

May 17, 2010

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

Via Email to director@fasb.org

Audit - Tax - Advisory

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Re: File Reference No. EITF 090K

Dear Mr. Golden:

Grant Thornton LLP appreciates the opportunity to comment on Proposed Accounting Standards Update (ASU), *Health Care Entities (Topic 954)—Presentation of Insurance Claims and Related Insurance Recoveries.* Our comments are presented in the following responses to the Questions for Respondents in the proposed ASU.

Question 1: Do you agree that a health care entity should not offset anticipated insurance recoveries against the related medical malpractice claim or similar liability? If not, why not?

We support the proposal to clarify that health care entities should not offset anticipated insurance recoveries against the related claim liability. We believe that the proposal would address diversity in practice in a manner consistent with existing guidance in FASB Accounting Standards CodificationTM (ASC) 210, *Balance Sheet*, 20, "Offsetting," on determining whether assets and liabilities can be offset in the balance sheet.

Question 2: Do you agree that the amendments in this proposed Update should be applied as of the beginning of the period of adoption with any difference between recognized liabilities and insurance receivables recognized as a cumulative-effect adjustment? If not, why not?

We agree with the proposed transition for the initial application of the proposed ASU.

Question 3: Do you anticipate the need for significant changes in accounting systems or information gathering to implement the provisions of this proposed Update? If yes, please explain.

This question would be best addressed by health care entities.



Question 4: How much time do you believe would be necessary for you to efficiently implement the provisions of this proposed Update?

Paragraph BC5 of the proposed ASU's basis for conclusions explains why the proposed transition would require application as of the beginning of the period of adoption with any difference between recognized liabilities and insurance receivables recognized as a cumulative-effect adjustment as follows:

[I]n prior periods, many entities may not have estimated the loss amount of the claim under the guidance for accounting for contingencies and that applying this guidance retrospectively may be difficult without hindsight.... in some situations the amounts of the claim liability and insurance receivable may not completely offset one another.

For that reason, and to allow time for entities to become aware of the new requirement, we suggest that the ASU become effective for fiscal years beginning at least six months after the final ASU is issued.

We would be pleased to discuss our comments with you. If you have any questions, please contact L. Charles Evans, partner, Accounting Principles Consulting Group, at 832.476.3614 or Ann McIntosh, senior manager, Accounting Principles Consulting Group, at 612.677.5257.

Sincerely,

/s/ Grant Thornton LLP