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3 **Mission:** The Foundation of the Pennsylvania Medical Society provides programs and services for
4 individual physicians and others that improve the well-being of Pennsylvanians and sustain the future of
5 medicine.

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7 **The Board of Trustees and staff of the Foundation are proud to serve as your philanthropic partner,**
8 **and we are grateful for your generous support.**

9
10 **2016-2017 ACCOMPLISHMENTS**

11
12 **PRIORITY AREA: EDUCATION – STUDENT FINANCIAL SERVICES**

13 **Student Loans: figures as of 12/31/2016**

- 14
- 15 • **Active Loan Accounts:** \$4,540,390.34 for 426 accounts as of 12/31/2016
 - 16 • **Default Rate:** 0 % **Delinquent Rate:** .14%
 - 17 • **Loans:** \$485,400 to 86 medical students for the 2016-2017 academic year as of 12/31/2016
 - 18 • **Loan Amounts:** Individual awards ranged from \$3,000-\$10,000, maximum aggregate loan
amount per student was \$30,000
 - 19 • **Disbursement:** As of December 2016, the Foundation has disbursed **more than \$20.1 million** in
20 loans and scholarships to 4,536 medical and allied health students (*Appendix A*)

21 **Scholarships**

- 22
- 23 • **Nine Scholarships: The Foundation manages funds for nine medical student scholarships.**
 - 24 • **In 2016, 16 scholarships were awarded totaling \$37,500**
 - 25 • **Allegheny County Medical Society Medical Student Scholarship:** 2016— Awarded a \$4,000
26 scholarship to Gretchen Evans, a fourth-year student at Drexel University College of Medicine.
27 2017—one recipient of a \$4,000 scholarship will be selected in December. Eligibility criteria
28 includes: student applicants must be from Allegheny County and attend a Pennsylvania medical
school as a third- or fourth-year student.
 - 29 • **Alliance Medical Education Scholarship:** April 2017—The committee selected nine recipients to
30 receive awards from this fund totaling \$23,000. **Eight** students will each receive a **\$2,500**
31 scholarship, including one student who received the **William J. West Jr., MD, Award**, one
32 student who received the **Barbara Prendergast Award**, and one student who received the
33 **Dauphin County Medical Society Alliance Award**; one student will receive a \$3,000 scholarship
34 from the **Robert and Arlene Oyler Award**. The Alliance will present the awards during the
35 Annual Business Meeting in October.
 - 36 • **Endowment for South Asian Students of Indian Descent:** 2016—awarded a \$2,000 scholarship
37 to Anup Bhattacharya, a third-year student at Lewis Katz School of Medicine at Temple
38 University. 2017—one recipient of a \$2,000 scholarship will be selected in December. Eligibility
39 criteria includes: student applicants must be of South Asian Indian heritage and attend a
40 Pennsylvania medical school as a second-, third-, or fourth-year student.
 - 41 • **Lehigh County Medical Auxiliary's Scholarship and Educational Fund:** 2016— One student was
42 selected to receive a total of \$2,500 from this fund. The scholarship was awarded to Ramzy
43 Nagle, a third-year student at Sidney Kimmel Medical College at Thomas Jefferson
44 University. 2017—one recipient of a \$2,500 scholarship will be selected in December. Eligibility
45 criteria includes: student applicants must be residents of Lehigh County.

