

GREGORY F. MURPHY, M.D.  
3RD DISTRICT, NORTH CAROLINA

COMMITTEE ON WAYS & MEANS

COMMITTEE ON VETERANS' AFFAIRS

COMMITTEE ON HOUSE ADMINISTRATION

CO-CHAIR, DOCTOR'S CAUCUS



**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515-3303**

February 11, 2025

WASHINGTON OFFICE:  
407 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-3415

DISTRICT OFFICES:  
1105 CORPORATE DRIVE, SUITE C  
GREENVILLE, NC 27858  
(252) 931-1003

954 MARSHALL C.  
COLLINS DR. ROOM 194  
MANTEO, NC 27954  
(252) 230-3549

815 NEW BRIDGE ST.  
JACKSONVILLE, NC 28540  
(910) 937-6929

2402 DR. M.L.K. JR BLVD.  
NEW BERN, NC 28562  
(252) 636-6612

Mr. Robert I. Grossman, M.D.  
Chief Executive Officer  
NYU Langone Health  
550 First Avenue  
New York, NY 10016

Dear Dr. Grossman,

Our government exempts many hospitals from taxation to support the societal benefit they provide, namely the provision of health care services. Federal health programs also subsidize many of these hospitals to facilitate care for indigent patients. Congress entrusts these heavily subsidized hospitals to execute their charitable missions while being good stewards of Americans' tax dollars. As such a hospital, NYU Langone Health bears a grave obligation to put taxpayer money to its highest and best use. I write today with questions about your stewardship of this money, including our serious concern about your decision to purchase a 30-second advertisement – estimated to cost \$8 million – during Super Bowl LIX.<sup>1</sup>

Tax rules require tax-exempt hospitals to demonstrate community benefit, though vague rules and scant enforcement have aroused concerns about misuse. Tax-exempt hospitals generally spend less on charity care than for-profit hospitals (\$2.30 of every \$100 of expenses, versus \$3.80).<sup>2</sup> At the same time, the aggregate value of hospitals' tax exemption increased from \$19 billion in 2011 to \$28 billion in 2020.<sup>3</sup> In addition to their tax exemption, many hospitals also receive enhanced federal health program funding and benefits, such as graduate medical

<sup>1</sup> Lee, A. M, How much do 2025 Super Bowl commercials cost? Here's the price tag on ads this year, CBS News (2025, February 10), <https://www.cbsnews.com/news/how-much-do-2025-super-bowl-commercials-cost-heres-the-price-tag-on-ads-this-year/>.

<sup>2</sup> Bai, G., Tax-exempt hospitals and the community benefit standard, U.S. House Ways and Means Committee Oversight Subcommittee (April 26, 2023), <https://docs.house.gov/meetings/WM/WM06/20230426/115817/HHRG-118-WM06-Wstate-BaiG-20230426.pdf>.

<sup>3</sup> Jamie Godwin, et al., The Estimated Value of Tax Exemption for Nonprofit Hospitals Was About \$28 Billion in 2020, KFF (Mar. 14, 2023), <https://www.kff.org/health-costs/issue-brief/the-estimated-value-of-tax-exemption-for-nonprofit-hospitals-was-about-28-billion-in-2020/>.



education (GME) payments, Medicare and Medicaid Disproportionate Share Hospital (DSH) and uncompensated care payments, and revenue from drug manufacturers through the 340B program.

The immense NYU Langone hospital system comprises dozens of inpatient and outpatient facilities, and is nestled in midtown Manhattan, blocks from the Empire State Building. With \$14.2 billion in revenue, it posted a net income of \$288.5 million in the first quarter of 2025, up from \$170 million in Q1 of 2024.<sup>4</sup> NYU Langone's charity care expenses, 1.2 percent in 2020, are reportedly less than half the national average of 2.6 percent.<sup>5</sup> Despite its location, NYU Langone sought to classify its New York City campus as a Rural Referral Center under Medicare.<sup>6</sup> This status, achieved through a legal loophole, allows the hospital to receive *both* payments and benefits intended to support isolated rural hospitals, as well as special payments for urban hospitals. Critically, this status affords NYU Langone the ability to care for fewer indigent patients before accessing 340B revenue.<sup>7</sup>

