



**PHYSICIANS’  
POWERFUL  
ALLY**  
IN PATIENT CARE



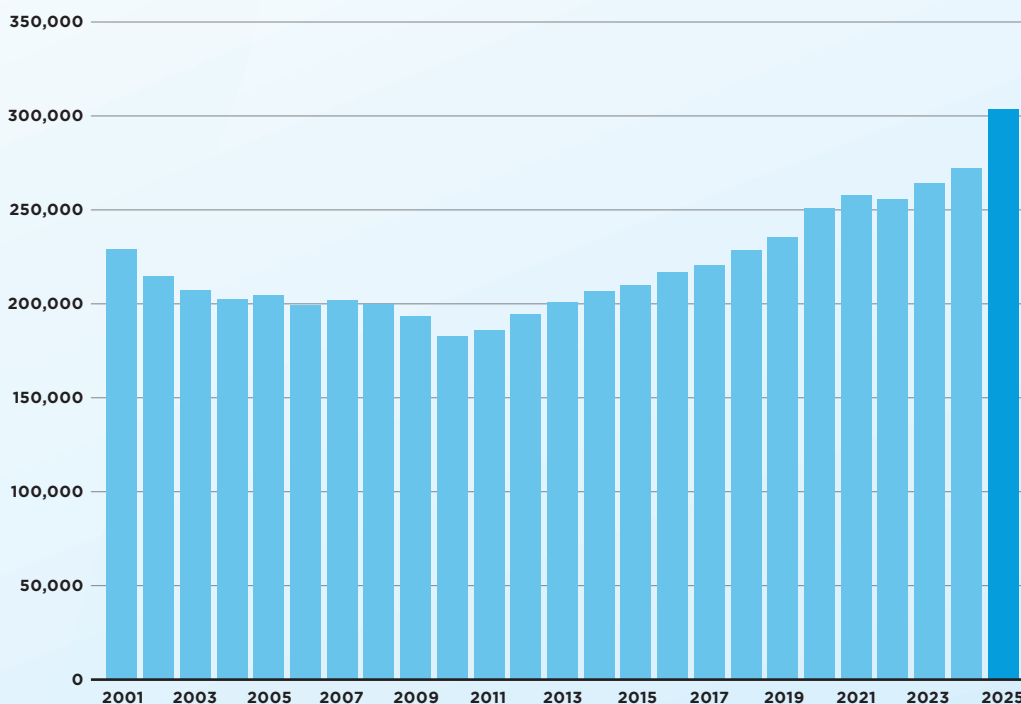
2025 ANNUAL REPORT

## FINANCIAL HIGHLIGHTS

(Dollars in millions)	2025	2024
Revenues	\$ 536.4	\$ 513.2
Cost of products sold, selling and general and administrative expenses	463.8	458.0
Net operating results	68.7	51.1
Non-operating items	109.8	74.1
Changes in defined benefit postretirement plans, other than periodic expense, net of tax	(11.4)	2.0
Change in association equity	167.1	127.2
Change in association equity - donor restricted	(0.1)	0.1
Change in total association equity	\$ 167.0	\$ 127.3
Association equity at year-end	\$ 1,317.7	\$ 1,150.7
Employees at year-end	1,316	1,331

## AMA MEMBERSHIP

(Dues-paying members)



# LETTER TO STAKEHOLDERS

In a period of disruption and change across health care, it is increasingly clear that physician leadership is vital to the future of medicine.

Patients are navigating a system under strain. Physicians are facing mounting administrative burdens, workforce pressures, and an erosion of trust in science and medical expertise. And decisions that shape care—how it is delivered, paid for, regulated and transformed by technology—are being made every day. At this moment, physicians cannot afford to be observers of change. We must be its architects.

In 2025, with high-profile challenges to clinical guidelines, public health decisions and research priorities, the American Medical Association (AMA) stood firm in the belief that evidence must guide care. That commitment is foundational not only to the profession, but also to the trust patients place in their physicians.

As the nation's largest and most trusted physician organization, the AMA brought together leaders across states, specialties and practice settings to confront some of the most pressing challenges in health care. We pushed back against threats to medical research, defended clinical autonomy, protected patient privacy and worked to remove barriers that often prevent patients from accessing high-quality care. At the same time, we advanced a new strategic vision for the organization centered on three imperatives: modernizing physician education and training, strengthening the physician workforce, and ensuring that clinical expertise leads the transformation of digital health.

That work was grounded in a simple but powerful belief that the future of medicine is not something physicians can wait for. It must be shaped—deliberately and collaboratively—by those who understand care best.

This ethos led to the AMA's creation of two physician-led initiatives in 2025, one focused on improving health outcomes locally and the other designed to embed physician expertise in the expansive world of health technology. The AMA's new Community Health Impact Lab grants are a \$1 million investment to fund 20 physician-led initiatives to address health needs in the communities they serve. The AMA's new Center for Digital Health and AI was created to give physicians a platform to help establish ethical guardrails, shape policy and support workflow integration so that AI and other digital tools enhance care rather than complicate it. In public health and technology, physicians should not be reacting to change. They must lead.

In advocacy, the AMA partnered with dozens of state and specialty medical societies to defeat nearly 100 bills that would have placed patients at risk by expanding scope of practice by non-physicians beyond their appropriate training. We continued to press for Medicare payment reforms that reflect the true cost of delivering care. We advanced prior authorization reforms and made physician well-being a priority across the country.

In education, the AMA announced a \$12 million investment in a new precision education grant program, designed to create personalized, data-driven learning experiences that better prepare physicians for modern clinical practice. From the moment students consider medicine to the day physicians retire, lifelong learning must evolve alongside the realities of care.

AMA's advocacy and mission activities were fueled by another strong year of financial performance and the reach of our voice online. AMA membership eclipsed 300,000 for the first time since the AMA began modern membership tracking, and the number of people reading, watching and listening to our content grew by 3% to more than 31 million.

At this consequential moment, medicine needs physicians to lead—together. By speaking with a unified voice, grounding decisions in clinical expertise, and embracing innovation with purpose, physicians can shape a future for medicine that better serves patients and strengthens our profession for generations to come.



David H. Aizuss, MD  
Chair, Board of Trustees



Scott Ferguson, MD  
Finance Committee Chair, Board of Trustees



John Whyte, MD, MPH  
CEO and Executive Vice President



# DRIVING DIGITAL HEALTH

WITH CLINICAL EXPERTISE



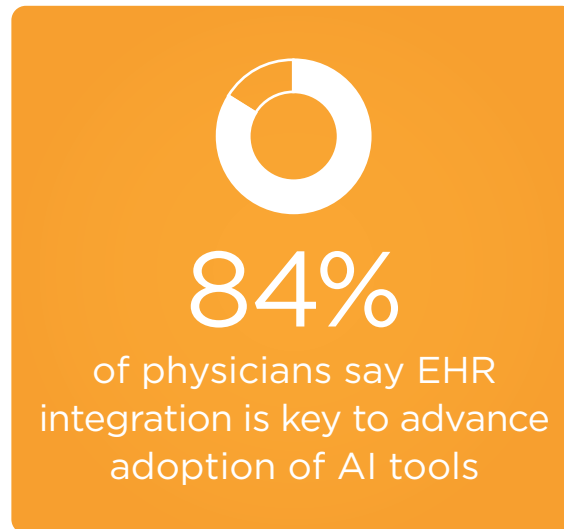
The rapid changes in digital health and augmented intelligence (AI) over the last few years accelerated even more in 2025.

As a growing number of physicians and health systems adopt AI tools, they're experiencing, first-hand, the potential for this technology to transform how they care for patients.

And yet, we've only scratched the surface of what's possible with AI and digital health. Going forward, it's going to be more important than ever that physicians be at the center of shaping, guiding and implementing these transformative technologies.

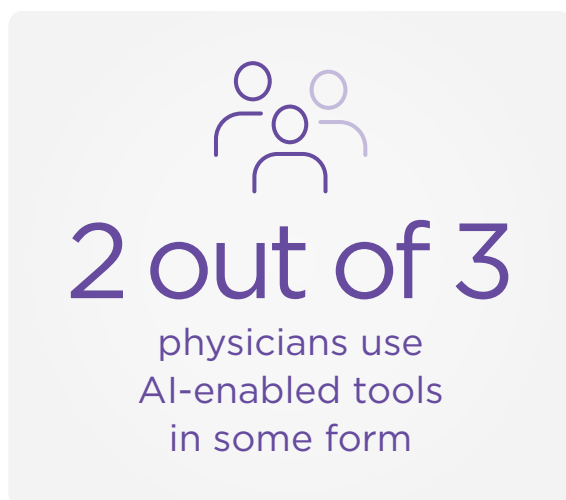
With the launch of the AMA Center for Digital Health and AI in 2025, we're taking the lead in this space. The new center is focusing on:

- **Policy and regulatory leadership:** Working with regulators, policymakers and technology leaders to shape benchmarks for safe and effective use of AI in medicine and digital health tools.
- **Clinical workflow integration:** Creating opportunities for doctors to shape AI and digital tools so they work within clinical workflows and enhance the patient and clinician experience.
- **Education and training:** Equipping physicians and health systems with the knowledge and tools to integrate AI efficiently and effectively into practice.



- **Collaboration:** Building partnerships across the tech, research, government and health care sectors to drive innovation aligned with patient needs.

Physicians are excited about the possibilities of AI, but they're also aware of how it still needs to evolve and the issues that must be addressed. Their voice must guide the development of AI in health care to ensure this technology supports physicians, improves patient care and changes medicine for the better.





# AMPLIFYING PHYSICIAN VOICES

## AND SHAPING POLICY



In 2025, the AMA worked to elevate the voices of physicians in Washington, D.C., and across the country—because physicians play a leading role in shaping the future of health care.

At the national level, the AMA continued its critical work to push for Medicare payment reform, fix prior authorization, promote physician-led care and more by:

- **Generating more than 100 million in earned media and ad impressions** and driving more than 100,000 emails last year alone from physicians and patients to their legislators about Medicare payment reform through our Fix Medicare Now grassroots campaign.

- Facilitating a commitment from AHIP and the Blue Cross Blue Shield Association to **lessen the burden of prior authorization** in 60 of their member plans.
- **Opposing legislation** that would expand pharmacists' scope of practice with respect to testing and treating patients for influenza, COVID-19, RSV and strep throat.

In partnership with state and specialty societies, AMA advocacy protected patients by:

- **Blocking more than 95 bills** that would have inappropriately expanded the scope of practice for physician assistants, pharmacists, optometrists and more.
- **Supporting the passage of more than 20 state laws** that reduce care delays caused by prior authorization.



**95+**  
scope of practice bills  
defeated nationwide

- **Increasing advocacy efforts with the Dr. Lorna Breen Heroes' Foundation**

to verify that more than 40 state medical boards and more than 1,800 health systems (and others) removed stigmatizing mental health and substance use questions from their licensing and credentialing applications.

Whenever and wherever policymakers were discussing issues that impact patients and physicians, the AMA was there. For a comprehensive look at our accomplishments across the country, check out our 2025 State Advocacy Impact Report.



**620,000**  
contacts to Congress  
in total through  
FixMedicareNow.org





# STANDING UP FOR SCIENCE

AND ELEVATING EXPERTS



In a year where public health was marked by near-constant change, the need for physician leadership was greater than ever—and the AMA answered the call.

We were a steady voice amidst uncertainty and doubt. We defended science and maintained that evidence should guide care decisions and public health policy. We did that by:

- **Amplifying expert voices** and opposing efforts to destabilize the nation's public health infrastructure.
- **Elevating science** and science-based policy through statements and social media—all backed by action.

The AMA will always ensure that the voice of physicians is heard loud and clear and stand resolute in our defense of science-based medicine.



*“With measles outbreaks occurring in multiple states and spring break travel approaching, the AMA urges everyone who isn’t already vaccinated to get themselves and their families vaccinated against measles now.”*

**—Bruce A. Scott, MD  
Immediate Past President, AMA**



*“In the wake of CDC budget cuts and the termination of hundreds of employees earlier this year, the AMA is deeply concerned that this turmoil leaves us highly susceptible to public health threats.”*

**—Bobby Mukkamala, MD  
President, AMA**



# TURNING PHYSICIANS INTO CATALYSTS FOR CHANGE



Administrative burdens like prior authorization aren't the only barriers physicians must overcome when treating patients.

