to effectively participate in the Merit-based Incentive Payment System (MIPS) while also reducing the complexity and burden of data collection and reporting. "The CAP continues to ensure pathologists can optimize Medicare reimbursement potential and demonstrate the quality of their practices," said Council on Government and Professional Affairs Vice Chair Emily E. Volk, MD, MBA, FCAP. "The 2017 launch of the Pathologists Quality Registry was a pivotal achievement for pathologists on this front."

The Pathologists Quality Registry, CMS approved and powered by the leading specialty registry vendor FIGmd, is the first pathologist-specific qualified clinical data registry with additional, exclusive pathology measures. Pathologists began signing up for the registry following CAP17, the CAP's annual meeting.

The Pathologists Quality Registry offers both manual data entry and data integration options for pathology practices. Advocacy efforts by the CAP have ensured pathologists can participate and have flexibility in Quality Payment Programs (QPP) in 2017 and beyond. Here are four initiatives

the CAP has accomplished to help pathologists meet performance requirements:

- Created the 2017 MIPS Reporting Solution for pathologists to fully comply with MIPS requirements and realize full reimbursement potential. More than 850 pathologists took advantage of the reporting tool.
- Secured inclusion of eight additional pathology quality measures developed by the CAP for pathologists to report under MIPS's quality category.
- Identified the relevant improvement activities pathologists can attest to for MIPS. To make it easier to comply, we identified the relevant improvement activities pathologists can attest to for MIPS.
- Advocated for fair MIPS performance scoring so pathologists are not disadvantaged due to the unique circumstances of the pathology practice setting.

Quality measure development is critically important for physicians to be successful in the changing payment environment. Through the years pathologists have used CAP-developed measures to earn \$25 million in additional performance bonuses from the Medicare program. These same measures developed by the CAP have helped pathologists avoid roughly \$30 million in penalties annually. The CAP will be offering

new pathologist-developed, CMS-approved measures as part of its registry every year going forward.

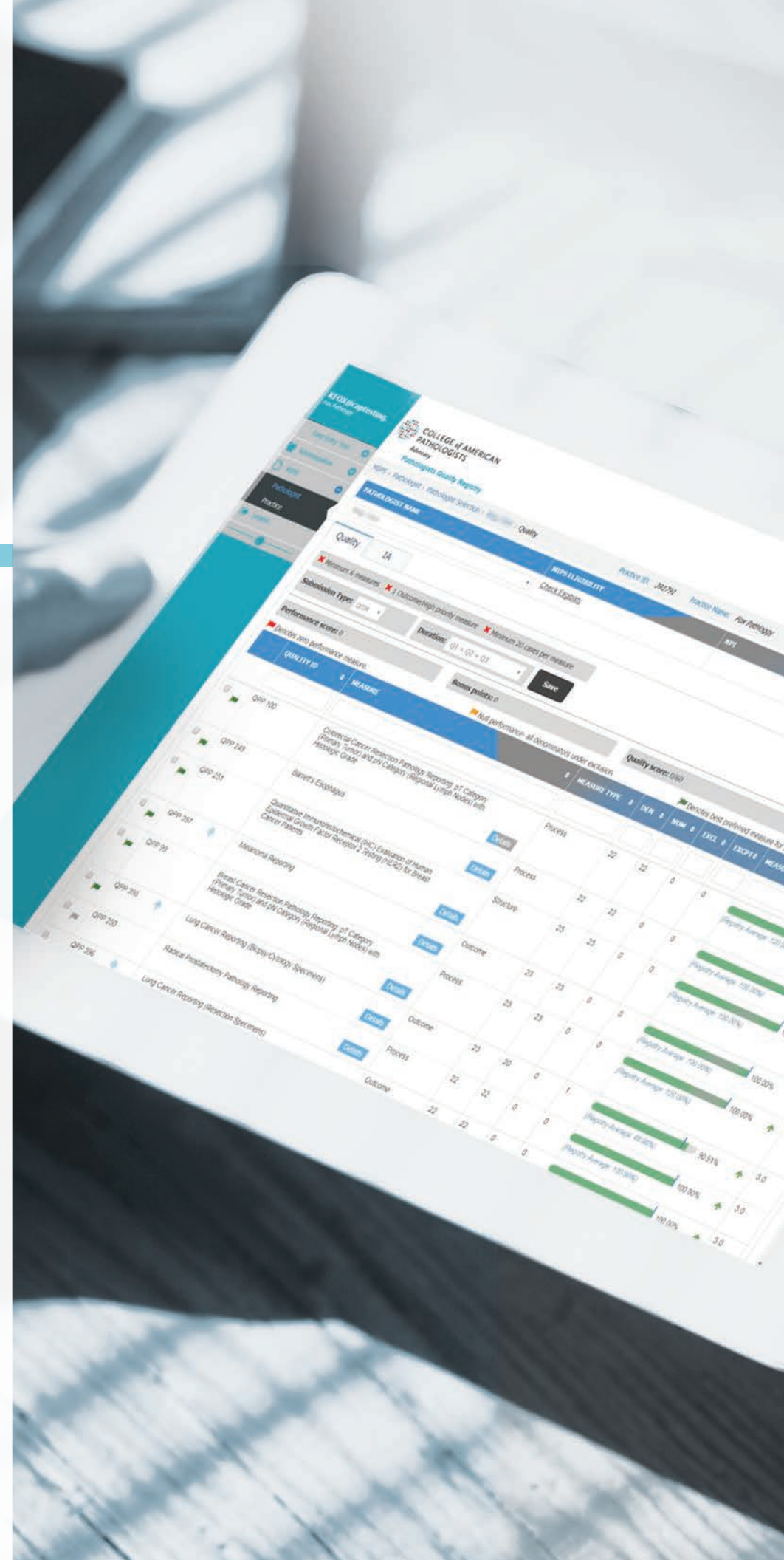
As part of its advocacy strategy, the CAP also has developed resources to assist practices in succeeding with new requirements under MIPS, which is the default track for most physicians. The following pathology-specific educational materials were produced to help pathologists understand the new payment rules, reduce the burden of complying, and position their practices to maximize Medicare bonus potential and demonstrate quality:

- Readiness Checklist for Pathologists
- Making Sense of Medicare Access and CHIP Reauthorization Act (MACRA) Video
- MIPS Financial Impact Calculator
- MIPS FAQs and Webinars
- Options for Reporting Improvement Activities

Through our advocacy efforts, pathologists are estimated to receive \$5 million in Medicare incentive payments in 2018.

