



COLLEGE of AMERICAN  
PATHOLOGISTS

# Improving Health

Your Diagnosis—  
Precise and Accurate.

2015 CAP Annual Report



## Table of Contents

Opening Letters .....	
..... Inside Front Cover, 1	
Introduction .....	3
Advance Quality.....	7
Mobilize Members.....	13
Maintain Strength.....	21
Financials .....	29
Conclusion.....	33

Published March 2016

## CEO's Letter

A remarkably strong partnership between members and staff has enabled the CAP to accomplish much during our long history; 2015 was no exception. While many medical associations have such partnerships, we have created a unique, vital, and vibrant scientific community and mission-based business model with broad reach and deep impact.

Together, we've harnessed the practical knowledge and experience of our physicians and laboratory professionals to help secure the safety and integrity of laboratory medicine through our accreditation and proficiency testing programs. We've developed guidelines and standards that enable people to live healthier lives. We've strengthened the specialty of pathology and helped secure its future through educational programs and practice supports that build the competence and confidence of our Fellows. Hand-in-hand with other physicians, we've helped our communities through same-day cancer screening programs. And we've continued to speak with a powerful voice on Capitol Hill. Our specialty exerts a strong influence on science, medicine, and society. Every day, we're advancing policy and legislative advocacy positions to ensure that our members are recognized and rewarded for their essential contributions to health care.

In carrying out our Board's priorities, the CAP continues to achieve profitable financial growth, advance the specialty, and strengthen our operations to ensure that we'll be there for our members, customers, and the public well into the future.



Charles Roussel  
Chief Executive Officer

## President's Letter

The practice of medicine is undergoing enormous innovations and changes. An explosion of scientific knowledge and biotechnology is taking place that needs to be applied clinically. As pathologists, we know how to interpret and apply that science into medicine—we speak both languages. That is our niche.

Increasingly, we have new tools—molecular, immunologic, and genetic among others—to make our diagnostic analysis more precise, accurate, and clinically relevant. Our work is becoming more quantitative, more digital, and more integrated. We must be ready to provide both a clinical interpretation and the guidance for next steps. We must translate for those at the bedside. We must help other physicians figure out how to talk to patients about their disease processes, how to explain and discuss what they are dealing with, and what exactly can or should be done. The patient is at the heart of what we do, and the pathologist's accurate diagnosis is the starting point for the patient's best outcome.

We are in the early moments of a golden era of diagnostics when treatment will be dictated by diagnostic outcome, continually updated and refined. Our place at the intersection of science and medicine will grant us an unobstructed view of a promising future.

The CAP stands with you at this juncture, energized and committed to help you adapt to the challenges ahead, to increase your knowledge and skills to remain current and relevant, and to represent your interests in public policy. Through all its activities and accomplishments now and into the future, the CAP will continue to champion you as we together advance better health for people.



Richard C. Friedberg, MD, PhD, FCAP  
President



CAP CEO Charles Roussel and  
President Richard C. Friedberg, MD, PhD, FCAP

The answers patients are looking for begin with us. We translate medical data into an accurate diagnosis that lets the healing process begin.



## Introduction

Our commitment as pathologists to get the diagnosis right is not just important; it is critical to the lives of patients. We're trained to see microscopic differences that others might miss. And we *make* a difference when we help determine the right test at the right time for the right diagnosis.

Today, evolution in health care is making the role of the pathologist more vital than ever, and we must be prepared to meet shifting industry and market demands. Changing reimbursement models, technological advances, and cost pressures among our laboratory improvement customers are just a few of the disruptive forces impacting

our specialty. Providers are increasingly focused on the “triple aim” of improving the patient experience, reducing per capita cost of health care, and advancing population health.

As the only organization built and run by and for pathologists, the CAP provides quality improvement, advocacy, and education programs addressing a wide array of laboratory, clinical, and practice settings. In this annual report, we invite you to explore the work we continue to do to help you *advance quality, mobilize members, and maintain strength.*

We invite you to explore the work we continue to do to help you

- *Advance Quality*
- *Mobilize Members*
- *Maintain Strength*

“If it were not for my pathologist, I am not sure I would be here today.

After a routine check-up in 2004, I was diagnosed with prostate cancer. Thanks to my pathologist’s quick and accurate diagnosis, I was able to begin treatment immediately.

