



# **Office of the Nassau County Comptroller**

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### **Update to Review of Nassau County's Obligations to Nassau Health Care Corporation**

**September 2026**

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#### **Summary**

The Office of the Nassau County Comptroller conducted a review of Nassau County's Obligations to the Nassau Health Care Corporation (NHCC) as of December 31, 2023. An April 2025 report showed that over the ten year period of 2014 – 2023, the Comptroller's Office review of NHCC billing saved the County \$2.62 million.

The Comptroller's Office has completed its review of NHCC's 2024 and 2025 billings which resulted in additional savings of \$500,000 bringing the total savings for 2014 – 2025 to \$3.12 million.

#### **Introduction and Background**

In September of 1999, Nassau County (County) transferred to the Nassau Health Care Corporation (NHCC) its hospital, nursing home, clinics and healthcare facilities.

For the County employees who transferred from the County to NHCC at the time of the transfer, and later retire/retired or separate/separated from NHCC, the County must pay a share of the employees' termination benefits and health insurance premiums (including Medicare premiums).

The County also guaranteed the payment of certain NHCC bond debt service obligations.

## **Update to Review of Nassau County's Obligations to the Nassau Health Care Corporation (NHCC)**

At any point in time, the number of transferred employees eligible for County share contributions to termination payouts and health insurance premiums varies as eligible employees separate from NHCC and as those receiving post-employment health benefits pass away.

The Comptrollers Office's reviews have revealed weaknesses and errors in NHCC's billings to the County for its share of termination payouts and post-employment health insurance premium payments. The weaknesses are communicated to NHCC for process improvement purposes and errors are corrected through disallowances of the amounts incorrectly submitted for reimbursement.

Please refer to the April 2025 Comptroller's report, Nassau County's Obligations to the Nassau Health Care Corporation (NHCC) as of December 31, 2023, for more information.

<https://www.nassaucountyny.gov/DocumentCenter/View/48603/Review-of-Nassau-Countys-Obligations-to-Nassau-Health-Care-Corporation-NHCC>

### **Update - Comptroller's Office Review of 2024 and 2025 NHCC Invoices**

Below is a brief summary of the results of the Comptroller's Office review of NHCC's 2024 and 2025 billings. Over the twelve year period of 2014 – 2025 the Comptroller's Office review of NHCC billing saved the County \$3.12 million.

As shown in the charts on the next few pages, the total disallowances in 2024 increased from \$111,491 in 2023 to \$457,489 in 2024 and then dropped significantly to \$45,089 in 2025. The disallowances in 2024 were primarily due to errors in retirees' health insurance classifications (\$341,952) and retirees not eligible for termination pay since they previously received termination pay (\$115,537).

Retiree health insurance classification errors have typically been due to retirees incorrectly classified as under the age of 65 (higher insurance rate ) when they were over 65 (lower insurance rate). The spike in the health insurance portion of the disallowances in 2024 was the result of a special review of the 886 retiree dependents' classifications which identified 29 dependents who had aged out of being eligible as a dependent. The amount overbilled in 2024 due to the retiree dependent errors was \$185,975, bringing the total health insurance disallowances for the year to \$341,952.

Termination pay disallowances increased from \$60,884 in 2023 to \$115,537 in 2024 and decreased to \$0 in 2025. The increase in 2024 was primarily due to retirees having previously received termination pay, as well as instances where NHCC included sick and vacation time that exceeded the allowable limits.

There were no Medicare premium disallowances in 2024 and only two in 2025, totaling \$2,342. These disallowances were typically due to the documentation to support the income requirement to receive the higher Medicare reimbursement, not being provided with the NHCC reimbursement invoice. Instead of disallowing these items outright, the Comptroller's Office has worked with NHCC in recent years to obtain the required documents during its review. This requires the Comptroller's Office having to review the items a second time to clear the disallowances, however in the end, very few documents are actually determined as missing.

