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. Panel Projects

- **2019 Edition of the Health Care Guide.** The Panel was informed that a planning packet, which includes the listing of pronouncements necessitating conforming changes to the 2019 edition of the AICPA Audit and Accounting Guide Health Care Entities (Health Care Guide), the AICPA protocol for revisions, an implementation plan, and a preliminary timeline, is expected to be distributed to the Panel in mid-April for review. The 2019 edition is scheduled to become available by November.

- **2019 Healthcare Industry Conference.** In advance of upcoming planning sessions of the AICPA Healthcare Conference Committee in the next several weeks, Norman Mosrie, Chair of the Panel and co-Chair of the AICPA Planning Committee, has requested the Panel to recommend suggested topics and speakers for potential inclusion in the 2019 conference program. The conference is expected to be held Nov. 6 – 8 at the Loews Coronado Bay Resort near San Diego, CA.

- **Not-for-Profit Implementation.** A subgroup of the Panel has completed proposed conforming changes to relevant nonauthoritative AICPA Technical Questions and Answers (TQAs) in Q&A section 6400, Health Care Entities, in AICPA Technical Questions and Answers. The proposed changes have been reviewed by the Panel and primarily reflect the issuance of FASB Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The proposed changes have been submitted to the AICPA Financial Reporting Executive Committee for review and clearance.

- **CCRC and Leases Subgroup.** The Panel received an update about the subgroup’s progress of discussions within select members’ firms about whether there is a lease component in a CCRC contract and whether CCRCs might have to follow lease accounting when FASB ASU No. 2016-02, Leases, becomes effective. Because FinREC finalized during Fall 2018 the last two draft revenue recognition implementation issues that impact CCRCs, the subgroup discussed the progress of these discussions more definitively and is in an early phase of developing a draft document of its analysis for eventual Panel consideration and input.

- **Revenue Recognition.** The Panel continued discussing potential practice implementation considerations about the following items that are discussed in Chapter 7, Health Care Entities, of the AICPA Audit and Accounting Guide Revenue Recognition:
  - Collection of substantially all the consideration
  - Risk sharing arrangements
  - Presentation and disclosure
• **FASB ASU on Grants and Contracts.** The Panel received an update from a Panel subgroup about its previous recommendation to develop some helpful nonauthoritative information on the implementation of FASB ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, for the healthcare community, particularly regarding the accounting for certain grants transactions as nonexchange transactions within the context of Medicare and Medicaid. The subgroup expects to participate in an AICPA podcast that is scheduled to be recorded in the next several weeks.

• **Identifiable Intangible Assets and Subsequent Accounting for Goodwill.** Proposed ASU, Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities, was released for comment in mid-December 2018 for a 60-day comment period. The [AICPA comment letter](mailto:copyright@aicpa.org) that was submitted to FASB expresses Panel support for the Board’s intent to extend the scope of the accounting alternatives provided in ASUs No. 2014-02 and No. 2014-18 to not-for-profit entities.

• **GASB Project on Reporting Model Improvements.** The Panel has been informed that health care-specific comments have been provided to the AICPA State and Local Governments Expert Panel (SLG EP) for consideration and potential inclusion in the [AICPA comment letter](mailto:copyright@aicpa.org) on GASB’s two Preliminary Views documents:
  - Financial Reporting Model Improvements
  - Recognition of Elements of Financial Statements

• **Simplification of the Classification of Debt.** The Panel received an additional update about the most recent decisions reached regarding FASB Proposed Accounting Standards Update (ASU), Debt (Topic 470): Simplifying the Classification of Debt in a Classified Balance Sheet (Current versus Noncurrent).

• **Proposed PEEC Interpretation.** The Panel has been informed that an AICPA Exposure Draft (issued by AICPA Professional Ethics Executive Committee) of a Proposed Interpretation, State and Local Government Client Affiliates (formerly Entities Included in State and Local Government Financial Statements), is available for comment through March 11.

• **Liaison Meeting With SEC OMS.** The Panel has been informed that select representatives and staff of the SLG EP are attempting to coordinate an annual liaison meeting in the Spring with representatives of the U.S. Securities and Exchange Commission’s Office of Municipal Securities to provide a joint update on matters of mutual interest. Select representatives of this Panel participated in a meeting last year, during which all parties agreed that it would be mutually beneficial to try to hold an annual update meeting every year. The Panel Chair has requested 1 – 2 volunteers to participate in this meeting.

• An in-person meeting of the Panel has been scheduled for June 3 in Nashville, TN. The development of the agenda is expected to begin in the next several weeks.

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