



## **AHP Government Relations Report July 2010**

### United States

#### *Legislature*

#### **Legislation extending charitable giving incentives put on hold**

Senate Majority Leader Harry Reid stated on June 25 that the American Jobs, Closing Tax Loopholes, and Preventing Outsourcing Act of 2010 ([H.R.4213](#)), which would extend the IRA rollover and several other charitable giving incentives, is presently off the table for consideration due to the Senate's three-time failure to come to a conclusion on the bill's provisions.

#### **Senate approves financial reform legislation**

The Senate July 16 approved legislation (H.R.4173) that imposes new restrictions on risky financial investments, creates a special agency to protect consumers, and forces banks and other financial institutions to hold more capital to protect against future financial turmoil. The final package also requires the Federal Reserve to regulate the amount that merchants or charities accepting donations can be charged for debit transaction or interchange fees so that it would not apply to prepaid debit cards issued for government services like food stamps, unemployment benefits and Social Security. The bill now awaits the President's signature.

#### **Sanders introduces estate tax bill**

On June 25, U.S. Senators Bernie Sanders (I-VT), Tom Harkin (D-IA) and Sheldon Whitehouse (D-RI) introduced the [Responsible Estate Tax Act](#). The bill would permanently fix the estate tax by combining the 2009 exemption levels with progressive rates for larger estates, including a new billionaires surtax.

#### *Agencies*

#### **HHS request comments regarding proposed changes to HIPAA fundraising rules**

The Department of Health and Human Services, Office for Civil Rights, announced July 8 proposed modifications to the Health Insurance Portability and Accountability Act (HIPAA) Rules as directed under the Health Information Technology for Economic and Clinical Health Act



(HITECH) to strengthen the privacy and security protection of health information and to improve the workability and effectiveness of HIPAA Rules.

The [Notice of Proposed Rulemaking](#) includes proposed changes to the HIPAA fundraising language (pages 115-120), including strengthening of the fundraising opt-out requirement and language. Additionally, HHS is seeking comments regarding *the possible expansion of allowable patient information available to fundraisers, including potential access to department and outcomes data.*

AHP alerted members of the proposed changes on July 8. AHP is currently in the process of drafting its response to HHS. Once the draft is complete, another e-mail will be sent requesting that members review AHP's statement and submit comments to HHS by the **September 13** deadline.

### **IRS outlines new tax-exempt hospital requirements, asks for comments on financial assistance**

The IRS on May 27 issued [Notice 2010-39](#), regarding the [new requirements](#) for tax-exempt hospitals under the Patient Protection and Affordable Care Act. The IRS has asked for comments on the appropriate requirements for a community health needs assessment and what constitutes "reasonable efforts" to determine eligibility for assistance under a financial assistance policy. Comments are due by **July 22** and can be submitted by mail to Internal Revenue Service, CC:PA:LPD:PR (Notice 2010-39), Room 5203, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044 or by [e-mail](#).

### **U.S. Postal Service proposes rate increase**

Faced with plummeting mail volume, the U.S. Postal Service (USPS) announced in early July its proposal to increase the price of a first-class stamp by 2 cents to 46 cents. The proposal awaits Postal Regulatory Commission approval. Increases would not go into effect until Jan. 2, 2011.

*States*

### **Hawaii Governor vetoes capping itemized deductions**

Following New York state's effort to reduce charitable deductions, Governor Lingle of Hawaii on July 1 vetoed legislation that would have capped itemized deductions on Hawaii's state income



tax returns until 2016. "It is a de facto tax increase that will adversely hurt certain individuals and businesses at a time when we should be encouraging investment and spending to recharge the economy," Lingle told lawmakers in a separate letter.

### Canada

#### *Legislative*

#### **Charity Transparency Bill**

The House of Commons passed on April 21 the [Charity Transparency Bill](#) (C-470) to amend the Income Tax Act to revoke the registration of a charitable organization, public foundation or private foundation if the annual compensation it pays to any single executive or employee exceeds \$250,000. The bill will proceed to the Standing Committee on Finance. Once the Bill is considered at Committee, it will be reported back to the House of Commons for report stage and a third reading. AHP is currently collaborating with Imagine Canada and a coalition of other organizations to brief parliamentarians of the adverse consequences of the legislation. For more information regarding the bill, including [Frequently Asked Questions](#), visit the [AHP Advocacy website](#).

#### *Provincial*

#### **AHP encourages survey participation to provide provinces seeking access to patient demographic information with comparative data**

AHP recently developed a survey to provide comparative data to provinces in Canada seeking access to patient demographic information. The [AHP Canada Privacy/Grateful Patient Survey](#) looks at varying provincial privacy regulations and their impact on fundraising program successes and challenges.

Whether your development organization has access to patient information or not, please take a few minutes to complete this important survey by using this link:

<http://www.surveymonkey.com/s/NFV37QG>. (You may need to copy and paste this link into your Internet Browser.)

#### **AHP to submit pre-budget recommendations to House of Commons**

The House of Commons Standing Committee on Finance issued in late June its call for briefs and



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Timely updates on legislative and regulatory issues in  
the United States and Canada impacting nonprofit  
hospitals and health care philanthropy

recommendations as part of the consultation process for Budget 2011. The deadline for submission is **August 13, 2010**.

AHP is currently in the process of drafting its brief. Once finalized, a copy will be made available to all AHP Canada members.

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*Sources: Independent Sector, Congressional Quarterly, Imagine Canada*