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CRAIN'S HEALTH pulse

A daily newsletter on the business of health care

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Wednesday, October 3, 2007

TODAY'S NEWS

MEDICAID SAVINGS

New York counties saved more than \$200 million from an imposed cap on Medicaid costs during the first full year of the implementation, the state Department of Health announced yesterday. The cap will provide New York City with savings of about \$92.7 million, or 2%, on its \$4.4 billion Medicaid bill. DOH's analysis showed that 53 of 57 counties outside New York City had aggregate savings of 5%. The savings are for the fiscal year that ended March 31.

HEAL PRIORITIES

The state's first priority in deciding which facilities received HEAL IV grants appears to have been retiring DASNY debt owed by hospitals, according to two Berger commission sources. The grant requests for implementing the commission's recommendations for the state's health care system totaled \$2.5 billion for only \$550 million in available funding, so it was clear not everyone would get money. The Healthcare Association of New York State believes the size of the awards announced last week may not increase in the next round.

PULSE EXTRA: This week's issue is the last in a series listing the highest-paid executives at area pharmaceutical and biotech firms. To read *Pulse Extra*, scroll down to Page 2.

Health centers underpaid by insurers

While Medicaid and Medicare pay community health centers somewhat close to the actual cost of care, commercial insurers pay far less than patient treatment costs, says a new study by Manatt Health Solutions.

The report, supported by the Community Health Care Association of New York State and the RCHN Community Health Foundation, recommends the inclusion of community health centers in commercial insurance provider networks and compensation that covers federally mandated health services.

New York's Federally Qualified Health Centers, known as FQHCs or community health centers, receive reimbursement rates from private insurers that are significantly lower than public payers' rates.

Commercial payment rates per visit

average \$38 less than Medicaid fee-for-service rates and \$17 less than Medicare rates, says the study. Reimbursement from commercial insurers is lower than the cost of delivering care.

Without co-insurance or co-payments, community health centers lose an average of \$41 on each medical visit they provide to a commercially insured patient.

Together, six of New York state's CHC networks with a high percentage of commercially insured patients lost more than \$5.8 million dollars in 2006. Statewide, 500,000 visits a year to community health centers are by commercially insured patients, a volume that makes under-reimbursement a serious issue for the centers. The study is online at <http://chcanys.org>.

NHCC HEAL GRANT

The breakdown for Nassau Health Care Corp.'s \$37 million HEAL NY IV grant is \$23 million for Nassau University Medical Center—\$20 million for debt payment—and \$14 million for the A. Holly Patterson Extended Care Facility for debt relief. The HEAL grants will save the corporation \$1.4 million in annual interest payments. The final \$3 million is slated to cover the cost of pouring a concrete foundation for three

empty-shell floors at NUMC.

AT A GLANCE

BIOTECH CONFERENCE: The New York Biotech Association is holding a free conference on New York's bioscience community on Oct. 10 at the NYU Medical Center's Pfizer Foundation Hall. For information, visit www.nybizbio.org.

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CRAIN'S pulse

A special report on health care in New York

extra

This *Pulse Extra* is the last in a series listing the highest-paid executives at publicly held pharmaceutical and biotech companies headquartered in the New York area. Total pay represents the sum of salary, bonus, option awards, stock awards, long-term incentive plan awards and all other compensation. All data were obtained from Securities and Exchange Commission filings.

COMPANY NAME	TOP EXECUTIVE	TITLE	2006 PAY
Neuro-Hitech Inc.	Reuben Seltzer	President, chief executive officer and director	\$293,738
	David J. Barrett	Chief financial officer	\$120,000
	Allen Kestenbaum	Executive vice president and director	\$101,170
Neurologix Inc.	Michael Sorell	President and CEO	\$584,503
	John E. Mordock	President and CEO	\$394,008
	Marc L. Panoff	CFO	\$289,158
Nutrition 21 Inc.	Gail Montgomery	President, CEO and director	\$393,408
	Paul Intlekofer	President and CEO	\$324,341
	Alan J. Kirschbaum	CFO and VP, finance and treasury	\$164,396
Omrix Biopharmaceuticals Inc.	Robert Taub	President, CEO and director	\$1,360,042
	Michael Burshtine	Executive VP and CFO	\$460,619
	Nissim Mashiach	Executive VP and COO	\$397,609
OSI Pharmaceuticals Inc.	David R. Guyer	Executive VP and CEO, Eyetech	\$2,446,008
	Michael G. Atieh	Executive VP, CFO and treasurer	\$2,066,244
	Colin Goddard	CEO and director	\$1,905,478
Par Pharmaceutical Cos.	Scott L. Tarriff	President, CEO	\$5,687,327
	Mark Auerbach	Executive chairman	\$3,961,395
	Shankar Hariharan	EVP and chief scientific officer	\$3,846,854
Pfizer Inc.	Karen Katen	Vice chairman	\$28,995,078
	David Shedlarz	Vice chairman	\$10,275,470
	Jeffrey Kindler	CEO	\$9,799,234
Progenics Pharmaceuticals Inc.	Paul J. Maddon	CEO	\$4,604,038
	Mark R. Baker	Senior VP and general counsel	\$1,048,960
	Thomas A. Boyd	Senior VP, product development	\$1,043,197
Regen Biologics Inc.	Gerald E. Bisbee Jr.	Chairman and CEO	\$669,923
	Brion Umidi	Senior VP and CFO	\$313,552
	John Diciara	Senior VP, clinical, regulatory and quality assurance	\$294,781
Regeneron Pharmaceuticals Inc.	Leonard S. Schleifer	President and CEO	\$3,395,103
	George D. Yancopoulos	Executive VP and CSO; president, Regeneron Research Laboratories	\$2,495,235
	Neil Stahl	Senior VP, research and development sciences	\$1,328,045
Siga Technologies Inc.	Dennis E. Hruby	CSO	\$403,666
	Thomas N. Konatich	CFO	\$350,833
	Bernard L. Kasten	CEO	\$178,125
Synvista Therapeutics Inc.	Kenneth I. Moch	President and CEO	\$1,114,797
	Judith S. Hedstrom	Chief operating officer	\$664,951
	Malcolm W. MacNab	VP, clinical development	\$334,206
Unigene Laboratories Inc.	James P. Gilligan	VP, product development	\$691,992
	Nozer M. Mehta	VP, biological research and development	\$450,869
	William Steinhauer	VP, finance	\$433,292

The New York area includes New York City and Nassau, Suffolk and Westchester counties in New York, and Bergen, Essex, Hudson and Union counties in New Jersey. The list of companies was provided by Standard & Poor's. Firms that had not filed a DEF14A by Sept. 13 for the fiscal year ended in 2006 are excluded. Compensation may not be for an entire 12-month period, and titles do not reflect recent promotions.

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