I was given the peace of mind more precious than anything else I could have imagined—the peace of mind in knowing that I am a cancer survivor.”

**David O. Rice**  
Patient



We help save people’s lives every day.

*“I am inspired every day to do my best to serve patients. News and patient stories in CAP communications and publications bring the patient experience and the effect on society to the forefront. Equally important are the negative stories about the adverse impact of pathology mistakes. These stories continue to encourage me to be a well-educated and careful pathologist in order to prevent mistakes. They also inspire me to focus on quality control to reduce errors.”*

**Lik Hang Lee, MD, FCAP**



Nothing is more important to effective patient care than accurate diagnoses. And nothing is more crucial to these diagnoses than accurate laboratory test results.

The CAP's comprehensive laboratory improvement programs and numerous testing guidelines not only advance accuracy, they also support laboratory professionals whose work is instrumental in delivering quality care.



## Advance Quality

### Enhancing the Patient Experience

Identifying the right tests and making accurate diagnoses are how we as pathologists give patients the peace of mind to know they're about to receive appropriate and effective care.

The CAP advances these positive outcomes through rigorous and scientific proficiency testing programs that validate performance at more than 22,000 laboratories worldwide. These programs not only ensure accuracy for patients, the revenues they generate also support all our scientific committee activities, advocacy efforts, and more.

### Improving Population Health Outcomes

In a quest to identify emerging population health trends and gaps in care,

pathologists are analyzing complex medical data and improving public health and chronic disease outcomes.

The CAP's detailed, disease-specific testing guidelines put the latest knowledge into practice, helping to target the most appropriate tests and therapies. The 400-plus experts on the CAP's more than 35 scientific committees spend countless hours poring over evidence to develop this crucial guidance.

### Providing Cost-Efficient Care

Accuracy and efficiency are closely linked. CAP accreditation promotes the most effective and cost-efficient care possible by ensuring the highest levels of laboratory accuracy.

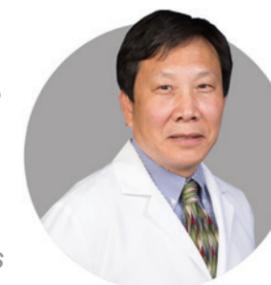
Pathology protocols and guidelines, developed in

collaboration with other clinicians and medical societies, strive to improve patient care and outcomes while helping physician teams make more informed decisions about diagnosis, optimal treatment, and cost efficiency.

Accurate testing and reporting accelerate proper treatment, which saves time and money.

Supported by nearly 3,000 checklist requirements focused on reducing diagnostic errors, the CAP's peer-based inspection model helps all participants keep improving. Meanwhile, we continue to introduce new laboratory improvement programs to meet emerging needs, including 32 new programs through member-led initiatives.

*"The CAP is helping ensure quality. The fact that the CAP partners with other organizations like ASCO and ASH gives us a lot of credibility as we approach other societies in the clinical sphere and develop clinical pathways and best practices. The CAP helps us be on the forefront of advocating for the patient."*



Aaron C. Han, MD, PhD, FCAP

## Living Our Quality Mission



**7,796**  
CAP-accredited laboratories



**3,640**  
site inspections



**22,000**  
laboratories using CAP proficiency testing



**22,230**  
inspection hours provided by CAP members

## Putting Patient Safety First

After more than 65 years, the CAP and our members continue to stay ahead of evolving challenges to ensure testing accuracy worldwide. The CAP has a long history of issuing important patient safety guidelines.

Patients can now be assured that their tissue will be uniquely and unambiguously linked to them. In collaboration with the National Society for Histotechnology, we released the first guideline to ensure patient safety through uniform labeling of paraffin blocks and slides.

Another key guideline that will positively impact patient care involves added quality measures to help anatomic pathologists in

their review of surgical pathology and cytology cases. The CAP partnered with the Association of Directors of Anatomic and Surgical Pathology (ADASP) to develop a guideline that will help detect and prevent diagnostic interpretive errors, leading to more accurate diagnoses and improved patient care.

A new clinical practice guideline on molecular marker testing for patients with colorectal cancer will improve patient-centered care. The CAP is partnering with the American Society for Clinical Pathology (ASCP), Association for Molecular Pathology (AMP), and American Society of Clinical Oncology (ASCO) to develop a comprehensive guideline.

