



**State of New Jersey**  
**DEPARTMENT OF HEALTH**  
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CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

CHRISTOPHER R. RINN  
*Acting Commissioner*

November 17, 2017

**VIA ELECTRONIC & FIRST-CLASS MAIL**

1. Michael Slifer, Manager  
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Atlantic Health System  
475 South Street  
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Michael.Slifer@AtlanticHealth.org  
Re: CN# FR 17 0524-19-01
2. Brian Finestein, CEO  
St. Clare's Hospital  
25 Pocono Road  
Denville, NJ 07834  
brianfinestein@primehealthcare.com  
Re: CN# FR 17 0501-14-01
3. Michael Slifer, Manager  
Planning & System Development  
Atlantic Health System  
475 South Street  
Morristown, NJ 07962  
Michael.Slifer@AtlanticHealth.org  
Re: CN# FR 17 0523-14-01
4. Tamara Cunningham  
Vice President, System Development  
& Planning  
Robert Wood Johnson University Hospital  
Somerset  
110 Rehill Avenue  
Somerville, NJ 08876  
Tamara.Cunningham@rwjbh.org  
Re: CN# FR 17 0516-18-01



Applications for New Adult Acute Care Psychiatric Beds

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11. Abraham Feigenbaum  
Board President  
Elmwood Hills Healthcare Center d/b/a  
Northbrook Behavioral Health Hospital  
425 Woodbury-Turnersville Road  
Blackwood, NJ 08012  
afeigenbaum@oceanhealthcare.com

Re: CN# FR 17 0508-04-22
12. Clare Sapienza-Eck  
Vice President of Business Development  
and Planning  
Inspira Medical Center Woodbury  
165 Bridgeton Pike  
Mullica Hill, NJ 08062  
Sapienza-eckc@ihn.org

Re: CN# FR 17 0522-06-01
13. Tammy Torres  
Chief Executive Officer  
The Memorial Hospital of Salem County  
310 Woodstown Road  
Salem, NJ 08079  
tammy\_torres@chs.net

Re: CN# FR 17 0509-17-01
14. Clare Sapienza-Eck  
Vice President of Business Development  
and Planning  
Inspira Medical Center Elmer  
165 Bridgeton Pike  
Mullica Hill, NJ 08062  
Sapienza-eckc@ihn.org

Re: CN# FR 17 0521-17-01
15. Clare Sapienza-Eck  
Vice President of Business Development  
and Planning  
Inspira Medical Centers, Inc.  
165 Bridgeton Pike  
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Sapienza-eckc@ihn.org

Re: CN# FR 17 0520-06-01
16. Andy Hanner  
Chief Strategy Officer  
Acadia Healthcare Company  
6100 Tower Circle Drive, Suite 1000  
Franklin, TN 37067  
andy.hanner@acadiahealthcare.com

Re: CN# FR 17 0525-06-22

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17. Warren Connelly  
Executive Vice President, Operations  
Praesum Healthcare Services  
1 Duncan Drive  
Cranbury, NJ 08512  
wconnelly@praesumhealthcare.com  
Re: CN# FR 17 0512-15-22
18. Tamara Cunningham  
Vice President, System Development  
& Planning  
Monmouth Medical Center  
300 Second Avenue  
Long Branch, NJ 07740  
Tamara.Cunningham@rwjbh.org  
Re: CN# FR 17 0514-13-01
19. Rebecca Wolff, Senior Director  
Strategic Planning  
Hackensack Meridian Health  
Ocean Medical Center  
343 Thornall Street  
Edison, NJ 08837  
rebecca.wolff@hackensackmeridian.org  
Re: CN# FR 17 0518-15-01
20. Craig Hilton  
CEO/Managing Director  
Hampton Behavioral Health Center  
650 Rancocas Road  
Westhampton, NJ 08060  
Craig.Hilton@UHSlnc.com  
Re: CN# FR 17 0530-13-22
21. Rebecca Wolff, Senior Director  
Strategic Planning  
Hackensack Meridian Health  
343 Thornall Street  
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rebecca.wolff@hackensackmeridian.org  
Re: CN# FR 17 0517-13-01
22. Warren Connelly  
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Re: CN# FR 17 0513-20-22

