

Annual Report

2005



Accountability

Altruism

Compassion/Caring

Excellence

Integrity

Professional Duty

Social Responsibility

2005



American Physical Therapy Association
The Science of Healing. The Art of Caring.™



President's Report

As I prepare to leave office in June, I am more proud than ever of my profession and what it does for the people it serves. I am also proud of APTA and what it continues to achieve in support of you, the members of this great profession. At the same time, I am humbled to have had the opportunity to serve and represent you as President of this Association as it strives to advance our profession so that we can better assist our patients in rebuilding and improving their lives.

Today, our Association is strong with more than 65,000 members. Though it dropped by year-end, the number of physical therapist members was at its highest level ever during 2005. This strength has enabled APTA to accomplish much in 2005. As you read through the Annual Report, you will see these accomplishments, and I hope you will realize how hard your Association is working for you. Let me highlight just a few key activities of 2005 that the report contains:

- Despite serious opposition, APTA's Medicare direct access legislation ended the year with more than 150 congressional cosponsors.
- According to a new Medicare manual revision, beneficiaries can go directly to a physical therapist for evaluation and intervention without first seeing a physician, provided a physician certifies the plan of care in 30 days.
- Although repeal of the Medicare cap did not occur, the 2006 version of the cap now includes an exceptions process that reflects many recommendations made by APTA and that will ensure coverage for needed services that exceed the cap limits.
- Medicare implemented its revised "incident to" rule, which affirms that only physical therapists can provide physical therapy "incident to" a physician's services.

- APTA significantly expanded its contacts with government research agencies such as the National Institutes of Health and worked collaboratively with other organizations in efforts to increase spending for rehabilitation research, including physical therapy.
- As of the end of 2005, 148 out of 209 accredited physical therapist education programs offered the professional doctor of physical therapy (DPT) degree. Also, there were 57 postprofessional and seven developing transition doctor of physical therapy (t-DPT) programs.
- Physical therapists in private practice settings are permitted to provide "direct" supervision (in the office suite) of physical therapist assistants rather than "personal" supervision (in the room), thanks to new Medicare supervision requirements that went into effect in June.

As I look back at this year and reflect on all that has been accomplished, I cannot do so without remembering the overwhelming

response of the physical therapy community to aid the victims of Hurricanes Katrina and Rita and the ongoing and vital involvement of our profession in the rehabilitation of members of our armed forces who were injured in Iraq and Afghanistan.

The coming year certainly will bring challenges and opportunities of its own, including our continued push to eliminate the Medicare therapy cap and gain direct access for Medicare beneficiaries. We will strengthen our efforts, and I'm confident that we will prevail. Our patients—the reason we do what we do—are sure to benefit from the great strides that we make. As physical therapists, physical therapist assistants, and students, we will be able to continue to help our patients rebuild and improve their lives to the best of our ability.

Be sure to share this Annual Report with your nonmember colleagues and encourage them to join APTA. With them, we can accomplish so much more.

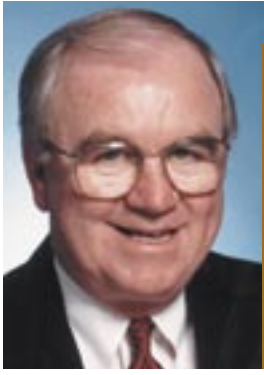
Ben F Massey, Jr, PT, MA

APTA Vision Statement

Physical therapy, by 2020, will be provided by physical therapists who are doctors of physical therapy and who may be board-certified specialists. Consumers will have direct access to physical therapists in all environments for patient/client management, prevention, and wellness services. Physical therapists will be practitioners of choice in clients' health networks and will hold all privileges of autonomous practice. Physical therapists may be assisted by physical therapist assistants who are educated and licensed to provide physical therapist-directed and -supervised components of interventions.

Guided by integrity, life-long learning, and a commitment to comprehensive and accessible health programs for all people, physical therapists and physical therapist assistants will render evidence-based service throughout the continuum of care and improve quality of life for society. They will provide culturally sensitive care distinguished by trust, respect, and an appreciation for individual differences.

While fully availing themselves of new technologies, as well as basic and clinical research, physical therapists will continue to provide direct care. They will maintain active responsibility for the growth of the physical therapy profession and the health of the people it serves.



CEO's Report

We can expect the journey to Vision 2020 to be marked by high and low points and much in between. In sports, especially football, athletes are sometimes referred to as “lunch pail” players. They move the team forward with not a lot of fanfare, routinely providing that core energy that makes the team go.

If years could be compared to ballplayers, 2005 was a “lunch pail” year, marked by quiet and steady progress. The brilliance of 2005 rests in the effort and activities, with or without the fireworks, that must be present in every year of the Association's march toward Vision 2020.

You'll read about dozens of such activities in this annual report, but I want to expound on just a couple of examples. Early in 2005 the Centers for Medicare & Medicaid Services implemented a 2004 revision of the physical therapy benefit manual that in a very quiet way significantly improved Medicare beneficiaries' access to physical therapists. Medicare patients now may go directly to physical therapists without having first to see a physician—as long as a physician signs off on the treatment plan within 30 days. In

reality, this “sign-off” requirement is not a problem because of the ongoing relationships that most physical therapists have with physicians and the confidence that physicians have in physical therapists' judgment. Thus, this revision has reinforced substantially APTA's efforts to secure Medicare direct access. Also involving direct access, 2005 was spent re-gathering congressional support for direct access legislation, following the fallout from a less-than-favorable 2004 MedPAC report and renewed opposition of different groups. By year-end, however, there were more House and Senate cosponsors of the legislation than there had been at a comparable time in the last Congress. This progress attests to the quality and accuracy of APTA's responses to the MedPAC report and to the shal-

APTA Mission Statement

The mission of the American Physical Therapy Association (APTA), the principal membership organization representing and promoting the profession of physical therapy, is to further the profession's role in the prevention, diagnosis, and treatment of movement dysfunctions and the enhancement of the physical health and functional abilities of members of the public.

lowness of the claims forwarded by opponents.