For example, health disparities like food deserts or a lack of safe housing within communities can have as much impact on patients' health as anything that happens in the exam room.

That's why the AMA launched its first Community Health Impact Lab micro grants in 2025—as a way to invest in physicians who have ideas to address barriers they see in their communities with local, creative and measurable solutions.

# LEADING CONVERSATIONS ON THE FUTURE OF CARE

For physicians to be architects of change, they need to be more than involved in conversations about the future of care. They need to be driving them.

The AMA's original reports, research, trusted analysis and resources help physicians stay informed and prepared to do exactly that.

In 2025, the AMA published a wide range of content that shared new insights on some of the biggest trends in health care and solutions to some of today's most pressing problems.

This research and other reports, like our annual survey on prior authorization and our update on the overdose epidemic, cement the AMA as the definitive voice of medicine and an authoritative resource for policymakers, journalists and academic institutions.



- **The AMA Community Health Impact Lab** is offering up to 20 grants of \$50,000 each.
- Grants will help fund **physician-led, community-centered projects** that improve health outcomes among patient populations that often face obstacles to healthy living.

This initiative brings together the unique insights physicians have about the health challenges in their communities with the support they need to be a catalyst for change.

Recipients of the micro grants were notified in April of 2026. They will have 12 months to turn their ideas into action, with the AMA providing advice and coaching along the way.



20  
physician-led initiatives  
supported



\$1 million  
in micro grants  
awarded



# MANAGEMENT'S DISCUSSION AND ANALYSIS

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Introduction

The objective of this section is to help American Medical Association (AMA) members and other readers of our financial statements understand management's views on the AMA's financial condition and results of operations. This discussion should be read in conjunction with the audited consolidated financial statements and notes to the consolidated financial statements.

Improving the health of the nation is at the core of the AMA's work. As the physicians' powerful ally in patient care, the AMA delivers on this mission by representing physicians with a unified voice in courts and legislative bodies across the nation, removing the largest governmental and private sector obstacles that interfere with optimal patient care, and driving the future of medicine to tackle the biggest challenges in health care and training the leaders of tomorrow. AMA's strategic focus is centered on advocacy, membership, financial performance, and operational excellence. Our advocacy; support for optimal health outcomes; putting physicians at the center of shaping, guiding and implementing technologies transforming medicine; growing our national and social media presence as well as several other new initiatives will ensure that our AMA achieves success.

2025 was a transformative year with a mid-year change in leadership driving the start of a transition toward our new priorities. At the same time, AMA continued efforts to re-build health care so that it works better for physicians and all those they serve: 1) reforming Medicare payment to promote thriving physician practices and innovation; 2) fixing prior authorization to reduce the burden on practices and minimize care delays for patients; 3) promoting physician-led care as health care teams working together—with physicians in the lead—is critical to having the best and safest outcomes for patients; 4) reducing physician burnout and addressing the stigma around mental health; and 5) working to ensure physician voices are integrated into the creation and refinement of all medical technology to make technology an asset to physicians, not a burden.

For example, through research, advocacy and education, the AMA continued to defend the practice of medicine against scope of practice expansions that threaten patient safety. AMA efforts helped deliver concrete results in protecting patients from inappropriate scope of practice expansions, providing grants for key state fights, and directly assisted in the defeat of almost 100 problematic bills. The AMA's Fix Medicare Now campaign delivered strong results with over 100 million earned media and ad impressions and more than 600 thousand contacts to Congress.

The results for both 2021 and 2022 included in this report were dramatically impacted by the COVID-19 pandemic. Early in 2020, the AMA, like all other organizations, recognized that there was substantial uncertainty about the effects and risk of COVID-19 on our funding, financial condition, and results of operations. As a result, AMA took steps to ensure that programmatic activities and employment levels would be protected during a sustained pandemic, knowing the potential for economic uncertainty. AMA lifted a freeze on hiring in the spring of 2021, but the level of open positions remained high through 2022 as the job market was very tight. Vacancies and limited travel for most of the three years garnered substantial savings that were temporary in nature resulting in unusually high operating income for AMA. Results began to normalize in 2023, although better than expected revenue growth and a slower ramp up than expected in operating expenses continue to drive a higher level of net operating income through 2025 than experienced in the past.

The AMA is committed to its responsibility of ensuring that the organization focuses its finite resources on its core mission activities while improving the quality and breadth of products and services for physicians and medical students. Our physicians' and medical students' voices are central to AMA's overall success.

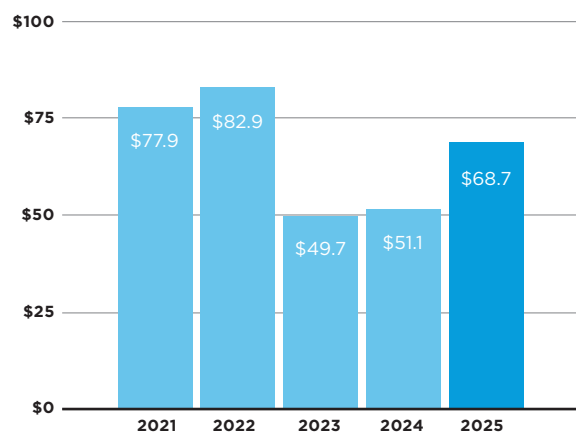
The following pages discuss the 2025 consolidated financial results as compared to 2024. Additional detailed discussion of operating unit results is included in the section titled "Group Operating Results."

## Consolidated financial results

### Results from operations

#### Net operating results

(In millions)



As noted above, the hiring freezes and remote work during the pandemic and an unusually tight labor market that adversely impacted hiring and limited travel and in-person meetings through 2022 were major factors in spending levels running substantially less than budgets. Spending levels began to normalize in 2023 although open positions remained higher than previously experienced.

In both 2024 and 2025, revenue growth more than offset a continued increase toward normalized spending levels, resulting in continued unusually strong operating results when compared to historical levels.

#### Revenues

In 2025, total revenue increased \$23.2 million over the prior year. Continued growth in AMA's royalties and investment income as well as improved coding book sales, membership dues and advertising revenue were partially offset by declines in print subscriptions and insurance commission revenue.

Consolidated investment income, which is dividend and interest income, net of management fees, increased in 2025, mainly due to a larger invested asset base. Market gains or losses are not included in investment income and are reported as non-operating results.

The number of AMA dues paying members increased by 11.5 percent in 2025, the 14th year of growth in the past 15 years. During that 15-year period, AMA dues paying membership increased by over 121,000. Dues revenue increased 1.5 percent in 2025 as much of the growth was in lower dues paying categories such as group memberships and sponsored memberships.

Most other revenue categories were largely unchanged for the year.

#### Cost of products sold and selling expenses

All variable expenses related to production, distribution and sale of periodicals, books, coding products, and licensed products are included in the cost of products sold and selling expense categories. Examples include paper, sales commissions, promotional activities, distribution costs, and third-party editorial costs.

In 2025, cost of products sold and selling expenses decreased \$6.3 million from the prior year. Most of the decrease was due to reclassifying certain editorial costs to outside professional services, coupled with additional savings from eliminating distribution of print journals to a controlled population of physicians who were included in measuring journal readership scores, a key indicator for print ad placement.

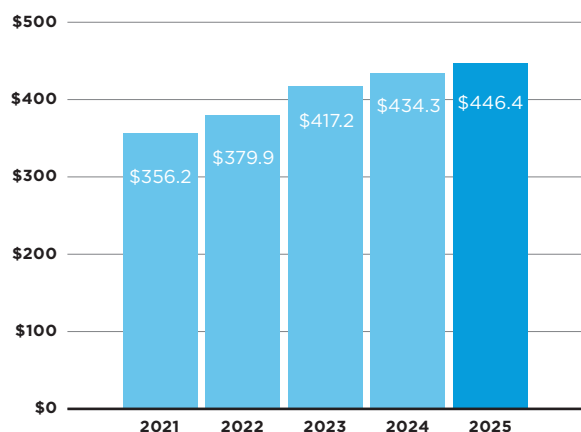
#### Contribution to general and administrative expenses

Cost of products sold and selling expenses are deducted from revenues to determine the amount of money available for the general and administrative expenses of the organization. Contribution to general and administrative expenses measures the gross margin derived from revenue-producing activities.

The contribution to general and administrative expenses increased \$29.5 million to \$519 million in 2025, a combination of the \$23.2 million revenue improvement coupled with the reduction in cost of products sold noted above.

## General and administrative expenses

(in millions)



General and administrative expenses rose \$12.1 million in 2025, or 2.8 percent, when compared to 2024. This was substantially less than the \$44.9 million increase budgeted for 2025, with approximately \$33 million of under budget spending in almost all categories of spending, with the largest variances in marketing and promotion and outside professional services.

Compensation and benefits increased \$8.4 million in 2025, up 3 percent. Compensation, including temporary help, was \$9.1 million higher in 2025, a 4.8 percent increase which was a function of annual merit increases and filling open positions. Fringe benefit costs increased \$2.7 million in total primarily due to higher medical and payroll tax expenses. Incentive compensation decreased \$3.2 million as certain key performance indicators were rated lower than the prior year.

Occupancy costs were down \$2.3 million, driven by a reduction in rent expense. In late 2023, AMA negotiated an extension of the current headquarters lease in return for future contraction options and lease incentives. Most of the reduction in occupancy was related to rent abatement from the renegotiation and a reduction in real estate taxes due to a change in valuation of the building.

Travel and meeting costs increased by \$2.5 million in 2025 due to holding several large biennial meetings such as the International Congress on Peer Review and Scientific Publication and the ChangeMedEd® National Conference, as well as inflationary cost pressures.

Technology costs were largely unchanged. As more technology moves to the cloud, costs associated with the technology platforms will be reflected in operating expense instead of capitalized as an asset and depreciated. This model has the benefit of reducing the need for in-house development expertise but also exposes AMA to more price risk from vendors.

Marketing and promotion costs decreased \$2.5 million in 2025, as Advocacy had expanded its grassroots and media campaign activity on Medicare payment reform in 2024, but returned campaign spending back to previous levels in 2025.

Outside professional services increased \$1.9 million in 2025, as a substantial decline in the use of outside consulting in the Core Mission Activities and Health2047 was offset by a reclassification of certain editorial costs from cost of products sold.

Other operating expenses increased \$3.8 million in 2025 due primarily to recognizing a \$4.5 million loss related to divesting most of Health2047's investment in an affiliate.

## Operating results before income taxes

The AMA reported \$72.6 million in pre-tax operating income in 2025 compared to \$55.2 million in 2024. The current year results include over \$23 million in revenue growth that was only partially offset by higher spending, the latter a continuation toward budgeted expense levels.

## Income taxes

Taxes decreased \$0.2 million in 2025 when compared to 2024, reflecting lower taxable income in one of the for-profit subsidiaries.

## Net operating results

Net operating income was \$68.7 million in 2025 compared to \$51.1 million in 2024, as revenue growth was only partially offset by higher spending.

## Non-operating items

The AMA reported a \$113.8 million gain in the fair value of its portfolio during 2025. Additional portfolio performance information is discussed in the group operating results section.

As a result of an accounting standard for postretirement benefit plans, non-operating results include \$6.1 million in postretirement plan interest expense in 2025 and \$5.7 million of plan interest expense and recognized actuarial losses in 2024. In 2025, AMA also recognized a \$2 million gain on the liquidation of a Health2047 spin out company.

### Revenue in excess of expenses

Revenues exceeded expenses by \$178.5 million in 2025, a combination of \$68.7 million in operating income, a \$113.8 million gain in fair value in the portfolio and \$4 million in other non-operating expenses. In 2024, revenues exceeded expenses by \$125.2 million, a combination of \$51.1 million in operating income, a \$79.7 million gain in fair value in the portfolio and \$5.6 million in other non-operating expenses.

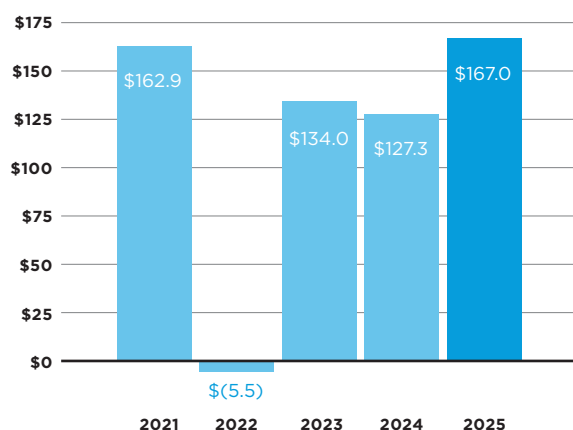
Accounting standards require organizations to recognize deferred actuarial losses and prior service credits or charges for defined benefit postretirement plans as a charge or credit to equity.

