

October 6, 2017

Ms. Brighton Haslett
Counsel
Oversight and Investigations Subcommittee
House Committee on Energy and Commerce
United States House of Representatives
Ford House Office Building
441 Second and D Streets, SW, Room 316
Washington, DC 20515

Mr. Christopher Knauer
Minority Staff Director
Oversight and Investigations Committee
House Committee on Energy and Commerce
United States House of Representatives
Ford House Office Building
441 Second and D Streets, SW, Room 316
Washington, DC 20515

Dear Ms. Haslett and Mr. Knauer,

Thank you for meeting with me and my colleagues from NYU Langone Health earlier this week to discuss our 340B program and our stewardship of program savings. It was important for us to describe some of the many uses of that funding in assisting us in supporting worthy efforts to underserved communities and programs in our service area in Brooklyn. We appreciate the opportunity to highlight many of these capital and service programs related to NYU Langone Hospital-Brooklyn, Family Health Centers and our School-Based Health Programs.

Below are the responses to the questions raised at the meeting.

1. Revise the responses to question 1A to provide total invoice amounts for drugs purchased at 340B prices, with total for the covered entity and separately the amount for the covered entity's child sites.

A total of \$108,122,241 of 340B drugs were purchased in CY2016. Of this amount, \$105,898,716 was purchased for registered child sites and \$2,223,525 for our main inpatient hospital located at 550 First Ave., New York, NY, which is the registered Covered Entity. With the exception of Emergency Department and qualified procedural area visits at the main hospital, most 340B eligible medication orders are issued at our two other hospitals and off-site hospital clinics, registered as child sites.

2. Provide the percentage of 340B drug purchases for Medicare beneficiaries, Medicaid beneficiaries, commercially-insured individuals and uninsured individuals.

The percentage of 340B drugs dispensed by payor category are presented below. Payor mix was derived from 340B drug volume administered to patients. Of note, 340B drug utilization associated with each payor category is very much aligned with our FY16 outpatient visit payor mix. Reported outpatient visits for FY16 were 34% Medicare, 16% Medicaid, 47% Commercial, and 3% Uninsured.

- Medicare beneficiaries: 37.8
- Medicaid beneficiaries: 16.4
- Commercially-insured individuals: 44.5
- Uninsured patients: 1.3

3. *Provide the amount of bad debt uncompensated care provided by the covered entity.*

Response: In addition to the free care reported at cost (\$33.9 million) in our September 22, 2017 response, NYU Langone Health provided additional uncompensated care through bad debt in 2016 in the amount of \$9.2 million, for a total uncompensated care cost of \$43.1 million.

4. *Provide the amounts spent by NYU Langone Hospitals to replace infrastructure and expand healthcare services to the NYU Langone-Brooklyn population in the Sunset Park section of southwest Brooklyn.*

Response: In addition to the information provided in our September 22, 2017 response, we are providing the amounts expended by NYU Langone Health for infrastructure, capital improvements and expansion of programs and healthcare services to patients served by the NYU Langone Hospital-Brooklyn in the Sunset Park section of southwest Brooklyn, to date since acquiring this hospital. The total expenditure for the period FY2016 and FY2017 combined is **\$245.2 million**, as detailed below.

Capital infrastructure (for electronic health record and 22 ancillary systems throughout the hospital and its ambulatory facilities, adding an observation unit, commencing construction of three multi-purpose units (interventional neurology, cardiac catheterization and interventional radiology), expanding the Stroke Center, patient care renovation projects, adding ambulances, acquisition of building for expansion of oncology and infusion services, equipment investments to support programmatic expansion of advanced services (i.e. robotic surgery) and facility improvements: **Total \$142.6M for FY16/17**

Programmatic expansion and services, requiring funding on an on-going basis (expansion of physician hospitalist program, addition of case management staff, creation of observation unit in Emergency Department, implementation of OB safety program with OB safety officers, nurse midwives and physicians' assistants, new bariatric surgery service, replacement of limited-permit house staff with physician assistants and nurse practitioners to enhance quality of care, enhanced building services, including patient

transport and bed turnaround to help patients return home sooner, replaced Emergency Department contract staff with employed physicians, added physician assistants in surgery, replaced contracted physicians with full-time academic intensivists in medical ICU, added ambulance units to more rapidly transport the sickest patient from the community to the hospital, added nurse practitioners to the interventional cardiology unit, established a psychiatric consulting service for medical patients with co-morbid mental health issues, expanded the stroke center, including addition of stroke stepdown beds, added infection prevention and control personnel, added highly trained nurses in labor and delivery, added nutritionists to advise patients on adequate nutrition, added robotic surgery, advanced oncologic gastro-intestinal surgery, advanced gynecological oncological surgery, advanced spine and neurosurgery, neurologic critical care, advanced endoscopy, interventional pulmonary, advanced airway surgery for children and adults, advanced urology including prostate cancer surgery and advanced breast reconstructive surgery) **Total of \$90.4M (FY16 \$25.9M, FY17 \$64.5M)**

Cash and operational support to Sunset Park Family Health Centers **Total \$12.2 M for FY16/17.**

5. **What is NYU Langone Hospitals' margin as reported on Form 990?**

Response: NYU Langone Hospitals recorded a consolidated operating margin across all hospital campuses of 6.8% on its FY2016 990 (i.e., the difference of total revenue minus total expenses divided by total revenue). Based on our internal financial statements, the NYU Langone Hospital-Brooklyn campus had a negative operating margin (loss from operations) of -7.4%.

Again, thank you for this opportunity to comment on our 340B program. Please let us know if you have any further questions or comments.

Sincerely,



Gilda Ventresca Ecroyd

Cc: Natalie Turner
Brittany Havens
Christina Calce
Miles Lichtman
Kevin McAloon

Annette Johnson, Esq
Bret J. Rudy, M.D.
Arash Dabestani, PharmD, MHA
Kenny Yu, Pharm, MBA