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23. Oana Radu  
CEO/Managing Director  
Summit Oaks Hospital  
19 Prospect Street  
Summit, NJ 07901  
Oana.Radu@UHSInc.com  
Re: CN# FR 17 0504-20-22
24. Leslie Prizant, Esq.  
EVP and General Counsel  
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Bayonne, NJ 07002  
LesliePrizant@CarePointHealth.org  
Re: CN# FR 17 0510-09-01
25. Tamara Cunningham  
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& Planning  
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Re: CN# FR 17 0515-07-01
26. Edward J. Condit  
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Re: CN# FR 17 0502-16-01
27. Kevin Slavin  
President and CEO  
St. Joseph's Regional Medical Center  
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Patterson, NJ 07503  
slavink@sjmc.org  
Re: CN# FR 17 0506-16-01
28. Kevin Slavin  
President and CEO  
St. Joseph's Wayne Hospital  
224 Hamburg Turnpike  
Wayne NJ 07470  
slavink@sjmc.org  
Re: CN# FR 17 0505-16-01

29. Oana Radu  
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19 Prospect Street  
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Re: CN# FR 17 0529-16-22

**Re: Certificate of Need Applications for New Adult Acute Care  
Psychiatric Beds**

Dear Mr. Slifer, Mr. Finestein, Ms. Cunningham, Mr. Chin, Ms. Wolff, Ms. Parisi Cummings, Ms. Pedley, Mr. Hilton, Mr. Feigenbaum, Ms. Sapienza-Eck, Ms. Torres, Mr. Hanner, Mr. Connelly, Mr. Radu, Ms. Prizant, Mr. Condit, and Mr. Slavin:

This letter sets forth the basis, rationale, and final decision in the matter of the Certificate of Need (CN) applications for new adult acute care psychiatric beds submitted in response to a CN Public Notice placed in the New Jersey Register on February 21, 2017 by the Department of Health (the Department). See, 49 N.J.R. 343(c) (the Call). I approve the applications submitted on behalf of the following facilities for the full complement of the requested beds: Newton Medical Center (Newton), Saint Clare's Hospital – Dover (St. Clare's Dover), Morristown Medical Center (Morristown), Robert Wood Johnson University Hospital-Somerset (RWJUH Somerset), Rutgers University Behavioral Health Care (RUBH), Raritan Bay Medical Center – Perth Amboy (RB-Perth Amboy), University Medical Center of Princeton at Plainsboro (Princeton), University Medical Center of Princeton at Plainsboro - Princeton House Behavioral Health Division (Princeton House), Hampton Behavioral Health Center (Hampton Burlington), The Memorial Hospital of Salem County (Salem Hospital), Inspira Medical Center Elmer (Inspira-Elmer), Inspira Health Center Bridgeton (Inspira-Bridgeton), Sunrise Psychiatric – Toms River (Sunrise Toms River), St. Barnabas Behavioral Health Center (SBHC), Ocean Medical Center (OMC), Hampton Behavioral Health Center (Hampton Monmouth), Bayshore Medical Center (Bayshore), Summit Oaks Hospital (Summit Union), CarePoint Health – Bayonne Medical Center (BMC), Clara Maass Medical Center (CMMC), Prime Healthcare Services – St. Mary's Passaic (St. Mary's), St. Joseph's Regional Medical Center (Regional), St. Joseph's Wayne Hospital (St. Joseph's Wayne), Summit Oaks Hospital (Summit Oaks Passaic).

I do not approve the applications submitted on behalf of the following facilities: Aspen Hills Healthcare Center (Aspen Hills), Northbrook Behavioral Health Hospital (Northbrook), and Sunrise Psychiatric – Plainfield (Sunrise Plainfield).

I approve, in part, the applications submitted on behalf of the following facilities: Inspira Medical Center Woodbury (Inspira-Woodbury), and Cumberland Behavioral Health (Cumberland BH).

In reaching this decision, I have considered the Call, the Department's methodology to determine need, the Guidance Document, the twenty-nine CN applications submitted by the applicants in response to the Call, the completeness questions and responses from each applicant, written and oral public comments

received regarding various applications, Staff Recommendations with Appendices, Psych Bed Call Scoring Sheets, a memorandum regarding certain scoring changes, and the State Health Planning Board's (SHPB) recommendations. The referenced materials are incorporated and made a part of this final decision.