The growth in DPT and t-DPT programs is amazing given the relatively short amount of time in which this growth has taken place—10 years ago, there were only three DPT programs, and the t-DPT did not exist; today there are 205 DPT and t-DPT programs. Although many factors could explain this growth, perhaps the degree was merely catching up to the content that had characterized physical therapist education for many years. The move to the DPT, then, was a matter of allowing graduates to be accurately recognized for their education.

Rather than flashy finishes, these and so many others are ongoing and promising steps toward the achievement of our goals and the realization of Vision 2020.

Frank Mallon, Esq

Goals that Represent the 2005 Priorities of the Association

Goal I:

Physical therapists are universally recognized and promoted as the practitioners of choice for persons with conditions that affect movement, function, health, and wellness.

Goal II:

Academic and clinical education prepares doctors of physical therapy who are autonomous practitioners.

Goal III:

Physical therapists are autonomous practitioners to whom patients/clients have unrestricted direct access as an entry point into the healthcare delivery system and who are paid for all elements of patient/client management in all practice environments.

Goal IV:

Research advances the science of physical therapy and furthers the evidence-based practice of the physical therapist.

Goal V:

Physical therapists and physical therapist assistants are committed to meeting the health needs of patients/clients and society through ethical behavior, continued competence, and advocacy for the profession.

Goal VI:

Communication throughout the Association enhances participation of and responsiveness to members and promotes and instills the value of belonging to the American Physical Therapy Association.

Goal VII:

American Physical Therapy Association standards, policies, positions, guidelines and the *Guide to Physical Therapist Practice*, *Normative Model of Physical Therapist Professional Education* and Evaluative Criteria, and the *Normative Model of Physical Therapist Assistant Education* and Evaluative Criteria are recognized and used as the foundation for physical therapist practice, research, and education environments.

As extraordinary as were the circumstances that caused unimaginable natural disasters and unprecedented national emergencies, so too was the extraordinary—although not nearly as hard to believe—response of APTA members to those in need, both colleagues and the public. The seven core values of professionalism—accountability, altruism, compassion/caring, excellence, integrity, professional duty, and social responsibility—were demonstrated many times over. What better evidence is there that the physical therapy profession is progressing toward APTA’s Vision 2020? Following are further examples of how APTA moved in 2005 toward the goals of all six elements of the Vision and provided valuable benefits to you as a member.

Practitioner of Choice

Recognition and Promotion of Physical Therapists As Preferred Health Care Providers

- The 2005 National Physical Therapy Month (NPTM) theme was “Physical Therapy: Your Health. Our Hands.” The featured activity was walking for exercise under the slogan “Get Hearts Pumping for Heartfelt Causes.” Materials included a reproducible walking log, tips to use for incorporating the message into community walks, and a consumer brochure, “Walking for Exercise,” that became a bestseller.
- APTA’s redesigned Web site, launched in June, introduced an enhanced “Consumer” page. The colorful page features updated access to “Find a PT,” which now hosts nearly 5,000 member profiles; “Physical Therapy and Your Body,” which features APTA’s online consumer education brochure series; and a “News” section with the latest news releases and health information.
- Marilyn Moffat, PT, PhD, FAPTA, CSCS (NY), was interviewed during NPTM by Al Roker on an episode of the *Today Show*. Moffat told viewers about the Foundation for Physical Therapy (FPT) and NPTM, and Roker mentioned his own benefits from physical therapy.
- APTA appeared at least once in 20 of the “Top 100 Market” US newspapers. Total print circulation in newspapers and magazines was more than 57 million. Total TV and Web viewership was more than 438 million. Publications included *The New York Times*, *USA Weekend*, *Arthritis Today*, *Woman’s World*, *Elle*, *Real Simple*, and *Fitness*.
- APTA members and staff attended and participated in a number of activities related to health and physical fitness, including: HealthierUS, a fitness festival sponsored by the President’s Council on Physical Fitness

on the National Mall; a meeting with US Surgeon General Richard Carmona to discuss plans for the “Year of the Healthy Child”; and a technical briefing of the *Dietary Guidelines for Americans*, a joint effort by Health and Human Services and the Department of Agriculture, where the Association was invited and identified specifically at the meeting as an important player in promoting health through nutrition and physical activity.

- *Physical Therapy* produced another installment of Research Updates for the Health Care Consumer, with a consumer-friendly summary of two research report related to hip fracture. The summary also appeared in *For Your Health*, APTA’s annual consumer magazine distributed free exclusively to APTA members—nearly half a million copies were sent.