- 1 • **Lycoming County Medical Society Scholarship Fund:** 2016 - Two students were selected to
2 receive a total of \$6,000 from this fund. \$3,000 scholarships were awarded to Alexandra
3 Digenakis a second-year student at Philadelphia College of Osteopathic Medicine and Joshua
4 Van Allen a first-year student at West Virginia School of Osteopathic Medicine. 2017—two
5 recipients will be selected to receive a \$3,000 scholarship in December. Eligibility criteria
6 includes: student applicants must be residents of Lycoming County and 2016 scholarship
7 winners are ineligible to reapply for the 2017 award.
- 8 • **Montgomery County Medical Society Scholarship:** 2016—One student was selected to receive
9 a total of \$1,000 from this fund. Daniel Friedman, a first-year student at Columbia University
10 College of Physicians & Surgeons, New York. 2017—two recipients will be selected in December
11 to receive a \$2,000 scholarship. Eligibility criteria includes: student applicants must be a first-
12 year student and a resident of Montgomery County at time of high school graduation or four
13 years prior to entering medical school.
- 14 • **Myrtle Siegfried, MD, and Michael Vigilante, MD, Scholarship Fund:** 2016— awarded a \$1,500
15 scholarship to Lucas Wittman, a first-year student at Harvard Medical School. 2017—one
16 recipient of a \$1,000 scholarship will be selected in December. Eligibility criteria includes:
17 student applicants must be Berks, Lehigh, or Northampton County residents and first-year
18 students.
- 19 • **Scott A. Gunder, MD, DCMS Presidential Scholarship Fund:** May 2017—awarded a \$1,500
20 scholarship to Kent Upham, Penn State College of Medicine. This scholarship is awarded to a
21 second-year medical student attending Penn State University College of Medicine. Mr. Upham
22 will be recognized at the September DCMS Board meeting.
- 23 • **Blair County Medical Society Scholarship Fund:** 2016— A \$1,000 scholarship was awarded to
24 Adam Weaver a second-year medical student at Philadelphia College of Osteopathic Medicine.
25 2017—one recipient of a \$2,000 scholarship will be selected in December. Eligibility criteria
26 includes: student applicants must be a resident of Blair County and a second-, third- or fourth
27 year medical student.

30 **PRIORITY AREA: PHYSICIAN HEALTH & WELLNESS – PHYSICIANS’ HEALTH PROGRAM**

31 The Physicians’ Health Program (PHP) assists physicians and other eligible health care professionals to
32 understand, accept and cope with the physical, emotional, spiritual and mental conditions which impair
33 or threaten to impair their health and well-being, and thus help them to meet the usual and high
34 standards of medical care required of licensed physicians/others in the Commonwealth of Pennsylvania.
35 The PHP is able to provide those who suffer from addiction, mental health disorders or behavioral
36 concerns that impact their ability to practice medicine, with support and advocacy services needed by
37 compiling documentation that accurately reflects their participation and compliance with their
38 monitoring agreement. Participants in long-term recovery, mentor and support physicians/others in
39 early recovery through sharing their experience, strength and hope.

- 40 • **Active Caseload:** 472 participants were in active agreements in 2016
- 41 • **Referrals:** 272 referrals were received in 2016
- 42 • **Agreements:** 117 agreements were signed for entry into the PHP program
- 43 • **Key Activities:** A presentation on burnout and wellness was added to the roster of
44 presentations. The PHP staff and Medical Director provide on-site CME training on the signs of
45 addiction and physician impairment to hospitals across the Commonwealth. In addition staff
46 presented at the following: Millersville University and Shippensburg University joint graduate

1 program, PAMSS Annual Education Conference, the AMA Alliance’s Northeast Regional
2 Conference and the Pennsylvania College of Osteopathic Medicine.

- 3 • **Appointments:** Medical Director, Jon Shapiro, MD was named to the Federation of State
4 Physician Health Programs (FSPHP) Board of Directors. Program Director, Kendra Parry, MS,
5 CADC,CIP, CCSM was appointed to the FSPHP Accountability, Credibility and Excellence
6 Committee.

9 **PRIORITY AREA: PHYSICIAN CLINICAL COMPETENCY – LIFEGUARD®**

10 Lifeguard® provides physicians with an unbiased seamless pathway for re-entry into the workforce and
11 provides remediation for those who may have fallen behind in clinical skills or continuing education, or
12 about whom quality concerns have arisen through a peer review process. Lifeguard utilizes the medical
13 model as its basis and a case management approach to provide components of the program as needed.