The CAP continues to ensure pathologists can optimize Medicare reimbursement potential and demonstrate the quality of their practices.

Emily E. Volk, MD, MBA, FCAP



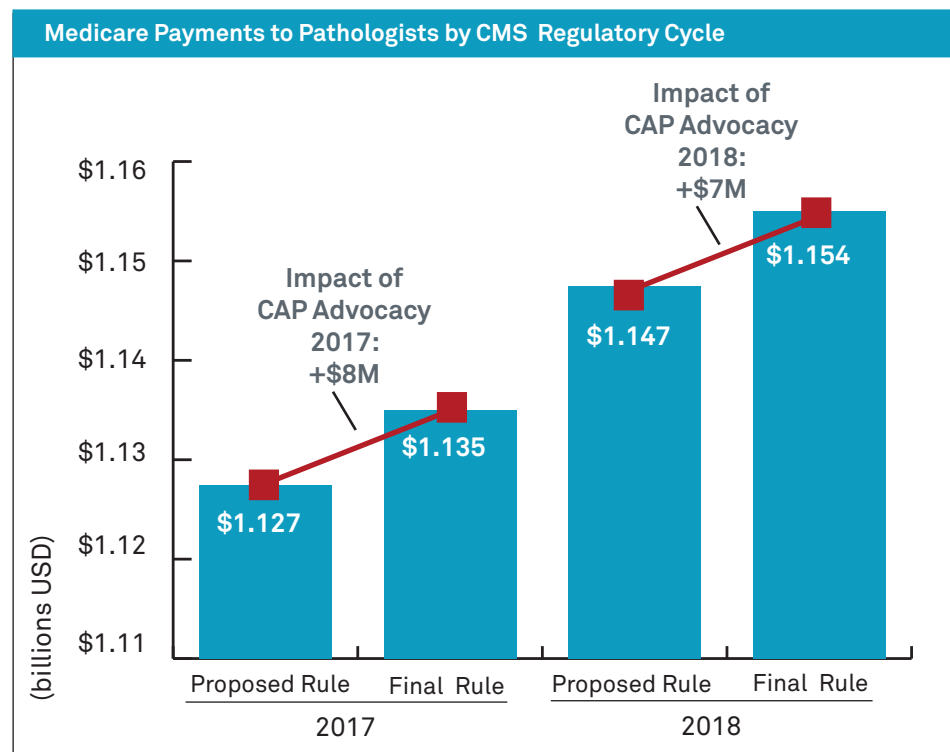
Pathologists Protect Their Practices and Patients

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Through our advocacy to protect the value of pathology services, overall Medicare payments to pathologists are projected to increase between 2017 and 2018. Due to the CAP's engagement with the CMS and other stakeholders, our advocacy achieved positive changes, resulting in increases in payment for pathology services between the proposed and final Medicare Physician Fee Schedule (PFS) rulemakings (see graph). Without the CAP's advocacy on Medicare payment, it was estimated that reimbursements from Medicare to pathologists in the final rules would have been \$15 million lower over the two years.

The CAP's impact can be seen in the changes to specific pathology services. Here are examples of the CAP's efforts to increase, maintain, or mitigate decreases to reimbursements:

- The CMS accepted the CAP's recommendations for the physician work relative value units for six therapeutic apheresis codes. The services were identified as potentially misvalued, meaning Medicare could have cut payment rates for those services. However, payment to pathologists for therapeutic apheresis will increase in 2018 thanks to the CAP's efforts.



- The CAP also successfully defended against potential reimbursement decreases to pathology consultation during surgery services, which also were targeted for revaluation after being marked potentially misvalued. In the 2018 PFS Final Rule, the values for the services were maintained.
- Last year, the CMS finalized cuts to flow cytometry services to be phased in over time. The CAP provided additional information to the CMS to reinstate some of flow cytometry's value. As a result, the CMS reexamined direct practice expense inputs and finalized several of the CAP's recommended changes to flow cytometry. The CAP will continue to engage with the Medicare agency on the value of flow cytometry services to ensure that the services are appropriately reimbursed.

Pathologists Protect Their Practices and Patients

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Advocacy Action on Local Coverage Determination (LCD) Reform

At the start of the 115th Congress, the CAP pursued and achieved the reintroduction of the Local Coverage Determination Clarification Act in the US House of Representatives and Senate. By the end of 2017, support for the legislation had gained 57 congressional sponsors ... and counting.

Senators first reintroduced this key piece of legislation, with Sens. Johnny Isakson (R-GA), Tom Carper (D-DE), Debbie Stabenow (D-MI), and John Boozman (R-AR) as leading sponsors for the bipartisan bill. CAP members followed with a major push for additional sponsors during the 2017 Policy Meeting in May when 80 CAP members lobbied their elected officials during 139 meetings on Capitol Hill. Specifically, pathologists asked representatives and senators to support fixing the flawed LCD process by increasing transparency and accountability. The bill was later reintroduced in the House by Reps. Lynn Jenkins (R-KS) and Ron Kind (D-WI) as lead cosponsors.

Advocacy was further augmented by 464 CAP members sending 2,132 emails to their representatives in Congress through the CAP's grassroots program, PathNET.

