



Delivering
SNOMED CT

2015
ANNUAL ACTIVITY REPORT

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Annual Activity Report 2015

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ABOUT IHTSDO

The International Health Terminology Standards Development Organisation (IHTSDO) is owned and governed by 28 international members. We are a not-for-profit organization that works on behalf of healthcare systems and that provides full support to our global Members and licensees, ensuring that our combined resources achieve significant shared benefits that resonate around the world.

We own, administer and develop SNOMED CT, a commercial product that enables us to establish semantically accurate clinical terminologies for consistent use across all health systems, services and products worldwide.

We strive to improve the health of humankind and are constantly seeking to determine global standards for health terms. We believe that the global healthcare community must safely, accurately and effectively exchange health information to help patients everywhere.

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SNOMED CT® was originally created by the College of American Pathologists.

CHAIRMAN'S REPORT

♦
Jamie Ferguson



2015 was a year of remarkable results, growth and successful performance in multiple areas important to IHTSDO. The most notable change, approved by Members, is IHTSDO's new domicile in the United Kingdom, the final phase of moving to London currently underway.

The Management Board has been carefully following the events of the UK referendum vote taken on June 23rd, 2016 to leave the European Union (Brexit vote) in order to measure the impact both on our global organization and also our members. The Board in the interim believes that the expected Brexit will not affect our relocation to the UK negatively. All the relocation assumptions still hold true. The Board has asked the Finance and Audit Committee to follow the events as they unfold and to ensure that both legal and financial experts are engaged on behalf of the organization when the timing is necessary.

The Board and organization continue to monitor global events to ensure that members are provided with the best advice and direction.

IHTSDO's financial position is strong. We ran a planned deficit to accelerate projects and to reduce surplus reserves, but savings against the budget came from careful management of our highly ambitious work plan and overhead spending. External factors such as exchange rates also worked in our favor. In addition, new member fees, affiliate license revenue and voluntary contributions augmented our income.

We have a tremendous amount to be grateful and thankful for. User access via the SNOMED CT Browser, website accessibility, tooling enhancements,

educational courses and webinars, and new affiliate licensing reached unprecedented levels of access and output. The Vendor Liaison Forum planned to meet at the HIMSS16 Conference & Exhibition, new Clinical Engagement plans were developed and the Customer Relations Management team continued its excellent outreach and engagement. Switzerland joined us, bringing membership up to 28 countries. Participation in meetings and the SNOMED CT Expo in Montevideo, Uruguay set new records.

Blessed with a great team, we ended 2015 with 38 talented and experienced staff on board. Together with the management team, they delivered spectacular results, with performance and achievements going beyond what would be expected based on their modest number.

Teamwork, collaboration and partnerships resulted in successful completion of 41 out of 44 items in the most aggressive work plan in IHTSDO's history. Their results are the product of an exceptionally strong, cohesive team.

The Management Board resumed its previous pattern of monthly meetings, including four in-person meetings per year. To support the multi-year strategy approved in 2015, the Board will be instituting an annual review cycle to assess progress and identify relevant changes, risks or trends that may affect the organization. We deeply appreciate the contributions and leadership of our Members, without whom none of this would be possible.

I am personally thankful for the General Assembly's leadership and assistance, the time and effort the Management Board Directors put in and, most of all, the commitment and successes of our CEO and his team.

Respectfully,

A handwritten signature in dark ink, appearing to read 'JA Ferguson', with a stylized, flowing script.

Jamie Ferguson

CEO REPORT



Don Sweete



From an organization perspective, 2015 was an active year filled with great successes and achievements. As the IHTSDO CEO, I am pleased to present this year's Annual Activity Report and would like to thank the Management Board, Management Team and staff for their invaluable support.

We have seen the approval of a new strategy, governance changes and the launch of various Advisory Groups, which set in motion our new vision for interacting with our Community of Practice. The October event set an attendance record and was our first bilingual conference. In addition, relocating the organization to the United Kingdom is almost complete as we phase out the Danish entity and move our intellectual property and staff in advance of launching our new trade name: SNOMED International.

Human Resources focused on developing consistent job descriptions for all staff, on introducing concise performance metrics and on benchmarking our salary ranges to confirm their validity against industry standards. Staff training plans and succession planning are expected to be completed in 2016.