- 14 • LifeGuard has a dedicated website: <http://www.lifeguardprogram.com/>
- 15 • 117 physicians have completed LifeGuard since February 2011, 72 are physicians from
16 Pennsylvania
- 17 • 2016 saw a 15% growth in program enrollees
- 18 • **Key Activities:** Program Director Marcia Lammando, RN, BSN, MHSA presented in the following
19 educational seminars: “Assessing Aging Physicians: Policies and Processes” for the Coalition for
20 Physician Enhancement with David Bazzo, MD; “How Does Cognitive Aging Affect Clinical
21 Competence of Physicians?” at the American Psychiatric Association and the American Association
22 of Geriatric Psychiatry’s annual meeting with James Ellison, MD, Iqbal Ahmen, MD and Anothai
23 Soonsawat, MD. LifeGuard continues to participate with the AMA Senior Physician Work group on
24 the ongoing development of guiding principles for late career physician assessments.
- 25 • **Program Enhancements:** An Advanced Opioids and Controlled Substance Prescribing Course was
26 added as well as a Medical Records Documentation and Pharmacology Course. Practice
27 monitoring for opioid prescribing was added to satisfy medical board consent agreements and
28 return physicians to active practice.
- 29 • **Appointments:** Program Director Marcia Lammando, RN, BSN, MHSA was appointed to the
30 Coalition for Physician Enhancement Program Committee and was named Adjunct Assistant
31 Professor Texas A&M, Rural & Community Health Institute Department of Clinical Transitional
32 Medicine. The appointment to Texas A&M faculty is strategic as LifeGuard continues to partner
33 and work collaboratively with KStar, a like-minded program of Texas A&M.

35 **PRIORITY AREA: PHILANTHROPY & COMMUNICATIONS**

36 Philanthropy and communications are the undergirding tools to advance the mission and programs of
37 the Foundation. Why is support for the Foundation important? Simply put, **every program at the**
38 **Foundation exists for the sole benefit of Pennsylvania physicians.** We help future physicians obtain
39 their medical education. We encourage the impaired physician to get help when they are suffering with
40 addiction and we provide monitoring to ensure that they are safe and certain when practicing in their
41 medical community. We provide fair assessment and efficient and effective remediation when clinical
42 skills are called into question. The Foundation offers programs that speak to improving the human
43 condition of the physician regardless of the political and economic influences that impact the practice of
44 medicine.

1 **Philanthropy**

- 2 • **House of Delegates Honor Gift for the Outgoing PAMED President:** You currently have the
3 opportunity to honor Charles Culter, MD, for his service as the PAMED president. The
4 Foundation has a goal of raising \$10,000. [Click here to give a gift in honor of Dr. Cutler.](#)

5 **Gifts received in honor of the past PAMED Presidents include:**

- 6 • In 2016, 87 gifts were received totaling \$9,572, with an average gift of \$110 to honor Dr.
7 Scott Shapiro, MD.
8 • In 2015, 67 gifts were received totaling \$8,825, with an average gift of \$132 to honor
9 Karen Rizzo, MD.
10 • In 2014, 89 gifts were received totaling \$11,640, with an average gift of \$131 to honor
11 Bruce MacLeod, MD.
12 • In 2013, 69 gifts were received totaling \$8,593, with an average gift of \$125 to honor
13 Richard Schott, MD.
14 • In 2012, 78 gifts were received totaling \$7,267, with an average gift of \$93 to honor
15 Marilyn Heine, MD.

16 The Foundation thanks all of the delegates who have contributed to our PAMED Honor
17 Campaign over the years. In the last five years more than \$45,897 has been raised in support of
18 our physician –driven programs.

- 19 • **Physicians Health Program - 30 years of Change – Transforming Lives Campaign** – In honor of
20 the 30th anniversary of the PHP an Endowment Campaign was launched in January 2016. The
21 campaign goal of \$60,000 was reached and exceeded. Thank you to the 147 individuals who
22 contributed to support the work of the PHP.
23 • **Hospital Giving to the PHP** as of 6/30/2017 \$205,991 from 118 hospitals has been raised
24 compared to \$182,480 from 124 hospitals at this same time last year. The PHP remains the
25 single most effective system to ensure that an impaired physician is sober, safe and certain.
26 • **Annual giving for the PHP** as of 12/31/2016 was \$325,713
27 • **Foundation funds raised as of 6/30/2017 is \$532,897** (56% of goal) compared to \$457,918 last
28 year at this time. The 2017 overall fundraising goal for all programs is: \$1,197,871.
29 • **Total annual giving as of 12/31/2016 was \$1,203,201** compare to \$843,573 as of 12/31/2015.
30 • **The Foundation’s Fundraising ROI:** Is 6.37 – for every dollar we invest in fundraising, we receive
31 6 times that amount
32 • **Face Ratio:** The Foundation maintained a 23% FACE ratio for 2016. The ratio of fundraising and
33 administration costs to total expenditure (FACE) is frequently used as a benchmark to measure
34 the efficiency of charities. The national standard is 35% or less.
35 • **990 Program Spending Ratio:** The IRS threshold is 65% program spending/35% overall, the
36 Foundation programmatic spending is at 77%
37 • **Foundation Excellence Award was established in June 2017.** Through the Pittsburgh
38 Foundation, a donor, Jeanne A. Cooper, MD, has designated a percentage of her estate annually
39 to the Foundation to be distributed for scholarship. With this gift, the Foundation has
40 established the Foundation Excellence Award with a goal of growing the fund to at least
41 \$50,000. Each year an additional financial award will be given to a recipient of one of the
42 nine established Foundation scholarships.

