

## New rules proposed for charities, hospitals

Saturday, July 29, 2006

Barb Galbincea and Sarah Treffinger

### Cleveland Plain Dealer

Ohio Attorney General Jim Petro has revised his proposal to make hospitals and other charitable groups more accountable to the public, a month after proposing the new state rules.

In the second draft of the rules, released Friday, Petro dropped controversial recommendations for policies related to conflicts of interest, executive compensation and billing practices. Instead, said Brian Cook, chief deputy attorney general and head of the public-protection division, the latest proposal calls for a new advisory panel to recommend such model policies.

That nine-member advisory group, to be appointed next year by the new attorney general, also could suggest a method for consumers to compare charities in terms of community benefit. The unpaid council would represent interests such as hospitals, nursing homes and charities of various sizes.

The revisions came as a result of feedback from affected organizations during a public comment period that continues until Aug. 21. Cook said more changes could come before the rules take effect at the end of this year.

Cook said it became clear based on comments already received that the proposed rules were likely to change. So Petro decided to issue a revised version before the comment period ends rather than get continued reaction to an outdated proposal.

Cook said that since compliance with the new rules always was intended to be voluntary, Petro's office wanted to make sure the proposal was workable for those involved. For instance, he said some charities expressed concern that the attorney general's suggested conflict-of-interest policy differed from an IRS version that many organizations already adopted.

Some issues, such as vague language, still need to be ironed out, but the rules are "heading in the right direction," said Tiffany Himmelreich, a spokeswoman for the Ohio Hospital Association, which represents 170 hospitals and 40 health systems throughout the state.

Himmelreich said the association is pleased with Petro's willingness to listen to hospitals, which have faced scrutiny from lawmakers on the national level. Last year, Senate Finance Committee Chairman Charles Grassley asked the Cleveland Clinic to