

to the experts, here are some of the key financial and legal issues that need to be addressed by healthcare providers.



### **Bederson & Company LLP**

*By Edward P. Bond, CPA, CFE, CIRA  
Chairman*

From the perspective of a CPA, hospital trustee, cancer center president, medical fund founder and board member, I continue to see a number of significant financial issues impacting New Jersey hospitals and healthcare-related businesses. The heightened scrutiny of corporations caused by the collapse of companies such as Enron and WorldCom has reached the healthcare industry through increased reporting requirements by the IRS. In an effort to increase transparency, the annual Federal Form 990 was expanded to include a deluge of disclosures. Hospitals doing business with companies whose owners/employees sit on their Boards of Directors or are officers are now required to report their transactions on their 990. New Jersey's budget woes have reached the healthcare industry as well. In an effort to balance its budget, the state has cut its charity funding to hospitals throughout the state by as much as 70 percent in some cases. Another area affecting the healthcare industry includes reaudits by government agencies such as Medicare. Some hospitals are being reaudited by these agencies and are being asked to pay back earlier overpayments. In addition to the reaudits, hospitals must also continue to appreciate the relationship between maintaining low lengths of stay and liquidity.



### **EisnerAmper LLP**

*By Michael J. McLafferty CPA, MBA, CHFP, FACMPE  
Partner, Healthcare Services Group*

New Jersey Ambulatory Surgery Centers pay an annual gross receipts tax. The cap on this tax has been increased from \$200,000 to \$320,000 for 2011. Some of the other financial issues we are see-

continuing in July. Healthcare providers are facing rising costs in salaries and benefits. Many organizations institute salary reductions for their personnel. Overpayment and underpayment by payors—This is not only a concern for New Jersey healthcare providers, but the number of audits has increased significantly. The number of overpayment request minimums has increased to \$1 million. Rates of reimbursement are being reduced by payors. Most of the reduction is due to downcoding by the payor. This results in less reimbursement being paid for a procedure.



### **J.H. Cohn LLP**

*By William L. Cohn  
Medical Industry*

Physicians and hospitals face economic, regulatory and compliance challenges, all of which impact profitability and the ability to sustain their practices. In the process, they often make decisions about their own personal financial future. An area that is often ignored is reviewing the design of their pension plan. There are many design opportunities available to them. Unfortunately, these alternatives go unnoticed. Many do not take advantage of an IRS-approved alternative arrangement that is designed for them. They want large tax deductible contributions, but over/under funding complications can arise with benefit plans. The plans are often not designed for each plan sponsor. The result is a loss of money. For example, in a two-doctor practice where the doctor is contributing the typical \$49,000 to their newly designed plan, the total contributions to \$110,000. The hospital's contribution was \$110,000. In the Cohn, we, together with our