It will address which tests and samples are appropriate and how the testing should be performed.

The CAP will continue to strengthen patient care through grants from the Centers for Disease Control and Prevention to improve the adoption of evidence-based laboratory testing guidelines and to standardize laboratory and biomarker reporting for cancer surveillance. We know patients and physicians rely on consistently accurate test results to guide treatment decisions, and we're committed to achieving that goal for patients.



*"These are not just glass slides. This is a patient. Every case, every box of trays—this is not just tissue on a slide. There's a patient behind this. There's a story there. I try to remember with every case that this could be my mother, my father, and my grandparents."*

Elizabeth M. Rinehart, MD

“A pathologist impacted my life in a very significant way. I was fortunate that my doctors archived my tissue from my first surgery so they could test my tissue for all gene mutations and see if I was a candidate for new personalized medicines.

“A pathologist was instrumental in developing the diagnostic test and studying my tissue. The pathologist’s work confirmed I had the *ALK* mutation, which allowed me to enter a clinical trial for a very promising new treatment.”

**Richard Heimler**  
Patient



We are part of the healing process.

*“We now look at the molecular profile of the cancer and do targeted therapy. If the cancer comes back, we look at the profile again and use a different therapy. The DNA will have changed in those cancer cells to let it evade the first treatment we did. We can turn cancer into more of a chronic disease.”*

**Debra G.B. Leonard, MD, PhD, FCAP**



Health care faces a changing economy as well as new reimbursement models and regulations. In this environment, the CAP acts as a strong and unified voice to help you move forward with confidence. Our team of 28 advocacy professionals works hard to promote your value and protect your interests at the state level and in Washington, DC.



## Mobilize Members

### Engaging Members and Partners

Improving the health of patients requires a team approach, whether we're making our voices heard in the nation's capital, in our own hospitals or on our clinical teams. The CAP continues to unite and mobilize members and partners across our profession.

### Keeping You Informed

More frequent *STATLINE* digests, news alerts, and other communications are helping members stay current on key developments that impact pathologists' ability to provide care for patients. For example, within hours of the release of the proposed and final Medicare Physician Fee Schedule regulations, CAP members received *STATLINE* special reports analyzing the rules' impact on reimbursement for pathologists. And within days of the fee schedule's release,

we held member-hosted webinars detailing the new pathology reimbursement policies.

### Gathering Strength

The CAP's grassroots network, PathNET, has 2,180 members engaged on federal and state issues. The CAP activated its network through 10 Action Alerts to advocate on behalf of the specialty with members' legislators. Further, our political action committee, PathPAC, raised \$263,000 and donated \$165,000 to 79 federal lawmakers throughout the year.

### Building Relationships

Through strategic alliances, the CAP expands our reach within pathology and helps other specialties understand the value of the pathologist's role in making an accurate diagnosis. For example, our ongoing joint education work with ASCO is pivotal in partnering with oncologists to disseminate both clinical

and public information. We know that patients benefit when pathologists and oncologists talk and coordinate on the best, most effective treatment plans.

Ensuring pathology's future as a specialty requires equipping pathologists with the skills they need in a changing health care environment. That's why the CAP partnered with the Association of Pathology Chairs (APC), ASCP, and United States and Canadian Academy of Pathology (USCAP) to understand and address workforce issues. We fielded and analyzed two surveys addressing the quality of residency training for new pathologists in 48 practice areas. Hearing the perspectives of working pathologists was important as we devised training programs to close those skill gaps and prepare the next generation of pathologists for success.

*"Pathologists are an important part of the health care team even though we're behind the scenes. We see the disease process with our eyes, from benign to precancer and cancer. We can see what preventative health can do. We can push patients to take an active role in their health care."*