1 **Communications**

- 2 • The **2016 Annual Report** was released in electronic format and print, to see a copy of the 2016
3 Annual Report please go on line to [https://www.pamedsoc.org/foundation/about-us/annual-](https://www.pamedsoc.org/foundation/about-us/annual-report)
4 *report* or pick up a hard copy at the Foundation table at the House of Delegates.

5 **FINANCIAL INFORMATION**

6 *Appendix B* contains a review of the Foundation’s financial information for 2016. Audited reports are
7 prepared each year by the accounting firm of Kreisler Miller. A copy is available through the
8 Foundation’s office of the Executive Director.

9 **2016 BOARD OF TRUSTEES**

Raymond C. Truex Jr., MD, FAANS, FACS, Chair	William R. Dewar III, MD, FACP
Kirk D. Tolhurst, MD, Vice Chair	Ravi Dukkipati, MD
Virginia E. Hall, MD, FACOG, FACP, Treasurer	Michael Fraser, PhD, CAE, FCPP (till 6/16)
Paul F. Dende, DO, FACP, Assistant Treasurer	Kenneth M. Certa, MD
Heather A. Wilson, MSW, CFRE, Secretary	Peter S. Lund, MD, FACS
Erick J. Bergquist, MD, PhD	William J. West Jr., MD

10 **Attachments: Appendix A**
11 **Appendix B**

Appendix A
The Foundation of the Pennsylvania Medical Society

Student Financial Aid Statistics
(As of December 31, 2016)

	<u>Amount of Aid</u>	<u>Number of Accounts</u>
Statistics on active student loans:		
Active Paying Loans	\$ 1,763,598	212
Active Non-paying Loans (in-school/residency)	<u>2,776,792</u>	<u>214</u>
Total Active Loans	\$ 4,540,390	426

**The average default rate for 2016 was 0%*

Total student aid awarded since 1948:

Medical Student Loans	\$ 17,665,478	3,259
Residency Relocation Loans (Extension of Medical Student Loan)	394,600	*
Allied Health & Miscellaneous Student Loans	948,319	580
Loans for Children of Deceased or Disabled Physicians	282,417	96
Scholarships	<u>886,977</u>	<u>601</u>
Total, Student Aid Since 1948	\$ 20,177,791	4,536

**Number of persons is not given because these borrowers also received medical student loans and are accounted for in the medical student loan total. As a matter of information, 392 of these loans have been awarded since 1991, when the program was initiated.*

THE FOUNDATION OF THE PENNSYLVANIA MEDICAL SOCIETY
AND AFFILIATES

Combined Statements of Financial Position
December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash	\$ 820,924	\$ 472,338
Accounts receivable	208,653	195,148
Investments (Notes 1 and 2)	6,617,415	6,236,079
Prepaid expenses	11,592	4,415
Loans receivable, net of allowance for uncollectible loans of \$82,114 in 2016 and 2015 (Note 3)	4,458,352	4,578,971
Accrued interest receivable	138,440	147,797
Office equipment, net of accumulated depreciation of \$154,099 in 2016 and \$156,173 in 2015 (Note 1)	21,111	16,240
Split-interest agreements (Note 4):		
Assets held in charitable remainder trusts	108,180	108,055
Beneficial interest in perpetual trust	680,635	675,062
Contributions receivable from split-interest agreements	112,639	108,892
	<u>\$ 13,177,941</u>	<u>\$ 12,542,997</u>
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 65,864	\$ 52,486
Accrued expenses	89,318	81,642
Deferred revenue	32,013	10,435
Agency funds	172,207	176,198
Liability under split-interest agreements (Note 4)	196,601	198,833
Pension liability (Note 8)	2,052,151	1,932,954
	<u>2,608,154</u>	<u>2,452,548</u>
Net assets:		
Unrestricted:		
Board designated	3,078,587	2,906,958
Undesignated	3,932,063	3,601,973
Temporarily restricted	802,408	912,065
Permanently restricted	2,756,729	2,669,453
	<u>10,569,787</u>	<u>10,090,449</u>
	<u>\$ 13,177,941</u>	<u>\$ 12,542,997</u>

See accompanying notes to combined financial statements.