### The Call

On February 21, 2017, the Department published the Call in the New Jersey Register calling for CN applications on a full review basis for the establishment of new adult acute care psychiatric beds. In the Call, the Department recognized "national trends, such as the increasing number of individuals diagnosed with co-occurring mental health and substance use disorders, the fact that nearly 750,000 New Jersey adults are receiving mental health treatment and more than 957,000 New Jersey adults are getting substance abuse treatment, and the fact that Governor Christie has supported legislation that would require health insurers to pay without prior authorization for up to six months of inpatient treatment." Based on these factors, the Department established a bed need of 40 adult acute care psychiatric beds per 100,000 adults by county. Using that bed need methodology, the Department determined a need for additional acute care psychiatric beds in 14 counties, which are set forth in Table 1 on page 8 of this decision letter.

The Call provided that applicants could apply for beds allocated to the applicant's county as well as contiguous counties. Applicants were required to demonstrate that, if approved, the additional beds could be licensed within two years of approval, and that they would accept a CN condition "that requires them to provide up to 5% of annual patient days in each approved bed category to serve Medicaid recipients, and up to another 5% of annual patient days in each approved bed category to serve the uninsured." The Call also stated that

Because adult inpatient acute care psychiatric services are only one component of the continuum of care required to effectively treat patients with mental health issues, the Department will give special consideration to proposals including one or more of the following:

- A regional approach to address the mental health and co-occurring substance use disorder needs of multiple counties or regions, including both inpatient and outpatient services;
- An approach that provides adult acute care and outpatient mental health and co-occurring substance use disorder services in one or more of the counties that currently have no adult acute care psychiatric beds (Cape May County, Salem County or Warren County); and
- Innovative ways to provide treatment to patients who have mental health and co-occurring substance use disorders.

The Call also required each applicant to designate the number of open and closed beds they seek, and to demonstrate why the proposed allocation is appropriate.

In addition to publishing the Call in the New Jersey Register, the Department also posted it on its website.

**Table 1**  
**Call Need Determination**

<b>Geographic Area to be Served</b>	<b>Total Adult (18+) Population (2011-2015 Avg)</b>	<b>Total Maintained Adult Psych Beds (B-2)</b>	<b>Estimated Psych Bed Need (40/100,000)</b>	<b>Identified Additional Psych Beds Needed</b>
Atlantic	213,715	34	85	51
Bergen	723,643	430	289	0
Burlington	351,216	209	140	0
Camden	391,716	187	157	0
Cape May	78,532	0	31	31
Cumberland	119,815	29	48	19
Essex	599,480	360	240	0
Gloucester	222,843	20	89	69
Hudson	527,282	184	211	27
Hunterdon	99,018	14	40	26
Mercer	288,739	115	115	0
Middlesex	645,433	72	258	186
Monmouth	486,789	124	195	71
Morris	385,381	55	154	99
Ocean	446,360	100	179	79
Passaic	383,366	24	153	129
Salem	50,486	0	20	20
Somerset	252,506	151	101	0
Sussex	113,701	22	45	23
Union	417,162	213	167	0
Warren	83,915	0	34	34
<b>Totals</b>	<b>6,881,098</b>	<b>2,343</b>	<b>2,751</b>	<b>864</b>

### The Guidance Document

The Department also posted a Guidance Document on its website at [http://www.nj.gov/health/legal/documents/guidance\\_cn\\_psych\\_call.pdf](http://www.nj.gov/health/legal/documents/guidance_cn_psych_call.pdf), which detailed the information that each applicant needed to include in its CN application. This document not only identified the required elements of each response for each component in the application, but also included requirements for the provision of additional information including, but not limited to, ownership, track record history,



applicant-sponsored patient transportation services and the requirement for completion of five tables. Two tables required the applicant to provide historic statistics, if applicable, as well as projections for the number of admissions and the number of visits each for the Emergency Room and Outpatient Mental Health Clinics. Three of the tables required the applicant to provide historic data, if applicable, and projections for financial information, including, but not limited to, inpatient, outpatient and charity care revenues, expenses and sources of revenue by payor mix, including but not limited to, Medicare, Medicaid and Charity Care.

Applicants were advised in the Guidance Document that, to expedite the path to completeness, they were to: a) respond to all components as presented in the application unless otherwise directed by the Guidance Document; and b) respond to all required additional information stipulated in the Guidance Document. The deadline for submission of the CN applications was May 1, 2017.