Rashna Meunier, MD, FCAP

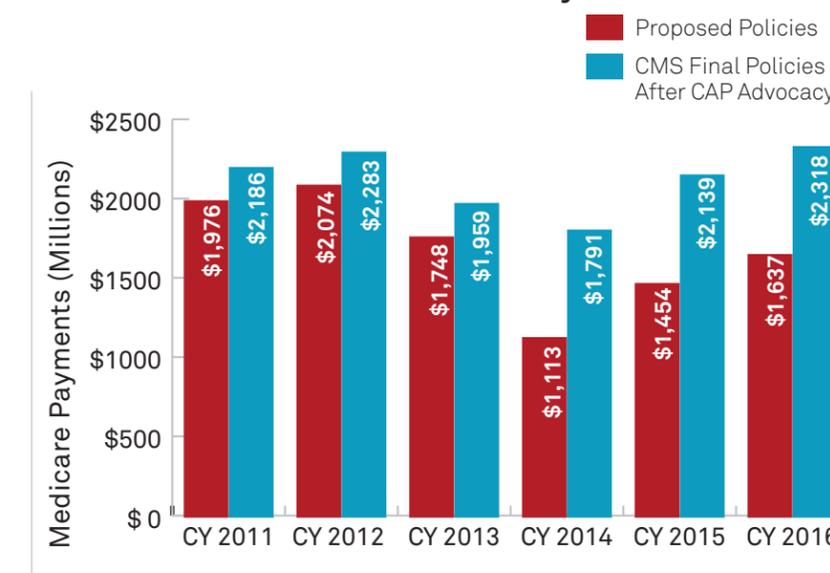


# Protecting the Value of Pathologists' Services

Our roadmap for the CAP's policy and advocacy efforts is known as the Now and Future Policy Agenda. The goal of this agenda is to influence public policy to sustain and advance the specialty in today's health care environment and position the specialty for future success. As the government moves forward with implementing new Medicare initiatives and policies, the CAP will continue its work to preserve the value of pathology services and the vital role of the pathologist in providing patient care.

Pathologists bring significant value to patients and providers every day, and we've long recognized the need to be compensated fairly for it. As your advocate, we're fighting to improve Medicare's payment policies to sustain the specialty.

## CAP Advocacy Successes: Past Effects on Medicare Payments



The CAP Advocacy Successes graph demonstrates the effects of advocacy efforts over the past five years. These numbers are taken from what the Centers for Medicare & Medicaid Services (CMS) publishes in its final Medicare rules. Shown in blue are the prior year's combined pathology and laboratory payments for pathology services. In red, are shown what the payments would have been had the proposed Medicare policies taken effect. For instance, the CAP has averted cuts to the work value of pathology examination of anatomic tissue codes (88305 and 88307) by 50%, totaling \$210 million annually. The CAP has also averted policy since 2014 to replace the practice expense values impacting the technical component and global payment for 88305, thus preventing the loss of roughly \$195 million a year.



*"Working with CAP staff and members on payment policy and regulatory issues has been invaluable to me as a pathologist. And I believe it ultimately will result in patients having access to medically necessary testing, pathologists being appropriately compensated for their work, and the overall advancement of the professional profile of pathology."*

Theresa S. Emory, MD, FCAP



## Advocacy Victories



### Mitigating payment cuts

In response to CAP advocacy, the CMS will increase overall payments for pathology services by 8%, or \$105 million, in 2016. In October, the CMS finalized increases sought for immunohistochemistry and in situ hybridization services. This was a direct result of the CAP's engagement with the agency.



### Enacting repeal of the SGR

The permanent repeal of Medicare's sustainable growth rate (SGR) formula in April not only averted a 21.2% Medicare cut to physicians but also included a CAP provision. CAP language in the SGR repeal bill gives pathologists flexibility to meet future objectives in Medicare's next payment system. As a result, pathologists will have more options to meet Medicare's quality initiatives and recognize our contributions to quality care.



### Leveling the competitive playing field

Roughly three-quarters of all patients in the United States are now covered by state laws for direct billing and anti-markups. Over the last decade, the CAP spent \$709,000 to enact direct billing laws in 19 states and anti-markup laws in nine states. Individual state pathology societies also contributed \$875,000 in this effort to enact legislation.

### Ensuring a favorable regulatory environment for laboratories and pathologists

The CAP provided leadership following the release of laboratory-developed test (LDT) guidance from the Food and Drug Administration (FDA). The CAP's legislative proposal takes the least burdensome path to providing LDT oversight. The legislative proposal relies on a public-private partnership using the existing regulatory structure to allow laboratories to provide accurate and reliable test results for patients. The CAP continues to be actively engaged in advocating with the FDA and Congress for an approach that ensures accurate and reliable test results for patients.