Autonomous Practice

To Preserve and Protect Physical Therapist Practice

- APTA assisted seven chapters in fighting against athletic trainers’ legislation infringing on physical therapist (PT) practice in their states. Chapters in Florida, Kentucky, Montana, Utah, and West Virginia blocked enactment of the bills either in the legislature or the governor’s office. Legislation in Illinois and Michigan was passed after successful negotiations to ensure they wouldn’t encroach on the practice of physical therapy.
- North Dakota and Washington State enacted new PT practice acts with updated definitions and term protection. Washington also won protection for electromyography (EMG) services. Nebraska made significant progress toward final approval of its legislation before opposition stalled its bill.
- The South Carolina Chapter won a landmark victory upholding the state law preventing physicians from employing PTs

in practices structured to allow physicians to profit from referring patients. With support from APTA and many chapters, sections, and individual



members, legislation that would have overturned the law was blocked at the end of 2005. The Association continued to develop resources and strategies to help PTs fight anti-competitive practices; notably, APTA shifted from a focus on “physician-owned physical therapy services” (POPTS) to “referral for profit” to help members communicate with legislators and policy makers about the basis of concerns with physician ownership of physical therapy services. Development of a new strategic plan was approved to educate PTs who work in physician practices and physical therapy students about the problems inherent in practices that profit from referrals.

- APTA joined the Centers for Medicare & Medicaid Services (CMS) in successfully fighting a lawsuit by the National Athletic Trainers’ Association (NATA) aimed at overturning new Medicare “incident to” regulations requiring that physical therapy services provided “incident to” a physician’s services must be provided by a physical therapist. Although NATA has appealed the decision, CMS began enforcing the new personnel standards.
- APTA monitored the Medicare demonstration project expanding coverage of services provided by chiropractors. The Association met with CMS officials to raise questions about the project mandated by Congress and continued to coordinate with chapters in Illinois, Iowa, Maine, New Mexico, and Virginia, where the four-site demonstration is being conducted.
- When Medicare proposed new standards for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), APTA argued that physical therapists enrolled in Medicare should not be subject to the same standards as apply to orthotists/prosthetists and DMEPOS companies, stressing physical therapists’ qualifications and long history of successfully furnishing patients with customized orthotics and prosthetics. APTA also pointed out that CMS did not consult therapists and other parties in developing the standards. CMS is expected to propose revised standards in 2006.
- Working with Helene Fearon, PT (AZ), and APTA Board member Paul Rockar, Jr, PT, MS (PA), APTA’s representatives to the American Medical Association (AMA) Current Procedural Terminology (CPT) process, three major changes were made to codes frequently used by PTs: Orthotic and prosthetic codes were modified to include assessment components and placed in their own section; the wheelchair management code was modified to include assessment activities; and the microwave code was deleted (with instructions on the use of the diathermy code).

To Advance Physical Therapist Practice

- Along with the AMA and medical specialty groups, APTA worked to resolve problems with Medicare’s Part B fee schedule and to address congressional interest in pay-for-performance strategies. The Association was one of the leading non-physician organizations participating in weekly strategy sessions of AMA’s Medicare Fee Schedule Update Work Group.

- New Medicare supervision requirements went into effect in June allowing PTs in private practice settings to provide “direct” supervision (in the office suite) rather than “personal” supervision (in the room). APTA continued to urge CMS to make supervision requirements consistent across all physical therapy practice settings.
- The promotion of regular physical activity, prevention of illness, health promotion, and physical fitness and wellness were integrated into a spectrum of activities that addressed the needs of PTs, physical therapist assistants (PTAs), and consumers. These activities included: representation at the Department of Health and Human Services’ Third Annual National Prevention Summit: Innovations in Community Prevention; participation in the Strategic Priorities for Increasing Physical Activity Among Adults Age 50 and Older: The National Blueprint; and participation in the Administration on Aging’s “You Can” Steps to Healthier Aging, an initiative for which APTA was among the first sponsoring organizations.
- The American Board of Physical Therapy Specialties (ABPTS) granted preliminary approval to the Section on Women’s Health petition for recognition as a specialty area for certification. The petition will be forwarded to the 2006 House of Delegates with a recommendation for approval.

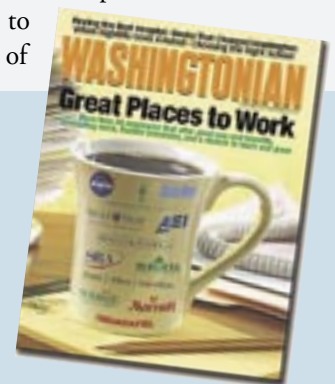
Direct Access

At the Federal Level

- The Medicare Patient Access to Physical Therapists Act (HR 1333/S 647) was reintroduced in the 109th Congress, securing more than 150 House and Senate cosponsors by year-end despite increased opposition from physician groups. The bill would eliminate the referral requirement to physical therapists under Medicare Part B in states where direct access is permitted, provide a statutory definition of “qualified physical therapist,” and would separate speech, occupational, and physical therapy in Medicare.
- Medicare revised its benefit manual, significantly improving coverage policies for physical therapists. The new manual omits the requirement for a physician visit prior to certification and gives PTs up to 30 days to obtain certification of the plan of

A Great Place to Work—Again

APTA was recognized for the second time in a row by *Washingtonian* magazine as one of the top 55 places to work in the Washington area. APTA was noted for its retirement plan matching program, sick-leave bank, summer hours schedule, and great location, among other things.



care. APTA continued to work with the agency to ensure that Medicare carriers and fiscal intermediaries in turn revise local coverage policies.

- Six organizations endorsed Medicare Direct Access, including the American Association of Nurse Practitioners and the American College of Rheumatology, the first physician organization to do so. The Association of Rheumatology Health Professionals, Easter Seals, the National Rural Health Association, and the American Academy of Orthopaedic Manual Physical Therapists also formally supported the legislation. APTA continued to work with other professional and consumer advocacy groups to secure endorsements of the direct access bill.
- In response to a letter from APTA, the Office of Management and Budget's Economic Classification Policy Committee revised the North American Industry Classification System definition for physical therapy by removing the need for medical prescription for physical therapy and more accurately describing current PT practice.
- "Medicare Direct Access: Empowering Patients—Improving Care," the most recent edition of an annually produced brochure, was distributed to help APTA members make the case for Medicare Direct Access to members of Congress.