In 2025, AMA recorded an \$11.4 million charge to equity reflecting an actuarial loss for the postretirement health care plan, net of income tax. A change increasing the initial health care cost trend in 2025 and adverse claims cost experience were the major drivers of the actuarial loss in 2025.

In 2024, AMA recorded a \$2 million credit to equity reflecting an actuarial gain for the postretirement health care plan, net of a reclassification of actuarial gains to operating expense and income tax. The gain resulted primarily from a change in interest rates from 5 percent to 5.7 percent which reduced the present value of projected liabilities, offset by higher claims cost experience.

### Change in total association equity

(in millions)



The AMA reported a \$167 million increase in association equity in 2025. This reflects the amount by which revenues exceeded expenses, less the charge to equity for changes in defined benefit postretirement plans discussed above, as well as a slight decrease in donor-restricted equity.

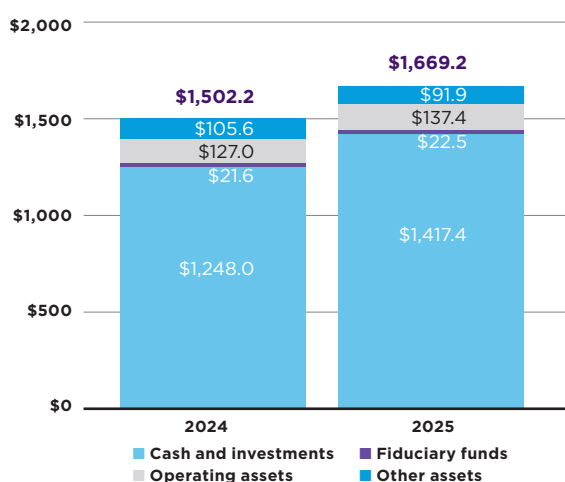
The AMA reported a \$127.3 million increase in association equity in 2024. This reflects the amount by which revenues exceeded expenses, plus the credit to equity for changes in defined benefit postretirement plans discussed above, as well as a slight increase in donor-restricted equity.

### Financial position and cash flows

The AMA's assets include cash, cash equivalents, and investments; operating assets such as accounts receivable, inventory and prepaid expenses; fixed capital such as equipment, information technology hardware and software; and other assets. AMA assets are supported by association equity, operating liabilities, and deferred revenue.

#### Assets

(in millions)



The AMA's total assets increased \$167 million in 2025. This includes a \$169.4 million increase in cash and investments resulting from \$58.7 million in free cash flow plus a \$113.8 million gain in the fair value of investment securities less \$3.1 million for investments in affiliates.

Fiduciary funds are premium payments from insurance customers not yet remitted to the carriers and funds held by the AMA for third parties for future use as approved by the third parties. This approximates the offsetting liability titled insurance premiums and other fiduciary funds payable.

Operating assets increased \$10.4 million in 2025, primarily due to increases in accounts receivable and prepaid software licensing expenses. Changes in operating assets from year to year are largely due to timing of cash flows.

Other assets include operating lease right-of-use assets, property and equipment, investment in affiliates and investments in mutual funds maintained in separate accounts designated for various non-qualified benefit plans that are not available for operations. The right-of-use assets declined by \$9.2 million, which included \$4.8 million in amortization of the asset and a \$4.9 million reduction related to the early termination of the existing Washington D.C. office lease in anticipation of a 2026 move to a new space, offset by a \$0.5 million increase for a new satellite office lease.

Property and equipment net book value decreased as new capital spending was exceeded by annual depreciation and amortization of existing capital assets.

Operating liabilities increased \$1.4 million in 2025, led by an increase in the postretirement health care liability. This was largely offset by a \$3.8 million decrease in accrued expenses and a \$10.9 million reduction in the lease liability from cash payments exceeding rent expense and a reduction in liability due to terminating the existing Washington D.C. office lease. The new lease in D.C. will not begin until 2026.

Deferred revenue represents funds received during the year that will not be recognized as income until the following year or thereafter. These amounts vary, as well as accounts payable and accrued expenses, depending on the timing of cash receipts and payments.

## Cash flows

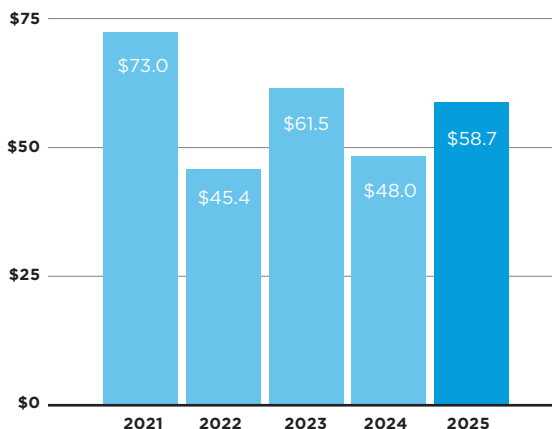
Cash, cash equivalents and donor-restricted cash increased \$6.8 million and \$3.5 million in 2025 and 2024, respectively. This comparison may cause

misleading conclusions, as the change in cash and cash equivalents includes reductions for amounts invested in marketable securities, as well as cash inflows from non-operating activities.

Free cash flow measures the AMA's ability to fund operations, capital expenses and major programmatic initiatives from funds generated from operations. This measure excludes non-operating gains and losses.

## Free cash

(in millions)

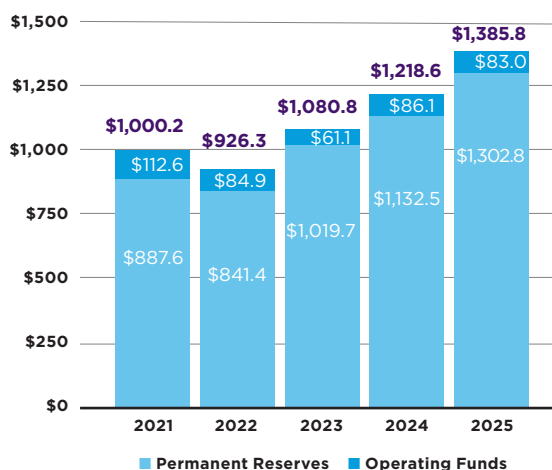


Free cash in 2025 totaled \$58.7 million, \$10.7 million greater than 2024, a result of higher cash operating income offset by changes in operating assets and liabilities.

## Reserve portfolio

### Reserves and operating funds

(in millions)



The reserve and operating fund portfolios above do not include cash and investments in the for-profit subsidiaries and reflect only the not-for-profit entity's cash and investment portfolio values.

As of year-end 2025, the reserve portfolio's value was \$1,302.8 million compared to \$1,132.5 million in 2024, a \$170.3 million increase. That increase was mainly the result of a \$112.8 million gain in the fair value of the reserve portfolio plus a \$56 million transfer of 2024 excess operating funds to reserves. Operating funds totaled \$83 million in 2025, down \$3.1 million from 2024.

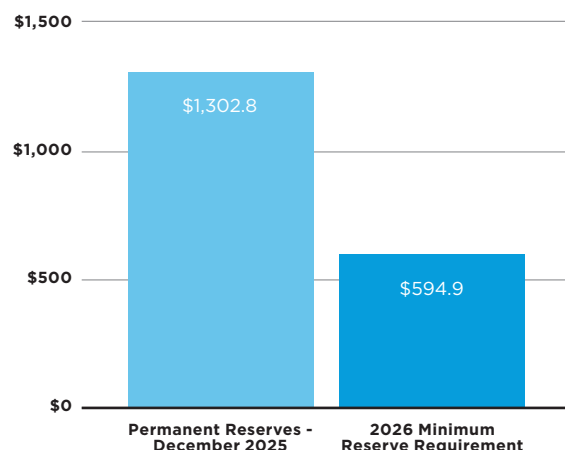
The AMA has established a required minimum reserve investment portfolio level that is adequate to cover 100 percent of annual general and administrative expenses (excluding grant expenses) plus an amount sufficient to pay long-term postretirement and lease liabilities (net of the right-of-use asset value). Operating funds, coupled with operating assets, are to be maintained at a level that allows payment of all operating liabilities.

AMA's reserves provide the backbone for the organization's long-term viability and independence, currently operating as a quasi-endowment fund, with a goal of achieving levels that could generate adequate funding to ensure the long-term future of the organization. Building these reserves to function as an endowment fund will provide considerable protection against future loss of revenue and maintain AMA's independence over the long term.

Reserve portfolio funds also provide the AMA with the ability to fund major strategic spending initiatives not within the operating budget. Spending from reserve funds is limited to dollar- or time-limited initiatives and capped at the amount by which reserves exceed the minimum requirement. Reserves may not be used for ongoing operating expenses. The Board of Trustees must authorize any use of reserves.

## Permanent reserves and minimum reserve requirement

(in millions)



## Group operating results

The AMA is organized into various operating groups: Membership; Publishing, Health Solutions & Insurance; Core Mission Activities; Administration and Operations; Affiliated Organizations; Unallocated Overhead; and Health2047 (including subsidiary). Revenues and expenses directly attributed to those units are included in the group operating results.

A financial summary of group operating results is presented at the end of this section. The prior year financial results have been updated to be consistent with the current year reported results for each group.

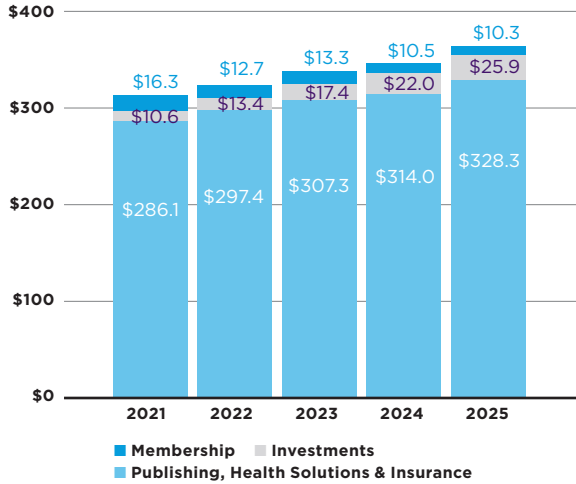
## Contribution margin (net expenses)

Contribution margin equals individual group revenues minus cost of products sold, selling expenses, and direct general and administrative expenses such as compensation, occupancy, travel and meetings, technology costs, and professional services.

Net expenses equals total spending, net of any revenue produced by the group, such as grants or other fee income. Total contribution margin and net expenses equals consolidated operating results before income taxes. The charts on the following pages separate groups with contribution margin from groups with net expenses.

## Contribution margin

(in millions)



The contribution margin generated by Membership; Publishing, Health Solutions & Insurance; as well as Investments, provides the funding for all mission-related activities of the AMA as well as funding for all administration and support operations required to run the organization.

### Membership

The Membership group's net membership dues revenue includes the gross dues revenue collected, reduced by any commissions paid to state societies, and equals the membership dues revenue reported on the statement of activities.

In 2025, AMA again reported an increase in the number of dues-paying members, up 11.5 percent from 2024. In 14 of the last 15 years, AMA has reported increases in the number of dues-paying members, a major accomplishment. Membership continues to focus on broad use of digital tools to engage physicians and retain them as lifelong members, group membership marketing, and expanding AMA's reach to physicians through important programmatic mission-based activities.

Dues revenue was \$33 million, a \$0.5 million increase from 2024. Although the number of post-training physician members increased substantially, most of the growth was in lower dues paying categories. Membership expenses are up \$0.7 million from staffing expenses related to merit and open positions as well as higher membership solicitation costs. As a result, Membership's contribution margin decreased \$0.2 million in 2025.

## Publishing, Health Solutions & Insurance

Publications in the JAMA Network® include the *Journal of the American Medical Association* (JAMA®) and the JAMA Network specialty journals. In the last 11 years, the JAMA Network has launched four new journals: *JAMA Oncology* in 2015 and *JAMA Cardiology* in 2016, which are hybrid journals offering open access options for research articles; *JAMA Network Open* in 2018, a fully open access journal; and *JAMA Health Forum* in 2021, a peer-reviewed, open-access, online journal focused on health policy, health care systems, and global and public health.