### Securing bonus payments for pathologists from new payment models

The CAP works to ensure pathologists can participate in new value-based payment programs, such as the groundbreaking CMS program and the Physician Quality Reporting System (PQRS). By reporting PQRS measures developed for pathologists by the CAP, pathologists earned \$24.2 million in bonuses since 2009 and avoided \$13.5 million in subsequent Medicare penalties. The CAP also secured pathology exemptions from the Electronic Health Record (EHR) Meaningful Use program, saving pathologists from an estimated \$21.6 million in Medicare penalties in 2015 and \$46.9 million in EHR penalties in 2016.



## Advocacy Victories

“I had a colonoscopy at age 46 and was diagnosed with colon cancer. Because of my pathologist’s prompt and accurate diagnosis, I was able to have surgery and begin treatment immediately. I guess you could say the pathologist saved my life because I am 21 years cancer free.”

**Jay Mansbach**  
Patient



## We are constantly learning.

*“Participation in the CAP helps to advance patient care. Foremost, it encourages and provides opportunities for professional development at all stages of the pathologist’s career. Every clinical experience provides a potential learning opportunity and career growth. Similarly, participation with the laboratory accreditation and proficiency testing programs helps both the individual and the laboratory to continually improve the quality of results.”*

**Gary W. Procop, MD, MS, FCAP**



Coordinated, value-based care is essential. The CAP is helping to lead the way by sharing our expertise and working together with clinical partners.



## Maintain Strength

### Learning That's Shaped by the Market

Improving the health of patients through expert diagnostics and precision medicine requires robust continuing medical education. With a focus on high-priority educational topics that aren't covered by other providers, the CAP's online and in-person education programs help you learn what you need at your convenience in a style and format optimal for you.

"Creating a Culture of Patient Safety," for example, is a new online CME/SAM course developed through a CAP member and staff partnership and approved by the American Board of Pathology to help meet Maintenance of Certification requirements. Designed specifically for pathologists by pathologists and using a learning method preferred by our members, the course is well positioned to meet the needs of the intended audience. It has been very well received, with more than 170 pathologists registering in the first two months of its release. Other recently launched courses address key issues faced by medical directors of immunohistochemistry

laboratories and the use of molecular testing to diagnose non-small cell lung cancer.

New online enhancements are making it easier to tap into this knowledge. The CAP's comprehensive Learning Management System supports pathologists' educational needs and preferences across multiple devices and platforms.

To help address changes in technologies and practices, the CAP continues to add to a repertoire of more than 30 publications, with most available as ebooks as well as in print. New resources include *Benchtop Reference Guide for Arthropods* and *Point-of-Care Testing Toolkit*.

### Addressing What Matters Most to You

The House of Delegates is the voice of the membership and a partner with the CAP Board of Governors and councils in advancing our specialty. Delegates elected by the membership bring member concerns and needs to the Board of Governors. Delegates have provided valuable and necessary feedback in many areas, including accreditation, synoptic reporting, the CAP's learning

portfolio, and Pathology Practice Guidances. House membership grew by 22% and satisfaction scores rose from 78% to 84% over the past year.

For future leaders, the Residents Forum provides a platform and a pathway to deeper influence for its 268 delegates. Residents gather twice per year to network and address each other's challenges in presentations and group sessions. In response to residents' concerns about the job market, the Residents Forum facilitated a Career Connection program at the September meeting to help attendees searching for a job meet those looking to hire. The Residents Forum has also proposed a consistent and streamlined application process for fellowships.

The CAP facilitated peer discussion and collaboration on CAPconnect, our online member community, on topics, including diagnostics, practice management, emerging technologies, and health care trends. The CAPconnect online community grew to more than 900 members.

# Confronting Today's Complexities Together

## Running a Profitable Practice

The Value-Based Business Center provides one-on-one assistance and toolkits to save you time and help you adapt to new payment systems. New offerings include toolkits supporting billing assessment and practice efficiency.

## Getting up to Speed on Genomics Testing

Our comprehensive genomics strategy encompasses education, advocacy, standards, and other efforts to support analysis and reporting in a fast-developing field. A key highlight involved the introduction of our first methods-based next-generation sequencing proficiency testing program (NGS Survey). This was a successful launch with enrollment numbers that far exceeded expectations. Additionally, the next-generation sequencing section of the Molecular Pathology Checklist continued to grow and transform to help meet the needs of laboratories using this technology.



