

Ram Raju, MD, MBA, FACS, FACHE  
President and CEO

January 22, 2015

Brian Mason  
Assistant Controller  
State of New York Office of the State Comptroller  
110 State Street  
Albany, NY 12236

Re: Follow-Up Audit Report 2014-F-15, NYCHHC Management and Control of Overtime Costs

Dear Mr. Mason,

Over the past several years, New York City Health and Hospitals Corporation (HHC) has focused on reducing costs, specifically in personnel services. This focus combined with a patient centered goal, was aimed at reducing head count and maintaining the flexibility that overtime affords the hospitals to supplement patient care needs as necessary. Since FY 2010, HHC has achieved the goal of significantly reducing personnel services costs despite the increase in overtime spending.

The scope of the audit was specifically on overtime and could not consider the overall savings achieved through HHC's strategy. Throughout the implementation of our plan to reduce head count, HHC continued to strengthen its oversight on the use of overtime as demonstrated to the audit team. As HHC's plan did not reduce overtime, it reduced costs over and above what could have been achieved through reductions in overtime alone.

HHC agrees that in its narrow scope, the recommendations of the State Comptroller Management and Control of Overtime Cost were not comprehensively implemented.

The monitoring of individual overtime earnings and the percentage of overtime earned annually continues to be a focus. Knowing that excessive hours can have a profound impact on our patient care, we have refined the implementation of HHC's automated CAP payment system, which monitors overtime for non-prevailing wage workers.

HHC has a substantive commitment to ensure that overtime is used with discretion. Our patient care and employees are at the forefront of any decisions we make. We recognize the need to be more vigilant and any improvements which will enhance the daily and monthly monitoring of corporate overtime expenditure will be continue to be HHC focus.

Sincerely,



Ram Raju