At the State Level

- Several states moved closer to achieving direct access. Hawaii sought the governor's approval of rules removing the referral requirement. Legislation to provide direct access advanced in Alabama, Connecticut, Georgia, Indiana, Mississippi, and New York, while Minnesota, Oregon, Tennessee, and Texas all worked on legislation to remove restrictions on direct access.
- Direct access reimbursement grants were awarded to the Oregon, Hawaii, Ohio, and Louisiana chapters. Oregon conducted an insurer forum with local payers; Hawaii met with payers and had a separate session with members; and Ohio focused on member usage of their relatively new direct access legislation. The Louisiana effort to meet with payers was postponed due to Hurricane Katrina.
- A new APTA advertisement highlighting states that do not yet provide direct access was placed in four

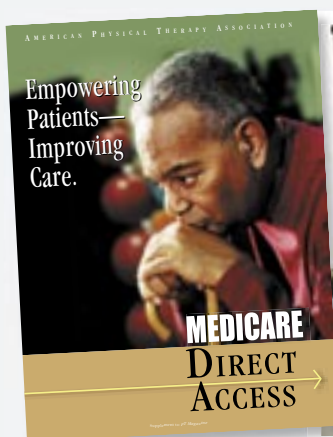
editions of the National Council of State Legislatures magazine, *State Legislatures*, and made available to chapters to assist in their direct access efforts.

Doctor of Physical Therapy (DPT) Working Toward a Doctoring Profession

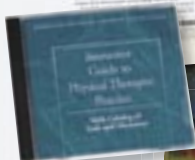
- As of the end of 2005, there were 57 postprofessional and seven developing transition doctor of physical therapy (t-DPT) programs. Based on an October survey, responses from 51 (85%) of these programs reported that 9,147 licensed physical therapists have been or are currently enrolled in t-DPT programs and that 2,724 have graduated.
- Thirty-six additional professional physical therapist education programs converted to offering the DPT for a total of 148 (70.8%) of the 209 currently accredited programs.
- APTA began developing an Education Strategic Plan focusing on such issues as academic leadership, faculty development and scholarship, faculty recruitment and retention, curriculum development, student-centered teaching/learning, professional development, and education related technology. Kicking off the development was an Education Strategic Planning Conference in a Doctoring Profession in August, with members and APTA staff.

Evidence-Based Practice Advancing the Science of Physical Therapy

- At year end, the "Hooked on Evidence" database included 2,535 extracts, an increase of 800 from 1 year ago. More than 22,500 PTs, PTAs, students, and even consumers of physical therapy have visited the site. Section on Research members continued to review and validate information contained in each submitted extraction. For this project, 858 articles were obtained for the database from internal and external sources, subscriptions, databases, and document delivery services.
- Refinements to the "Hooked on Evidence" database included grouping the extracts within clinical scenarios. "Hooked" users now can search the database by 24 specific conditions as well as via the scenarios.



- *Physical Therapy* increased the number of peer-reviewed articles and reviews published in each issue, reflecting high-quality submissions and quicker review turnaround. During the year, Alan Jette, PT, PhD, FAPTA (MA), served as acting editor in chief for the Journal. Following the prolonged illness and, finally, death of editor-in-chief emeritus Jules Rothstein, PT, PhD, FAPTA (VA), the APTA Board of Directors appointed Rebecca Craik, PT, PhD, FAPTA (PA), as the Journal's new editor in chief.
- The results of psychometric testing of the Outpatient Physical Therapy Improvement in Movement Assessment Log (OPTIMAL) were published in the June issue of *Physical Therapy*.
- Searches of multiple periodical databases were conducted to update references within the *Catalog of Tests and Measures from the Interactive Guide to Physical Therapist Practice* CD. The searches and a review of the results will continue in 2006.
- A new "Current Research in Physical Therapy" page was launched on the Research Web page. Approximately every 2 weeks, literature searches are conducted and the results cataloged into a variety of practice subject areas. Each citation links out to an abstract posted on the National Library of Medicine's PubMed® database or a publisher's Web site.
- Additional efforts involved a Web site presence that allowed displaced members to express needs, to search a specific job bank that often included housing support, to check on licensure and insurance requirements in other jurisdictions, and to allow the Association to offer help. APTA also worked with Craig DeBussey, PT (NC), to develop an online "how to" kit for conducting a walk-a-thon to benefit hurricane victims, which was incorporated into APTA's NPTM activities.
- The Association remained an active participant in the Consortium for Citizens with Disabilities, joining more than 100 national disability organizations in advocating for national public policy that ensures the self determination, independence, empowerment, integration, and inclusion of children and adults with disabilities in all aspects of society. APTA is a member of the task forces on education and health care, working closely with the consortium to respond to Medicaid reform proposals and other federal policies.
- Staff from the Department of Minority/International Affairs made visits to physical therapy education programs including Howard University, the University of Maryland Eastern Shore, and AT Still University of Health Sciences in Arizona to provide information on the importance of professionalism and of APTA membership. Staff also met with students who came to Association headquarters for visits and worked