*"The CAP provides me current information I can use to make diagnostic decisions, including grossing guidelines, tumor templates, diagnostic updates, unusual presentations of common diseases, and more."*

Amelia B. Sybenga, DO

## Offering Digital Pathology Resources and Support

From the first CAP anatomic pathology education program offering whole slide images in 2001 to our current anatomic and clinical pathology offerings viewed by 8,000 visitors globally each month, the CAP has been a leader in leveraging digital pathology technology. The CAP Digital Pathology Resource Guide provided a wealth of information for pathologists to better understand the workflow, technology, and regulatory environment to assist laboratories that are considering implementing telepathology services and digital pathology systems.

## Engaging in Practical Informatics

The CAP's clinical informatics strategy continues to be implemented through education opportunities, advocacy efforts, and standards development work. A special section in the March issue of *Archives of Pathology & Laboratory Medicine*, written by our informatics experts, focused on empowering pathologists in

the era of EHR, highlighting them as valuable assets to IT leadership within health care. Our informatics experts work with the HHS Office of the National Coordinator for Health Information Technology to develop technical guides for standardization of a laboratory's test compendium, laboratory orders and laboratory results reporting. Our member experts continue to serve as an informatics resource within the CAP and at the highest levels of leadership. They work collaboratively throughout the CAP to prepare the specialty for upcoming changes in technology, information management processes, and associated value-added diagnostic and analytic services.

One hundred newly licensed sites began using the CAP electronic Cancer Checklists (eCC) to streamline reporting on their surgical pathology cancer cases. Grant funding and cooperative agreements with the CDC, the California Department of Public Health, and the Office of the National Coordinator helped to advance cancer report quality, data sharing, and work towards improved patient outcomes. The CAP eCC currently generate

more than \$900,000 of annual eCC licensing revenue, and we expect it to break even by the end of 2016.

## Providing Consistent and Effective Testing

Through its collaborative development and adoption of guidelines, the CAP is advancing accurate diagnoses and effective treatments in partnership with other organizations. In addition to our formal alliances with the APC, ASCO, AMP, and American Society of Cytopathology (ASC), we continue to forge partnerships with new organizations, such as the American Society of Hematology (ASH).

## Raising the Pathologist's Profile

We believe the unique value provided by our profession must be recognized, respected, and supported. For these reasons, the CAP continuously connects with media, health care executives, and policy influencers. In partnership with you, we secured more than 30,000 news stories.

A highlight was Tackling Concussions, a campaign that broadened public understanding of the pathologist's role. The initiative showcased CAP member pathologist

Bennett Omalu, MD, MBA, MPH, FCAP, and his identification of the disease chronic traumatic encephalopathy (CTE), which has become the subject of "Concussion," a major motion picture. Dr. Omalu participated in more than 30 interviews that led to placements in nearly 400 television and radio news broadcasts, as well as print and digital publications with an audience reach that exceeded 50 million. Our goal was to educate the public on the broad role of pathologists as specialists who make the often difficult diagnosis.

Together, we're helping people better understand the diagnostic expertise that pathologists bring, as well as the positive impact we make on laboratory quality and patient care.

Continued next page



**454**

live and online educational courses offered to pathologists and laboratory professionals, covering 43 specialty and professional topic areas



**90%**

of CME educational courses rated as 4.20 or greater on a 5-point scale in overall value by participants



**2,356**

pathologists registered for the annual meeting in Nashville accessing 96 continuing medical education/continuing education (CME/CE) courses

**97%**

of annual meeting course attendees said the educational content was practical and timely

**35-plus**

scientific committees, comprising more than 400 experts, met regularly to pioneer and update CAP programs

**16,000**

pathologists received our peer-reviewed journal, *Archives of Pathology & Laboratory Medicine*

**48,000**

professionals subscribed to our monthly trade publication, *CAP TODAY*



## Knowledge-Sharing Successes

## Knowledge-Sharing Successes



“My pathologist diagnosed my breast cancer and became a central figure on my medical team to save my life and restore my health.