Financially, we completed the development and deployment of a procurement process, streamlining our accounting to a consistent platform and solving issues faced in 2014. Our forecasting system remains to be automated but has been solidified to work effectively and efficiently. The Member Licensing and Distribution Service (MLDS) is a great success, various countries using it to register and manage affiliates. The automated process for new international affiliates undoubtedly resulted in another banner year for revenue and affiliates using our products.

The enhancement of internal communication and team unity continues as we learn to use the virtual nature of our organization to our advantage. A new intranet was launched in October, a big step forward in cultivating a sense of cohesion. In 2016, we will continue to focus on the internal culture and also to develop an external communications strategy.

The Content and Mapping teams enjoyed major improvements in their direction and productivity. A new content Road Map and various projects with a new, clear and consistent authoring method, coupled with the promising new Authoring Tool, will help ensure coordinated authoring with our Members, more efficient ways to consume content and the realization of continuous content publishing by the end of 2016.

Work progressed on the SNOMED CT product strategy, moving us closer to the goal of providing more easily consumable products while also taking into account feedback from Members, users and vendors.

Education was also a priority in 2015 and saw the development and delivery of scalable SNOMED CT E-Learning services. In its first year, the Foundation course was very popular, as is the case with other new courses being offered in 2016. Additional modules will soon be offered to meet the needs of more specific audiences.

Customer relations were boosted by completion of detailed country profiles and the team's expanded awareness of our profile in the various regions. Switzerland was welcomed to the fold and others will be joining us in 2016.

On the collaboration front, we have new agreements with the French National Institute of Health and Medical Research (Inserm) and HL7, as well as ongoing discussions with other organizations that can provide relevant content for our products. We launched our Vendor Engagement Strategy, and the Vendor Portal and SNOMED in Action sites are live and being stabilized.

The main focus in 2015 for Technical Services was the development and launch of the Authoring Tool. The July 2016 release is being authored on the new platform. The team also completed the first version of the Reference Set and translation tools, in addition to addressing IT review recommendations, while our browser and MLDS tools were well received.

In 2015, we released the International Editions of SNOMED CT on schedule in January and July, and the Spanish Editions in April and October. We also deployed both General Practice-Family Practice and International Classification of Nursing Practice to Production, and published two Logical Observation Identifiers Names and Codes Technology Previews.

It truly has been a productive year! Demands on the organization have grown dramatically, which is why I would like to take this opportunity to recognize the efforts of both the management team and all staff in delivering on our promises to complete the approved work plan while continuing to meet customer needs and requests.

Respectfully,


Don Sweete



VISION & STRATEGY

VISION

By 2020 clinical terminologies will be used globally, which will result in better health, supported by one language of health.

STRATEGIC DIRECTION



The General Assembly approved the 2015 – 2020 Strategic Direction. All lines of business map their annual operational plans to the strategy.

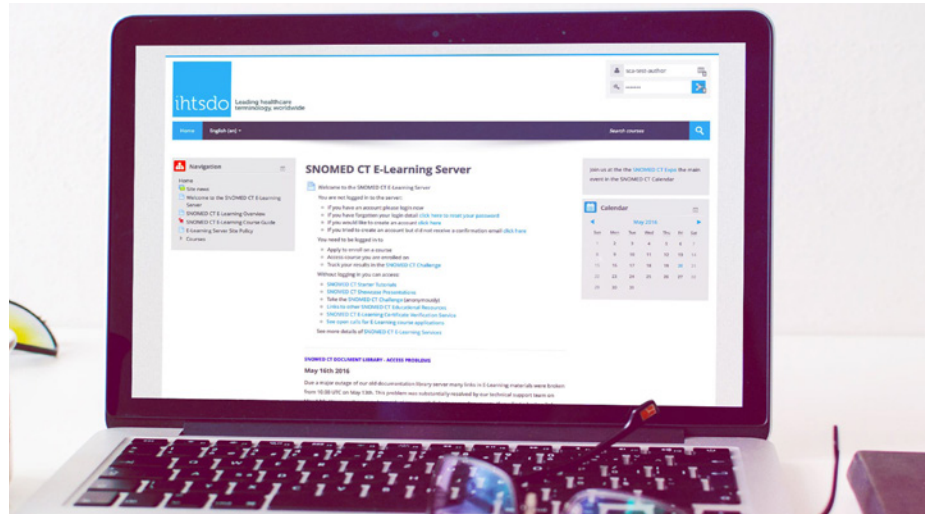
2015 continued to be a growth year for IHTSDO, building on changes from the previous year. Staff and volunteers across all areas of the organization worked diligently to further the organization's vision and strategy.