Publishing revenues are derived from advertising, subscriptions, site licensing, reprints, electronic licensing, open access fees, and royalties. Publishing revenues increased \$2.5 million in 2025, largely a function of a \$1.4 million increase in open access fees resulting from pricing changes and a \$1 million increase in advertising revenue and site licensing fees. Expenses in total rose \$2.2 million during 2025, as the cost of filling open positions and merit increases were only partially offset by reduced production costs related to eliminating print journals. The contribution margin improved by \$0.3 million to \$0.4 million.

Health Solutions includes two major lines: Database Products, and Books and Digital Content.

Database Products includes royalties from licensed data sales and credentialing products revenue. Revenues increased in 2025, up \$0.4 million when compared to 2024. Growth in credentialing revenues, including revenues from a new credentialing product, VeriCre™, drove the revenue improvement. VeriCre is a credentials wallet that streamlines credentialing by pre-filling physician applications with authoritative, verified AMA data, reducing administrative burden for physicians and medical staff professionals. Total expenses were up \$1.6 million, of which \$0.9 million relates to development of the new physician credentialing product. The remaining \$0.7 million cost increase was driven by filling open positions, and technology projects. The resulting contribution margin declined by \$1.2 million in 2025 to \$51.4 million.

AMA-published books and coding products, such as coding books and tools, workshops, and licensed data files, make up the Books and Digital Content unit. Royalties, coding book sales, and digital content sales drove a \$15.9 million revenue increase, as the market for electronic use of digital coding products continues to expand. A three percent price increase as well as phasing in previous pricing model changes were also factors. Expenses were down \$0.5 million, driven by a reduction in professional services for projects related to content and product strategy, market research, and project management. The contribution margin increased by \$16.4 million to \$267.5 million.

The AMA has two active for-profit subsidiaries, the AMA Insurance Agency (Agency) and Health2047. The latter is discussed separately at the end of this discussion and analysis.

The Agency's revenue declined by \$0.9 million in 2025, mainly due to lower interest income. A dividend from the Agency to AMA reduced the investible funds balance, with a resulting decline in investment income. The Agency, as broker, receives a commission on insurance policies sold, which declined slightly in 2025, flattening a trend of larger commission revenue declines in previous years. Expenses were down \$0.4 million mainly due to staff and occupancy reductions. The contribution margin decreased to \$13.3 million from \$13.8 million in the prior year.

Other business operations net expenses were up \$0.7 million in 2025 due to staffing and professional service expense increases.

In total, Publishing, Health Solutions & Insurance contribution margin was \$328.3 million, up \$14.3 million from 2024.

### Investments (AMA-only)

AMA-only investment income includes dividend and interest earnings on the AMA's portfolio. Investment income in AMA's for-profit subsidiaries is included as part of the group results for Publishing, Health Solutions & Insurance and Health2047.

Investments' revenue was \$26.7 million in 2025, a \$3.8 million increase over the prior year. Dividend and interest income continued to improve in 2025, impacted in large part by an increased level of investible funds. The contribution margin increased by \$3.9 million as expenses dropped slightly.

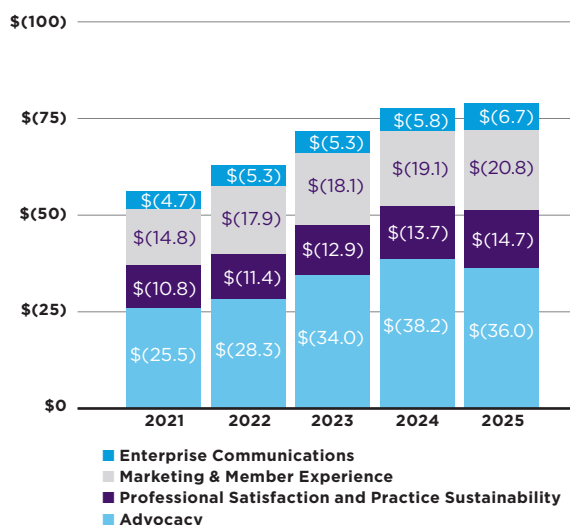
The net gain or loss on the market value of investments is not included in operating results but reported as a non-operating item. This amount is in addition to the investment income discussed above.

In 2025, AMA reported a net gain of \$113.8 million. The total investment return, including investment income, on the reserve portfolios was 11.5 percent compared to a 15.7 percent gain in the composite benchmark index. A combination of factors caused the below benchmark performance including poor performance by a small cap manager that has been replaced and overall private equity market performance that substantially lagged the public market indices in the past year.

## Net expenses

### Core Mission Activities

(in millions)



Core Mission Activities include direct costs associated with the groups for Advocacy; Professional Satisfaction and Practice Sustainability (PS2); Marketing & Member Experience (MMX); Enterprise Communications, Medical Education (Med Ed); the AMA Ed Hub™; the Center for Optimal Health Outcomes (COHO), previously the Center for Health Equity; Health, Science & Ethics; and Improving Health Outcomes (IHO). The Integrated Health Model Initiative, focused on technology innovation, was closed in 2023. IHO activities have been folded into COHO, fully effective in 2026, to take advantage of synergies between the units. See the chart below for additional business unit results.

Advocacy includes federal and state level advocacy to enact laws and advance regulations on issues important to patients and physicians; economic, statistical and market research to support advocacy efforts; political education for physicians; grassroots advocacy; and maintaining relations with the federation of medicine. This ensures that AMA's critical voice is represented in federal and state courts around the country on a broad range of issues, working with state and federal policymakers to oppose legislation and laws that interfere with the practice of medicine and elevating the voice of physician leadership on critical issues of public health.

In 2025, the AMA worked to elevate the voices of physicians in Washington, D.C., and across the country—because physicians play a leading role in shaping the future of health care. At the national level, the AMA continued its critical work to push for Medicare payment reform, fix prior authorization, promote physician-led care and more.

AMA's Fix Medicare Now grassroots campaign and sustained advocacy led to more than 600,000 physicians and patients contacting legislators about Medicare payment reform. While AMA sought a permanent payment increase, the One Big Beautiful Bill Act included a 2.5 percent increase for 2026.

AMA secured a commitment from American's Health Insurance Plans (AHIP) and the Blue Cross Blue Shield Association to lessen the burden of prior authorization in 60 of their member plans and in partnership with state specialty societies supported passage of more than 20 state laws that reduce care delays caused by prior authorization.

AMA efforts in protecting patients from inappropriate scope of practice expansions, included opposing legislation that would expand pharmacists' scope of practice with respect to testing and treating patients for influenza, COVID-19, RSV and strep throat and, with constituent societies, blocked nearly 100 bills that would have inappropriately expanded the scope of practice for physician assistants, pharmacists, optometrists and more. The AMA had a major win when the National Council of Insurance Legislators adopted model legislation based in large part on AMA's state model bill.

In 2025, Advocacy net spending decreased \$2.2 million, due to the absence of a prior year increase

in media and professional service costs for the Medicare reform campaign. As noted in AMA's annual budget, the use of these campaign funds would be dependent on the environment. The focus in 2026 is to expand AMA's advocacy efforts such as expanding the Scope of Practice grants to \$1 million and increasing spending on a public-facing Medicare payment reform campaign.

PS2 includes three major streams of work: professional satisfaction/practice transformation, practice sustainability, and digital health, all designed to improve the day-to-day practice and professional experience of physicians and remove obstacles to care. The goals of this group are to promote successful models in both the public and private sectors. This includes expanding research of credible practice science, creating tools and other solutions to help guide physicians, care teams and health system leaders on developing and implementing strategies to optimize practice efficiencies, reduce burnout and improve professional well-being; ensuring the physician perspective is represented in the design, implementation and evaluation of new health care technologies; and shaping the evolution of payment models for sustainability and satisfaction. The work of the digital health unit will transfer to the newly created Center for Digital Health and AI in 2026.

In 2025, the PS2 resources such as the Joy in Medicine™ Health System Recognition Program, the Organizational Biopsy®, STEPS Forward®, webinars, podcasts, coaching and learning collaboratives increased the impact of PS2 efforts with physicians as measured by the number of physicians served and the assessment of high value reflected in post-engagement surveys.

The AMA Joy in Medicine Health System Recognition Program received a record number of applications in 2025 and recognized 109 health systems who met the evidence-based criteria, representing their commitment to organizational well-being. The Organizational Biopsy team partnered with 151 health care organizations to conduct well-being assessments in 2025. AMA STEPS Forward expanded its library and grew webinar attendees and podcast downloads substantially in 2025. AMA also co-sponsored the 2025 American Conference on Physician Health™ with the Mayo Clinic and Stanford Medicine, with a record number of attendees presenting a record high number of abstracts. In 2025, net expenses

increased \$1 million, driven almost entirely by staffing increases.

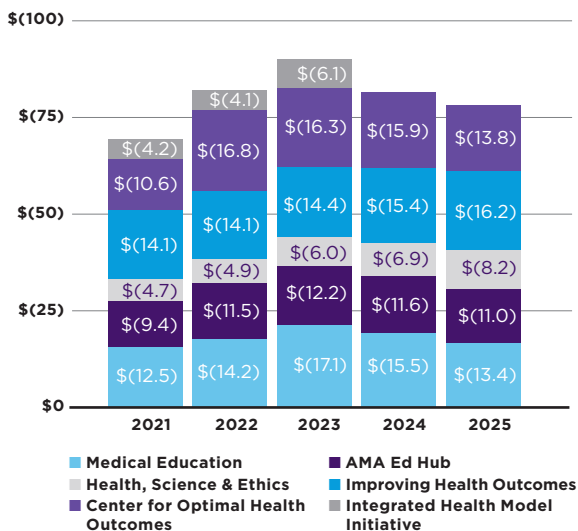
MMX extends the reach and impact of AMA’s mission and advocacy initiatives, builds and executes programs to grow and retain members and strengthens the AMA brand. MMX continues to take on increased oversight for managing the quality, timing and relevance of the experience physicians have at each point of interaction through AMA’s digital publishing, health system engagement, and member programs. MMX creates or packages AMA’s content into digital formats and distributes AMA resources and thought leadership to intended audiences through owned and paid channels, raising awareness of AMA initiatives, resources and accomplishments and elevating the voice of AMA and physicians. Key results in 2025 included the continuation of the “Why We Fight” campaign focused on reforming Medicare payment, fighting scope creep, fixing prior authorization, reducing physician burnout, and making technology work for physicians. MMX also focused on working collaboratively with key business units (PS2, IHO, COHO, Med Ed, Ed Hub) to expand delivery of mission value to existing and potential new health system partners and developing a pragmatic and growth-oriented marketing program for AMA’s health equity work. AMA’s audience of readers, watchers and listeners totaled over 31 million in 2025.

Net expenses increased \$1.7 million in 2025, with increased spending on compensation and marketing and promotion to support delivery of AMA’s message.

Ongoing responsibilities of the Enterprise Communications area include amplifying the work of individual operating units among their core audiences while providing consistency and alignment with the AMA narrative. Enterprise Communications distinctly communicates AMA’s leading voice in science and evidence to embed equity, innovation, and advocacy across the AMA’s strategic work throughout health care, driving thought leadership on priority issues in health care and digital health; securing speaking opportunities at marquee, high visibility events; publishing op-eds; and enhancing AMA visibility with national and social media opportunities. Net expenses were up \$0.9 million in 2025, largely due to increased staffing costs and leveraging outside agency expertise to drive efficient and effective impact across all external channels.

## Core Mission Activities (continued)

(in millions)



While the Accelerating Change in Medical Education (ACE) undergraduate medical school grants successfully concluded in 2018 and the five-year Reimagining Residency grants, designed to improve the transition from undergraduate to graduate medical education and to maintain and reinforce the positive changes initiated by the undergraduate consortium work, ended in 2024, AMA has continued to catalyze innovation in medical education through its ChangeMedEd® initiative. Building upon the learning and momentum gained from the two previous programs, the American Medical Association’s efforts and focus have entered an important new phase, forming groundwork teams, issuing innovation grants and identifying select innovation sites to tackle the AMA’s new priorities in competency-based medical education, precision education and workforce development.

This initiative has inspired a community of innovation in medical education that works collaboratively to create a workforce better prepared to meet the needs of patients and communities, driving change to reduce barriers to lifelong learning, advance health equity and improve patient outcomes. One of the key outcomes of the ACE consortium was the development of Health Systems Science, a foundational platform and framework for the study and understanding of how care is delivered, how health professionals work together to deliver that care, and how the health system can improve patient care and health care delivery.