### **Completeness Review**

On May 1, 2017, the Department received 30 applications in response to the Call. Applicants submitted proposals to the Department to expand their existing complement of psychiatric beds, initiate an inpatient psychiatric service in their existing facility, or initiate an inpatient psychiatric service in a new facility. On June 12, 2017, a set of completeness questions, consisting of questions from the Department and/or the Health Care Facilities Financing Authority (HCFFA), was sent to each applicant. In the cover letter that accompanied the completeness questions, applicants were advised that, due to the Department's decision to make final completeness determinations by August 1, 2017, there would only be one round of completeness questions. Applicants were urged to be as complete and thorough as possible in their responses to the questions, and were advised that incomplete responses could result in a denial of all or a portion of the requested beds. The deadline for submission of the responses to the completeness questions was June 30, 2017.<sup>1</sup>

In the applications, several of the applicants sought approval to change the designation of existing licensed beds and/or transfer existing licensed beds from one facility to another. Those applicants were advised that such approvals were outside the scope of the Call, and would not be considered as part of this Call. Several applicants sought the award of acute care psychiatric beds in counties that were not contiguous to the counties in which they were located. Those applicants were told that such requests would be denied as outside the scope of the Call. If an application indicated that an applicant was seeking the award of acute care psychiatric beds for a specific population (e.g., geriatric patients or developmentally disabled individuals), the applicant was

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<sup>1</sup> Due to a clerical oversight, one applicant, Aspen Hills Healthcare Center, LLC d/b/a Buttonwood Behavioral Health Hospital, received only the HCFFA completeness questions on June 12th. This was discovered on June 30, 2017. On that date, the applicant was provided with the Department's completeness questions and advised that the responses to those questions were due by July 18, 2017, a time period comparable to the time allowed for submission of responses to the original completeness questions sent to applicants on June 12, 2017. The applicant's responses to the Department's completeness questions were received prior to July 18, 2017.

advised that any bed awarded pursuant to this CN Call must be available to any adult patient who requires an acute care psychiatric bed, and cannot be restricted to use by a specific population. Finally, applicants were reminded that once an application has been submitted to the Department, no subsequent submissions of information will be accepted unless specifically requested, in writing, by the Department or by the SHPB. To the extent an applicant sought to change the nature of its request in its response to completeness questions, such attempts were not considered. See N.J.A.C. 8:33-4.5(c).

A review of the applications and the responses to the completeness questions for each application resulted in the Department's determination that one application, submitted by US HealthVest/CentraState, was incomplete and would not be considered further. The remaining 29 applications were determined to be complete. On August 1, 2017, each applicant received, in writing, a letter with the Department's completeness determination.

### **Statutory and Regulatory Criteria**

N.J.S.A. 26:2H-8, as well as N.J.A.C. 8:33-4.9(a), provides for the issuance of a certificate of need only where the action proposed in the application for such certificate is necessary to provide required health care in the area to be served, can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services. In making such determinations, I am required to take into consideration a) the availability of services that may serve as alternatives or substitutes; b) the need for special equipment and services in the area; c) the possible economies and improvement in services to be anticipated from the operation of joint central services; d) the adequacy of financial resources and sources of present and future revenues; e) the availability of sufficient manpower in the several professional disciplines; and f) such other factors as may be established by regulation. Among the regulatory factors to be taken into account are: N.J.A.C. 8:33-4.9(a), which requires a demonstration that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care; N.J.A.C. 8:33-4.10(b), which requires an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project; N.J.A.C. 8:33-4.10(a), which requires an assurance that all residents of the area, particularly the medically underserved, will have access to services; N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8), which require an assurance that the applicant will meet appropriate licensing and construction standards; and N.J.A.C. 8:33-4.10(d), which requires that the applicant demonstrate a track record of substantial compliance with the Department's licensing standards.

### **The State Health Planning Board Meeting**

On October 10, 2017, the SHPB held a meeting at which it considered each of the 29 CN applications. At that meeting, all SHPB members acknowledged that they had reviewed all materials submitted in connection with the applications. A representative of the Department presented Department staff's recommendations, and

responded to questions posed by the members of the SHPB. Two individuals from the public then spoke: Renee Nauyoks from the Ocean County Prosecutor's Office, who spoke in support of Praesum Health Care Services' application to establish a new 40-bed adult acute care psychiatric hospital within an existing building located in Ocean County (Sunrise Toms River); and Doug Struyk, President and CEO of Christian Health Care Center, who spoke in opposition to the application of Universal Health Services, Inc., which proposes to establish a 120-bed adult acute care psychiatric facility in Passaic County (Summit Passaic). The comments submitted by these two speakers will be addressed in the sections of this decision letter specific to those two applications.