2015 ACTIVITIES

SNOMED CT E-Learning Server

IHTSDO provides online courses with presentations, assessments and other materials designed to enable users to learn more about SNOMED CT. The courses are open access, but more advanced courses require prior completion of the Foundation course.

elearning.ihtsdotools.org



EDUCATION

High completion rates after full launch of SNOMED CT E-Learning initiative

- ♦ 750 people completed the Foundation course
- ♦ 162 people signed up for the Implementation course
- ♦ 81 interactive webinar sessions took place

Other highlights

- ♦ Additional courses developed offering a broader spectrum of topics
- ♦ SNOMED CT E-Learning Server established; currently has 2000 accounts
- ♦ 4 tutorials in Spanish and English given at the SNOMED CT Expo 2015, our first bilingual conference
- ♦ Expression Constraint Language specification completed and published
- ♦ Formal representation for query-based (intensional) subset representation now available

CONFERENCES & EVENTS

- ♦ Record attendance of 440 at our first conference in South America, SNOMED CT Expo 2015, Montevideo, Uruguay
- ♦ Jim Case received the 2015 Award of Excellence and Kent Spackman the Lifetime Achievement Award at Expo 2015
- ♦ Successful business meeting held in Copenhagen, Denmark; future business meetings will be held in London, IHTSDO's new headquarters

RELOCATION

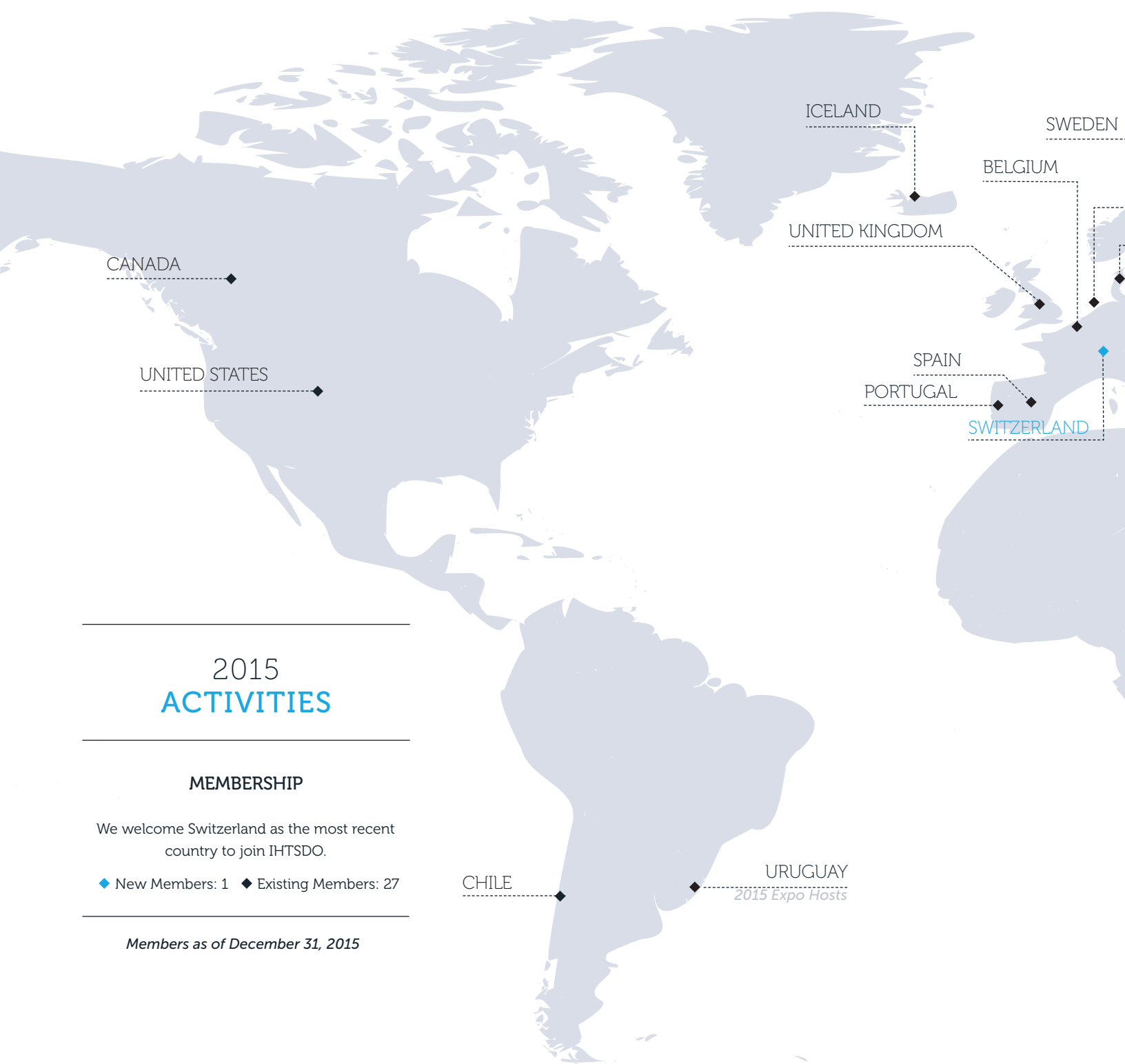
After careful consideration and a full analysis of the various options, the General Assembly voted to move the organization to the United Kingdom. They also approved the registration as a not-for-profit under the Companies Act and a review on the potential opportunity to gain charitable status. Establishment of the new office in London is in progress, and the General Assembly and Management Board agreed to update the Articles of Association.



