

Stacey Sutay

From: William_Frantel@horizon-bcbsnj.com
Sent: Friday, January 18, 2008 1:53 PM
To: Director - FASB
Cc: Robert_J_Pures@horizon-bcbsnj.com; michael_morrone@horizonblue.com; denise.c.marbach@us.pwc.com
Subject: Proposed FSP FIN 48-b



To : FASB

File reference: Proposed FSP FIN 48-b

LETTER OF COMMENT NO. 28

We appreciate this opportunity to provide comments regarding the proposed FASB Staff Position FSP FIN 48-b (the FSP) to defer the effective date of FASB Interpretation No. 48 (FIN 48) for nonpublic companies to fiscal years beginning after December 15, 2007. As stated in the FSP, to avoid complexity the Board decided to apply the deferral of FIN 48 to all nonpublic enterprises, as that term is already defined in FAS 109, which includes all private companies, pass-through entities, and not-for-profit organizations. Based upon the discussion during the November 7 Board meeting, the intent and purpose for the deferral was to provide more time for nonpublic enterprises to better understand and implement FIN 48. As a private company we wholeheartedly agree with the intent behind the deferral, and we do need additional time to better understand and implement FIN 48.

Unfortunately, the FASB press release on January 8 has seemingly created a trap for the unwary and significant controversy between the accounting firms and their clients by generally stating that "the provisions of Interpretation 48 have been adopted if the nonpublic entity has issued financial information in accordance with U.S. GAAP to third parties."

Although the press release states that the amendments contained in the FSP clarify this point, we do not agree if application of the press release statement means that a nonpublic company is deemed to have effectively adopted FIN 48 if it issued any 2007 interim GAAP financial information.

If the FASB truly believes that the mere issuance of 2007 interim GAAP partial financial statements or any other financial information without a specific reference to FIN 48 should be considered to be the "adoption" of a FASB interpretation, the implied adoption of FIN 48 would clearly be inappropriate and it would put the users of such GAAP financial information at a significant disadvantage. There should never be an "implied adoption" of a significant accounting standard, particularly when the adoption relates to a change which provides for specific processes, a cumulative effect adjustment, and significant disclosures.

The decision by the Board on November 7 to defer the effective date of FIN 48 for nonpublic enterprises was based on a number of good reasons to do so, and those same reasons continue to apply. At that time, there was a broadly held view that virtually all nonpublic enterprises would likely be eligible for the deferral. If the Board believed that nonpublic enterprises did not have sufficient time to understand and implement FIN 48 in November there is significantly less time now. A last-minute change in the eligibility rules, or at least the interpretation and application of those rules on a more restrictive basis, makes no sense and it clearly puts the nonpublic enterprises, as well as the users of their financial information, at an unfair disadvantage. There is simply no good reason to further restrict the deferral of FIN 48 for nonpublic enterprises at this time, and the Board needs to end this controversy as soon as possible.

Sincerely yours,

William J. Frantel
AVP- Controller
Horizon Healthcare Services, Inc. (d/b/a Horizon Blue Cross Blue Shield of New Jersey)
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