Our political action committee, PathPAC, kept pathologists' messages visible and in central focus throughout the year. During the 2017 cycle, PathPAC donated over \$233,000 to members of key congressional committees with jurisdiction over health care policy. CAP members also attended nine events with members of Congress and hosted fundraisers raising \$54,000. Furthermore, 11 pathologists took part in a fall Hill Day during CAP17 to meet with 30 congressional offices and their staff.

As of December 2017, 42 House representatives and 15 senators sponsored the Local Coverage Determination Clarification Act of 2017.



Pathologists Protect Their Practices and Patients

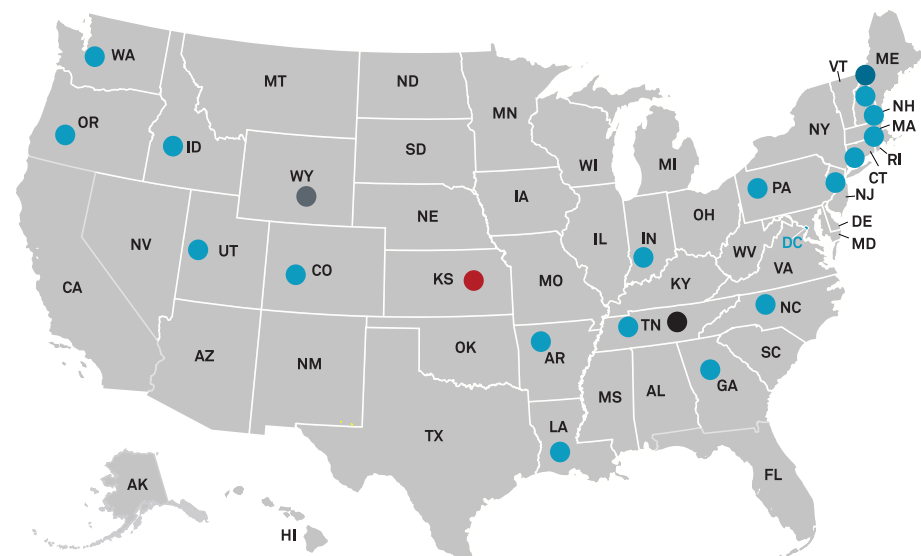
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State Advocacy

To strengthen the profession of pathology, our strong partnerships with state pathology societies bolster advocacy efforts at the state level. The CAP actively worked together with state pathology societies on several important issues to pathologists and patients.

Our advocacy on network adequacy impacted a CMS application review process for qualified health plans (QHPs) seeking to be part of the federally facilitated insurance exchange in 2018. In April, the CMS announced a requirement that the plan document its method for monitoring access to hospital-based physician services, including services from pathologists. The requirement was transposed verbatim from state legislative language that the CAP initially proposed; and the requirement was adopted in the model network adequacy bill approved by the National Association of Insurance Commissioners (NAIC) in 2015.

The CAP successfully amended Wyoming legislation on informed consent for genetic testing to ensure no legal onus or impediment on pathologists performing these services.



In Kansas, the governor signed into law several negotiated amendments from the CAP and the Kansas Society of Pathologists to the direct billing law for anatomic pathology services. These amendments maintained the integrity of the law while making allowances for the practice of concierge medicine by primary care providers.

In 2017, the CAP, working with state pathology societies, successfully advocated against payment restrictions on out-of-network balance billing in more than a dozen states (Arkansas, Colorado, Connecticut, Georgia, Idaho, Indiana, Louisiana, Massachusetts, North Carolina, New Hampshire, New Jersey, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, and Washington).

Working with the Tennessee Society of Pathologists, the CAP successfully invoked the Tennessee direct billing law for anatomic pathology services to reverse actions by a health insurance payer to deny technical component payment.

The CAP helped defeat legislation in New Hampshire that would have allowed patients to order all forms of pathology and laboratory tests without ensuring that such tests were subject to proficiency testing.

Pathologists Protect Their Practices and Patients

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2017 Practice Characteristics Survey

Pathologists received the results of the 2017 Practice Characteristics Survey, the tenth survey conducted by the CAP since 1994, during CAP17. A total of 1,601 pathologists completed the survey, including 1,124 CAP Fellows. The survey provided a primary source of basic data on pathologists, how they practice, and how they are being compensated. It also tracked changes that are occurring in the workforce among CAP members. The survey report is one of several projects led by the CAP's Policy Roundtable to study socioeconomics and compile data about the pathology profession. Responses from the survey help inform the CAP's policy and advocacy positions.

STATLINE

CAP members received timely news and analysis following the release of major federal regulations through special alerts and weekly editions of *STATLINE*, the CAP's award-winning online advocacy newsletter. *STATLINE* received an award for publication excellence in the 2017 APEX Awards' electronic newsletter category.

Advocacy Issues of Greatest Importance to Pathologists (N=1,284)		
	% Listed as Top Priority	% Listed as Top Five Priorities
Medicare payment for pathology services	23%	63%
Changes to pathology's scope of practice	12%	47%
Direct billing for pathology services	10%	39%
Maintenance of Certification (MOC) requirements	7%	34%
Personalized/precision medicine, genomics	7%	33%
Food and Drug Administration regulations and oversight of laboratory-developed tests	7%	33%
Compliance with Medicare Quality Payment Programs	3%	29%
Funding for graduate medical education and training	3%	25%
Self-referral of anatomic pathology specimens	6%	24%
Local Coverage Determinations (LCDs)	3%	22%
Laboratory payment reporting requirements (ie, PAMA requirements)	3%	22%
Access to health care networks	4%	20%
Balance billing restrictions	2%	20%
Participation in Accountable Care Organizations/ Alternative Payment Models	2%	19%
Unsure/No opinion	9%	13%

SPOTLIGHT:
Council on Government and Professional Affairs



Diana M. Cardona, MD, FCAP

Performance matters more than ever with pathologists facing new federal requirements mandated by Medicare's MIPS. Under the new system, pathologists not only are required to report on quality measures, but also their performance will be compared with that of their peers.

