

NEWS

Association for Healthcare Philanthropy

June 5, 2007

Contact: Kathy Renzetti (703) 532-6243, (571) 216-0146
or kathy@ahp.org

313 Park Avenue Falls Church, VA 22046
www.ahp.org

Leading Nonprofit Health Care Organizations Adopt New Fundraising System to Meet Accountability, Compliance, Transparency Requirements AHP Benchmarking is road map for better philanthropic and financial performance

WASHINGTON, D.C., (June 5, 2007) – Forty-one of the most important philanthropic health care organizations in 18 states and two Canadian provinces have become part of a new fundraising system designed to better meet corporate compliance and transparency requirements, and to ensure that dollars donated by grateful patients or their families are accounted for and spent effectively.

The Association for Healthcare Philanthropy (AHP) announced today that 41 of its member organizations now subscribe to the AHP Performance Benchmarking Service, a unique, integrated database of business practices and performance metrics for raising philanthropic health care fundraising to new levels of performance. Participating organizations are in Alabama, Arizona, California, Florida, Georgia, Illinois, Maryland, Michigan, Minnesota, Nebraska, New Jersey, New York, Oklahoma, Pennsylvania, Tennessee, Virginia, Washington, Wisconsin and the Canadian provinces of Ontario and Saskatchewan

According to William C. McGinly, president and chief executive officer of AHP, benchmarking is an essential tool long used by business and industry and now available for health care philanthropy. Benchmarking systematically compares one organization's practices and standards against a philanthropic health care organization leader in order to create new and improved practices and standards that lead to better products or services.

"Philanthropic fundraising, now more than ever, is vital to sustain and grow the nonprofit health care sector's ability to deliver first class services to patients and communities," McGinly said. "AHP's Performance Benchmarking Service advances this effort by transforming basic financial and program data into useful information that enables hospital CEOs and boards of directors to integrate philanthropy into their overall strategic planning for their health care organizations."

A May 31 article in The Chronicle of Philanthropy on how nonprofit organizations are using databases highlighted AHP's Benchmarking Service. The Chronicle, a leading journal in the field of fundraising, described the program as a system that "hospitals and medical centers can use to compare how much other institutions raised overall and how specific techniques, such as planned giving and special events, fared."

With the AHP benchmarking program, participating nonprofit hospitals, clinics and health care systems can compare their fundraising efforts with those of other facilities across the country. They can exchange and adopt the best ideas to encourage philanthropy and avoid pitfalls. Systematic data-gathering techniques and standard definitions eliminate “apples-vs.-oranges” problems that can arise when gauging one system’s practices against another’s.

McGinly emphasized that the AHP benchmarking program also is an important tool to address two growing challenges facing the not-for-profit health care community’s philanthropic efforts: the financial burden of serving large numbers of people without health insurance and the questioning of nonprofits’ tax exempt status.

The first is illustrated by a proposal set forth by Governor Arnold Schwarzenegger this year, calling for universal health coverage – without additional funding – in California. If passed, this measure would add 6.5 million poor and uninsured individuals in that state alone, an enormous additional responsibility for California’s nonprofit health care providers.

The challenge to tax exemption arose in April, when Sen. Charles Grassley (R-Iowa) asked the federal Government Accountability Office to study how nonprofit hospitals meet their requirement to provide community benefits in exchange for their tax-exempt status and related tax breaks. Grassley called for a wide-ranging review of nonprofit practices to ensure that their tax-exempt status results in public benefit, because the U.S. Treasury foregoes hundreds of billions of dollars of taxes every year from nonprofit groups.

“With politicians examining the nonprofit tax status of organizations, and legislation being considered to extend medical coverage to millions of uninsured, the nonprofit health care system is stressed to the point of breaking,” McGinly said. “Every dollar donated is critical, and nonprofit hospitals and other health care organizations are finding that the AHP Performance Benchmarking Service helps them achieve the most efficient return on their philanthropic investments.”

The Association for Healthcare Philanthropy, established in 1967, is a not-for-profit organization whose 4,300+ members manage philanthropic programs in 2,200 of North America's not-for-profit health care providers. AHP members provide essential services such as wellness programs; mobile health vans; mammography screenings; hearing and eye exams; and other health care services. AHP's audience includes fundraising professionals, development staff, public relations professionals, trustees, marketing professionals, administrators, and executives interested in health care fundraising.

###