### **Updates for 2024 and 2025**

The following charts from the Comptroller's Office report issued in 2025 have been updated to include 2024 and 2025 data and results.

### **Eligible Employees**

Immediately after the 1999 Transfer, the number of employees eligible for County share contribution upon separation from employment was 4,297. The chart below shows the number of employees eligible and paid during the twelve-year period of 2014 and 2025.

| <b>Termination Pay Outs</b> |                                                             |                                                    |
|-----------------------------|-------------------------------------------------------------|----------------------------------------------------|
| <b>Year</b>                 | <b>Number of Eligible Employees<br/>(Not Yet Separated)</b> | <b>Number of Employees<br/>Receiving a Payout*</b> |
| 2014                        | 1024                                                        | 250                                                |
| 2015                        | 936                                                         | 180                                                |
| 2016                        | 850                                                         | 171                                                |
| 2017                        | 743                                                         | 189                                                |
| 2018                        | 628                                                         | 209                                                |
| 2019                        | 527                                                         | 222                                                |
| 2020                        | 434                                                         | 235                                                |
| 2021                        | 352                                                         | 229                                                |
| 2022                        | 299                                                         | 214                                                |
| 2023                        | 270                                                         | 178                                                |
| 2024                        | 207                                                         | 135                                                |
| 2025                        | 204                                                         | 126                                                |

*\*includes the 2nd and 3rd payments to employees who chose to be paid over 3 years*

### **Disallowances and Payments**

Over the twelve years from 2014 to 2025, NHCC has billed the County on average \$14,234,074 per year. The County has disallowed on average \$260,330, resulting in an average net payment of \$13,973,744. During this period, the County saved \$3.12 million due to the Comptroller's Office disallowance review.

## Update to Review of Nassau County's Obligations to the Nassau Health Care Corporation (NHCC)

The chart below summarizes disallowances and payments for the twelve-year period of 2014 to 2025.

| Summary of Disallowances and County Share Payments |                      |               |                    |                               |
|----------------------------------------------------|----------------------|---------------|--------------------|-------------------------------|
| Year                                               | NHCC Invoice Amount  | Disallowances |                    | Net Amount After Disallowance |
|                                                    |                      | Number        | Amount             |                               |
| 2014                                               | \$12,877,562         | 437           | \$247,108          | \$12,630,454                  |
| 2015                                               | \$12,395,862         | 889           | \$460,379          | \$11,935,483                  |
| 2016                                               | \$13,101,326         | 862           | \$453,465          | \$12,647,861                  |
| 2017                                               | \$13,284,383         | 959           | \$428,639          | \$12,855,744                  |
| 2018                                               | \$15,008,414         | 849           | \$456,437          | \$14,551,978                  |
| 2019                                               | \$14,611,772         | 183           | \$76,983           | \$14,534,789                  |
| 2020                                               | \$14,198,834         | 323           | \$145,492          | \$14,053,342                  |
| 2021                                               | \$13,818,293         | 259           | \$127,049          | \$13,691,244                  |
| 2022                                               | \$13,775,501         | 301           | \$114,337          | \$13,661,163                  |
| 2023                                               | \$15,307,654         | 120           | \$111,491          | \$15,196,163                  |
| 2024                                               | \$16,641,500         | 629           | \$457,489          | \$16,184,011                  |
| 2025                                               | \$15,787,790         | 115           | \$45,089           | \$15,742,701                  |
| <b>Total</b>                                       | <b>\$170,808,891</b> | <b>5,926</b>  | <b>\$3,123,959</b> | <b>\$167,684,932</b>          |

## Update to Review of Nassau County's Obligations to the Nassau Health Care Corporation (NHCC)

The disallowances by type during this same period (2014-2025) are shown in the following 3 charts.

