

May 17, 2010

Financial Accounting Standards Board Attn: Technical Director—File Reference EITF090L 401 Merritt 7 P.O. Box 5116 Norwalk, CT 06856-5116

Re: File Reference No. EITF090L
Proposed Accounting Standards Update, "Health Care Entities (Topic 954):
Measuring Charity Care for Disclosure"

Dear Technical Director, Board Members and Staff:

The Accounting and Auditing Committee of The Ohio Society of Certified Public Accountants is pleased to express its views on the proposed Accounting Standards Update, "Health Care Entities (Topic 954): Measuring Charity Care for Disclosure".

In general, the committee believes that including direct and indirect costs in disclosures about charity care will improve consistency in practice. Responses to specific questions follow:

# Question 1

Do you agree that an entity's disclosure of a measure of charity care should be based on the direct and indirect costs of providing the charity care? If not, why not? What alternative measure would you prefer and why?

Yes, the committee agrees that the measure of charity care should be based on the direct and indirect costs of providing the charity care. This method is readily measurable and provides for greater consistency and comparability.

# Question 2

The Task Force considered requiring a measure of charity care based on the average rate collected from paying patients for similar services. Do you believe that this measure would be more meaningful for financial statement users than the cost to provide charity care and if so, why? If not, why do you believe cost is more meaningful?

No. See response to question 1.

# **Question 3**

Do you agree that the amendments in this proposed Update should be applied retrospectively? If not, why not?

The committee agrees that the amendments should be applied retrospectively. However, if entities have not maintained sufficient records to determine retrospectively, they should be permitted to disclose that.

# **Question 4**

Do you anticipate that there would be significant changes in accounting systems or information gathering to implement the provisions of the proposed Update? If yes, please explain.

The committee believes that the level of changes required in accounting systems will vary by specific entity. Referring to members' own clients, they believed that significant conversion efforts would be likely for some. However, committee members expressed that these same efforts would already need to be made to support new 990 disclosures.

# **Question 5**

How much time do you believe would be necessary for you to efficiently implement the provisions of this proposed Update?

Not applicable.

We appreciate the opportunity to provide feedback to the proposed Accounting Standards Update and welcome any additional opportunities to further discuss or otherwise support the efforts of the Financial Accounting Standards Board in this area.

Best Regards,

Phillip L. Wilson, CPA

Chairman, Accounting and Auditing Committee

The Ohio Society of CPAs

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