

Alan D. Aviles
President

August 13, 2012

John Buyce, Audit Director
Office of the State Comptroller
Division of Government Accountability
110 State Street- 11th Floor
New York, NY 12236**Re: 90-Day Status of the Audit Report for the Management and Control of Overtime Costs at New York City Health and Hospitals Corporation (2009-N-15)**

Dear Mr. Buyce:

The New York City Health and Hospitals Corporation (HHC) are pleased to provide an update on the status for the recommendations reflected in the Audit Report for the Management and Control of Overtime Costs (2009-N-15).

In the FY 13 budget, HHC established new overtime targets for each facility with a goal of reducing the overtime costs by over 6.35% or \$8.2 million. We continue to monitor overtime spending monthly and distribute reports to the Mayor's Office and Senior Leadership throughout HHC.

As HHC moves forward with Financial Containment efforts and the Road Ahead Restructuring plan to reach staff reduction targets and savings of \$300 million per year, you will find the status of the recommendations is similar to our initial response.

The status for the recommendations noted is as follows:

Recommendation #1

Actively explore, implement and manage ways to reduce HHC's overtime costs, including encouraging facilities to maximize the use of part-time and temporary staff before using full-time staff when assigning overtime.

HHC will continue to explore the use of part-time and temporary employees as an alternate solution to reducing overtime, when appropriate; however, as noted in our initial response to the Audit Report this option may not necessarily be clinically feasible or economically beneficial.

Recommendation #2

Review the extent that employees at all facilities are working multiple overtime shifts and consecutive days. Establish and implement controls to prevent employees from working excessive multiple overtime shifts and consecutive days.

Overtime continues to be managed on a daily basis by the departments to effectively distribute the use of overtime so as not to compromise staff, patient safety or service.

Departments are assisted with managing their overtime budgets by having various overtime reports distributed to them on a daily, monthly, or as needed basis. These reports provide the departments with budgeting and monitoring tools to review overtime usage by department and by employee. This allows the facilities to review the need and distribution of overtime so that issues such as employees working multiple shifts or consecutive days can be avoided.

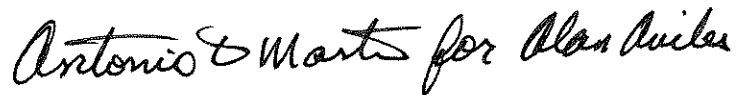
Recommendation #3

Set specific dollar or percentage overtime reduction goals for the facilities and monitor performance in achieving these goals, and take corrective action if the goals are not achieved.

As mentioned in the Audit Report, overtime budgets are prepared by HHC's Central Office Budget Division at the beginning of each fiscal year. The budget will include any overtime reduction goals set forth by the facility. Overtime disbursements against the budget are monitored monthly and justifications for budget variances are provided to Corporate Finance. Any unjustified variances become the subject of appropriate corrective actions. In addition, we also report to the Board quarterly on overtime expenditures compared to budget and the prior year (by facility).

Thank you and please feel free to contact Christopher Telano, Chief Internal Auditor with any questions or if you require additional documentation.

Respectfully submitted,



Alan D. Aviles, President

cc: Antonio Martin
Christopher Telano