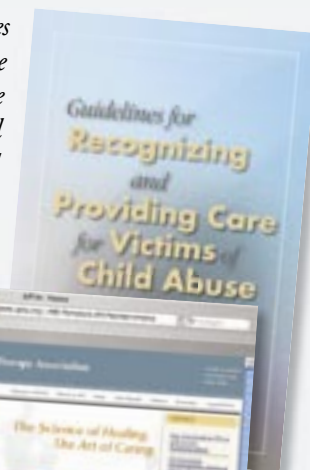
Professionalism

Living the Core Values of Accountability, Altruism, Compassion & Caring, Excellence, Integrity, Professional Duty, and Social Responsibility

- In response to the devastation of Hurricanes Katrina and Rita, APTA granted \$11,000 to the American Red Cross (ARC) Disaster Relief Fund to support recovery efforts in Alabama, Louisiana, Mississippi, and Texas. In addition, APTA created a matching fund program, allowing member contributions to be matched 2:1, up to \$50,000. Based on contributions made to the ARC, APTA committed the full \$50,000.

actively with officers of the Student Assembly to increase minority participation and membership on the student level.

- Revised editions of the *Guidelines for Recognizing and Providing Care for Victims of Domestic Violence* and *Guidelines for Recognizing and Providing Care for Victims of Child Abuse* were published, including test questions for earning CEUs.



New Look and Function for APTA's Web Site

APTA rolled out a total redesign of its Web site in June. Dubbed an "extreme makeover" in APTA's announcements to members, the site introduced aesthetic improvements and a more efficient way to manage and post content. In addition, the Association purchased the Google Search appliance for implementation in January 2006. The state-of-the-art technology and familiar Google interface allow consumers, educators, students, and members to easily locate content.



Board of Directors

Front row from left: Timothy J Lyons, PT, Winnsboro, TX, treasurer; Joannell A Bohmert, PT, MS, Mahtomedi, MN, vice president; Ben F Massey, Jr, PT, MA, Raleigh, NC, president; Babette Sanders, PT, MS, Glenview, IL, secretary. Second row: Stephen M Levine, PT, DPT, MSHA, speaker of the House; Randy Roesch, PT, MBA, Steamboat Springs, CO; Janet M Peterson, PT, MA, Shoreline, WA; Stephen CF McDaviitt, PT, MS, FAAOMPT, Falmouth, ME; Pauline Flesch, PT, MPS, Carmel, IN; Connie D Hauser, PT, DPT, ATC, Barbourville, KY. Third row: Karl R Gibson, PT, MS, Allison Park, PA; Barney Poole, PT, MEd, ATC, Peachtree City, GA, vice speaker of the House; R Scott Ward, PT, PhD, Salt Lake City, UT; John Wallace, PT, MS, OCS, Duarte, CA; Paul Rockar, Jr, PT, MS, Murrysville, PA



In 2005...

Examples of the Return on Your Investment in APTA

- More than 400 million consumers were reached via print, TV, and Web media. APTA issued 174 news releases and 9 feature releases.
- More than 2,400 bills in state legislatures were monitored by APTA.
- The Medicare Patient Access to Physical Therapists Act was reintroduced in the 109th Congress and ended the year with 150 House and Senate cosponsors.
- 661 clinical specialists were certified and 228 were recertified, bringing the total number of specialists to 5,943.
- PT-PAC raised \$930,000 in 2005, a record for a non-election year. More than 7,850 APTA members contributed to PT-PAC, with individual contributions averaging \$119.
- Weekly readership of *PT Bulletin Online* was 113,425 at the end of the year.
- Nearly 5,000 physical therapist members were signed up for APTA's Find a PT online directory.
- 79 physical therapist assistants were awarded the first-ever Recognition of Advanced Proficiency for the Physical Therapist Assistant.
- APTA hosted 163 students during tours of the Association's headquarters.
- 2,535 extractions were published in the Hooked on Evidence database.
- APTA accepted 152,809 phone calls.
- APTA filled 15,797 orders for publications, with total revenue of \$1,373,301.80.
- APTA conducted 32 conference and workshops. 5,807 people registered for the 2005 Combined Sections Meeting, 2,834 registered for PT 2004, and 371 registered for PREVIEW 2020.
- 19 Association award recipients, 10 McMillan Scholarship Award recipients, 10 Minority Scholarship Award for Academic Excellence recipients, and 8 newly elected Catherine Worthingham Fellows were honored at PT 2005.
- 31 members earned APTA's new Emerging Leader Award.
- *Physical Therapy* published 85 articles.
- APTA processed more than 18,000 orders through the Service Center and implemented instant e-mail confirmation that provides members with order and shipment details.
- APTA credentialed or recredentialed 4 postprofessional clinical residency programs and 2 fellowship programs, bringing the totals to 18 residencies and 15 fellowships.



Ethics and Judicial Committee Report

During 2005 the Ethics and Judicial Committee (EJC) initiated a review of the *Code of Ethics* (HOD 06-00-12-23) (Code) and the *Guide for Professional Conduct* (GPC), first reviewing the ethical codes of other health care professions with an eye toward the possibility of recommending changes to the Code. Underlying the committee's review is the belief that APTA's core ethics documents should be consistent with current practice and should be in harmony with *Professionalism in Physical Therapy: Core Values*, which the Board of Directors adopted in August 2003.

The committee had 27 ethics cases on the agendas of its 2005 meetings. It did not expel or suspend any members. It reprimanded one member for allowing an occupational therapist to perform the initial evaluation of several patients referred for physical therapy and for evaluating and treating a patient without the physician referral required by state law.