In 2025, Med Ed expanded its efforts on precision education, a system that can leverage technology and data to improve education personalization and learning efficiency across the continuum, in support of students, residents, fellows, physicians, and ultimately the needs of patients. Innovation Grants were awarded to 13 sites applying precision education approaches in medical school, residency and continuing professional development. The AMA Transforming Lifelong Learning Through Precision Education (Precision Ed) portfolio, launched in 2025, will cultivate and promote democratization of the precision education ecosystem to offer individualized learning that aligns physician education with the needs of patients both now and in the future. The recipients of a four-year, \$12 million Precision Education grant program were announced, and 11 teams were identified to receive these grants and join the ChangeMedEd Consortium. Med Ed is also responsible for defining or influencing standards for undergraduate, graduate and continuing medical education and providing support for the Council on Medical Education. Over 600 attendees took part in the flagship biennial conference, ChangeMedEd 2025, featuring 30 “blue sky” ideas on the application of AI in medical education.

Net expenses decreased \$2.1 million in 2025, reflecting the end of the Reimagining Residency grant program in mid-2024. The Precision Ed grants will begin in 2026.

The AMA Ed Hub, formally launched in 2018, is a multi-sided platform providing physicians and other health care providers content and educational services that support lifelong professional development. The Ed Hub has unified the AMA education portfolio and integrated an increasing number of external content providers, launched new content sets, and established internal development plans enterprise wide, including the Health Equity Education Center and the UME Curricular Enrichment Program. The Ed Hub also gives physicians and other health professionals a streamlined way to earn, track and report continuing medical education activities spanning clinical, practice transformation and professionalism topics. In 2025, the AMA Ed Hub offered more than 9,000 education activities from AMA and over 80 partner organizations. A new Physician Education Program™ was developed in

2025 for physician members, curating member-only educational bundles. Net expenses were down \$0.6 million in 2025 due largely to a reduced level of technology development and professional services as the Ed Hub platform has reached a stable state.

The Center for Health Equity (CHE) was created in response to a Board sponsored 2018 taskforce that identified a continuing and urgent need for the AMA to play a leading and public role in eliminating health care disparities and promoting health equity through all segments of our society. In late 2025, certain activities in IHO were sunsetted and others merged with CHE in this newly constituted business unit, renamed the Center for Optimal Health Outcomes (COHO), that will fully support the original goal to achieve optimal health for all by eliminating health inequities and improve health outcomes, particularly for marginalized and underrepresented communities.

During 2025, CHE graduated the third cohort of the Medical Justice and Advocacy Fellowship with fellows presenting their capstone projects at the AMA Interim Meeting; convened the first hybrid meeting of the AMA’s Disability Advisory Group and published the first educational module on improving disability inclusion in medicine and health care; and engaged with new policy audiences utilizing the Release the Pressure campaign as an entry point for discussions with lawmakers, engaging for the first time with the Congressional Black Caucus Foundation Annual Legislative Conference. CHE also continued its educational work and continued as an anchor partner in the West Side United Collaborative focusing on improving housing, job creation and local purchasing on Chicago’s West Side.

Additionally, CHE and IHO began the transition to the new combined operating unit launching an innovative grant program for physician led community health projects, the Community Health Impact Lab (CHIL) micro grants. COHO (previously CHE) reported a \$2.1 million net expense decline in 2025, due mainly to reduced use of outside professional services and a small decline in compensation due to open positions.

Health, Science & Ethics is involved in developing AMA policies on scientific, public health and ethical issues for the House of Delegates; providing leadership, subject matter expertise and scientifically sound content and evidence that underpins and informs both current and future AMA initiatives in areas such as infectious disease, drug policy and opioid prescribing; overseeing maintenance of the AMA Code of Medical Ethics and publication of the *AMA Journal of Ethics*<sup>®</sup>, AMA's online ethics journal, which was wound down in 2025; and managing the United States Adopted Names (USAN) program, responsible for selecting generic names for drugs by establishing logical nomenclature classifications based on pharmacological or chemical relationships (reported separately in group operating results).

In 2025, this group collaborated with Health AI Partnership and the Duke Institute for Health Innovation to develop physician education on the ethical use of AI, including publishing an ethics AI toolkit on the AMA Ed Hub; launched a new online portal to streamline and improve the application process for generic drug names; supported the Firearm Injury Prevention Task Force; and in collaboration with the Ad Council and a coalition of health care leaders, launched a new digital resource hub to empower physicians and other health care professionals to engage in conversations about firearm injury prevention. Net expenses increased \$1.3 million in 2025, with increased staffing costs, a substantial marketing outlay to support flu vaccines and a write-off of technology assets related to closing the *AMA Journal of Ethics*.

As noted above, IHO was downsized substantially in late 2025, with certain activities sunsetted and others merged with the Center for Health Equity in the newly constituted business unit, COHO. IHO over the past several years developed empirically validated tools such as its AMA MAP<sup>™</sup> Solutions (for hypertension control) and dashboards that, in conjunction with its well-established partnerships with the American Heart Association (AHA), Centers for Disease Control and Prevention (CDC), and the Ad Council, have created opportunities to focus on community health, in conjunction with the previously named Center for Health Equity.

The main focus during most of 2025 was on hypertension outcome goals using cloud-based MAP BP (a three-step program that works to diagnose and manage patients with hypertension) dashboards at health care organizations (HCOs), providing a visual representation of their performance on five key blood pressure metrics, including stratification by ethnicity, race and gender. The AMA and AHA recognized nearly 2,400 organizations that committed to improving blood pressure control rates by submitting data to the 2025 Target: BP Award Achievement. Over 38 million patients were served by 2,393 total eligible participating health care organizations across 49 U.S. states and territories. To advance the national Million Hearts<sup>®</sup> campaign, the AMA, in partnership with the CDC and AllianceChicago, engaged five Health Center Controlled Networks and 19 community health centers with an aim to prevent heart attacks and strokes in over 900,000 adult patients, with a focus on minority, rural and medically under-resourced communities.

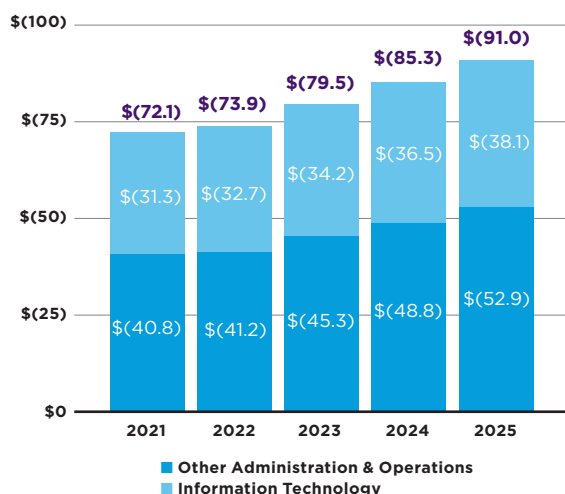
In 2025, net expenses increased by \$0.8 million, largely due to costs related to downsizing certain activities.

## **Governance**

Governance includes the Board of Trustees and Officer Services (BOT), the House of Delegates (HOD) and Sections & International units. The Board of Trustees unit includes costs related to governance activities as well as expenses associated with support of the Core Mission Activities. The HOD, Sections & International unit includes costs associated with annual and interim meetings, groups, sections and other HOD activities, as well as costs associated with AMA's involvement in the World Medical Association. In 2025, Governance net spending was up \$1.2 million, driven by costs for the new Emergency Assistance Program that provides grants to federation societies to fund certain delegate travel costs and higher overall travel and meeting costs for the BOT, HOD and Sections.

## Administration and Operations

(in millions)



These units provide administrative and operational support for Publishing & Health Solutions, Membership, and Core Mission Activities, as well as other operating groups. Net expenses were up 6.7 percent in 2025, an increase of \$5.7 million, due primarily to compensation costs from staff additions, filling open positions and merit increases; increased technology costs and outside legal fees.

### Affiliated Organizations

Affiliated Organizations represent either grant or in-kind service support provided by the AMA to other foundations and societies. In some cases, the AMA is reimbursed for services provided. No net expenses were reported in 2025.

### Unallocated Overhead

The net expenses in this area include costs not allocated back to operating units such as corporate insurance and actuarial services, employee incentive compensation, valuation allowances or other reserves. In 2025, these expenses total \$28.1 million, down \$7.5 million from 2024. Lower incentive and other compensation savings were the main factors in the decline, as well as savings from rent abatement obtained in the headquarters lease renegotiation.

### Health2047 and Subsidiary

AMA owns a business formation and commercialization enterprise designed to enhance AMA's ability to define, create, develop, and launch, with partners, a portfolio of products and technologies that will have a profound impact on

many aspects of the U.S. health care system and population health, with a central goal of helping physicians in practice. The AMA Board of Trustees approved the use of reserves to establish this subsidiary with plans to use third-party resources to assist in funding spinoffs with commercial potential in future years. These liquidity events generally occur somewhere between eight and twelve years after the initial spinoff.

Health2047's mission is to advance the AMA's core mission by developing early-stage companies that will attract third party investment as they mature to successful financial exits. Health2047 operates with two critical venture industry expectations: one that only a minority of early-stage start-up companies will reach maturity and consequently that it is important to aggressively manage investments and second that the industry expected timeframe for successful exit is between eight and twelve years.

To date thirteen spinout companies have been launched, nine of which continue to operate and are attracting outside interest and investment. Given the relative youth of Health2047, none of these spinout companies have yet achieved a final financial exit. The nine spinout companies reflect a wide range of physician centric solutions including Medicare Advantage for underserved populations, effective data extraction for health care enterprises, obesity phenotyping for precision medicine, cybersecurity situational awareness for health care, evidence-based point of care insight, a digital learning platform for medical and health professional schools, clinical-grade cognitive rehabilitation using AI-powered tools, and augmented intelligence applied to medical images.

Net expenses increased by \$2.9 million in 2025, including the impact of a \$4.5 million loss on the divestment of ownership in one company, partially offset by reduced use of consultants. In addition, Health2047 liquidated its investment in a subsidiary during 2025, recognizing a \$2 million non-operating gain.

The summary of group operating results is included on the following page.

## American Medical Association group operating results

(in millions)	Revenues		Margin (Net expenses)	
	2025	2024	2025	2024
<b>Membership</b>	\$ 33.0	\$ 32.5	\$ 10.3	\$ 10.5
<b>Publishing, Health Solutions &amp; Insurance</b>				
Publishing	64.2	61.7	0.4	0.1
Books and Digital Content	296.4	280.5	267.5	251.1
Database Products	68.6	68.2	51.4	52.6
Insurance Agency/Affinity Products	33.5	34.4	13.3	13.8
Other business operations	-	-	(4.3)	(3.6)
	462.7	444.8	328.3	314.0
<b>Investments (AMA-only)</b>	26.7	22.9	25.9	22.0
<b>Core Mission Activities</b>				
Advocacy	1.2	0.9	(36.0)	(38.2)
Professional Satisfaction and Practice Sustainability	0.7	-	(14.7)	(13.7)
Marketing and Member Experience	0.8	0.9	(20.8)	(19.1)
Enterprise Communications	-	-	(6.7)	(5.8)
Medical Education	0.4	0.2	(13.4)	(15.5)
AMA Ed Hub	0.4	0.4	(11.0)	(11.6)
Health, Science & Ethics	-	-	(8.2)	(6.9)
Center for Optimal Health Outcomes (Center for Health Equity)	0.1	0.7	(13.8)	(15.9)
Improving Health Outcomes	-	-	(16.2)	(15.4)
United States Adopted Names Program	5.1	4.7	4.2	3.8
Grants	3.5	2.9	0.2	0.2
	12.2	10.7	(136.4)	(138.1)
<b>Governance</b>				
Board of Trustees and Officer Services	-	-	(7.6)	(7.8)
House of Delegates, Sections, & International	0.1	0.1	(12.5)	(11.1)
	0.1	0.1	(20.1)	(18.9)
<b>Administration and Operations</b>				
Information Technology	-	-	(38.1)	(36.5)
Senior Executive Management	-	-	(9.4)	(7.4)
General Counsel	-	-	(8.2)	(6.6)
Finance & Risk Management	-	-	(10.3)	(9.8)
Human Resources	-	-	(9.3)	(8.9)
Corporate Services	-	-	(6.6)	(6.2)
Customer Service	-	-	(3.9)	(3.7)
Strategic Insights and Planning	-	-	(5.2)	(6.2)
	-	-	(91.0)	(85.3)
Affiliated Organizations	0.2	0.1	-	-
Unallocated Overhead	1.5	2.1	(28.1)	(35.6)
Health2047 & Subsidiary	-	-	(16.3)	(13.4)
<b>Consolidated revenue and income before tax</b>	\$ 536.4	\$ 513.2	72.6	55.2
Income taxes			(3.9)	(4.1)
<b>Consolidated net operating income</b>			\$ 68.7	\$ 51.1

