



## ML Strategies Alert

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### Examining Charitable Patient Assistance Programs *Part Two in a Series: Independent Audits of Charitable Entities*

BY [JOSEPH HAMMANG, PHD](#) AND [ALEX HECHT](#)

In today's challenging health care environment, Charitable Patient Assistance Programs (Charitable PAPs) have emerged to meet the needs of the nearly 30 million Americans that are underinsured and have difficulty paying out-of-pocket medical costs. As potential donors make strategic decisions to invest in Charitable PAPs, there are many elements which must be considered to ensure compliance with all applicable laws and regulations. Read the first alert in this series [here](#).

When considering donating to Charitable PAPs consider the importance of the organization's official opinion from the Office of the Inspector General (OIG):

- Some OIG opinions require regular compliance audits related to the Charitable PAP's opinion. Donors or potential donors should request copies for review to ensure the organization is adhering to relevant requirements and restrictions outlined in the opinion.
- OIG opinions are specific to the foundation to which it is given. Especially true for Charitable PAPs with their own opinions, an aspect of another's opinion is not always transferable or adoptable.
- There are common-thread parameters throughout all Charitable PAP opinions. Charitable PAPs are responsible for defining the funds they manage and this should be done at arm's length from the donor.

If more information is needed regarding Charitable PAP compliance procedures, please do not hesitate to [contact the professionals at ML Strategies](#).

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