



**CHRISTIANA CARE  
HEALTH SERVICES**

Corporate Finance Center  
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Newark, Delaware 19713

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August 14, 2013

Technical Director, Financial Accounting Standards Board  
File Reference No. 2013-270  
401 Merritt 7, P. O. Box 5116  
Norwalk, CT 06856-5116

Christiana Care Health System is a not-for-profit Delaware corporation that operates two acute care hospitals and greater than 50 outpatient and physician practice locations in and near Wilmington, Delaware with annual operating revenue of approximately \$1.5 billion.

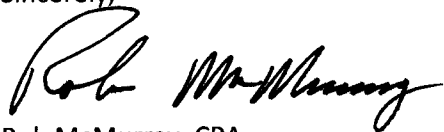
We thank you for the opportunity to comment on the recently released Exposure Draft, Leases (Topic 842) and believe it is important that users of our financial statements have a complete understanding of our leasing activities. We also believe that the Exposure Draft provides a framework towards a more complete understanding of leasing activities but does so at a level of cost and confusion that will place the ultimate benefit of this framework out of reach for all but the most sophisticated readers of our financial statements. We respectfully provide the following comments supporting our belief:

The Exposure Draft presents a two-model approach requiring financial statement preparers to classify leases as Type-A or Type-B. While this model recognizes that not all leases are the same it requires judgement on behalf of the preparer and could result in inconsistent results within the Statement of Comprehensive Income. In the eyes of a sophisticated reader of financial statements the two-model approach built upon the concept of resource consumption is intuitive. However, for the non-sophisticated less frequent reader of financial statements such as a hospital operating department manager the fragmentation of traditional lease expenses will lead to confusion, frustration, and ultimately less reliance on an operating income statement.

The proposed requirements within the Exposure Draft will result in increased compliance costs that will provide little, if any, value to the users of our financial statements. The current healthcare provider market is mired in cost increases from the administration burdens associated with the Affordable Care Act and other regulatory compliance initiatives. In order to effectively fulfill our mission it is imperative that every dollar we spend result in value. Unfortunately, the compliance costs resulting from the implementation of the Exposure Draft will not provide any real value but instead will increase our expenses. Our sophisticated financial statement users, e.g. credit rating agencies, understand and make necessary adjustments to our reported financial results that effectively reflect our lease activity. Under the proposed requirements users of financial statements will incur costs that will only result in the same conclusions reached in current practice while our operating line managers will be confused by the Type-A and Type-B models.

To summarize, compliance with the Exposure Draft provisions will result in increased cost and confusion within the financial statement preparer and user communities and will fall short in providing benefits that outweigh costs. Thank you for your consideration and for the opportunity to comment on the Exposure Draft.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob McMurray". The signature is fluid and cursive, with the first name "Rob" being more prominent and the last name "McMurray" following in a similar style.

Rob McMurray, CPA  
Vice President and Controller  
Christiana Care Health System