Committee members made many presentations. At the 2005 Combined Sections Meeting, Laura Lee (Dolly) Swisher, PT, MDiv, PhD, and Nancy



R Kirsch, PT, DPT, PhD, presented the 2nd Annual Ethics Forum, "Ethics Under Pressure," sponsored by the Health Policy/ Administration Section; Carol M Davis, PT, MS, EdD, FAPTA, gave the Linda Crane Lecture, "Getting From What Is to What Ought to Be"; and Peggy A Hiller, PT, presented "Chapter President's Role in APTA's Judicial Process." Swisher co-presented

"Catching the Dream: Preparing Clinicians for a Lifetime of Moral Action," sponsored by the Education Section, and "Responding to Difficult Ethical Situations in Home Health," sponsored by the Home Health Section.

At the 2005 Annual Conference, the committee hosted the EJC Breakfast for chapter personnel involved in APTA's disciplinary process. Committee members Swisher and Kirsch presented "Resolving Ethical Dilemmas in the Clinical Setting: A Practical Approach" at PT 2005.

Kirsch presented "Commitment to Ethical Practice—Are You Ready?" at the National Student Conclave in October.

Committee members Davis, Kirsch, Swisher, and Susan W Sisola, PT, PhD, participated in a roundtable discussion published in the March 2005 issue of *PT Magazine*, "Applying Ethics to Real World Situations." In addition, the committee began working with Publications Department staff to develop a regular ethics-related column/feature in *PT Magazine*.

Committee members Davis, Sisola, and Swisher have written chapters in the book *Educating for Moral Action: A Sourcebook in Health and Rehabilitation Ethics*, published by FA Davis.

Nominating Committee Report

The Nominating Committee continued to follow its strategic plan to meet the responsibilities mandated by APTA's bylaws for 1) preparing a slate of candidates and 2) fostering activities to maintain and promote a pool of nominees. In addition to preparing the slate, the Nominating Committee interacted with individuals interested in future leadership roles by assigning a Nominating Committee liaison to assist each of them in formulating their individual development plans. Additional programming has been presented at the Combined Sections Meeting, as well as a post-House of Delegates meeting held to assist Component Nominating Committee representatives. Finally, Nominating Committee members continued to serve as liaisons to candidates to clarify the campaign and election processes during the pre-House of Delegates and election activities.

The Nominating Committee, with approval of the House officers, completed a revision of the Candidate Manual and Nominating Committee Procedural Manual to facilitate access to information needed during the recommendation and election processes. For example, the frequently accessed information was moved into an appendix (eg, Appendix C: Election Guidelines; Appendix D: Position Descriptions of Association Elected Offices). The Candidate Manual is available to all members on the Association's Web site.

The Nominating Committee continued to have excellent staff assistance throughout the recommendation process, meetings, and election activities.

2005-2006 APTA Nominating Committee

Barbara A Melzer, PT, PhD, FAPTA (Chair)
Melanie A Gillar, PT, DPT, MA
David A Lake, PT, PhD
David A Pariser, PT, PhD
Ellen F Spake, PT, PhD

Treasurer's Report



As this is my first Treasurer's Report to the membership, I would like to recognize my predecessors for developing the financial health our Association enjoys. I thank the many individuals who support me in providing APTA's financial direction. This extensive list in no small part includes my Board colleagues, Finance & Audit Committee

members, component treasurers, other elected leaders and their staffs, and APTA staff. You have made my transition easier as we meet our challenges while safeguarding the financial strength of our Association.

Earlier this year, you received a copy of *You & APTA 2005: A Year in Review* that highlighted the many successes that APTA and the Foundation for Physical Therapy attained thanks to your support. We continue to progress toward Vision 2020 as we address the six elements of this exciting challenge in all our actions, including the work of our committees, task forces, and advisory panels. Be it advocacy, public relations, reimbursement, clinical and professional education, evidenced-based practice, or clinical-based research, Vision 2020 sets our course. The Foundation for Physical Therapy supports these efforts at every turn, as does the Minority Scholarship Fund and its annual Diversity event. APTA's efforts are supported by the dedication and initiatives undertaken by all 52 chapters, 18 sections, the PTA Caucus, and the Student Assembly.

This past year was very successful. The *Statement of Financial Position* (balance sheet) clearly shows APTA's overall financial strength and its ability to move forward to address the important challenges before us. The *Statement of Activities* (income statement) shows a significant growth in revenues and a successful year in controlling expenses, especially in light of larger conference registrations; an increase in Journal articles; more physical therapists taking the Specialist Certification exam; higher salary/benefit expenses (that are offset with increased revenue from new component support programs); and higher banking fees tied to the revenue growth and added processing. APTA has funded priority projects while maintaining reasonable expenses, completing 2005 with a positive net revenue, its third consecutive year "in the black."

Revenues increased as membership grew, APTA's portfolio performed above expectations (earning 5.7%), specialist certification numbers increased dramatically, registrations and exhibits for the 2005 Combined Sections Meeting and PT 2005 exceeded budget targets, Preview 2020 was very successful, royalty and affinity incomes grew as programs expanded, and advertising revenues exceeded budget targets. Nondues revenues accounted for 57 cents of every revenue dollar, allowing us to address critical issues while holding dues rates to below-inflation increases. Membership dues revenues exceeded the 2005 budget target and will carry forward into 2006 because of the deferred recognition of dues over a 12-month period.

During 2005, we provided technical assistance to many component treasurers and component staff at no charge. APTA's investment consultant also worked with many component leaders on investment policies and portfolio allocations. The *Component Treasurer's Reference Handbook* was revised in 2005 to include more information on The American Corporate Accountability Act of 2002 (also known as Sarbanes-Oxley), internal controls, fiduciary responsibilities, best practices, and other areas recommended by component treasurers.