"The CAP has the longest history of successfully creating pathologist-specific measures, which has enabled pathologists to effectively report quality measures to the Medicare program," said Diana M. Cardona, MD, FCAP, chair of the Performance and Measures Subcommittee for the Economic Affairs Committee. "In order to help pathologists succeed, it's important to continue to expand the menu of measure options."

The CAP developed the Pathologists Quality Registry, the first Qualified Clinical Data Registry (QCDR) approved by the CMS to include pathology-specific measures unique to a registry. After a rigorous process to determine the right metrics, the Pathologists Quality Registry now includes nine new quality measures in addition to the eight measures available to pathologists previously, for a total of 17 pathology measures in 2018.

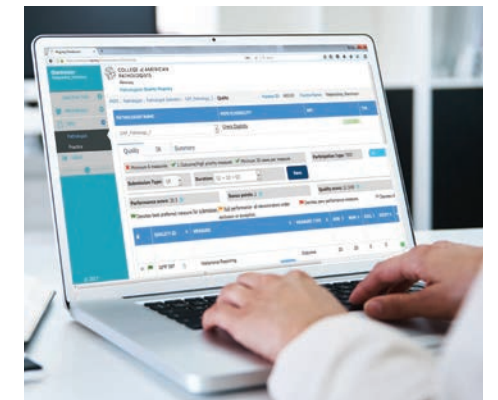
One new measure in the registry is turnaround time for biopsies, which serves as a surrogate marker for efficient workflow and high quality in the laboratory. Additionally, clinical colleagues appreciate quick turnaround times that enable them to expedite treatment decisions for their patients.

"The intent of these quality measures is to measure things that are relevant to pathologists and improve the care of our patients," said Dr. Cardona. "At the same time, we want metrics that pathologists can control and impact in a meaningful way."

Besides offering additional CMS-approved, pathology-specific measures, the Pathologists Quality Registry provides a pathology practice more transparency on performance, the ability to impact its performance within a reporting period, and one stop for attesting to improvement activities. All of these features will allow registry users the potential to succeed within MIPS and obtain a bonus. The price structure for the registry provides a significant member benefit with a cost of only \$299 for CAP members compared with \$799 for nonmembers.

"The intent of these quality measures is to measure things that are relevant to pathologists and improve the care of our patients."

Diana M. Cardona, MD, FCAP



CAP Serves Member Needs and Improves Care

The CAP supports the evolving needs of members and prospective members by investing in the products, programs, and services that they value most.



CAP Invests in Its Members

The CAP supports the evolving needs of members and prospective members by investing in the products, programs, and services that they value most. In 2017, the organization launched 20 separate initiatives aimed at improving understanding of member needs and market forces; serving member segments; providing education, advocacy, and other highly valued programs; and strengthening the reach and impact of pathology.

Total CAP membership remained strong with close to 18,000 members with 97% of newly board-certified pathologists becoming CAP Fellows. In addition, nine out of ten dues-paying Fellows retained their CAP membership. Starting the relationship with pathologists early is key, with 85% of pathology residents joining the CAP as Junior Members.

The total number of Fellows increased through robust recruitment efforts, including consistent demand generation calling campaigns, targeted messaging, and special offers to new members. In addition, 2018 member renewals were improved with a one-click process implemented to improve the member experience.

Members Build Skills and Expertise

Patients trust pathologists to provide accurate diagnoses, and it's the CAP that helps members build knowledge, deepen their expertise, and stay current on changes in the specialty. In 2017, the CAP offered innovative and interactive approaches to deliver education, including micro-learning and podcasting.

Approximately 1,300 professionals attended CAP17, the annual meeting of the membership in National Harbor, Maryland. It included many educational opportunities, almost 100 exhibitors, more than 600 unique abstracts, and excellent networking opportunities. At CAP17, 124 faculty delivered 74 courses, 34 that included self-assessment modules (SAMs). More than half of the courses offered were new in 2017, including the Inspiration Stage during which two pathologists and a cancer survivor shared compelling personal stories as "Champions of Change."

Members continue to receive unique, skill-building opportunities to advance their careers through Advanced Practical Pathology Programs (AP³s) that offer highly focused training with an intensive, hands-on workshop and assessment.

Those specific programs include Ultrasound-Guided Fine-Needle Aspiration, Laboratory Medical Direction, and Multidisciplinary Breast Pathology, which added an interactive component for participant engagement.

Members Receive Practice Management Guidance

The CAP helps members develop and manage successful practices in an evolving health care environment so they can focus on delivering accurate diagnoses for their patients. The Practice Management Committee offered five webinars to members in 2017 with 680 attendees representing a 24% increase in participation from the prior year.

The committee also offered hands-on workshops, practice management toolkits, and assistance programs to address member needs, such as payment issues, contracting questions, and other managerial problems. More than 500 members have taken advantage of the CAP's practice management offerings to grow and sustain their practices.

SPOTLIGHT:
Council on Education



Susan D. Rollins, MD, FCAP

When Massachusetts General Hospital got its first Sonic Touch machine for ultrasound-guided fine-needle aspirations (USFNA), Martha B. Pitman, MD, FCAP, needed to know how to use it. She took the CAP's AP³ with Susan D. Rollins, MD, FCAP.

"We had done a good job with palpation only, but sometimes we didn't get a good specimen because we weren't angling the needle right or the mass was deeper than we thought," said Dr. Pitman.

Since she opened one of the first USFNA clinics in rural Tennessee, Dr. Rollins has become a renowned expert in the field. While many institutions used to rely on radiologists and endocrinologists to reach deeper lesions, now pathologists can be trained to perform the ultrasound-guided procedures themselves. Dr. Rollins' educational programs through the CAP have helped pathologists nationwide integrate these procedures into their practices.

Dr. Rollins views USFNA as a good way for pathologists to practice medicine. It is the patient who benefits from pathologists developing this expertise with ultrasound.

"If a pathologist finds a mass that looks like lymphoma, he or she can get flow cytometry done; and it becomes one-stop shopping for the patient," said Dr. Rollins. "There's financial savings and

better quality care for patients when they don't need repeat biopsies or open surgery."