CONTINUED IMPROVEMENT OF BUSINESS PROCESSES

In order to sustain and support IHTSDO's expanding customer base, we continued to enhance our business processes in finance, human resources, communications and more with:

- A new budgeting process
- The addition of human resources processes
- An all-staff meeting in September



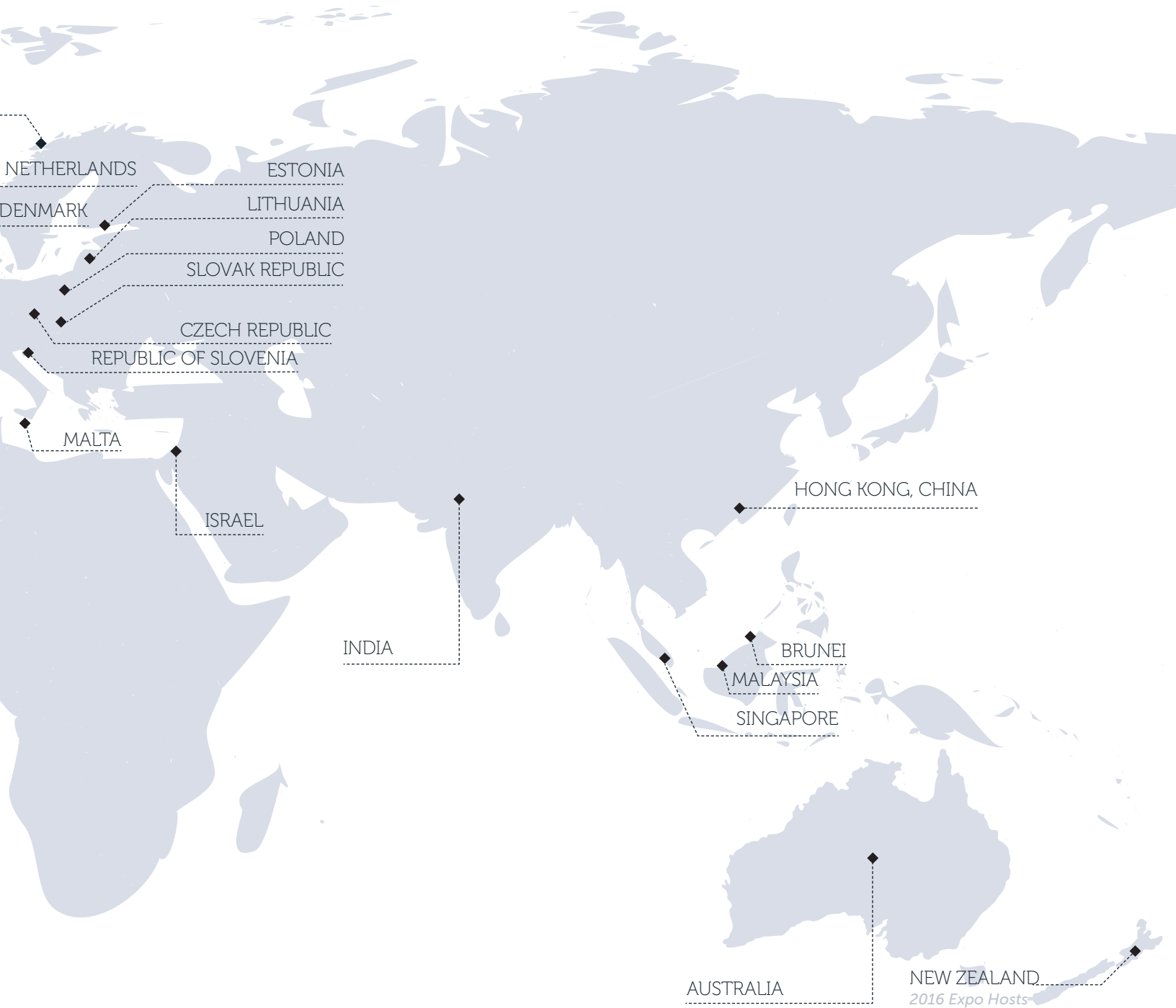
2015 ACTIVITIES

MEMBERSHIP

We welcome Switzerland as the most recent country to join IHTSDO.

◆ New Members: 1 ◆ Existing Members: 27

Members as of December 31, 2015

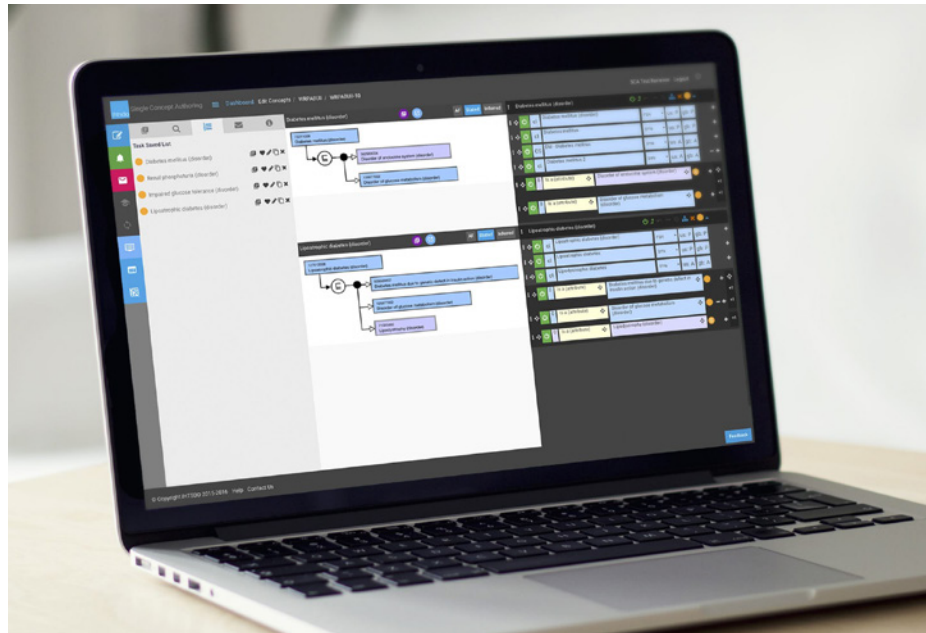


2015 ACTIVITIES

Single Concept Authoring (SCA) Tool

This tool was developed using open source coding, which allows:

- ◆ Members and other stakeholders to author content
- ◆ Customers and stakeholders to author content
- ◆ Stakeholders to leverage open source code once available



CONTENT & MAPPING

- ◆ New Authoring Tool: single largest-value project in 2015. The SCA Tool, developed in-house using the IHTSDO Terminology Server, allows the creation, editing, reviewing and release of SNOMED CT content
- ◆ Continued content development and mapping
- ◆ Continued content request service – beta version developed
- ◆ Digital Product Architect appointed to lead product strategy and to strengthen focus on quality

DELIVERY

SNOMED CT is a complex product used in various software environments around the world, which means that transmission and content errors can affect our Members and possibly human health. Packaging, quality assurance and on-time delivery represent a challenging task, but one we work hard to live up to.

Two SNOMED CT International Releases and two Spanish Releases were successfully carried out in 2015.

