



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

August 3, 2018

Mr. Kenneth Shulman
Assistant Comptroller
New York State Office of the State Comptroller
110 State Street, 10th Floor
Albany, New York 12236

Dear Mr. Shulman:

Pursuant to the provisions of Section 170 of New York State Executive Law, I hereby transmit to you a copy of the New York State Department of Health's comments related to the Office of the State Comptroller's final audit report 2017-S-61 entitled, "Maximizing Drug Rebates for Health and Recovery Plans."

Please feel free to contact Estibaliz Alonso, Assistant Commissioner, Office of Governmental and External Affairs at (518) 473-1124 with any questions.

Sincerely,

Sally Dreslin, M.S., R.N.
Executive Deputy Commissioner

Enclosure

cc: Estibaliz Alonso

**Department of Health
Comments on the
Office of the State Comptroller's
Final Audit Report 2017-S-61 entitled,
Maximizing Drug Rebates for Health and Recovery Plans**

The following are the Department of Health's (Department) comments in response to the Office of the State Comptroller's (OSC) Final Audit Report 2017-S-61 entitled, "Maximizing Drug Rebates for Health and Recovery Plans."

Recommendation #1:

Regularly monitor the activities of the new rebate contractor to ensure the accuracy of the drug rebate function, including:

- Ensuring all appropriate HARP drug encounters are included in the rebate process;
- Ensuring all new programs eligible for rebates are included in the rebate process; and
- Independently verifying the accuracy of the final rebate invoices.

Response #1:

The Department has reviewed the audit findings with the new rebate contractor and is developing quality checks to ensure that the system is regularly updated to ensure accuracy of the drug rebate function.

Recommendation #2:

Take appropriate steps, including working with the new contractor, to invoice any remaining uncollected drug rebates from HARP encounters, including the \$1.2 million in physician-administered drug rebates identified.

Response #2:

As mentioned in the audit report, the Department has completed the task of invoicing for the uncollected Health and Recovery Plans (HARP) drug rebates and will continue to review the process with the new vendor to capture all collectable rebates.