The program Dr. Rollins and other faculty lead is a two-day interactive session during which pathologists work with phantom or dummy tissues that have targets embedded deep inside. The pathologist uses the ultrasound machine to locate the targets and guide the fine needle to the optimal spot for sampling.

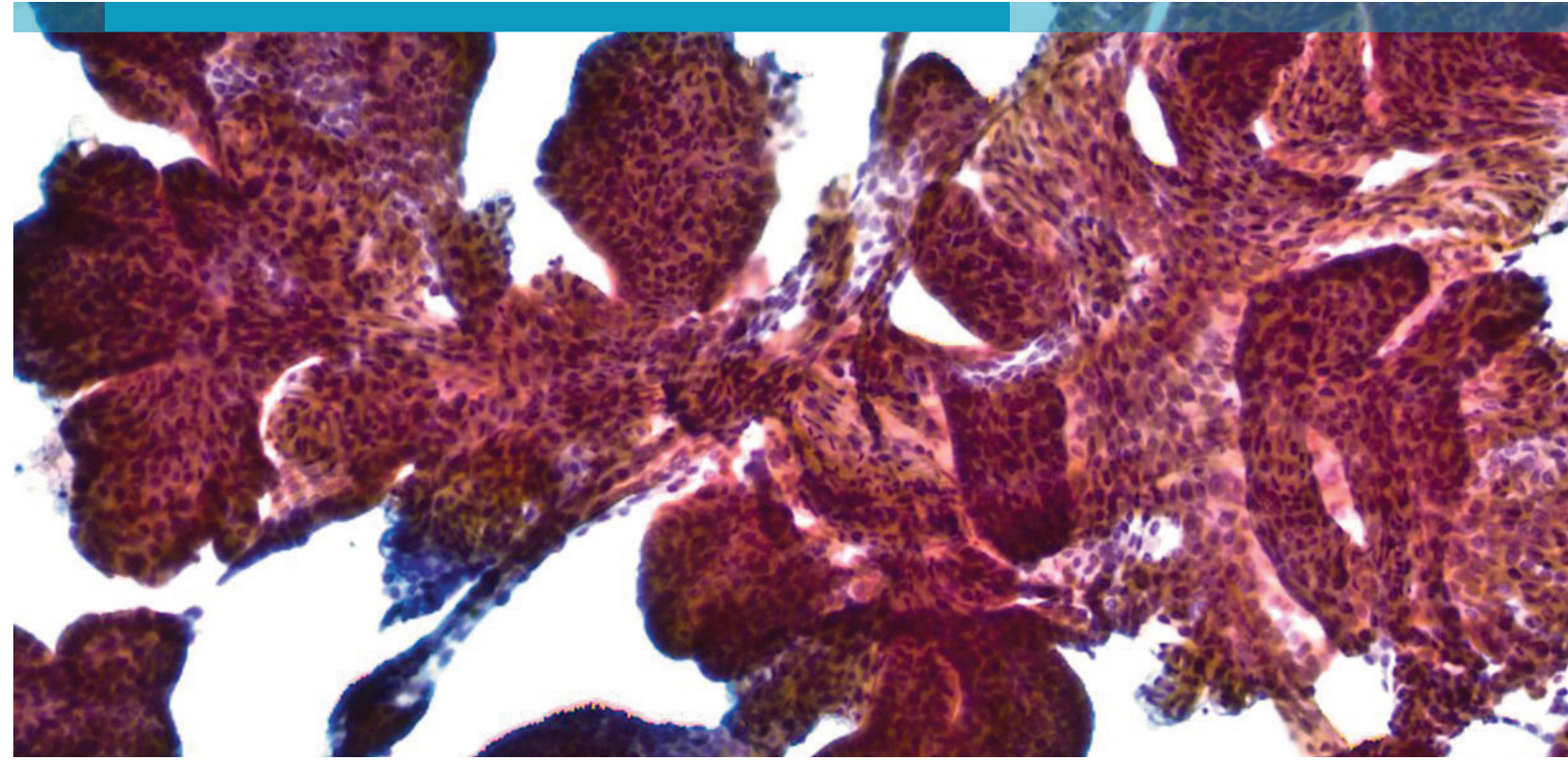
"The CAP and Dr. Rollins made it a professional, hands-on educational experience," said Dr. Pitman. "We're a major teaching hospital with trainees and fellows, and this program helped us keep pace with the training on FNA and ultrasound."

The AP³ offers a new paradigm for CAP members, giving them a chance to develop deep expertise in an area of subspecialization.

"It's exciting for me when pathologists see the value in it and can then demonstrate that value to other departments in their hospitals," said Dr. Rollins.

"It's exciting for me when pathologists see the value in it [USFNA] and can then demonstrate that value to other departments in their hospitals."

Susan D. Rollins, MD, FCAP



Martha B. Pitman, MD, FCAP



Knowledge-Sharing Successes



505
live and online educational courses offered to pathologists and laboratory professionals

170
courses that offer SAM credits to pathologists

>58,000
CME activities completed by physicians

93%
CME educational course rated as 4.2 or greater on a 5.0-point scale in overall value by participants

~1,300
professionals who attended the CAP17 annual meeting with pathologists accessing more than 70 CME courses, including 34 SAMs

34
scientific committees, comprising 531 member experts, that met regularly to pioneer and update CAP programs

~1,000
committee positions with more than 750 members serving to promote advocacy, learning, laboratory improvement, and professional development

~14,000
pathologists who received our peer-reviewed journal, *Archives of Pathology & Laboratory Medicine*

~44,000
professionals who subscribed to our monthly trade publication, *CAP TODAY*

SPOTLIGHT:
Council on Membership and Professional Development



Crystal A. Moore, MD, PhD, FCAP

From the time she was a young girl, all she wanted to be was a physician. For her being a doctor was not just a profession, it was a calling. Not until years later when pathologists diagnosed her only sibling with ovarian cancer and her mother with recurrent breast cancer did her purpose become personal.