# **CONSOLIDATED FINANCIAL STATEMENTS**

# AMERICAN MEDICAL ASSOCIATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF ACTIVITIES

Years Ended December 31

(in millions)	2025	2024
<b>Revenues</b>		
Membership dues	\$ 33.0	\$ 32.5
Advertising	8.2	7.8
Journal print subscription revenues	1.9	2.2
Journal online revenues	32.8	32.2
Other publishing revenues	20.2	18.8
Books, newsletters and online product sales	23.7	22.1
Royalties and credentialing products	340.9	326.0
Insurance commissions	29.0	29.7
Investment income (Note 4)	28.7	25.7
Equity in losses of affiliates (Note 2)	(0.4)	(0.5)
Grants and other income	18.4	16.7
<b>Total revenues</b>	<b>536.4</b>	<b>513.2</b>
<b>Expenses</b>		
Cost of products sold and selling expenses	17.4	23.7
<b>Contribution to general and administrative expenses</b>	<b>519.0</b>	<b>489.5</b>
<b>General and administrative expenses</b>		
Compensation and benefits	287.8	279.4
Occupancy	17.5	19.8
Travel and meetings	22.9	20.4
Technology costs	34.7	34.4
Marketing and promotion	21.6	24.1
Professional services	37.1	35.2
Other operating expenses	24.8	21.0
<b>Total general and administrative expenses</b>	<b>446.4</b>	<b>434.3</b>
Operating results before income taxes	72.6	55.2
Income taxes (Note 10)	3.9	4.1
<b>Net operating results</b>	<b>68.7</b>	<b>51.1</b>
<b>Non-operating items</b>		
Net gain on investments (Note 4)	113.8	79.7
Defined benefit postretirement plan non-service periodic expense (Note 9)	(6.1)	(5.7)
Other non-operating income	2.1	0.1
<b>Total non-operating items</b>	<b>109.8</b>	<b>74.1</b>
<b>Revenues in excess of expenses</b>	<b>178.5</b>	<b>125.2</b>
Changes in defined benefit postretirement plans, other than periodic expense, net of tax (Notes 9 and 10)	(11.4)	2.0
<b>Change in association equity</b>	<b>167.1</b>	<b>127.2</b>
<b>Change in donor restricted association equity</b>		
Restricted contributions	0.7	0.7
Net assets released from restriction	(0.8)	(0.6)
<b>Change in association equity - donor restricted</b>	<b>(0.1)</b>	<b>0.1</b>
<b>Change in total association equity</b>	<b>167.0</b>	<b>127.3</b>
Total association equity at beginning of year	1,150.7	1,023.4
<b>Total association equity at end of year</b>	<b>\$ 1,317.7</b>	<b>\$ 1,150.7</b>

See accompanying notes to the consolidated financial statements.

# AMERICAN MEDICAL ASSOCIATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31

(in millions)	2025	2024
<b>Assets</b>		
Cash, cash equivalents and donor-restricted cash	\$ 46.4	\$ 39.6
Fiduciary funds (Note 2)	22.5	21.6
Investments in affiliates (Note 2)	17.8	19.4
Accounts receivable and other receivables, net of an allowance for doubtful accounts of \$0.1 in 2025 and 2024	118.5	110.2
Inventories	1.5	1.7
Prepaid expenses and deposits	13.2	11.6
Deferred income taxes (Note 10)	4.2	3.5
Investments (Note 4)	1,371.0	1,208.4
Property and equipment, net (Note 7)	20.5	24.7
Operating lease right-of-use assets (Note 11)	41.0	50.2
Other assets (Note 6)	12.6	11.3
	\$ 1,669.2	\$ 1,502.2
<b>Liabilities, deferred revenue and association equity</b>		
Liabilities		
Accounts payable, accrued expenses and other liabilities	\$ 16.3	\$ 18.8
Accrued payroll and employee benefits (Note 8)	62.6	63.9
Accrued postretirement health care benefits (Note 9)	124.0	108.8
Insurance premiums and other fiduciary funds payable (Note 2)	22.4	21.5
Operating lease liability (Note 11)	56.5	67.4
	281.8	280.4
Deferred revenue		
Membership dues	11.0	11.5
Subscriptions, licensing, insurance commissions and royalties	55.9	56.6
Grants and other	2.8	3.0
	69.7	71.1
Association equity	1,317.7	1,150.6
Donor-restricted association equity	-	0.1
Total association equity	1,317.7	1,150.7
	\$ 1,669.2	\$ 1,502.2

See accompanying notes to the consolidated financial statements.

# AMERICAN MEDICAL ASSOCIATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31

(in millions)	2025	2024
<b>Cash flows from operating activities</b>		
Change in total association equity	\$ 167.0	\$ 127.3
Adjustments to reconcile change in association equity to net cash provided by operating activities		
Depreciation and amortization	9.4	10.0
Postretirement health care expense	6.4	6.2
Noncash operating lease expense	9.1	8.9
Net gain on investments	(113.8)	(79.7)
Equity in losses of affiliates	0.4	0.5
Noncash charge (credit) for changes in defined benefit plans other than periodic expense net of tax	11.4	(2.0)
Noncash loss upon liquidation of affiliate and subsidiary	2.4	-
Loss on disposal of property and equipment	0.4	-
Bad debt expense	-	0.1
Other	-	(0.3)
Changes in assets and liabilities		
Accounts receivable and other receivables	(8.3)	(5.8)
Inventories	0.2	0.4
Prepaid expenses and deposits	(1.6)	(1.1)
Accounts payable, accrued liabilities and income taxes	(12.3)	(2.0)
Accrued postretirement benefit costs	(3.2)	(3.0)
Deferred revenue	(1.4)	(5.1)
Net cash provided by operating activities	66.1	54.4
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(7.4)	(6.4)
Investment in affiliates	(3.1)	(4.2)
Purchase of investments	(1,343.4)	(1,228.6)
Proceeds from sale of investments	1,294.6	1,188.3
Net cash used in investing activities	(59.3)	(50.9)
<b>Net change in cash, cash equivalents and donor restricted cash</b>	<b>6.8</b>	<b>3.5</b>
Cash, cash equivalents and donor restricted cash at beginning of year	39.6	36.1
<b>Cash, cash equivalents and donor restricted cash at end of year</b>	<b>\$ 46.4</b>	<b>\$ 39.6</b>
<b>Noncash operating activities</b>		
Right-of-use assets obtained for lease obligation	\$ 0.5	\$ 3.1
<b>Noncash investing activities</b>		
Accounts payable for property and equipment additions	\$ 0.5	\$ 2.3

See accompanying notes to the consolidated financial statements.

# AMERICAN MEDICAL ASSOCIATION AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024  
(Columnar amounts in millions)

### 1. Nature of operations

The American Medical Association (AMA) is a national professional association of physicians with approximately 322 thousand members. The AMA serves the medical community and the public through standard setting and implementation in the areas of science, medical education, improving health outcomes, health equity, delivery and payment systems, ethics, representation and advocacy, policy development, and image and identity building. The AMA provides information and services to hundreds of thousands of physicians and includes journal and book publishing, physician credentialing, database licensing, insurance and other professional services for physicians.

The AMA classifies all operating results as revenues and expenses in the consolidated statements of activities. Non-operating items include net realized and unrealized gains and losses on investments, defined benefit postretirement plan non-service expense and other non-recurring income or expense.

Donor-restricted association equity includes contributions restricted for use for a scope of practice program which are not available for general use by AMA.

### 2. Significant accounting policies

#### Consolidation policy

The accompanying consolidated financial statements include the accounts of the AMA and its subsidiaries, AMA Services, Inc., American Medical Assurance Company (AMACO) and Health2047 Inc. (collectively, the AMA).

AMACO, a reinsurer for physician medical professional liability coverage, ceased accepting new and renewal business in 1986 and began running off claims under existing contracts. Since 1986, AMACO pursued the commutation of various treaties and the final treaties were commuted in 2024, with all related exposures eliminated. AMACO obtained approval from the Illinois Insurance Commissioner for a plan of dissolution

and implemented that plan in 2024, with no material impact on the consolidated financial results.

AMA, through its wholly owned subsidiary, Health2047 Inc. (Health2047), has investments in nine companies or limited partnerships as of December 31, 2025.

Health2047 controlled and consolidated the results of one company, First Mile Care, Inc., that was liquidated in 2025 resulting in recognizing a \$2 million gain that is included in other non-operating income.

The equity method of accounting is used to account for investments in companies or limited partnerships in which the AMA has significant influence but not overall control. The investments are initially recorded at the original amounts paid for common and convertible preferred stock and subsequently adjusted for the AMA's share of undistributed earnings and losses from the underlying entities from the dates of formation. Each investment will be increased or reduced by any future additional contributions and distributions received, respectively. The cost method of accounting is used to account for investments in companies in which the AMA has neither significant influence nor overall control and where the fair value is not readily determinable.

The results of one company, Heal Security, Inc. (formed in February 2021) are accounted for under the equity method. At December 31, 2025, AMA ownership interest is 33.3% in Heal Security, Inc. and the book value of the investment, net of convertible debt, is \$0.7 million.

In addition, at December 31, 2025, AMA has an ownership interest in eight companies or limited partnerships. The investments in these entities are accounted for using the cost method, as AMA holds less than a 20% ownership and does not exercise significant influence over the entities. This includes ownership interests of 2.7% in Zing Health Enterprises, LP (formed in May 2020), 16.3% in Medcurio Inc. (formed in February 2020), 19.2% in Phenomix Sciences, Inc. (formed in August 2020), 13.6% in Evidium, Inc. (formerly Recovery Exploration Technologies, Inc., formed in August 2021), 5% in Sitebridge Research, Inc. (formed in January 2021), 5.7% in Scholar Rx, Inc. (acquired in December 2022), 5.3% in IntellixAI, Inc. (acquired in 2023), and 3.5% in Cognitive Health Solutions, Inc. (acquired in 2025). The book value of the eight investments carried at cost at December 31, 2025 is \$17.1 million. AMA divested the majority of its interest in SiteBridge Research, Inc. during 2025 and recognized a \$4.5 million loss that is included in other operating expenses.

Health2047 had investments in nine companies or limited partnerships as of December 31, 2024. Health2047 controlled and consolidated the results of one company, First Mile Care. Inc.

At December 31, 2024, AMA ownership interest was 33.3% in Heal Security, Inc. and the book value of the investment, net of convertible debt, was \$1 million.

In addition, at December 31, 2024, AMA had ownership interest of 2.9% in Zing Health Enterprises, LP, 16.4% in Medcurio Inc., 18.7% in Phenomix Sciences, Inc., 13.2% in Evidium, Inc., 18.4% in Sitebridge Research, Inc., 6% in Scholar Rx, Inc. and 5.4% in IntellixAI, Inc. The investments in these entities were accounted for using the cost method, as AMA held less than 20% ownership and did not exercise significant influence over the entities. The book value of the seven investments carried at cost at December 31, 2024 was \$18.4 million.

### **Use of estimates**

Preparation of consolidated financial statements in conformity with accounting principles generally accepted (GAAP) in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as reflected in the consolidated financial statements. Actual results could differ from estimates.

### **Cash equivalents**

Cash equivalents consist of liquid investments with original maturities of three months or less and are recorded at cost, which approximates fair value.

### **Fiduciary funds**

One of the AMA's subsidiaries, the AMA Insurance Agency, Inc., in its capacity as an insurance broker, collects premiums from the insured and, after deducting its commission, remits the premiums to the underwriter of the insurance coverage. Unremitted insurance premiums are invested on a short-term basis and are held in a fiduciary capacity. The AMA also collects and holds contributions on behalf of a separate unincorporated entity with \$2.4 million held at December 31, 2025 and December 31, 2024.