2015 ACTIVITIES

Successful Collaborations

In 2015, IHTSDO gainfully collaborated with multiple organizations, including:

- ♦ **HL7 International:** implemented ways of managing SNOMED CT licensing in HL7 International Artefacts
- ♦ **International Council of Nursing (ICN):** release of equivalence table for nursing diagnoses
- ♦ **American Dental Association:** ensured inclusion of relevant SNODENT content in SNOMED CT

CUSTOMER AND STAKEHOLDER RELATIONS MANAGEMENT

- ♦ Participation in many international and national conferences and events as speakers and attendees
- ♦ Country profiles completed
- ♦ Provided support to existing, new and prospective Members

COLLABORATION

- ♦ Participation in projects with other standards development organizations to enable common, timely health informatics standards by addressing and resolving issues concerning gaps, overlaps and counterproductive standardization efforts
- ♦ Continued work on collaboration agreements with existing international bodies
- ♦ Developed new collaboration agreements with INSERM and the DICOM Standards Committee
- ♦ IHTSDO CEO Don Sweete appointed chair of Global Health Informatics Standardization Joint Initiative Council

VENDOR ENGAGEMENT

- ♦ Vendor Engagement Strategy launched
- ♦ Vendor Portal developed and beta tested

Vendor Portal

The dedicated Vendor Portal is available to access tools and contains information tailored to meet the needs of vendors. snomedinside.org



2015 ACTIVITIES

TOOLING

The Technical Services team is much more than a backroom function at IHTSDO. In 2015 they completed several major projects while supporting the day-to-day technical operations of the organization.

WEBSITE HITS

36,000 *average per quarter*

SNOMED CT BROWSER SESSIONS

24,000 *average per quarter*

- ♦ Launch of new collaboration tool, Confluence, for IHTSDO's Community of Practice
- ♦ Continued movement towards IT and service management best practices
- ♦ Redesign and relaunch of SNOMED in Action website as part of IHTSDO's aim to facilitate global information sharing on the use of SNOMED CT

SNOMED in Action

A website that allows SNOMED CT users to post information about terminology implementations while simultaneously allowing them to connect and leverage experience. snomedinaction.org



2015

GOVERNANCE & ADVISORY

IHTSDO is a membership organization, and our Members represent countries or other approved territories. More specifically, our Members are national government agencies or other bodies that the national government in question has deemed suitable and whose responsibilities and authority include appropriately establishing, monitoring, promoting or regulating concept-based systems of clinical terminology for that territory or country. There were enhancements to IHTSDO's governance and processes in 2015 to better meet the needs of our Members and Community of Practice. Of note, Jamie Ferguson assumed the position of Chair of the Management Board, and new governance documentation clarified the roles and responsibilities of the various IHTSDO groups.

GOVERNANCE

General Assembly - Chair: Stewart Jessamine

Management Board - Chair: Jamie Ferguson

ADVISORY

Member Forum - Chair: Pim Volkert

Advisory Groups and Chairs

Content Managers - Lesley MacNeil and Cathy Richardson

E-Learning - David Markwell

Modeling - Robert Turnbull

SNOMED CT Editorial - Jim Case

Software Development - Rory Davidson

Terminology Release - Robert Turnbull

Tooling User - Rory Davidson

Special Interest Groups and Chairs

Anesthesia - Andrew Norton

Implementation - Amy Sheide

International Family Practice/General Practice - Nick Booth

International Pathology & Laboratory Medicine (IPaLM) - W. Scott Campbell

Mapping - Jim Campbell

Nursing - Zac Whiteford-Moores

Groups and chairs as of December 31, 2015

2015 FINANCIAL REPORT

INCOME STATEMENT

The financial and business processes of IHTSDO must ensure a sustainable and robust organization capable of responding to stakeholder requirements. The 2015 audit was unanimously approved by the General Assembly on April 29, 2015.

January 1 to December 31, 2015	USD
Membership fees	9,454,062
Voluntary contribution fees	400,000
Affiliate licenses	328,562
Other income	134,377
Income	10,317,001
Staff expenses	-5,496,662
Office and facilities	-658,582
Travel expenses	-967,796
Other cost	-1,252,005
Third part expenditures	-3,234,611
Amortization, SNOMED CT IP	-780,000
Expenditures	-12,389,656
Profit/loss before financial income and expenses	-2,072,655
Financial income/expenses, net	-18,490
Profit/loss before tax	-2,091,145
Tax on profit/loss for the year	0
Profit/loss for the year	-2,091,145

The organization incurred losses in 2015 but was able to fund them with surplus reserves from previous years, an approved approach that allowed the organization to accelerate delivery of agreed upon objectives.

Overall, IHTSDO remains in a healthy financial position and reported a balance of USD 7,316k at the end of financial year. These funds are earmarked for specific future expenditure, including the 2016 work plan and beyond. Specific and general reserves are deemed necessary to enable the organization to guard against unforeseen events.