“I look through the microscope at tissue on a slide, but I see the people on those slides and know that every diagnosis I make is going to directly impact the life of my patients and their families,” said Crystal A. Moore, MD, PhD, FCAP, a pathologist at the Hampton Veteran Affairs Medical Center and laboratory director for several private laboratories in Virginia.

As a member of the Professional and Community Engagement Committee and the Engaged Leaders Network, Dr. Moore graduated from the Engaged Leadership Academy (ELA) where she learned skills on how to effectively communicate her impact as a pathologist in the media and in her own hospital.

She has authored many articles and has been published and featured in *USA Today*, *Forbes*, *Black Enterprise*, *Jet*, *Reader’s Digest*, *Prevention Magazine*, *Uptown Magazine*, *NBC News*, and more. Her prolific media efforts to educate the public about their health and raise the visibility of

pathologists were recognized this year at the CAP’s annual meeting where she received the 2017 CAP Outstanding Communicator Award. In 2017, Dr. Moore joined the ELA faculty and now trains other pathologists in professional presentation and communication skills.

When Dr. Moore’s mother and sister died, she began to identify with what patients and their families really want to know from pathologists and how she can deliver those messages.

“In medicine, we talk another language, but we must distill that medical talk into bite-size pieces and actionable items that people can take and use to change their lives,” Dr. Moore said. “If one person gets a mammogram or Pap test, modifies their diet just a little, or stops smoking because of an article I wrote or an interview I gave, it will have been worth it.”

“In medicine, we talk another language, but we must distill that medical talk into bite-size pieces and actionable items that people can take and use to change their lives.”

Crystal A. Moore, MD, PhD, FCAP



CAP Serves Member Needs and Improves Care

Members Have a Voice

The House of Delegates (HOD) is the largest body of elected members within the CAP with more than 400 Fellows from across North America representing members through local delegations. These delegates bring valuable input and feedback to the Board of Governors and councils.

The HOD acts as a springboard where new leaders can gain experience and knowledge essential to a membership organization. In 2017, delegates addressed issues from local coverage determination to cancer protocols, playing an active role in shaping how the CAP supports members' needs. The HOD today is more responsive and engaged than ever with almost 80% of delegate seats filled.

Young leaders in the CAP establish professional and personal networks through the Residents Forum (RF) where they have a strong, important voice in organized medicine. RF engagement opportunities and benefits include service on leadership positions on the Residents Forum Executive Committee, online career resources that help smooth the transition from training to practice, and eligibility for CAP Foundation grant awards.



2017 Engaged Leadership Academy Participants

In 2017, two new RF activities made their debut: a career fair where 145 job seekers met in person with potential employers to discuss opportunities and a photo contest where residents were invited to submit their favorite slide photos for judging. Proceeds from bidders for the top photos were donated to the CAP Foundation.

Members Make an Impact

Pathologists must be able to effectively communicate their impact to clinical colleagues, health care executives, lawmakers, and patients. Through the Engaged Leadership Academy, 39 CAP members participated in two-and-a-half days of training where they learned how to craft strong messages and practice presenting them in practical situations. Graduates of the program join the Engaged Leaders Network, a group of 174 members that represents the specialty

of pathology through media interviews, opinion pieces written for members' local publications, and blogs about the impact of pathology on health care.

Members are also showcasing their impact on patients and the public through 18 documentary-style and educational videos the CAP developed that feature members with their clinical colleagues and patients. Topics range from how to read your pathology report to the journey of a tissue sample. Many of these videos are featured on American Society of Clinical Oncology's *cancer.net* site where members of the CAP's Professional and Community Engagement Committee write regular blogs. In 2017, these videos reached millions of viewers through digital advertising campaigns and partnerships with organizations to distribute them to hospital and clinic waiting rooms nationwide.

CAP Serves Member Needs and Improves Care

CAP Makes a Difference

More than 900 underserved women received free cervical and breast cancer screenings at 13 See, Test & Treat programs in 2017 through CAP Foundation program grants. Nearly all See, Test & Treat programs report abnormalities in the double-digits and are well over the national average. Through this vital program, members have the opportunity to become leaders in their hospitals and communities. See, Test & Treat program expansion is planned for 2018. In addition to 13 program grants for See, Test & Treat, the CAP Foundation provided 10 other awards to CAP residents and fellows to support leadership development and advanced training opportunities.

The CAP Foundation was honored as one of only six associations to receive the American Society of Association Executives (ASAE) "Power of A" Summit Award. The award recognizes associations that leverage their unique position to make a positive impact on the lives of others.

Cancer Today highlighted See, Test & Treat as a model for community-based cancer screening and told the story of a patient diagnosed with cervical

cancer who received life-saving treatment because of a member-led See, Test & Treat program at the University of Mississippi Medical Center.

CAP employees are also committed to social responsibility; they used more than 600 volunteer hours to support youth outreach programs in low-income communities, children's health charities, book banks, and more. The CAP's Center staff also mentored students by introducing them to careers in pathology and laboratory medicine.



CAP Remains Financially Strong



Secretary-Treasurer
Richard R. Gomez, MD, FCAP

We can report that the CAP delivered strong financial performance. We continue to achieve robust growth in both domestic and international markets, actively manage costs across all departments, and invest in the right benefits for you—our members.

Total operating revenues for the year ending December 31, 2017, were \$207.7 million, \$1.0 million above the Board-approved 2017 target.

Our Laboratory Quality Solutions, which benefit pathologists, clinicians, and patients, accounted for nearly 93% of total revenue. Revenue from this area, which includes proficiency testing and laboratory

accreditation, grew 5.5% in 2017 and remained the primary source of funding for other member benefits for the CAP. Similar to 2016, approximately 16% of proficiency testing revenues came from strategic international markets in 2017. For the first time, the number of laboratories participating in our accreditation program surpassed 8,000. The enduring success of our laboratory improvement programs is a testament to the dedication of our volunteers—both members and other laboratory professionals.