As an eight-year survivor, I will always be grateful that he viewed my slides to see the wife, mother, sister, and now ‘Nana’ behind them. I am here today enjoying my life with my family and friends because of my pathologist.”

**Ruth Chermok**  
Patient



We put the patient first.

*“Every pathologist, technologist, administrator, phlebotomist, every person in health care, including government regulators and insurance administrators, needs to remember that we are here for and because of the patient. We are charged with the duty to provide excellence in medical care to our patient population. Without the patient, there is no health care system.”*

**Stephen G. Ruby, MD, MBA, FCAP**





CAP Secretary-Treasurer Richard R. Gomez, MD, and Immediate Past Secretary-Treasurer Paul N. Valenstein, MD, FCAP

# 2015 Financial Report

Fulfilling our vision to make people healthier requires a stable financial position. The CAP's strong balance sheet leaves us poised to deliver sustained growth, advance our specialty, and create operational efficiencies that will help ensure our continued success.

Our CAP laboratory improvement programs (LIP) are the economic engines that fuel our mission and market position. LIP revenues have continued to grow year over year while achieving expected excess revenue levels. Neither achievement would have been possible without the continued volunteer support of both our members and other laboratory professionals.

The CAP continues to invest in the future of the profession. In 2015, the CAP invested more than \$6.7 million in advocacy initiatives, \$5.0 million in learning programs, \$0.6 million in the development of standards, as well as significant investments in other areas impacting the profession, such as informatics, genomics, and molecular medicine.

We are proud of our accomplishments as detailed throughout this report, and we look forward to supporting you and our profession as we solve the world's most complicated medical challenges and help save lives.

Richard R. Gomez, MD, FCAP  
Secretary-Treasurer

Paul N. Valenstein, MD, FCAP  
Immediate Past Secretary-Treasurer

At the heart of the CAP are the thousands of pathologists who volunteer their time and expertise to support our mission. The CAP's revenue-generating activities enable us to mobilize our members, promote quality in laboratory medicine, and advocate on behalf of our profession.



## 2011–2015 CAP Revenue



The CAP's income statement shows a loss of \$9.8 million for the year. Significant prior-year investments to update our information systems (IS) produced high current-year depreciation expense. Excluding noncash expense, the CAP generated a positive bottom line of \$5.7 million, in line with the 2015 budget and consistent with prior years on a comparable basis. Providing exemplary service to our members and customers is a top priority. Our financial results over the past several years reflect investments in major initiatives to improve the quality of our service. This planned expenditure is reflected in our financial result, and we anticipate the level of spending on IS to return to traditional levels.

## Growing and Evolving



**\$186.4 million**

in revenue—  
up 5.6% over 2014

**\$172.9 million**

of revenue from LIP, 6.5% growth over 2014

**\$3.5 million**

of revenue from member dues  
with more than 18,000 members

**\$205.0 million**

in expenses—up 1.7% over 2014

**\$6.7 million**

spent in direct support of advocacy initiatives,  
designated to lobby on behalf of the interests  
of pathology and laboratory medicine

**\$5.0 million**

allocated toward advancing comprehensive  
learning programs for members

**\$10.5 million**

in capitalized spending to upgrade IS platform

**\$5.7 million**

generated in excess revenue, when excluding the  
noncash depreciation expense. Including the  
depreciation, the CAP has a \$9.8 million operating loss.



## Investing in Technology, Outreach, and Advocacy

In recent years, the CAP has made careful, strategic decisions to invest in areas that would support our mission. When the Board of Governors approved a budgeted net loss from operating activities for 2015, it understood that the loss resulted from higher than historical levels of depreciation related to investments in our IS platform.

Excluding depreciation from information systems projects, the CAP generated excess revenue of just over \$5.7 million, reflecting strength in our core operations. Prior to 2009, the CAP's IS platform, largely built in the 1990s, was based on a best-of-breed approach, resulting in multiple systems, each of which met a specific need. But these systems were not well integrated with each other, could not be easily scaled, and lacked the capacity to support important security features. In 2009, we began to comprehensively overhaul that platform and move toward a more fully integrated and secure system, better able to meet the needs of our members and customers. Since then, we have made significant improvements in many areas and are much better positioned to respond to future

needs. These improvements were funded by liquidating investments that had been accumulated for that use over many years.