### **Inventories**

Inventories, consisting primarily of books and paper for publications, are valued at the lower of cost or net realizable value.

### **Property and equipment**

Property and equipment are carried at cost, less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. Furniture and office equipment, hardware and software are depreciated or amortized over three to 10 years. Leasehold improvements are depreciated over the shorter of the estimated useful lives or the remaining lease term.

### **Revenue recognition**

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration that AMA expects to receive in exchange for those products or services. AMA enters into contracts that generally include only one product or service and as such, are distinct and accounted for as separate performance obligations. Revenue is recognized net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Membership dues are deferred and recognized as revenue in equal monthly amounts during the applicable membership year, which is a calendar year.

Licensing and subscriptions to scientific journals, site licenses, newsletters or other online products are recognized as revenue ratably over the terms of the subscriptions or service period. Advertising revenue and direct publication costs are recognized in the period the related journal is issued. Book and product sales are recognized at the time the book or product is shipped or otherwise delivered to the customer. Royalties are recognized as revenue over the royalty term. Insurance brokerage commissions on individual policies are recognized as revenue on the date they become effective or are renewed, to the extent services under the policies are complete. Brokerage commissions or plan rebates on the group products are recognized as revenue ratably over the term of the contract as services are rendered.

### Contract balances

AMA records a receivable when the performance obligation is satisfied and revenue is recognized. For agreements covering subscription or service periods, AMA generally records a receivable related to revenue recognized for the subscription, license or royalty period. For sales of books and products, AMA records a receivable at the time the product is shipped or otherwise delivered to the customer. These amounts are included in accounts receivable on the consolidated statements of financial position and the balance, net of allowance for doubtful accounts, was \$111.9 million and \$103.8 million as of December 31, 2025 and December 31, 2024, respectively.

The allowance for doubtful accounts reflects AMA's best estimate of probable losses inherent in the accounts receivable balance. The allowance is based on historical experience and other currently available evidence.

Payment terms and conditions vary by contract type, although terms generally include a requirement of payment within 30 to 60 days. Some annual licensing agreements carry longer payment terms. In instances where the timing of revenue recognition differs from the timing of invoicing, AMA has determined that these contracts generally do not include a significant financing component.

Prepaid dues by members are included as deferred membership dues revenue in the consolidated statements of financial position. Prepayments

by customers in advance of the subscription, royalty or insurance coverage period are recorded as deferred subscriptions, licensing, insurance commissions and royalty revenue in the consolidated statements of financial position.

### Income taxes

The AMA is an exempt organization as defined by Section 501(c)(6) of the Internal Revenue Code and is subject to income taxes only on income determined to be unrelated business taxable income. The AMA's subsidiaries are taxable entities and are subject to income taxes. See Note 10.

### Changes in presentation

In 2025, AMA realigned its business units to reflect the current operations of the organization. As a result, the presentation of the functional expenses for 2024 in Note 15 has been updated to be consistent with the current presentation.

As of December 31, 2025, AMA expanded the disclosure of initial health care cost trend rates. As a result, the presentation of the initial health care cost trend rates for 2024 in Note 9 has been updated to be consistent with the current presentation.

## 3. New accounting standards update

In December 2023, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2023-09, *Improvements to Income Tax Disclosures*. This requires an entity to report the amount of income taxes paid disaggregated by federal, state, and foreign taxes as well as the amount of income taxes paid disaggregated by individual jurisdictions in which income taxes paid is equal to or greater than five percent of total income taxes paid. The new standard is effective for AMA for annual periods beginning after December 15, 2025. The adoption of the standard will expand certain footnote disclosures but will not have an impact on the AMA's consolidated financial statements.

In September 2025, FASB issued ASU No. 2025-06, *Targeted Improvements to the Accounting for Internal-Use Software*. This applies to internal use software and replaces the current criteria for capitalization of software development costs with a framework that includes two criteria relating to management authorizing a commitment of funds

and meeting a probable to complete threshold. The new standard is effective for AMA for annual periods beginning after December 15, 2027. The adoption of the standard will not have a material impact on the AMA's consolidated financial statements.

## 4. Investments

Investments include marketable securities and venture capital private equity investments that are carried at fair value.

In determining fair value, the AMA uses various valuation approaches. The FASB's Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset based on market data obtained from sources independent of the organization. Unobservable inputs are inputs that would reflect an organization's assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1—Valuations based on quoted prices in active markets for identical assets that the organization has the ability to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.

Level 2—Valuations based on one or more quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors, including, for example, the liquidity of markets and other characteristics particular to the transaction. To the extent that

valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment.

The AMA uses prices and inputs that are current as of the measurement date, obtained through a third-party custodian from independent pricing services.

A description of the valuation techniques applied to the major categories of investments measured at fair value is outlined below.

Exchange-traded equity securities are valued based on quoted prices from the exchange. To the extent these securities are actively traded, valuation adjustments are not applied and they are categorized in Level 1 of the fair value hierarchy.

Mutual funds are open-ended Securities and Exchange Commission (SEC) registered investment funds with a daily net asset value (NAV). The mutual funds allow investors to sell their interests to the fund at the published daily NAV, with no restrictions on redemptions. These mutual funds are categorized in Level 1 of the fair value hierarchy.

The fair value of corporate debt securities is estimated using recently executed transactions, market price quotations (where observable) or bond spreads. If the spread data does not reference the issuer, then data that reference a comparable issuer are used. Corporate debt securities are generally categorized in Level 2 of the fair value hierarchy.

U.S. government agency securities consist of two categories of agency issued debt. Non-callable agency issued debt securities are generally valued using dealer quotes. Callable agency issued debt securities are valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. Agency issued debt securities are categorized in Level 2 of the fair value hierarchy.

U.S. government securities are valued using quoted prices provided by a vendor or broker-dealer. These securities are categorized in Level 2 of the fair value hierarchy, as it is difficult for the custodian to accurately assess at a security level whether a quoted trade on a bond represents an active market.

Foreign and U.S. state government securities are valued using quoted prices in active markets when available. To the extent quoted prices are not available, fair value is determined based on interest rate yield curves, cross-currency basis index spreads, and country credit spreads for structures similar to the bond in terms of issuer, maturity, and seniority. These investments are generally categorized in Level 2 of the fair value hierarchy.

Investments also include investments in a diversified closed end private equity fund with a focus on buyout and secondary market opportunities in the United States and the European Union, as well as an investment in a venture capital fund focused on companies developing promising health care technologies that can be commercialized into revolutionary products and services that improve the practice of medicine and the delivery and management of health care. The investments are not redeemable and distributions are received through liquidation of the underlying assets of the funds. It is estimated that the underlying assets will be liquidated over the next four to ten years. The fair value estimates of these investments are based on NAV as provided by the investment managers. Unfunded commitments as of December 31, 2025, and December 31, 2024 totaled \$77.5 million and \$76.1 million, respectively.

The AMA manages its investments in accordance with Board-approved investment policies that establish investment objectives of real inflation-adjusted growth over the investment time horizon, with diversification to provide a balance between long-term growth objectives and potential liquidity needs.

The following table presents information about the AMA's investments measured at fair value as of December 31. In accordance with ASC Subtopic 820-10, investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

	2025	2024
Level 1 - Quoted prices in active market for identical securities		
Equity securities	\$ 694.2	\$ 588.1
Fixed-income mutual funds	20.6	13.8
	714.8	601.9
Level 2 - Significant other observable inputs		
Debt securities		
Corporate	152.1	139.2
U.S. government and federal agency	286.4	275.9
Foreign government	47.9	39.4
U.S. state government	0.2	0.1
	486.6	454.6
Other investments measured at NAV - Private equity and venture capital funds		
Investments	\$ 1,371.0	\$ 1,208.4

Interest and dividends are included in investment income as operating revenue while realized and unrealized gains and losses are included as a component of non-operating items.

Investment income consists of:

	2025	2024
Investment dividend and interest income	\$ 33.5	\$ 30.1
Management fees	(4.8)	(4.4)
	\$ 28.7	\$ 25.7

Investment non-operating items include:

	2025	2024
Realized gains on investments, net	\$ 55.8	\$ 69.8
Unrealized gains on investments, net	58.0	9.9
	\$ 113.8	\$ 79.7

## 5. Derivative instruments

AMA uses exchange-traded U.S. Treasury note future contracts in order to efficiently manage duration of fixed income investments in the portfolio. These transactions do not qualify for hedge accounting. The fair value of the futures contracts is recognized as part of investments in the consolidated statements of financial position and changes in the fair value of these futures contracts are recognized as a component of net gain or loss on investments included in non-operating items in the consolidated statements of activities. The fair values as of December 31, 2025 and December 31, 2024 and changes in fair value during 2025 and 2024 were not material.

## 6. Other assets

Other assets include investments in mutual funds maintained in separate accounts designated for various non-qualified benefit plans that are not available for operations. Mutual funds are open-ended SEC registered investment funds with a daily NAV. The mutual funds allow investors to sell their interests to the fund at the published daily NAV, with no restrictions on redemptions. These mutual funds are categorized in Level 1 of the fair value hierarchy. The investments totaled \$12.6 million and \$11.3 million as of December 31, 2025 and December 31, 2024, respectively.

## 7. Property and equipment

Property and equipment at December 31 consists of:

	2025	2024
Leasehold improvements	\$ 36.3	\$ 36.1
Furniture and office equipment	17.7	17.6
Information technology		
Hardware	12.2	11.4
Software	97.4	100.9
	163.6	166.0
Accumulated depreciation and amortization	(143.1)	(141.3)
Property and equipment, net	\$ 20.5	\$ 24.7

## 8. Retirement savings plan

The AMA has a 401(k) retirement and savings plan, which allows eligible employees to contribute up to 75 percent of their compensation annually, subject to Internal Revenue Service (IRS) limits. The AMA matches 100 percent of the first three percent and 50 percent of the next two percent of employee contributions. The AMA may, at its discretion, make additional contributions for any year in an amount up to two percent of the compensation for each eligible employee. Compensation is subject to IRS limits and excludes bonuses and severance pay. AMA matching and discretionary contribution expense totaled \$10.3 million and \$9.8 million in 2025 and 2024, respectively.

## 9. Postretirement health care benefits

The AMA provides health care benefits to retired employees who were employed on or prior to December 31, 2010. After that date, no individual can become a participant in the plan. Generally, qualified employees become eligible for these benefits if they retire in accordance with the plan provisions and are participating in the AMA medical plan at the time of their retirement. The AMA shares the cost of the retiree health care payments with retirees, paying approximately 60 to 80 percent of the expected benefit payments. The AMA has the right to modify or terminate the postretirement benefit plan at any time. Other employers participate in this plan and liabilities are allocated between the AMA and the other employers.

The AMA has applied for and received the federal subsidy to sponsors of retiree health care benefit plans that provides a prescription drug benefit that is actuarially equivalent to Medicare Part D under the *Medicare Prescription Drug, Improvement and Modernization Act of 2003*. In accordance with ASC Topic 958-715, *Compensation-Retirement Benefits*, the AMA initially accounted for the subsidy as an actuarial experience gain to the accumulated postretirement benefit obligation.

The postretirement health care plan is unfunded. In accordance with ASC Topic 958-715, the AMA recognizes this liability in its consolidated statements of financial position.

The following reconciles the change in accumulated benefit obligation and the amounts included in the consolidated statements of financial position at December 31:

	2025	2024
Benefit obligation at beginning of year	\$ 108.8	\$ 107.8
Service cost	0.3	0.5
Interest cost	6.1	5.5
Benefits paid	(4.6)	(4.4)
Participant contributions	1.2	1.2
Federal subsidy	0.2	0.2
Actuarial loss (gain)	12.0	(2.0)
Accrued postretirement benefit costs	\$ 124.0	\$ 108.8

The postretirement health care plan accumulated actuarial losses not yet recognized as a component of periodic postretirement health care expense, but included as an accumulated charge to equity are \$18.4 million and \$6.4 million at December 31, 2025 and December 31, 2024, respectively.

