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November 5, 2010

Mr. Russell Golden Technical Director Financial Accounting Standards Board 401 Merritt 7, PO Box 5116 Norwalk, CT 06856-5116

By e-mail: director@fasb.org

Re: Exposure Draft, Proposed Accounting Standards Update, Health Care Entities (Topic 954): Disclosure about Net Revenue and Allowance for Doubtful Accounts

(File Reference No. EITF090H)

Dear Mr. Golden:

The New York State Society of Certified Public Accountants, representing more than 27,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Financial Accounting Standards Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Mark Mycio, Chair of the Financial Accounting Standards Committee at (212) 838-5100, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,

Margaret A. Wood

Margaret ann Wood

President

Attachment



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NEW YORK STATE SOCIETY OF

CERTIFIED PUBLIC ACCOUNTANTS

COMMENTS ON

EXPOSURE DRAFT, PROPOSED ACCOUNTING STANDARDS UPDATE, (TOPIC 805): DISCLOSURE ABOUT NET REVENUE AND ALLOWANCE FOR DOUBTFUL ACCOUNTS

(FILE REFERENCE NO. EITF 090H)

November 5, 2010

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New York State Society of Certified Public Accountants Financial Accounting Standards Committee

Comments on

Exposure Draft, Proposed Accounting Standards Update, Health Care Entities (Topic 954): Disclosure about Net Revenue and Allowance for Doubtful Accounts (File Reference No. EITF090H)

We have reviewed the Exposure Draft, Proposed Accounting Standards Update, *Health Care Entities (Topic 954): Disclosure about Net Revenue and Allowance for Doubtful Accounts* (the "Exposure Draft"), and appreciate the opportunity to provide our comments. We have the following general comment followed by our responses to the questions posed by the Board.

General Comment

The provisions of this proposed Accounting Standards Update have been prepared on the basis of an interim step, until the FASB and IASB's joint revenue recognition project is completed. Accordingly, our comments are in response to the stop gap nature of the provisions of this Exposure Draft. When the FASB and IASB revenue projects are complete, our opinions on certain issues might differ from those set forth below.

Question 1: Do you agree that the proposed disclosures would allow users of the financial statements to better understand and assess the net revenue recognized by a health care entity and changes in its allowance for doubtful accounts? Why or why not? If not, what changes would you suggest to the proposed amendments?

Response: We agree the disclosures would enhance the users' reading of the financial statements and provide them with both quantitative and qualitative information from which to gain an understanding of an entity's net revenue and the allowance for doubtful accounts.

Question 2: The Task Force considered requiring disclosure of net revenue by type of service (that is, emergency care, elective services, and so forth). Do you believe that disclosure would be more useful than the proposal to provide disclosure by major payor type? Why?

Response: For the interim period, we agree disclosure by major payor would be more meaningful. However, after the FASB and IASB project is complete, we feel the emphasis should be placed on operations. The user of the financial statement will want to

know more of the profitability, *etc*. on the different operations, such as emergency care and various departments as cardio vascular, cancer, *etc*.

Question 3: Do you agree that the amendments in this proposed Update should be applied retrospectively?

Response: We do not agree amendments should be applied retrospectively. As stated before, this is a stop gap measure until the FASB and IASB agree on revenue recognition. A prospective approach would give the user of the financial statements the information on payors for the current statement, which is sufficient at this time, and meets user preferences.

Question 4: Do you anticipate the need for significant changes in the accounting systems or information gathering to implement the proposed amendments?

Response: See the answer below.

Question 5: How much time do you believe would be necessary to efficiently implement the proposed amendments?

Response: We do not know how much time would be needed, nor the need for significant changes to the accounting systems for operations. We do believe that the tentative nature of the requirements would be such that the preparers of the financial statements would be able to obtain the necessary information. We cannot anticipate the time line. Only when final provisions are set forth by the FASB and IASB on this matter would we be able to ascertain the possible effects on the accounting systems.