



The State University  
of New York

Office of the  
Chief Financial Officer

State University Plaza  
Albany, New York 12246

[www.suny.edu](http://www.suny.edu)

April 22, 2013

Honorable Andrew M. Cuomo  
Governor of New York State  
Executive Chamber  
Albany, New York 12224

Dear Governor Cuomo:

In accordance with Section 170 of the Executive Law, this is our 90-day response showing the actions taken to address the recommendations contained in the State Comptroller's Audit Report on Financial Condition and Outlook at State University of Downstate Medical Center, University Hospital of Brooklyn (2012-S-72). Our specific comments to the recommendations follow.

Recommendation 1: Work with the consultant, SUNY System Administration, state policymakers, union officials and the Brooklyn community to identify solutions that balance the Hospital's need for fiscal stability with the strategic goals of Downstate as well as the health care and economic needs of the community.

Response: Downstate Medical Center (DMC) continues to work with the consultant, SUNY System Administration, the New York State Department of Health, Division of Budget, and the Brooklyn legislators and community in an effort to identify solutions.

Recommendation 2: Ensure that any decisions to acquire or expand hospital locations are thoroughly supported with documented financial analysis demonstrating the financial viability of such decisions.

Response: DMC business and financial decisions will be based on documented financial analysis and viability measures.

Recommendation 3: Establish a Finance Committee of senior Downstate officials to periodically review the financial status of the Hospital and recommend needed steps to improve fiscal stability.

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Response: Senior DMC officials are meeting routinely, closely monitoring the financial status, and determining the necessary steps to improve fiscal stability. In addition, SUNY System Administration officials, the SUNY Finance and Administration Committee, and the Committee on Academic Medical Centers and Hospitals, continue to be actively involved in reviewing DMC finances.

Recommendation 4: Continue to monitor overtime and to identify measures to minimize costs.

Response: Overtime is being monitored and the costs continue to be reduced. For example, overtime costs during the first four months of the 2012/13 fiscal year compared to the same period in the prior year decreased by approximately 96 percent in the Housekeeping Department and 62 percent in the Security Department.

Recommendation 5: Reassess the need to retain the current complement of senior administrators and reevaluate their salaries.

Response: DMC continues to assess the complement of senior administrators to ensure that we have the necessary number of administrators with the required skilled sets at equitable and competitive salary levels.

Recommendation 6: Work with the consultant to ensure that the patient billing system is working as intended and maximizes revenue.

Response: DMC continues to work with the consultant to ensure that the patient billing system is operating as intended and will work towards optimizing revenue.

Recommendation 7: Establish a financial plan that charts the timeframes and steps for restoring Hospital financial stability. Concurrent with the financial plan, establish ongoing monitoring that tracks the status and impacts of Action Plan steps and affords management the ability to determine the success of those steps and identify whether further steps are necessary.

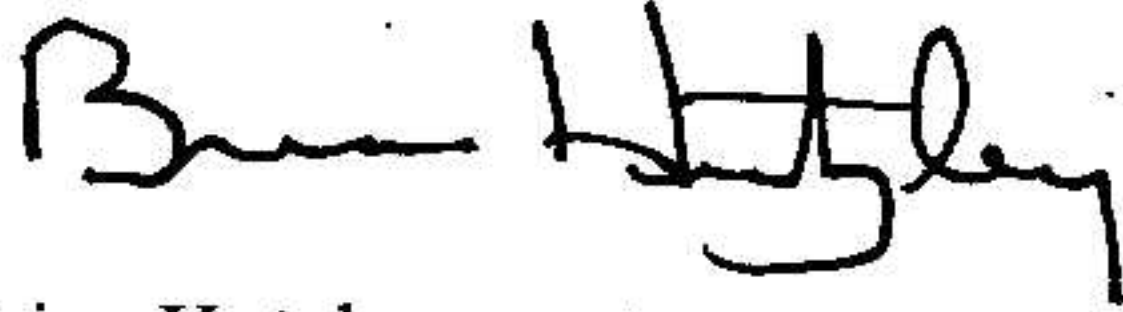
Response: Senior DMC officials are working with SUNY System Administration and consultants to establish a financial plan to restructure operations. This includes work force reductions, cost reductions, debt restructuring and revenue enhancements. Moreover, DMC is working with the consultant, SUNY System Administration, Department of Health, Division of Budget, and the Brooklyn legislators and community in an effort to ascertain a viable solution that will meet the health care and economic needs of the community.

Recommendation 8: Update existing cost analysis to include the costs of employee severance and contracted consulting.

Response: In the event that severance pay is agreed upon and approved by the appropriate authorities, DMC will update the cost analysis to include such costs. The cost analysis will also include the consultant's fees.

If you have any questions or would like any additional information, please contact me at 518-320-1366.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Hutzley". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Brian Hutzley  
Vice Chancellor for Financial Services and  
Chief Operating Officer

Copy: Chancellor Zimpher  
President Williams