### Termination Pay Disallowances

| Year          | Termination Pay      |               |                   |                                |
|---------------|----------------------|---------------|-------------------|--------------------------------|
|               | NHCC Invoice Amount  | Disallowances |                   | Net Amount After Disallowances |
|               |                      | Number        | Amount            |                                |
| 2014          | \$ 1,605,432         | 15            | \$ 19,813         | \$ 1,585,619                   |
| 2015          | \$ 1,072,748         | 156           | \$ 57,042         | \$ 1,015,706                   |
| 2016          | \$ 1,041,331         | 93            | \$ 34,425         | \$ 1,006,906                   |
| 2017          | \$ 1,081,760         | 21            | \$ 9,009          | \$ 1,072,750                   |
| 2018          | \$ 1,448,677         | 169           | \$ 46,774         | \$ 1,401,903                   |
| 2019          | \$ 1,389,454         | 102           | \$ 12,928         | \$ 1,376,526                   |
| 2020          | \$ 1,228,121         | 53            | \$ 7,178          | \$ 1,220,943                   |
| 2021          | \$ 1,190,279         | 72            | \$ 44,434         | \$ 1,145,844                   |
| 2022          | \$ 1,009,897         | 193           | \$ 47,629         | \$ 962,268                     |
| 2023          | \$ 1,004,802         | 8             | \$ 60,884         | \$ 943,918                     |
| 2024          | \$ 984,444           | 14            | \$ 115,537        | \$ 868,907                     |
| 2025          | \$ 709,790           | 0             | \$ -              | \$ 709,790                     |
| <b>Totals</b> | <b>\$ 13,766,735</b> | <b>896</b>    | <b>\$ 455,653</b> | <b>\$ 13,311,082</b>           |

### Retiree Health Insurance Premium Disallowances

| Year          | Retiree Health Insurance Premium |               |                    |                                |
|---------------|----------------------------------|---------------|--------------------|--------------------------------|
|               | NHCC Invoice Amount              | Disallowances |                    | Net Amount After Disallowances |
|               |                                  | Number        | Amount             |                                |
| 2014          | \$10,026,535                     | 316           | \$176,366          | \$9,850,168                    |
| 2015          | \$9,996,571                      | 548           | \$305,822          | \$9,690,748                    |
| 2016          | \$10,650,907                     | 500           | \$274,696          | \$10,376,211                   |
| 2017          | \$10,670,315                     | 579           | \$237,768          | \$10,432,547                   |
| 2018          | \$11,596,498                     | 396           | \$209,778          | \$11,386,720                   |
| 2019          | \$11,140,396                     | 45            | \$17,461           | \$11,122,936                   |
| 2020          | \$10,712,019                     | 51            | \$14,303           | \$10,697,716                   |
| 2021          | \$10,339,322                     | 87            | \$23,827           | \$10,315,494                   |
| 2022          | \$10,185,515                     | 60            | \$30,688           | \$10,154,827                   |
| 2023          | \$11,707,577                     | 103           | \$40,899           | \$11,666,678                   |
| 2024          | \$13,076,392                     | 615           | \$341,952          | \$12,734,441                   |
| 2025          | \$12,399,056                     | 113           | \$42,748           | \$12,356,308                   |
| <b>Totals</b> | <b>\$132,501,104</b>             | <b>3,413</b>  | <b>\$1,716,309</b> | <b>\$130,784,795</b>           |

