



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

325 WEST COLLEGE AVENUE • P.O. BOX 5437 • TALLAHASSEE, FLORIDA 32314  
TELEPHONE (850) 224-2727 • FAX (850) 222-8190

January 17, 2011

Financial Accounting Standards Board  
of the Financial Accounting Foundation  
401 Merritt 7, PO Box 5116  
Norwalk, CT 06856-5116

Via email to [director@fasb.org](mailto:director@fasb.org)  
File Reference No. EITF090H2

Re: Proposed Accounting Standards Update - Health Care Entities (Topic 954)

Presentation and Disclosure of Net Revenue, Provision for Bad Debts, and the Allowance  
for Doubtful Accounts

Dear Sirs:

The Accounting Principles and Auditing Standards Committee (the “Committee”) of the Florida Institute of Certified Public Accountants (“FICPA”) has reviewed and discussed the above referenced Accounting Standards Update, including the four questions posed in the “Questions for Respondents”, and has the following comments related to the questions numbered below:

1. The Committee agrees with the conclusion to reclassify bad debt expense from an operating expense to a reduction in revenue. Revenue should be recorded at amounts expected to be realized by business organizations. Recording revenue at amounts which are not reasonably assured of collection at the time services are rendered artificially inflates the value of the services actually delivered.
2. 1. The Committee does not believe that the requirements of the proposed amendments should be applicable to all revenue that is accounted for under Topic 954. 2. The Committee believes that Premium Revenue should be accounted for in accordance with existing insurance industry guidance inherent in the earnings process in premium revenue/billing activities. 3. The Committee believes that the requirements of the proposed amendments apply to patient health care related services. Non-patient related products and services should be excluded from the requirements of the proposed amendments.

3. Based on the collective professional experience of Committee members, we do not think that the proposed amendments will require significant changes in accounting systems or information gathering activities. Health care organizations are currently subject to extensive reporting requirements related to federal and state regulatory bodies.
4. The Committee believes that a one year implementation period is an adequate time period to allow effected organizations to disseminate the effects of the proposed amendments to the various financial statement user groups.

The Committee appreciates this opportunity to respond to this Proposed Accounting Standards Update. Members of the Committee are available to discuss any questions or concerns raised by this response.

Respectfully submitted,

Steve Bierbrunner, CPA, Chair  
FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Yanick J Michel, CPA  
Richard Edsall, CPA  
John Young, CPA