

In the Service of Medicine— and Money

In 2014 a luxurious three-bedroom, 2,600-square-foot condominium at the Ayer Building in downtown Philadelphia was put up for sale for just under \$2 million.

The owner of this property was the foundation of the American Board of Internal Medicine (ABIM), an offshoot of the nonprofit back-office group whose official task is certifying medical doctors.

In 1998 the American Board of Internal Medicine declared \$17 million in revenue. By 2015 its revenues had increased to \$58 million, almost all of it earned by testing and certifying physicians. Each year, a hefty chunk of that revenue was passed on to its affiliate, the ABIM Foundation (the condo's owner), a nonprofit foundation that the nonprofit ABIM created around 2000 to promote “medical professionalism.” It has become

common in the world of healthcare that nonprofit hospitals and medical societies set up secondary nonprofit foundations. These foundations sometimes do good works: the ABIM Foundation initiated a campaign called “Choosing Wisely” to encourage doctors to be more judicious in their use of expensive and unneeded medical interventions. But they often seem like outposts for vanity projects or just places to keep cash.

The officers of the ABIM and the officers of its foundation were the same, and received salaries from both organizations. The exact details of how the money is earned and spent are opaque, said Charles Kroll, a forensic accountant who investigated the links, because the two Philadelphia-based nonprofits were long curiously reported by both organizations as domiciled in Iowa, “which does not require submission to the state not-for-profit board, nor public access, to the audited financial statements of either organization,” he said. (Shortly after Mr. Kroll began his investigations and posting results on the Web, the foundation officially changed its domicile to Pennsylvania.)

By 2013 the ABIM Foundation had funds on hand of \$76 million, almost all of it passed along from its parent. The lux condo was an investment property of the foundation, officially used for purposes like housing visiting officers of the ABIM and an IT team from India as well as communications meetings, ABIM officers told Dr. Westby Fisher, a physician blogger who has been a frequent critic of the organization.

In fact, many physicians had become suspicious of the ABIM though it was headed by Dr. Christine Cassel, a highly respected geriatrician and one of the doyennes of American medicine. Charged with organizing periodic recertification to make sure doctors stay current, the ABIM was requiring more and more testing, as well as the completion of online modules, courses, and “maintenance of certification” programs, charging high prices for all of it. “Lifelong learning and education are what I love about medicine, but that’s not really what ABIM is about anymore,” said Dr. Christopher Dibble, who practices cardiology in upstate New York,

noting that primary care modules could cost \$1,500 and specialist modules \$2,500.

In addition, doctors needed to accumulate one hundred credits of learning each year by doing ABIM courses or attending ABIM-approved conferences in order to receive bonus payments from Medicare; many hospitals require the ABIM's "maintenance of certification" seal of approval for admitting privileges. Dr. Dibble said that conferences and webinars not approved by the ABIM don't count toward the total. "It's a conflict of interest and feels like extortion," he added. When a prominent California cardiologist started an online petition against the ABIM's "onerous" and "expensive" requirements, ten thousand physicians rapidly signed on.

With a little sleuthing, Mr. Kroll discovered one reason this apparently rich organization might be so aggressively raising its demands on doctors and its fees. The lavish spending habits of the ABIM and its executives had in fact left the organization tens of millions of dollars in debt. It had been counting doctors' payments for future modules as income before they'd even taken the tests. It was a kind of testing Ponzi scheme: the ABIM had to keep adding evaluations and raising fees to break even, said Mr. Kroll, the forensic accountant.

In early 2015, after Dr. Cassel left the ABIM to take another job, the new president and CEO, Dr. Richard Baron, issued an apology to doctors and said that the organization was rethinking its certification programs and would hold fees at 2014 levels for several years; he also suspended the requirement to complete some modules. Increasing the heat, in June 2016, at a forum sponsored by the Pennsylvania Medical Society held at the American Medical Association's annual House of Delegates meeting, Dr. Westby Fisher recommended that the ABIM Foundation be shut down.

Around the same time, the \$2.3 million condominium was sold at a big loss for \$1,650,000.