APTA's independent auditors, Langan Associates, who practice exclusively in the nonprofit arena, performed the Association's audit that validated the financial statements, tested internal control procedures, and issued an unqualified ("clean") audit that contains no material recommendations. An unqualified audit is the highest ranking given an audit. This feat is especially noteworthy because of the increased emphasis on audit functions and scrutiny driven by SAS 99, Consideration of Fraud in a Financial Statement Audit, and Sarbanes-Oxley. As treasurer, I represented the Board by approving the Engagement Letter and being briefed in detail on the audit. The audit team also briefed the Finance & Audit Committee at its April meeting. A written Management Letter and the audit were provided to the Board of Directors and Finance & Audit Committee.

The financial charts highlight the many sources and uses of funds, in addition to assets, reserves, revenue and expense information. Please take some time to review these charts, and if you have any questions, please feel free to contact me or Chuck Martin at APTA.

I look forward to serving you in my treasurer's role and as a member of APTA's Board of Directors.

Tim Lyons, PT, Treasurer

Financial Performance for 2005, 2004, and 2003

Revenues & Expenses	2005	
	Revenues	29,236,406
Expenses	28,026,837	
2004	Revenues	27,876,744
	Expenses	25,390,969
2003	Revenues	26,374,552
	Expenses	23,498,231

Reserves & Assets	2005	
	Assets	35,143,600
Reserves	16,187,386	
2004	Assets	32,537,968
	Reserves	14,904,463
2003	Assets	29,332,695
	Reserves	12,218,239

APTA Statement of Functional Expenses for the Year Ended December 31, 2005

	ADMINISTRATION	SUPPORTING SERVICES	CONFERENCE/ COMBINED SECTIONS MEETING	PROFESSIONAL SERVICES AND GOVERNMENT RELATIONS	PERIODICALS	EDUCATION/ RESEARCH AND PROFESSIONAL DEVELOPMENT	TOTAL
600 Salaries	1,808,259	2,276,893	607,218	2,566,851	994,181	1,325,095	9,578,497
602 Employee Benefits	514,625	667,828	172,812	710,688	282,941	377,118	2,726,012
603 Payroll Taxes	126,779	164,521	42,573	175,080	69,703	92,904	671,560
604 Recruit/Relocation	56,200	0	0	0	0	0	56,200
605 Temp Employment	39,313	82,968	62,102	45,473	56,165	36,736	322,757
606 Equipment Rental/Leasing	18,376	25,002	18,498	25,377	10,103	13,466	110,822
607 Publishing Contract Expense	0	0	0	0	16,622	5,937	22,559
610 Depreciation/Amortization	62,645	81,295	21,036	86,512	34,442	45,907	331,837
611 Xeroxing/Copying	5,132	49,114	28,720	65,124	6,783	49,713	204,586
612 Maintenance/Repair	192,923	29,537	3,001	15,091	4,913	9,139	254,604
613 Occupancy	187,995	243,960	63,129	259,617	103,359	137,763	995,823
614 Stationery/Supplies	31,807	47,100	13,307	45,334	18,295	25,944	181,787
615 Telephone/FAX	51,534	30,789	15,170	31,021	9,215	12,282	150,011
616 Postage & Shipping	81,868	365,713	80,450	102,930	496,800	30,521	1,158,282
617 Small Office Furniture/Equipment	40,061	0	0	0	2,106	0	42,167
620 Printing-General	10,168	466,381	152,974	72,121	181,799	26,906	910,349
621 Printing-Resale	0	0	0	0	628,802	5,250	634,052
622 Printing-Journal	0	0	0	0	504,843	0	504,843
623 Printing-PT Magazine	0	0	0	0	364,004	0	364,004
624 Advertising	0	45,504	58,885	18,649	104,048	32,296	259,382
625 Audiovisuals	18,683	27,397	168,072	18,178	254	5,486	238,070
626 Data Processing	0	41,535	0	0	79	0	41,614
629 Staff Training/Continuing Education	24,156	0	0	0	0	0	24,156
630 Travel Exp-Staff	26,360	50,645	132,196	147,636	6,847	64,691	428,375
631 Travel Exp-Member	3,958	300,193	83,793	292,299	46,811	311,267	1,038,321
632 Travel Exp-Non-member	1,938	3,523	16,126	43,208	9,174	52,377	126,346
635 Meeting Services	17,649	202,919	612,278	217,095	14,251	51,376	1,115,568
636 Honoraria	5,000	166,295	32,115	20,500	96,304	163,040	483,254
638 Exhibit Fees	0	500	0	11,149	0	0	11,649
639 Legal Fees	0	0	0	575,738	0	0	575,738
640 Professional Fees	224,212	709,812	13,238	638,170	179,151	97,500	1,862,083
641 Awards/Grants	37,477	319,840	0	32,477	366	3,987	394,147
643 Commissions	0	1,575	156,344	0	337,485	0	495,404
650 Dues	14,130	0	0	125,589	0	15,392	155,111
651 Subs/Resource Materials	0	35,106	0	104,873	0	0	139,979
652 Insurance	23,644	30,683	7,940	32,652	13,000	17,327	125,246
695 Doubtful Accounts Expense	5,968	32,455	2,004	8,242	3,281	4,374	56,324
696 Federal/State/Local Taxes	0	36,821	0	0	0	0	36,821
697 Distribution to Sections	0	0	639,312	0	0	0	639,312
698 Bank Processing Fees	0	505,715	0	0	0	0	505,715
699 Miscellaneous	24,429	19,929	772	3,274	3,382	1,684	53,470
Total	3,655,289	7,061,548	3,204,065	6,490,948	4,599,509	3,015,478	28,026,837

APTA's 2005 consolidated financial statements have been audited by Langan Associates, PC, independent certified public accountants. Copies of the 2005 financial statements and independent auditor's report are available on request. To obtain a copy of the financial statements, contact Charles L. Martin, Jr, CAE, chief operating officer, at 800/999-2782, ext 3130.