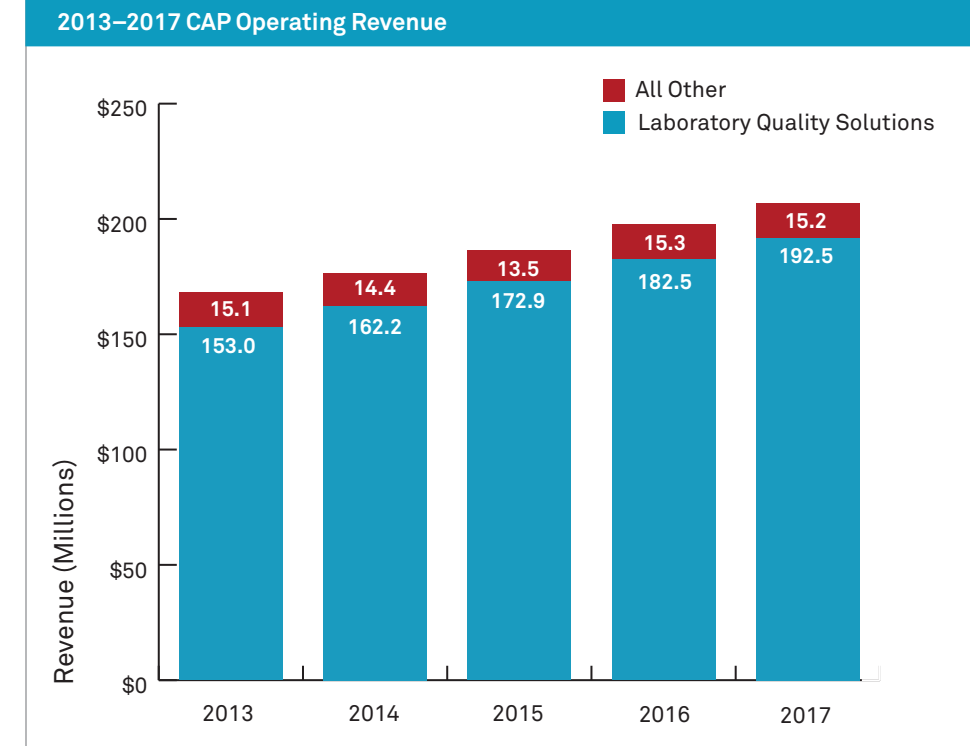
In addition to operating revenue, the CAP had investment earnings of \$6.9 million in 2017.

Program Revenue	2017 Total (millions USD)	% of Total Operating Revenue
Proficiency Testing	\$ 148.8	71.6%
Laboratory Accreditation	43.7	21.1%
Periodical and Published Materials	5.4	2.6%
Membership Dues	3.8	1.8%
Learning	2.8	1.3%
Structured Data	2.2	1.1%
Other	1.0	0.5%
Total Operating Revenues	\$ 207.7	100.0%
Investment Earnings	6.9	3.3%
Total Revenues	\$ 214.6	103.3%

CAP Remains Financially Strong (continued from page 28)

Expense Category	2017 Total (millions USD)	% of Total Expenses
Personnel and Benefits*	\$ 86.3	40.6%
Cost of Materials and On-site Inspections	67.6	31.8%
Outside Services*	20.8	9.8%
Depreciation and Amortization	14.1	6.6%
Rental and Maintenance	7.0	3.3%
Council and Committee Expenses	5.8	2.7%
Travel	4.4	2.1%
Office Expense	3.2	1.5%
General and Administrative	1.4	0.7%
Other	1.7	0.8%
Total Expenses	\$ 212.5	100.0%

*Amounts for personnel and benefits and outside services have been reduced by the capitalized expenses of \$1.5 million and \$4.0 million, respectively.



With diligent financial discipline across the CAP, 2017 operating expenses were \$4.3 million below budget.

At 40.6% of our total expenses, personnel and benefits cost, adjusted for capitalized labor, was below budget and 0.1% higher than the 2016 amount. The Compensation Committee continuously monitors this cost against external benchmarks, ensuring our ability to attract and retain the right talent in a sustainable way. The CAP also selectively engages outside services for specific short-term expertise or more cost-effective solutions. In 2017, we saw a full-year benefit of outsourcing select information services functions. While this resulted in growth in total cost of outside services compared to the prior year, it expanded our expertise and increased agility to address customer and member needs.

The CAP's next largest expense category is the cost of materials and on-site inspections, which includes payments to outside vendors for test kits, cost of shipping those kits to more than 22,000 laboratory sites in more than 100 countries, and global inspector travel expenses.

We continue to seek the most cost-effective ways to deliver our growing programs. Despite the increase in the number of accredited laboratories and product shipments, this expense grew by only 0.4% from 2016, as cost increases from

CAP Remains Financially Strong (continued from page 29)

suppliers were offset by the full-year benefits of a new global logistics partner.

Depreciation and amortization expense was \$14.1 million—or 6.6% of total expenses—in 2017. This is a noncash expense related to significant past investments to update our information systems.

As revenue exceeded 2017 target, and expenses were managed below budget, 2017 excess revenue over expenses after investments and adjustments (or total income) was \$2.1 million—a significant increase from a loss of \$1.3 million in 2016. Furthermore, when calculating earnings before interest, depreciation, and amortization (EBIDA) minus capital expenditures, the CAP’s strong operations generated a positive bottom line of \$3.2 million. One of the long-term metrics established by the Board is maintaining positive EBIDA minus capital expenditures. The CAP continues to outperform against this target, while investing in strategic initiatives to bring the greatest value to our members and customers.

