



THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
BRAD LANDER

June 1, 2023

Dr. Mitchell Katz
President and Chief Executive Officer
NYC Health + Hospitals
50 Water Street
New York, NY 10004

Re: H+H Spending on Agency Nurses

Dear Dr. Katz:

Thank you for your steadfast leadership of NYC Health + Hospitals (H+H), New York City's flagship safety net health service in recent years, shepherding it through a fiscal crisis, the Covid-19 pandemic, and the ongoing challenges H+H has assisted mightily with during the city's current all-hands effort to provide shelter and services to asylum-seekers.

I am writing to share my concern and request more detailed information regarding elevated spending on agency and traveling nurses by H+H, especially in light of the ongoing challenge of hiring and retaining permanent nurses, while the pay gap between nurses at H+H and those at private hospitals continues to grow. The challenges of retaining permanent nurses and the growing spending on higher-cost agency and traveling nurses pose risks to H+H's financial stability and undermine the City's commitments to both its public sector employees and its patients.

You testified to the City Council on May 16 that H+H spent \$549 million during Calendar Year 2022 on approximately 2,000 agency and travel nurses because of the persisting effects of the Covid-19 pandemic, which contributed to the projected \$118 million operating deficit through March. Operating certain critical units, including emergency departments and intensive care units, with agency and travel nurses introduces further vulnerabilities to the continuity and standards of care set by H+H.

At the same time, the challenge of hiring and retaining permanent nurses, with the benefits of stability, training, and commitment that they bring, is increased by the growing pay gap between nurses at H+H and those at private hospitals in New York City. Recently, private hospitals including New York Presbyterian, Montefiore, and Mt. Sinai – who already paid their nurses significantly more than H+H does – agreed to a new contract that included raises of 7%, 6%, and 5% in the coming years.

To better understand these challenges, I request that you provide my office with:

- A year-over-year breakdown of H+H expenditures for agency and travel nurses from FY19 to present, including the average hourly rate and number of nurses;
- A year-over-year breakdown of H+H nursing headcount for FY19-FY23 and projected headcount for FY 24 – FY27;
- Projected agency and travel nurse expenditures FY23-FY27;
- Copies of any H+H procurements, contracts or solicitations for agency and travel nursing that apply to FY 2023 and beyond, documents indicating how pricing is determined, and written methodologies for assessing vendor integrity as well as any resulting findings or reports;
- Copies of any recruitment or retention plans maintained by H+H to boost its permanent nursing headcount, including any analysis of the impact of recent pay increases at private hospitals in New York City on hiring and retention;
- Any evaluations of the financial impacts of increased wages for permanent nurses on the headcount and expenditures for agency and travel nurses as well as the finances of the Corporation.

Your comments at the May 16 Council hearing indicate an understanding of the importance of resolving these wage and retention issues, the dependency on travel nurses to the solvency of H+H, and the health and welfare of New Yorkers and the professionals who care for them. H+H decreasing its reliance and spending on agency and travel nurse companies will enable the Corporation to increase pay for permanent nurses, leading to improved hiring and retention, promoting a virtuous cycle that is good for patients and for the stability of our essential public health system.

Thank you for your leadership, your partnership, and your consideration of this request.

Sincerely,



Brad Lander
New York City Comptroller