2005 Program Expenditures Schedule

Administration & Supporting Services

Administration	3,655,289
Marketing	1,243,361
Membership Services	881,514
Public Relations	774,667
Board of Directors/House of Delegates	803,818
Financial Affairs	2,520,277
Component Services	837,911
Total	10,716,837

Conference/Combined Sections Meeting

Annual Conference Program & Exhibits	1,635,946
Combined Sections Meeting Program & Exhibits	1,568,119
Total	3,204,065

Periodicals

Includes <i>Physical Therapy</i> , <i>PT Magazine</i> , <i>PT Bulletin</i> & Other Publications	4,599,509
Total	4,599,509

Professional Services & Government Relations

Risk Management & Member Benefit Services	186,076
Minority Affairs	230,894
International Affairs	167,929
Government Relations & Judicial/Legal Affairs	2,962,960
Practice	631,780
Women's Issues	64,162
Specialist Certification	796,022
Reimbursement	762,401
Contract Management Services	688,724
Total	6,490,948

Education/Research & Awards

Research Services	413,301
Information Resources	140,282
Analytic Support	148,330
Education	735,524
Accreditation	1,130,356
Professional Development	447,685
Total	3,015,478

Total 2005 Program Expenditures \$28,026,837

2005 Sources of Income

Non-Dues Revenue

Investment Income	1,216,375
General Sales & Staff Services	5,246,680
Meeting Registrations	2,632,085
Meeting Exhibits	1,439,226
Special Events & Courses	76,776
Nonmember Subscriptions	441,763
Advertising	1,941,528
Royalties	1,925,578
Sale of Resources & Products	1,724,960
Subtotal (57% of Total Income)	16,644,971

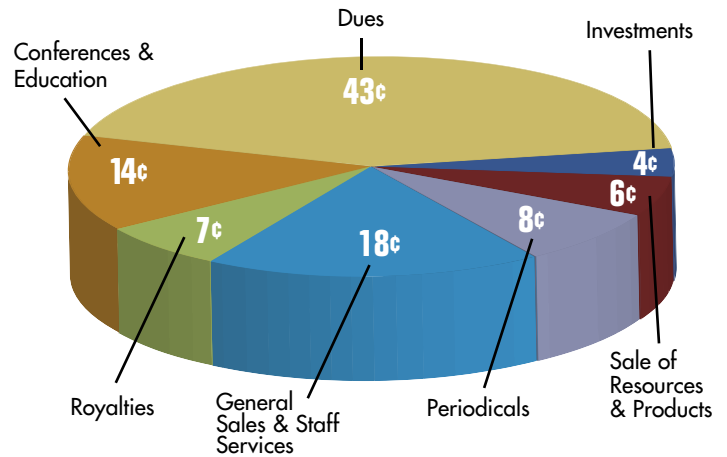
Member Dues & Member Subscriptions

Active	9,902,589
Affiliate	568,240
Student	748,002
Total Member Dues	11,218,831
Member Subscriptions	1,372,604
Subtotal (43% of Total Income)	12,591,435

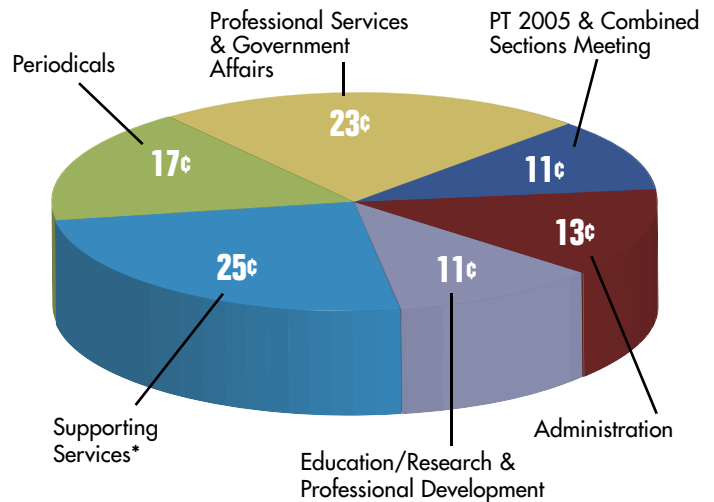
Total (100%) 29,236,406

2005 Schedule of Program Expenditures and Income

2005 APTA Income Dollar



2005 APTA Expense Dollar



*Includes Marketing, Membership, Public Relations, Governance, Finance, and Component Services.

Total APTA Membership Statistics 2004-2005

Category	2004	2005	Gain/(Loss)
*Active (PT)	46,432	45,562	(870)
Active Transfer	1,582	1,703	121
*Affiliate (PTA)	4,128	4,195	67
Affiliate Transfer	378	447	69
Life	2,234	2,247	13
Retired	50	61	11
Honorary	12	8	(4)
Student PT	9,562	9,721	159
Student PTA	1,321	1,595	274
Master's Student	86	48	(38)
Doctoral Student	333	286	(47)
Totals	66,118	65,873	(245)

*These categories include members who do not pay full dues.

American Physical Therapy Association

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