

# Health Care Entities Expert Panel

## Highlights of the December 3, 2014 Conference Call



The Health Care Entities Expert Panel serves the needs of AICPA members on financial and business reporting and audit and attest matters. The expert panel protects the public interest by bringing together knowledgeable parties in the health care industry to deliberate and come to agreement on key issues.

(Refer to past meeting highlights on the [Health Care Expert Panel](#) page of the [AICPA website](#) for background information.)

### I. Administration

On behalf of the entire Panel, Andy Mrakovic—Staff Liaison to the Panel, thanked Bob Beard (EY LLP), retiring Panel member, for his service and contributions, and welcomed Chuck Heimerdinger as the new EY LLP representative on the Panel.

### II. Panel Projects

- [2014 Healthcare Industry Conference](#). The Panel was briefed about the AICPA Healthcare Industry Conference, which was held November 6–7 in Las Vegas, NV. There were over 400 attendees, which included online attendees. Overall, attendee evaluations expressed positive feedback, especially with regard to the substance and relevance of the technical track. The AICPA Healthcare Conference Planning Committee will be scheduling a meeting in late Winter to kick off preparations for the 2015 conference, the dates and location of which are not yet finalized.
- [2014 Edition of the Health Care Guide](#). AICPA staff reported that the [2014 edition of the AICPA Audit and Accounting Guide Health Care Entities](#) became available in the AICPA's online professional literature and in eBook form in late October and in paperback format in November.

- 2014/15 Edition of the Health Care Alert. AICPA staff reported that the [2014/15 edition of the annual AICPA Audit Risk Alert Health Care Industry Developments](#) (Health Care Alert) became available in the AICPA's online professional literature and in eBook form in late October and in paperback format in November. AICPA staff also reviewed a preliminary proposed timeline for the 2015/16 edition.
- FASB's Financial Statements of Not-for-Profit Entities Project. The Panel discussed the FASB's NFP reporting model project and how it would impact the healthcare industry. An update was provided on the timeline of the project and the progress that FASB is making on the [financial performance reporting project](#). (The financial performance reporting project is currently in the research stage.) The Panel discussed the approach to reviewing the proposed Accounting Standards Update when it is released.

### III. Updates

- Revised 2014 Mortality Tables. The Panel has been updated about the late October release of the Retirement Plans Experience Committee (RPEC) of the Society of Actuaries' [2014 Mortality Tables](#). The [Employee Benefit Plans Expert Panel](#) included an awareness news item about the revised tables in an EAlert to their [Audit Quality Center](#) members. A similar news item has been submitted to various AICPA e-newsletters to communicate the release of the revised tables to the broader AICPA membership.
- Accounting for Interest in Premier. The Panel held a follow-up discussion about Premier, one of the nation's largest group purchasing organizations, which conducted an initial public offering (IPO) in September 2013. The discussion focused on "year 2" accounting treatment: among other things, the initial investment; buying/selling; vesting; tax receivable agreements with regard to Class B units; and the conversion of those units to Class A units beginning in October 2014. The Panel agreed to monitor year 2 accounting activity as Panel members work with this issue, and might discuss this topic in more detail during a subsequent call.

### IV. New Technical Issues Discussed

- Fannie Mae/Freddie Mac Stock Valuations and Financial Reporting Considerations. The Panel was briefed about an event that occurred after the close of the equity markets on September 30. Accordingly, representatives of several AICPA Expert Panels, including [Health Care](#), [Investment Companies](#), [Depository Institutions](#), [Insurance](#), [Not-for-Profit](#), [Employee Benefit Plans](#), and [Stockbrokerage and Investment Banking](#), held a joint call in late October to discuss some [general and industry-specific valuation and financial reporting considerations](#) in connection with this event.
- Accounting for the various Medicaid Waiver Programs. The Panel was briefed about a recent discussion that was held by the Healthcare Revenue Recognition Task Force (RRTF) regarding how ASU No. 2014-09, *Revenue from Contracts with Customers*, would apply to third-party estimates. Each state administers and accounts for these programs differently, but the RRTF noted that Medicaid waivers in various states can impact their financial statements significantly. It was suggested that this topic might be considered for inclusion in the 2015/16 edition of the Health Care Alert, in order to highlight the use of these programs and possible factors to consider for organizations that participate in these programs. Panel members were requested to research the use of these programs for further discussion on a subsequent call.

### V. Other Items

- The Panel has begun discussing the possibility of holding an in-person meeting in the late Spring/early Summer and has been requested to provide input regarding potential dates and locations.

- Panel members were requested to begin submitting names of potential qualified candidates to fill the vacancies on the Panel that are expected to be created by the expiration of certain members' terms in October.

AICPA staff contact: Andy Mrakovcic ([amrakovcic@aicpa.org](mailto:amrakovcic@aicpa.org)).

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