

**HIGHLAND
DISTRICT HOSPITAL**
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April 18, 2012

Director of Research and Technical Activities
Project No. E-4
Governmental Accounting Standards Board
401 Merritt 7, PO Box 5115
Norwalk, CT 06856-5116

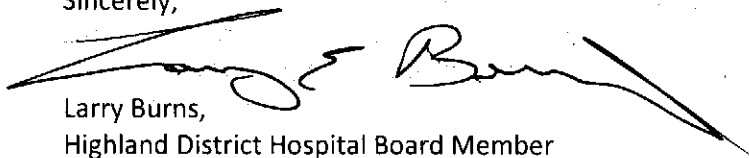
To the Director of Research and Technical Activities:

I am a Board Member at Highland District Hospital located in Southeast Ohio. Highland District Hospital is a participating employer in the Ohio Public Employees Retirement System (OPERS). I am writing this letter in response to the accounting and financial report for pensions and amendment of Governmental Accounting Standards Board (GASB) Statement No. 27. This draft addresses changes in the way OPERS report and Highland District Hospital will be required to report pension assets and liabilities in our annual financial statements. This requirement would negatively impact Highland District Hospital. Consequently, as a Board member, I am deeply concerned that this change in pension plan accounting will place our local hospital in jeopardy, since the hospital will no longer be able to meet bond covenants and secure additional bond or loan funding for replacement facilities or new facilities to serve the healthcare needs of more than 45,000 people we serve in Highland County.

Had the proposed changes been implemented in 2010, Highland District Hospital would have had to recognize an additional \$20 million liability on its balance sheet. Highland District Hospital would not have met the requirements of our bond letter of credit, and the organization would have been in default of bond covenants. Furthermore, the hospital would not be able to replace its 20 year-old Emergency Department, which is currently too small to meet the needs of a growing patient demographic. This replacement is planned within the next 5 years and funding for this replacement facility would be impossible given the change in the organizations financial position. We believe in both instances, the existence of Highland District Hospital as a local Hospital would be difficult to maintain, based on proposed financial reporting requirement.

I view this change as a state of Ohio liability, not a hospital liability, similar to Social Security as a federal liability; thus the liability should remain with the state as it is today. Therefore, I oppose the proposed change in accounting requirements and ask that the reporting requirement not be enacted.

Sincerely,



Larry Burns,
Highland District Hospital Board Member
New MarketTownship