

# NEWS

## Association for Healthcare Philanthropy

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### **PRESSURES FROM HIPAA, CAPITAL IMPROVEMENTS AND INCREASING PATIENT DEMANDS CAUSING “CONCERNED” HOSPITAL CEOS TO INCREASE PHILANTHROPIC FUNDRAISING EFFORTS, AHP CHIEF SAYS**

**WASHINGTON, D.C.**, (February 26, 2007) – Pressures brought by HIPAA compliance, overdue capital improvements and increasing patient demands are causing hospital CEOs to rely more on philanthropic fundraising in order to bolster thin operating margins, a leading nonprofit expert cautioned today, but those same CEOs “are concerned about how to assess, plan and build an effective fundraising operation.”

In remarks at his annual Board meeting, Association for Healthcare Philanthropy (AHP) President and Chief Executive Officer William C. McGinly said the Health Insurance Portability and Accountability Act (HIPAA) privacy rules – begun four years ago in April - create undue paperwork and unnecessarily impede access to donor information of grateful patients and their families. He said Congressional and state challenges to the tax exempt status of nonprofits, coupled with proposals for extended health coverage to the uninsured, add to the financial stress on nonprofit hospitals and other philanthropic health care entities

“Because of this ‘Perfect Storm’ of financial and regulatory demands, AHP estimates that 75 percent of hospital CEOs recognize an increased importance of philanthropy in their day-to-day operations” and yet “these same hospital executives seem slow or reluctant to hire enough staff or begin benchmarking activities necessary to create a balanced fundraising program which includes major and planned gift activities, capital and annual campaigns, special events and other fundraising efforts crucial to achieving success.”

McGinly said with two-thirds of American hospitals “barely holding their own financially or in deep red ink, too many not-for-profit hospital CEOs are using the wrong business ‘cost-per-dollar approach’ to philanthropic fundraising.” McGinly urged CEOs to join his AHP members and adopt a new program, the AHP Performance Benchmarking Service, to prepare for these and other future challenges and to better achieve the most efficient return on each dollar donated. “Without the appropriate benchmarking systems in place, CEOs will quickly learn that the future growth of health care philanthropy for their hospitals is in trouble,” he warned.

The AHP benchmarking program uses data collected from participants and generates comparison reports for improved financial and human resource evaluation and planning to grow philanthropy programs for not-for-profit hospitals. It provides data on core benchmarking indicators including:

return on investment, size of endowment, pledge conversion ratios, tenure of staff and program specific metrics. Participants use the data to increase philanthropy through improved performance in their fundraising efforts including improved capital campaign and major gift programs. The reports are created in a variety of formats including tables and graphs, charts, sorted lists and spreadsheets.

The Association for Healthcare Philanthropy (AHP), established in 1967, is a not-for-profit organization whose 4,400+ 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.

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