From the President and CEO

Whether you’ve known us for years or this report is your first introduction to Arbor Research, I want to thank you for taking the time to get to know our work. For over 20 years, Arbor Research has worked to improve the delivery of health care and the well-being of patients with chronic disease.

We’re a growing organization, but our values have remained constant. We’re committed to conducting timely, objective research to inform medical policies and practices. And, because our people are our most valuable asset, we’ve also committed to a culture of excellence that supports the professional growth of our dedicated staff.

Our new directions build on the foundation of our past successes. We look forward to expanding our partnerships and our portfolio to continue working to improve care in the future.

Robert M. Merion, MD, FACS
President and CEO

Arbor Research Collaborative for Health is committed to improving patient care through research that shapes medical policies and practice. In particular, Arbor Research conducts health outcomes research on chronic disease and end-stage organ failure, with expertise in biostatistical analysis, clinical practice, health economics, public policy, database management and integration, and project coordination. Through research projects that are national and global in scope, Arbor Research’s scientific collaborations provide valuable and timely information to the worldwide health care community.

From the Chair, Board of Directors

I have been honored to be a part of Arbor Research as a member of the Board of Directors since 2004. As Arbor Research has grown, the role and governance of the Board have evolved. As of January 2017, I serve as the Chair of the Board, while Bob Merion continues to lead the organization as President and CEO.

As I look at the accomplishments and future opportunities for Arbor Research, I speak for all of the members of the Board that we are confident that this remarkable organization will continue to thrive, producing meaningful research for the benefit of patients. We look forward to working collaboratively with the Arbor Research leadership and staff in guiding the structural and financial health of the organization.

Mark L. Barr, MD
Chair, Board of Directors
Get to know Arbor Research

United by our mission

Arbor Research is a reliable source of objective research. Our researchers are experts in medicine, epidemiology, statistics, and economics – and are united by our mission to improve the lives of patients and the delivery of health care.

The strength of our interdisciplinary staff makes us ideal leaders and partners in research. In addition to investigator-led projects initiated by our own researchers, our teams collaborate with universities and other organizations to carry out complex projects. We serve as a seamless complement to our partners through our expertise in: health services research, statistical analysis, data management, study management, communicating research results, patient-centered research, and customized software design.

Our work falls into several program areas

Three long-running areas...

The DOPPS Program
For over 20 years, improving the experience of patients with kidney disease by identifying links between international variations in clinical practices and outcomes.

Health Policy & Practice
Careful, impartial analysis to inform decisions that guide policy development and the delivery of health care, with expertise in program evaluation, quality measurement and public reporting, and payment models including value-based purchasing.

Scientific & Data Coordinating Centers
Large multi-center research consortiums with expertise in study design, instrument and software development, regulatory oversight, patient recruitment and retention, data collection and analysis, and research dissemination.

Three growing areas of interest...

Patient-Centered Research
Research that involves patient partnerships to support the development, implementation, and evaluation of patient-centered care and patient-centered outcomes.

Omics
Approaches to contribute to the development of personalized/precision medicine through innovative analytical tools and predictive modeling of complex chronic diseases.

Technology Services
Where innovative solutions are at the intersection of custom development and trans-disciplinary expertise. We provide applications and services to transform data to information—from the ArborLink electronic data capture and study management system, to online tools for disseminating statistics about the burden of chronic disease.

A Culture of Excellence

We pride ourselves on a culture of excellence that allows us to attract and retain top talent in every role. As an organization, we strive to cultivate a challenging, stimulating, and supportive environment, where people enjoy their work and respect their colleagues. Our offices are casual, yet professional, in order to foster creativity and collaboration. We value every employee’s voice, and take pride in creating an atmosphere that encourages open communication and learning between all staff members.
Selected Highlights
Include:

Lost Wages Reimbursement for Living Organ Donors Trial
The National Living Donor Assistance Center (NLDAC) announced that it will conduct a randomized controlled trial that will assess the impact of interventions intended to remove financial barriers to living organ donation through wage reimbursement. The Laura and John Arnold Foundation provided funding for the trial, which will be administered by the American Society of Transplant Surgeons in partnership with Arbor Research, with additional researchers from University of Arizona, the Wharton School of the University of Pennsylvania, and Mayo Clinic Arizona.

Evaluation of Home Health Value-Based Purchasing Model
The Center for Medicare & Medicaid Innovation (CMMI) awarded a multiyear contract to Arbor Research to evaluate the impact of the Home Health Value-Based Purchasing (HHVBP) Model. As ongoing health care transformation efforts aim to achieve better care, lower costs, and improved health, there is a pressing need to ensure that Medicare payment policies promote the quality and efficiency of care for a growing population of beneficiaries.

New Decision Aid Helps Patients with Kidney Disease
A decision aid developed by the PCORI-funded Empowering Patients on Choices for Renal Replacement Therapy (EPOCH-RRT) study is now publicly available at www.choosingdialysis.org. This tool and related educational materials cover essential information about types of dialysis treatments, and the effect that treatment has on the daily life of patients. Perspectives from patients in the study and tips for talking with the health care team guide patients through this complex process.