Actuarial assumptions used in determining the accumulated benefit obligation at December 31 are:

	2025	2024
Discount rate	5.6%	5.7%
Initial health care cost trend		
Pre-Medicare	9.3%	8.4%
Medicare eligible	8.6%	8.6%
Ultimate health care cost trend	4.0%	4.0%
Year that the rate reaches the ultimate trend rate	2050	2048

The change in the initial health care cost trend in 2025 and claims cost experience were the major driver of the \$12 million actuarial loss in 2025. The change in the discount rate from 5.0% at the end of 2023 to 5.7% in 2024, offset by the impact of higher claims cost experience, was the major driver of the \$2 million actuarial gain in 2024.

AMA recognizes postretirement health care expense in its consolidated statements of activities. The service cost component is included as part of compensation and benefits expense and the other components of expense are recognized as a non-operating item:

	2025	2024
Service cost	\$ 0.3	\$ 0.5
Non-service costs		
Interest cost	6.1	5.5
Amortization of actuarial loss	-	0.2
Total non-service costs	6.1	5.7
	\$ 6.4	\$ 6.2

Postretirement health care-related changes, other than periodic expense, that have been included as a charge or credit to unrestricted equity consist of:

	2025	2024
Actuarial (loss) gain arising during period	\$ (12.0)	\$ 2.0
Reclassification adjustment for recognition of actuarial loss	-	0.2
Change in association equity	\$ (12.0)	\$ 2.2

Actuarial assumptions used in determining postretirement health care expense are the same assumptions noted in the table above for determining the accumulated benefit obligation, except as follows:

	2025	2024
Discount rate	5.7%	5.0%
Initial health care cost trend		
Pre-Medicare	7.9%	8.1%
Medicare eligible	8.1%	8.2%

The following postretirement health care benefit payments are expected to be paid by the AMA, net of contributions by retirees and federal subsidies:

2026	\$ 4.5
2027	5.0
2028	5.4
2029	5.8
2030	6.3
2031-2035	37.3

## 10. Income taxes

The provision for income taxes includes:

	2025	2024
Operating		
Current	\$ 4.0	\$ 4.8
Deferred	(6.5)	(5.2)
Valuation allowance	6.4	4.5
	3.9	4.1
Tax (benefit) expense related to credits or charges to equity		
Deferred	(0.6)	0.2
	\$ 3.3	\$ 4.3

As prescribed under ASC Topic 740, *Income Taxes*, the AMA determines its provision for income taxes using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for future tax effects of temporary differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

The deferred tax benefit or expense from credits or charges to equity represents the estimated tax benefit from recording unrecognized actuarial losses and prior service credits for the postretirement health care plan, pursuant to ASC Topic 958-715.

Valuation allowances are provided to reduce deferred tax assets to an amount that is more likely than not to be realized. The AMA evaluates the likelihood of realizing its deferred tax assets by estimating sources of future taxable income and assessing whether or not it is likely that future taxable income will be adequate for the AMA to realize the deferred tax asset. The valuation allowance reflects the fact that deferred tax assets include future expected benefits largely related to net operating or capital losses where recoverability will not occur until future taxable income is generated, as well as retiree health care payments that may not be deductible due to a projected lack of taxable advertising income in future years. Increases or decreases in deferred tax assets, where future benefits are considered unlikely, will result in an equal and offsetting change in the valuation reserve. If the AMA were to make a determination in future years that these deferred tax assets would be realized, the related valuation allowance would be reduced and a benefit to earnings recorded.

Deferred income taxes recognized in the consolidated statements of financial position at December 31 include the following deferred tax assets and (liabilities):

	2025	2024
Net operating and capital loss carryforward	\$ 37.3	\$ 30.6
Benefit plans and compensation	6.7	6.0
Right-of-use assets	(1.4)	(1.9)
Lease liabilities	1.5	2.1
Other	0.3	0.5
	44.4	37.3
Valuation allowance	(40.2)	(33.8)
	\$ 4.2	\$ 3.5

Cash payments for income taxes were \$3.7 million and \$4.3 million in 2025 and 2024, respectively, net of refunds.

AMA's federal taxes are open to examination by taxing authorities from 2022 through 2025. AMA's state taxes are open to examination for various years depending on the jurisdiction.

## 11. Leases

AMA leases office space at a number of locations and the initial terms of the office leases range from four years to 15 years. Most office space leases have options to renew at then prevailing market rates, or, in one circumstance, early terminate or contract with appropriate notice and termination payments. As any renewal, termination, or contraction is at the sole discretion of AMA, and at this date is not certain, renewal and termination options are not included in the right-of-use asset (ROU asset) or lease liability. AMA also leases copiers and printers in several locations, with initial terms generally of four years.

The lease agreements do not contain variable lease payments, residual value guarantees or material restrictive covenants. All leases are classified as operating leases.

AMA leases do not provide an implicit interest rate and as such, AMA calculates the lease liability at lease commencement or remeasurement date as the present value of unpaid lease payments using an estimated incremental borrowing rate. The incremental borrowing rate represents the rate of interest that AMA estimates it would have to pay to borrow an amount equal to the lease payments on a collateralized basis over a similar term, based on information available at the time of commencement or remeasurement.

During 2025, AMA exercised an early termination option in the existing Washington, D.C. office. The ROU asset and lease liability were remeasured as of the modification date resulting in a \$4.9 million decrease in both the ROU asset and corresponding lease liability. AMA then entered into a new lease agreement at a different Washington, D.C. location scheduled to commence in 2026. In addition, AMA entered into a new satellite office space lease which resulted in a \$0.5 million increase in the ROU asset and corresponding lease liability.

During 2024, AMA entered into a new office space lease which resulted in a \$3.1 million increase in the ROU asset and corresponding lease liability.

Operating lease costs totaled \$9.1 million in 2025 and \$8.9 million in 2024. Cash paid for amounts included in the measurement of lease liabilities totaled \$9 million in 2025 and \$11.5 million in 2024.

The remaining weighted-average lease term is 9.1 years and 9.9 years as of December 31, 2025 and December 31, 2024, respectively. The weighted-average discount rate used for operating leases is 7.1% and 6.9% for 2025 and 2024, respectively.

The maturity of lease liabilities as of December 31, 2025:

2026	\$	4.0
2027		0.9
2028		4.5
2029		11.2
2030		10.7
2031 and beyond		53.7
Total lease payments		85.0
Less imputed interest		(28.5)
Present value of lease obligations	\$	56.5

## 12. Financial asset availability and liquidity

AMA has a formal reserve policy that defines the reserve investment portfolios as pools of liquid net assets that can be accessed to mitigate the impact of undesirable financial events or to pursue opportunities of strategic importance that may arise, as well as provide a source of capital appreciation. The policy establishes minimum required dollar levels required to be held in the portfolios (defined as an amount equal to one-year's general and administrative operating expenses plus long-term liabilities). The policy also covers the use of dividend and interest income, establishes criteria for use of the funds and outlines the handling of excess operating funds on an annual basis.

Dividend and interest income generated from the reserve portfolios are transferred to operating funds monthly and used to fund operations. The formal reserve policy contemplates use of reserve portfolio funds for board approved time- or dollar-limited strategic outlays, to the extent that the reserve portfolio balances exceed the minimum amount established by policy. All surplus funds generated from operations annually (defined as operating cash plus other current assets minus current liabilities and deferred revenue at year end) are transferred to the reserve portfolios after year-end. The reserve policy does not cover the for-profit subsidiaries' activities.

AMA invests cash in excess of projected weekly requirements in short-term investments and money market funds. AMA does not maintain any credit facilities as the reserve portfolios provide ample protection against any liquidity needs.

The following reflects AMA's financial assets as of December 31 reduced by amounts not available for general use that have been set aside for long-term investing in the reserve investment portfolios or funds subject to donor restrictions. AMA's financial assets include cash, cash equivalents and donor restricted cash, short-term investments and long-term investments in the reserve portfolios.

	2025	2024
Financial assets	\$ 1,417.4	\$ 1,248.0
Less assets unavailable for general expenditures:		
Restricted by donor with purpose restrictions	-	(0.1)
Restricted by governing body primarily for long-term investing or for governing body approved outlays	(1,302.8)	(1,132.5)
Financial assets available to meet cash needs for general expenditures within one year	\$ 114.6	\$ 115.4

In addition to financial assets available to meet general expenditures over the next 12 months, the AMA operates under a policy that requires an annual budget surplus, excluding time- or dollar-limited strategic expenditures approved by the board, and anticipates generating sufficient revenue to cover general ongoing expenditures on an annual basis.

### 13. Contingencies

In the opinion of management, there are no pending legal actions for which the ultimate liability will have a material effect on the equity of the AMA.

### 14. Subsequent events

ASC Topic 855, *Subsequent Events*, establishes general standards of accounting for and disclosure of events that occur after the consolidated balance sheet date but before consolidated financial statements are issued or are available to be issued. For the year ended December 31, 2025, the AMA has evaluated all subsequent events through February 13, 2026, which is the date the consolidated financial statements were available to be issued, and concluded no additional subsequent events have occurred that would require recognition or disclosure in these consolidated financial statements that have not already been accounted for.

## 15. Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities. Certain costs have been allocated among the Membership; Publishing, Health Solutions and Insurance; Core Mission Activities and other supporting services.

The expenses that are allocated and the method of allocation include the following: fringe benefits based on percentage of compensation and occupancy based on square footage. All other expenses are direct expenses of each functional area.

	Membership	Publishing, Health Solutions and Insurance	Investments (AMA only)	Core Mission Activities	Governance, Administration and Operations	Health2047 and Subsidiary	Total
Cost of products sold and selling expense	\$ -	\$ 17.4	\$ -	\$ -	\$ -	\$ -	\$ 17.4
Compensation and benefits	7.9	77.3	-	91.7	103.5	7.4	287.8
Occupancy	0.6	5.1	-	6.6	4.2	1.0	17.5
Travel and meetings	0.2	4.2	-	9.1	8.9	0.5	22.9
Technology costs	1.1	12.9	-	6.9	13.7	0.1	34.7
Marketing and promotion	11.0	1.0	-	9.3	-	0.3	21.6
Professional services	0.4	11.2	0.2	17.0	6.0	2.3	37.1
Other operating expense	1.5	5.3	0.6	8.0	4.7	4.7	24.8
<b>2025 total expense</b>	<b>\$ 22.7</b>	<b>\$ 134.4</b>	<b>\$ 0.8</b>	<b>\$ 148.6</b>	<b>\$ 141.0</b>	<b>\$ 16.3</b>	<b>\$ 463.8</b>

Cost of products sold and selling expense	\$ -	\$ 23.7	\$ -	\$ -	\$ -	\$ -	\$ 23.7
Compensation and benefits	7.4	72.5	-	86.4	105.4	7.7	279.4
Occupancy	0.6	5.5	-	6.8	6.1	0.8	19.8
Travel and meetings	0.1	3.9	-	7.5	8.5	0.4	20.4
Technology costs	1.1	12.5	-	7.4	13.2	0.2	34.4
Marketing and promotion	11.5	0.9	-	11.5	-	0.2	24.1
Professional services	0.4	6.5	0.2	19.4	5.1	3.6	35.2
Other operating expense	0.9	5.3	0.7	9.8	3.8	0.5	21.0
<b>2024 total expense</b>	<b>\$ 22.0</b>	<b>\$ 130.8</b>	<b>\$ 0.9</b>	<b>\$ 148.8</b>	<b>\$ 142.1</b>	<b>\$ 13.4</b>	<b>\$ 458.0</b>

# INDEPENDENT AUDITOR'S REPORT

The Board of Trustees of American Medical Association

## Opinion

We have audited the consolidated financial statements of American Medical Association (the "AMA") and subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the AMA as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the AMA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the AMA's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the AMA's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the AMA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte + Touche LLP*

February 13, 2026

# WRITTEN STATEMENT OF CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The undersigned hereby certify that the information contained in the consolidated financial statements of the American Medical Association for the years ended December 31, 2025 and 2024 fairly present, in all material respects, the financial condition and the results of operations of the American Medical Association.

John Whyte MD, MPH  
Executive Vice President  
and Chief Executive Officer

Denise M. Hagerty  
Senior Vice President  
and Chief Financial Officer

February 13, 2026

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- Dr. Armstrong
- Dr. Ferguson
- Dr. Levin
- Dr. Suk

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- Dr. Ding
- Dr. Fryhofer
- Dr. Heine
- Dr. Jeffers
- Dr. Underwood
- Dr. Suk

*Note: Drs. Aizuss, Ajayi and Suk serve on all committees, except where otherwise noted, as ex-officio members without vote. Dr. Mukkamala serves on all committees as an ex-officio member with vote.*