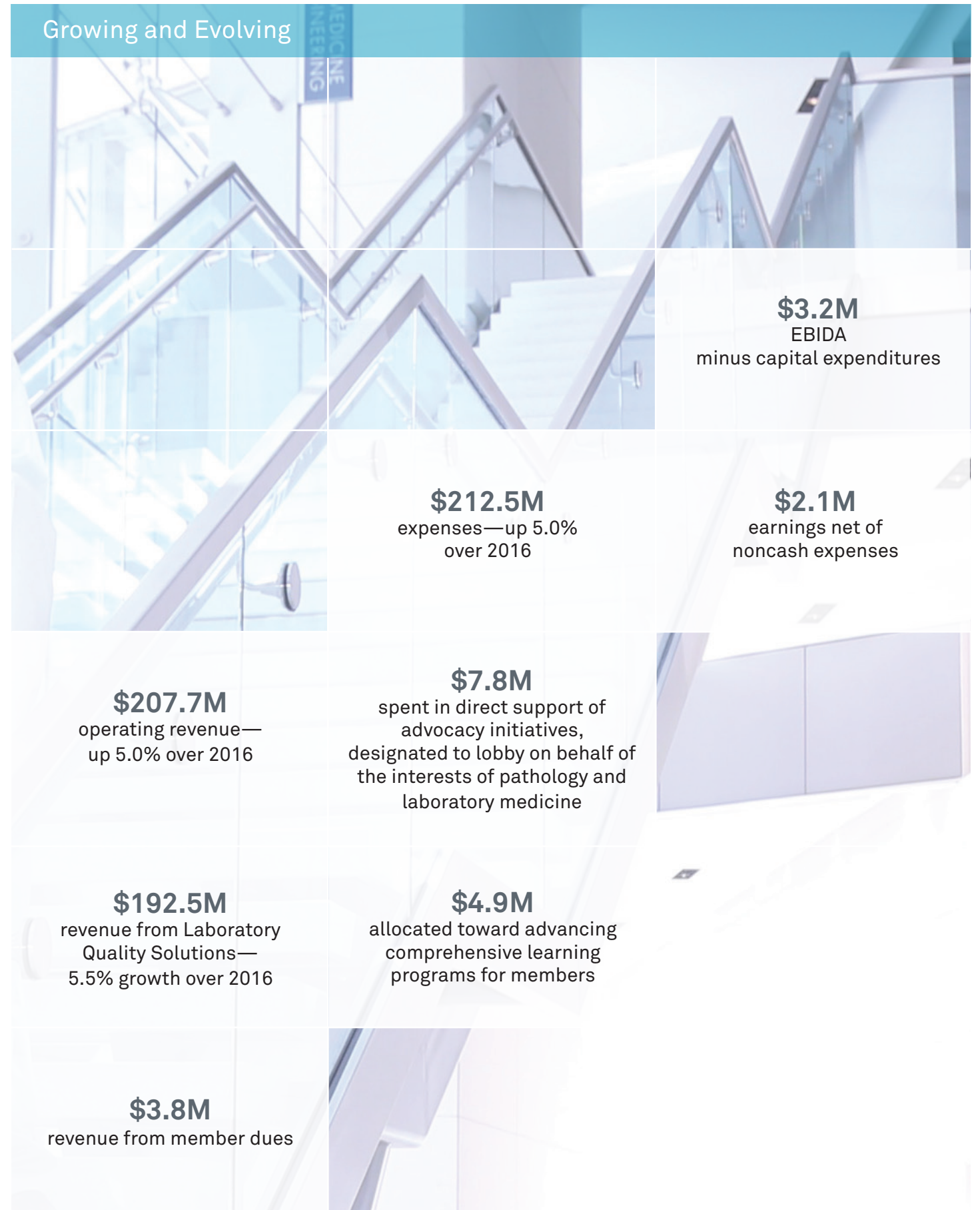
In 2017, we funded and completed more than a dozen projects to further improve our information systems. Many of them were directly guided by feedback from our users and represent our ongoing commitment to enhancing your online experience.

Asset Class	Balance as of December 31, 2017 (millions USD)
Cash and Cash Equivalents	\$ 32.7
Accounts Receivable	83.7
Other Current Assets	8.0
Land, Buildings, and Equipment, Net of Accumulated Depreciation	43.8
Investment and Other Long-Term Assets	72.7
Total Assets	\$ 240.8
Less: Total Liabilities	170.5
Net Assets	\$ 70.3

We remain committed to delivering high-value services to our members. In 2017, we invested \$4.9 million to help you meet your learning needs.

Another area where we’ll never stop working for you is advocacy. As the only 501(c)(6) membership organization representing pathologists, the CAP is uniquely positioned to advocate on behalf of pathologists and only pathologists. In 2017, we increased our investment in this space by 15.8% to \$7.8 million, and we launched the Pathologists Quality Registry—the first qualified clinical data registry approved by the CMS to include non-MIPS quality measures specific to pathology.

In summary, we continue to fund critical initiatives to advance the profession, offer a comprehensive portfolio of benefits that is responsive to member needs, and drive further operating efficiencies. Our balance sheet remains strong, with total assets of \$240.8 million and net assets of \$70.3 million, an increase over the prior year of \$10.5 million and \$2.1 million, respectively. With this stable financial position, the CAP is poised to fulfill our mission and foster excellence in the practice of pathology and laboratory medicine worldwide.



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President, CAP Foundation

Our Mission

The College of American Pathologists (CAP), the leading organization of board-certified pathologists, serves patients, pathologists, and the public by fostering and advocating excellence in the practice of pathology and laboratory medicine worldwide.

Our Vision

People are healthier because of excellence in the practice of pathology and laboratory medicine.

The CAP is a 501(c)(6) nonprofit membership organization under the Internal Revenue Code. The IRS designation allows the CAP to lobby for pathologists with Congress, the federal administration, and state governments, and establish a political action committee (PathPAC) to participate in the political process. Our member-elected Board of Governors provides financial and operational oversight and sets strategic direction.



325 Waukegan Road
Northfield, IL 60093-2750
800-323-4040
847-832-7000 (Country code: 001)