

NEWS

Association for Healthcare Philanthropy

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New York's Mount Sinai Hospital, Tennessee's Baptist Health and California Pacific Medical Center Tell the Association for Healthcare Philanthropy the Bush/HHS Privacy Proposal Will Curtail the Flow of Philanthropic Support in America

WASHINGTON, D.C., (April 15, 2002) –Three members of the Association for Healthcare Philanthropy (AHP) — New York's Mount Sinai Hospital, Tennessee's Baptist Health System Foundation, and the California Pacific Medical Center Foundation — have written letters saying a Bush Administration/HHS proposal to change the HIPAA patient Privacy Rule will significantly reduce the flow of philanthropic support in America.

Since the 1960s, nonprofit fundraising entities have had access to demographic information including "department of service" which describes only the area of the hospital where the patient receives treatment and does not include any other specific information related to treatment or diagnosis. Department of service information is used to reach grateful patients for philanthropic support. The Bush/HHS proposal would deny access to this critically needed information, forcing a generic, rather than targeted approach to fundraising efforts and campaigns.

Mt. Sinai's Senior VP/Development, Stefanie Steel, said "Mt. Sinai's fundraising efforts will be hampered by our inability to target appeals . . . We will be limited to periodic 'generic' institutional appeals, which do not factor in the deep emotional bonds that develop between the grateful patient and the individual caregiver. [This] will translate into fewer dollars." Baptist Health System Foundation's Senior VP/Executive Director, Terry Morgan, wrote that the HHS regulations would result in "a far greater database and costly effort than one that mailed exclusively to the patients and former patients directly affected," with the result that "fundraising costs will rise and those costs will mean fewer dollars available to our targeted audiences — the poor and the needy."

California Pacific's President and CEO Jerry W. Mapp said, "Well over half the hospitals in California are losing money and risk closure." He added that grateful patients who are contacted using department of service information "gave because we were able to invite their help" and that the Bush/HHS proposal will render fundraising practices "administratively challenging, expensive, and largely less effective."

In remarks prepared for both delivery to a Senate hearing Tuesday on privacy and to the official HHS HIPAA public comment docket, AHP President and Chief Executive Officer, William C. McGinly, said health care fundraisers adhere to a widely recognized AHP statement of Professional Standards and Conduct and a broadly supported Donor Bill of Rights. "These require that patient

medical records remain confidential and are the strongest safeguards against misuse of private medical records." He added, "The Bush/HHS proposal will needlessly handicap health care fundraisers and significantly reduce the flow of philanthropic support in America." AHP is making the letters from its members available upon request.

AHP, established in 1967, is a not-for-profit organization whose 3,100 members manage philanthropic programs in 1,900 of the nation's 3,400 not-for-profit health care providers. AHP members raised more than \$7 billion in FY 2000.



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