DOPPS Program Marked 20 Years of Research
In a paper published in Nephrology Dialysis Transplantation in 2016, researchers provided a global overview of end stage kidney disease using data from the past twenty years of the DOPPS Program, now celebrating two decades of identifying best practices for treating patients with kidney failure.

Our Work
This Year

31
new grants and contracts awarded

34
peer-reviewed publications
on topics ranging from patient perspectives on dialysis modality to social and financial outcomes of living liver donation, and many others

137
employees

Presentations at
9 scientific conferences

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Financial Statement

Statement of Financial Position

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>Cash and investments</td>
<td>$11,152,042</td>
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<tr>
<td>Grants and contract receivables</td>
<td>6,459,297</td>
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<tr>
<td>Prepaid expenses and other assets</td>
<td>423,816</td>
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<tr>
<td>Property &amp; equipment, net</td>
<td>1,141,983</td>
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<tr>
<td>Total assets</td>
<td>$19,177,138</td>
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<tr>
<td>Liabilities and Net Assets</td>
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<tr>
<td>LIABILITIES</td>
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<tr>
<td>Accounts payable &amp; accrued expenses</td>
<td>$3,422,061</td>
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<tr>
<td>Deferred revenue</td>
<td>194,000</td>
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<tr>
<td>Total liabilities</td>
<td>$3,616,061</td>
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<tr>
<td>NET ASSETS</td>
<td></td>
</tr>
<tr>
<td>Total net assets</td>
<td>15,561,077</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>$19,177,138</td>
</tr>
</tbody>
</table>

Statement of Activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
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<tr>
<td>Contributions</td>
<td>$4,109,435</td>
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<td>Grants and contracts</td>
<td>13,409,120</td>
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<td>Net investment earnings (loss)</td>
<td>1,201,846</td>
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<td>Other income</td>
<td>(787)</td>
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<tr>
<td>Total revenues</td>
<td>18,719,614</td>
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<tr>
<td>EXPENSES</td>
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<td>Total program services-research and analysis</td>
<td>19,581,208</td>
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<tr>
<td>Total facilities and administration</td>
<td>3,046,852</td>
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<tr>
<td>Total expenses</td>
<td>22,628,060</td>
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<tr>
<td>Change in net assets</td>
<td>(3,908,446)</td>
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<tr>
<td>Net assets, beginning of year</td>
<td>19,469,523</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$15,561,077</td>
</tr>
</tbody>
</table>

Over the past fiscal year we made changes to our board and management governance structure, including the creation of an Assistant Treasurer position. At the 2016 annual meeting, Richard Pietroski was elected to the position of Treasurer; as a representative of management, Karen Crow was elected to the position of Assistant Treasurer. The 2016 Statement of Financial Position remains strong. Total assets for the organization in 2016 are $19.2 million (58% from cash and investments, 42% from other assets), and total liabilities in 2016 are $3.6 million (95% from payables and other expenses owed, and 5% in deferred revenues), resulting in an organizational net worth of $15.5 million.

The Statement of Activities shows that we recorded unconditional promises for future periods from sponsors recognizing the revenue in 2015, increasing our net assets. Funds were expended for those projects in 2016, resulting in a planned decrease in net assets. We continue to be well positioned for growth in 2017 and beyond.

Karen Crow,
Vice President,
Finance and Assistant Treasurer

Richard Pietroski,
Treasurer

Karen Crow,
Vice President,
Finance and Assistant Treasurer

Comparative financial statement presentations above have been audited.

Expenses

- Total Program Services - Research and Analysis: 13%
- Total Facilities and Administration: 87%

Funding Sources

- National Institutes of Health: 31%
- Private Sector: 30%
- Centers for Medicare & Medicaid Services: 24%
- Other: 15%

Comparative financial statement presentations above have been audited.
Board Of Directors

Mark L. Barr, MD
Chair
Associate Professor of Surgery, University of Southern California, Los Angeles, CA

Marianne Udow-Phillips, MHSA
Vice-Chair
Director, Center for Healthcare Research and Transformation, Ann Arbor, MI

Robert Merion, MD, FACS
President
Chief Executive Officer, Arbor Research Collaborative for Health, Ann Arbor, MI

Larry Warren, MS
Secretary
Director, Trinity Health, Detroit, MI

Richard Pietroski, MS
Treasurer
President, Lung Bioengineering, Silver Spring, MD

Paula Lantz, PhD
Director
Associate Dean for Research & Policy Engagement
Professor of Public Policy, University of Michigan, Ann Arbor, MI

Akinlolu Ojo, MD, MPH, PhD, MBA
Director
Professor of Medicine & Health Promotion Sciences
Associate Vice President for Clinical Research, University of Arizona Health Sciences, Tucson, AZ

Robert A. Wolfe, PhD
Director
Professor Emeritus of Biostatistics, University of Michigan, Ann Arbor, MI

Judith L. Walker, BA
Director
Chief Financial Officer/Vice President of Finance & Business Services, Cleary University, Howell, MI