**Retiree Medicare Reimbursements Disallowances**

| Year         | Retiree Medicare Reimbursements |               |                   |                                      |
|--------------|---------------------------------|---------------|-------------------|--------------------------------------|
|              | NHCC<br>Invoice<br>Amount       | Disallowances |                   | Net Amount<br>After<br>Disallowances |
|              |                                 | Number        | Amount            |                                      |
| 2014         | \$ 1,245,595                    | 106           | \$ 50,928         | \$ 1,194,666                         |
| 2015         | \$ 1,326,544                    | 185           | \$ 97,515         | \$ 1,229,029                         |
| 2016         | \$ 1,409,088                    | 269           | \$ 144,345        | \$ 1,264,744                         |
| 2017         | \$ 1,532,308                    | 359           | \$ 181,862        | \$ 1,350,446                         |
| 2018         | \$ 1,963,240                    | 284           | \$ 199,885        | \$ 1,763,355                         |
| 2019         | \$ 2,081,921                    | 36            | \$ 46,595         | \$ 2,035,327                         |
| 2020         | \$ 2,258,694                    | 219           | \$ 124,011        | \$ 2,134,682                         |
| 2021         | \$ 2,288,693                    | 100           | \$ 58,787         | \$ 2,229,906                         |
| 2022         | \$ 2,580,088                    | 48            | \$ 36,020         | \$ 2,544,068                         |
| 2023         | \$ 2,595,275                    | 9             | \$ 9,708          | \$ 2,585,567                         |
| 2024         | \$ 2,580,663                    | 0             | \$ -              | \$ 2,580,663                         |
| 2025         | \$ 2,678,944                    | 2             | \$ 2,342          | \$ 2,676,602                         |
| <b>Total</b> | <b>\$24,541,052</b>             | <b>1,617</b>  | <b>\$ 951,998</b> | <b>\$ 23,589,055</b>                 |

**Termination Payouts Future Obligations**

The County's obligation for termination payouts was capped at an amount equal to the County's projected liability at the time of the transfer. The capped amount was reverified in the terms of the November 2007 Successor Agreement, which also detailed the amount paid from September of 1999 to December 31, 2006, and the remaining balance as of December 31, 2006. The chart below summarizes these amounts and shows the remaining balance of the County's share of termination payouts is \$2,279,325. With the County's share of termination payouts averaging \$1.15 million per year between 2014 and 2025, it is anticipated that the remaining balance will be paid by year end 2028.

| Summary of Termination Payouts                 |                     |
|------------------------------------------------|---------------------|
| <b>TERMINATION PAYOUT CAP</b>                  | <b>\$50,344,877</b> |
| <b>Payments made from 9/1999 to 12/31/2006</b> | <b>\$22,046,792</b> |
| <b>Payments made 1/1/2007 to 12/31/2025</b>    | <b>\$26,018,760</b> |
| <b>REMAINING BALANCE (as of 1/1/2026)</b>      | <b>\$2,279,325</b>  |

## Update to Review of Nassau County's Obligations to the Nassau Health Care Corporation (NHCC)

### **Bond Guaranty**

In April 2009 NHCC issued Refunding Bonds (2009 Series Bonds). While NHCC is the primary obligor for these 2009 Series Bonds, under an ordinance adopted on March 30, 2009, the County guarantees the full and prompt payment of the scheduled principal and interest of these bonds.

### **Future Bond Obligations**

The guaranteed payments applicable to this long-term debt are as follows:

| <b>NHCC 2009 Series Bond Payment Schedule</b> |                      |                              |                                      |
|-----------------------------------------------|----------------------|------------------------------|--------------------------------------|
| <b>Year</b>                                   | <b>Principal Due</b> | <b>Principal Outstanding</b> | <b>Total Principal Plus Interest</b> |
| <b>2026</b>                                   | <b>\$16,420,000</b>  | <b>\$68,475,000</b>          | <b>\$19,843,750</b>                  |
| <b>2027</b>                                   | <b>\$16,890,000</b>  | <b>\$52,055,000</b>          | <b>\$19,492,750</b>                  |
| <b>2028</b>                                   | <b>\$17,340,000</b>  | <b>\$35,165,000</b>          | <b>\$19,098,250</b>                  |
| <b>2029</b>                                   | <b>\$17,825,000</b>  | <b>\$17,825,000</b>          | <b>\$18,716,250</b>                  |
| <b>Total</b>                                  | <b>\$68,475,000</b>  | <b>\$0</b>                   | <b>\$77,151,000</b>                  |

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