

February 6, 2009

The Honorable Harry Reid  
United States Senate  
522 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Reid:

On behalf of the Association of Fundraising Professionals (AFP), I am writing to urge you to oppose a troubling provision in the American Recovery and Reinvestment Act of 2009 (H.R. 1) that would prevent nonprofit health care institutions from raising the critical funds that sustain their charitable missions and programs.

AFP represents more than 30,000 individuals who are responsible for raising money ethically and effectively for a wide variety of charities—from large multi-national institutions to small grassroots organizations—engaged in countless missions and causes. AFP members are required annually to sign our *Code of Ethical Principles and Standards*, the only enforced code of fundraising ethics in North America.

Section 4406(b) of the American Recovery and Reinvestment Act and section 13046(b) of the Senate substitute would prevent hospital foundations from contacting prior patients for philanthropic purposes, something that currently is allowed by law. This language would amend the Health Insurance Portability and Accountability Act (HIPAA) to deny nonprofit hospitals and other health care providers access to names and addresses of patients in their own institutions. AFP does not see the rationale for this abrupt change in policy.

Moreover, this policy change is in direct opposition to the intent of the Department of Health and Human Services (HHS) when it originally drafted HIPAA. At the time, there was much discussion about the role of fundraising, as well as significant input from many different sources. In the end, HHS recognized that fundraising activities of nonprofit health care institutions are essential to the country's health care system and, therefore, included fundraising in the definition of health care operations.

Nonprofit hospitals and health care systems received \$8.35 billion from generous donors in 2007 according to the Association of Healthcare Philanthropy's *Report on Giving 2007*. That same survey found that 83 percent of all donors were individuals, including prior patients. It is only logical that people who have been helped by these institutions would want to consider supporting them.

It is vital that nonprofit hospitals and other health care providers continue to access potential donors because health care institutions rely upon private donations to fulfill their charitable mission, continue and expand their programs and advance the field of medicine. In these challenging economic times, private philanthropy has never been more important for health care institutions. Yet, prohibiting nonprofit hospitals and other health care organizations from contacting prior patients for philanthropic purposes would put these institutions in serious jeopardy.

Unfortunately, the economy has already had a significant negative impact on charitable giving and does not show any signs of getting better. AFP's *Holiday Giving Survey* found that just 30 percent of charities were expecting to raise more funds in 2008 than in 2007, a huge drop from previous years. The percentage of organizations expecting to raise more money in 2009 was just as low, and optimism is even lower now than it was after the events of Sept. 11, 2001.

The very purpose of the American Recovery and Reinvestment Act is to spur economic prosperity during these challenging economic times, yet, passing this provision would actually impair the work of nonprofit hospitals and other health care organizations and weaken their ability to raise much-needed funds for their charitable missions.

For these reasons and for the sake of our nonprofit health care organizations, we strongly urge you to oppose this provision. If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, reading "Paulette V. Maehara".

Paulette V. Maehara, CFRE, CAE  
President & CEO  
Association of Fundraising Professionals  
4300 Wilson Boulevard  
Suite 300  
Arlington, VA 22203-4168  
(800) 666-3863  
[pmaehara@afpnet.org](mailto:pmaehara@afpnet.org)  
[www.afpnet.org](http://www.afpnet.org)