As the only 501(c)(6) membership organization representing pathologists, the CAP is uniquely positioned to lobby on behalf of the profession. The CAP spent more than \$6.7 million on advocacy and direct lobbying initiatives in 2015. We also provide administrative support to PathPAC, a political action committee acting on behalf of our profession. This level of spending is consistent with prior years and in line with our plans for the future.

The CAP invested more than \$5.0 million in the development and delivery of learning opportunities across a wide variety of channels, including online seminars,

live presentations and workshops, competency assessment programs for laboratory professionals, and learning modules delivered as part of select proficiency testing modules. Included in 2015 spending were improvements to the Learning Management System to enhance access and help streamline the CME claiming process.

### Other 2015 Spending Highlights

- More than \$0.6 million invested in developing evidence-based guidelines and consensus statements
- A total of \$0.3 million contributed to the CAP Foundation to support its mission

*"I have learned so much from other pathologists as a direct result of the inspection process. Having also participated in Advocacy School [now the CAP Policy Meeting], the CAP has given me the opportunity to advocate for quality patient care at the grassroots level."*

Charles E. Hill, MD, PhD, FCAP



## Spotlight on See, Test & Treat®

The CAP Foundation's flagship program delivers pathologist-led free cervical and breast cancer screening to medically underserved women. Highlights from the eleven programs delivered across the United States include:



The CAP Foundation has forged a new collaboration with the Cancer Prevention and Research Institute of Texas (CPRIT), whose leadership called See, Test & Treat “an innovative, pathologist-led, evidence-based cancer screening program.”

“Our collaboration with the CAP Foundation underscores CPRIT’s emphasis on targeting populations in Texas where significant disparities in cancer incidence and mortality exist,” said Becky Garcia, PhD, CPRIT’s chief prevention and communications officer. “By providing Texas women with screenings and opportunities to learn more about their risks, we can detect cancers earlier when the potential for survival is greatest.”

As pathologists, we form the direct link between medical data analysis and patient care. The CAP and our members led the way toward higher accuracy informing effective treatments.

## Creating Our Future Together

The CAP continues to work hand-in-hand with our members to create a vibrant and vital future for pathologists. We sought to grow CAP membership’s share of pathologists in the first 10 years of practice. Year-to-year membership levels remained stable with 89% of newly board-certified pathologists becoming CAP Fellows, and 90% of dues-paying Fellows retaining their CAP membership. Approximately 80% of pathology residents are CAP members.

Committee service remains strong. A total of 190 members and nonmembers applied for council/committee appointments with 90% of the 2016 open positions being filled by applicants (up 22%). In addition, 73 residents applied for Junior Member positions (up 15%) with 103% of the 2016 open positions being filled by applicants.

Through 31 grants and awards bestowed to Junior Members, Fellows and medical technologists, the

CAP Foundation continued its legacy of supporting members and essential CAP programs, such as laboratory improvement, membership, resident learning, and leadership.

A commitment to science while helping society is part of our DNA. Every day, we partner with laboratory professionals to improve the safety and integrity of the nation’s medical laboratory systems. On a local level, CAP employees spend hundreds of hours volunteering to help improve the lives of people in the communities in which we live and work.

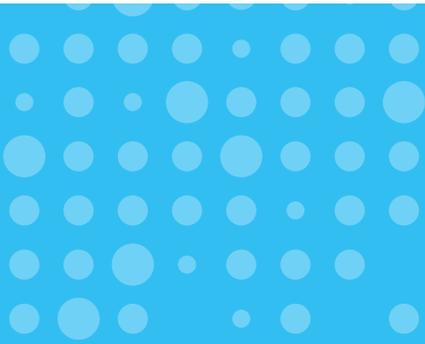
We believe these accomplishments move us closer to ensuring accurate diagnoses, effective treatments, and a healthier society. In the year ahead, we will continue to work with our members, customers, and partners across sectors to *advance quality, mobilize members, and maintain strength.*

... these accomplishments move us closer to ensuring accurate diagnoses, effective treatments, and a healthier society.

“Our specialty is made whole through the CAP’s efforts toward standardization, enhanced reliability, and reproducibility. The achievements of the CAP allow me to stand on tall shoulders.”

Kevin O. Leslie, MD, FCAP





## 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.



COLLEGE of AMERICAN  
PATHOLOGISTS

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