Given NYU Langone's profound reliance on federal tax health program benefits designed to support the hospital's provision of care to the local community, I am concerned by your decision to spend an exorbitant amount of money to place an advertisement seemingly intended to promote the hospital's nationwide brand. To help us understand NYU Langone's financial standing and your decision to purchase the Super Bowl advertisement, please provide the following information by March 5, 2025:

1. Provide the amount NYU Langone paid to place the Super Bowl advertisement, and the names of the entity(ies) NYU Langone paid for the advertisement.
2. Provide the amount NYU Langone paid to produce the Super Bowl advertisement and names of the entity(ies) NYU Langone paid to produce the advertisement.
3. Provide the total amount of private donations NYU Langone has received since 2015.
4. Describe the mechanism NYU Langone utilized to become classified as a Rural Referral Center.
5. For each of NYU Langone's hospitals that are reclassified as rural, provide the number of patients treated in 2024 who reside in rural areas (as defined by the Federal Office of Rural Health Policy), as well as the number of Medicare beneficiaries who reside in rural areas.

---

<sup>4</sup> Cass, A., NYU Langone's operating margin holds steady at 4% in Q1, Becker's Healthcare (2025, January 28), <https://www.beckershospitalreview.com/finance/nyu-langones-operating-margin-holds-steady-at-4-in-q1.html>.

<sup>5</sup> Mann, C., NYU Langone spends half the national average on charity care, experts say, Washington Square (2024, December 6), News. <https://nyunews.com/news/2024/12/06/langone-spending-charity-care/>

<sup>6</sup> <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/fy-2025-ipp-final-rule-home-page>.

<sup>7</sup> Blalock, E., Issue Brief: Rural Referral Center Participation in the 340B Drug Discount Program, Berkeley Research Group, LLC (2024, March 1), [https://media.thinkbrg.com/wp-content/uploads/2024/03/22110813/BRG\\_340B-Rural-Referral-Center-White-Paper\\_March2024.pdf](https://media.thinkbrg.com/wp-content/uploads/2024/03/22110813/BRG_340B-Rural-Referral-Center-White-Paper_March2024.pdf)

6. Provide the total amount of federal funding NYU Langone received in 2024, or the most recent year data is available, as well as an itemized list of all sources, including (but not limited to):
  - a. Medicare Indirect Medical Education payments;
  - b. Medicare Direct Medical Education payments;
  - c. Medicare DSH payments;
  - d. Medicare capital DSH payments; and
  - e. Funding for research activities.
7. Provide the total amount of 340B revenue NYU Langone received in 2024, or the most recent year data is available.
8. Provide the total amount NYU Langone spent on charity care in 2024, or the most recent filing year, as well as the proportion of charity care spending to all operational spending for that year, expressed as a percentage.
9. NYU Langone Hospitals' Form 990, Schedule R filed on July 11, 2024, lists an entity called "CCC 550 INSURANCE SCC" domiciled in Barbados, with \$1,279,433,000 in assets.<sup>8</sup>
  - a. What purpose does CCC 550 INSURANCE SCC serve for NYU Langone?
  - b. How does this entity support the community in New York City the hospital serves?
10. Under NYU Langone Hospitals' Form 990, Schedule F, filed on July 11, 2024, the hospital system has \$283,212,229 was invested in Central America/Caribbean.<sup>9</sup>
  - a. What are these investments?
  - b. Describe how investing \$283 million in the Caribbean supports the community in New York City the hospital serves?

Thank you in advance for your assistance in this matter. If you have any questions, please contact my staff at [mclean.piner@mail.house.gov](mailto:mclean.piner@mail.house.gov).

Sincerely,



Gregory F. Murphy, M.D.  
Member of Congress

---

<sup>8</sup> <https://projects.propublica.org/nonprofits/organizations/133971298/202401939349300005/full>

<sup>9</sup> *Id.*