THE FOUNDATION OF THE PENNSYLVANIA MEDICAL SOCIETY
AND AFFILIATES

Combined Statements of Activities
Years Ended December 31, 2016 and 2015

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues and other support:				
Contributions	\$ 535,502	\$ 37,952	\$ 81,703	\$ 655,157
Interest income from loans	141,102	-	-	141,102
Fees and payments for services	949,081	-	-	949,081
Administrative grants (Note 7)	470,031	-	-	470,031
Project grant	-	-	-	-
Net assets released from restrictions	292,081	(292,081)	-	-
	<u>2,387,797</u>	<u>(254,129)</u>	<u>81,703</u>	<u>2,215,371</u>
Expenses:				
Programs and services:				
Medical student loans	205,626	-	-	205,626
LifeGuard	369,732	-	-	369,732
Physicians' Health Programs	812,649	-	-	812,649
General projects	77,790	-	-	77,790
Education projects	53,710	-	-	53,710
Named funds	52,986	-	-	52,986
Board designated	1,081	-	-	1,081
	<u>1,573,574</u>	<u>-</u>	<u>-</u>	<u>1,573,574</u>
Administration and support:				
Management and general (Note 7)	286,174	-	-	286,174
Fundraising	176,651	-	-	176,651
	<u>2,036,399</u>	<u>-</u>	<u>-</u>	<u>2,036,399</u>
Increase (decrease) in net assets before income from investments and pension related changes other than net periodic pension costs	351,398	(254,129)	81,703	178,972
Income from investments:				
Net realized and unrealized gains (losses) on investments (Note 2)	82,722	82,773	-	165,495
Unrealized gain (loss) on beneficial trust	-	-	5,573	5,573
Income on investments (Note 2)	177,950	63,852	-	241,802
Change in value of split-interest agreements	-	(2,153)	-	(2,153)
	<u>260,672</u>	<u>144,472</u>	<u>5,573</u>	<u>410,717</u>
Increase (decrease) in net assets before pension related changes other than net periodic pension costs	612,070	(109,657)	87,276	589,689
Pension related changes other than net periodic pension costs	(110,351)	-	-	(110,351)
Increase (decrease) in net assets	501,719	(109,657)	87,276	479,338
Net assets, beginning of year	6,508,931	912,065	2,669,453	10,090,449
Net assets, end of year	<u>\$ 7,010,650</u>	<u>\$ 802,408</u>	<u>\$ 2,756,729</u>	<u>\$ 10,569,787</u>

See accompanying notes to combined financial statements.

2015			
Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 546,840	\$ 37,518	\$ 34,345	\$ 618,703
133,816	-	-	133,816
891,274	-	-	891,274
233,264	-	-	233,264
-	147,000	-	147,000
240,894	(240,894)	-	-
2,046,088	(56,376)	34,345	2,024,057
241,916	-	-	241,916
133,255	-	-	133,255
811,334	-	-	811,334
64,013	-	-	64,013
14,785	-	-	14,785
69,874	-	-	69,874
1,228	-	-	1,228
1,336,405	-	-	1,336,405
293,808	-	-	293,808
174,867	-	-	174,867
1,805,080	-	-	1,805,080
241,008	(56,376)	34,345	218,977
(222,808)	(125,694)	-	(348,502)
-	-	(31,552)	(31,552)
195,601	84,494	-	280,095
-	(13,763)	-	(13,763)
(27,207)	(54,963)	(31,552)	(113,722)
213,801	(111,339)	2,793	105,255
43,480	-	-	43,480
257,281	(111,339)	2,793	148,735
6,251,650	1,023,404	2,666,660	9,941,714
\$ 6,508,931	\$ 912,065	\$ 2,669,453	\$ 10,090,449