After hearing from the two members of the public, the SHPB heard from representatives of 26 of the 29 applicants indicating that those applicants all accepted Department staff's recommendations.<sup>2</sup> No additional written submissions were submitted by the applicants at the meeting. The SHPB then voted to recommend approval of 24 applications, partial approval of two applications, and denial of three applications.

### **Findings and Decisions on Bed Allocations by Facility**

In reaching my decision on each application, I have considered the statutory and regulatory criteria articulated above, Department staff's recommendations and supporting materials, and the population/demographic data for New Jersey discussed in the Call. Additionally, I reviewed the information reported by each of the applicants in their applications and in response to the completeness questions, and the transcript of the October 10, 2017 SHPB meeting, which included public comments and the SHPB recommendations.

In determining the allocation of open and closed beds that I am awarding in this decision letter, I have accepted the applicant's proposed allocation of beds, deeming the applicant to be in the best position to identify the number of beds of each type that are needed.

The SHPB, in accordance with N.J.S.A. 26:2H-5.8(b) and 26:2H-5.9(b), reviewed the applications at the aforementioned public meeting and recommended approval of 24 applications on behalf of the following facilities for the full complement of the requested beds, with conditions: Newton, St. Clare's Dover, Morristown, RWJUH Somerset, RUBH, RB-Perth Amboy, Princeton, Princeton House, Hampton Burlington, Salem Hospital, Inspira-Elmer, Inspira-Bridgeton, Sunrise Toms River, SBHC, OMC, Hampton Monmouth, Bayshore, Summit Union, BMC, CMMC, St. Mary's, Regional, St. Joseph's Wayne, and Summit Oaks Passaic. The SHPB recommended denial of the applications submitted on behalf of the following facilities: Aspen Hills, Northbrook, and Sunrise Plainfield. Finally, the SHPB recommended approval, in part, of the applications submitted on behalf of the following facilities: Inspira-Woodbury and Cumberland BH.

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<sup>2</sup> No one on behalf of Aspen Hills, Northbrook, or Cumberland BH were in attendance at the meeting.

Below are my findings and decisions on each of the individual applications. Conditions, where applicable, indicate the action that must be implemented for licensure of the beds awarded by CN.

**1. Newton Medical Center FR 17 0524-19-01 Sussex County**

The applicant, Atlantic Health System (AHS), which operates Newton, a licensed general acute care hospital located in Sussex County, proposes to add 9 closed adult acute care psychiatric beds to its existing 10 open and 6 closed psychiatric bed unit. The applicant is seeking approval of these 9 beds from the identified additional bed need of 23 in Sussex County.

There are two applicants, AHS and Universal Health Services, Inc., that have applied for beds allocated to Sussex County. No applicant requests beds from Warren County, which has an identified additional bed need of 34. Although Newton is located in Sussex County, AHS acknowledges in its application that it also serves residents of Warren County, which is contiguous to Sussex County.

Based on the Department's determination that there is a need for an additional 34 adult acute care psychiatric beds in Warren County, the fact that the total number of beds requested from Sussex County by applicants is 34, which exceeds the county's identified bed need, and the fact that Newton currently serves residents of Warren County, I find that the award of 9 closed adult acute care psychiatric beds to AHS to be located at Newton and allocated to meet a portion of the bed need in Warren County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that AHC's application for 9 closed adult acute care psychiatric beds at Newton should be granted, and that all 9 beds will be allocated to contiguous Warren County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of AHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving AHS's application for 9 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Department's Division of Certificate of Need and Licensing (Division) for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and substance use disorders (SUD), including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the Department of Community Affairs (DCA), full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long

as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**2. Saint Clare's Hospital-Dover FR 17 0501-14-01 Morris County**

The applicant, Prime Healthcare Services – St. Clare's Dover (Prime St. Clare's), which operates St. Clare's Dover, a licensed general acute care hospital located in Morris County, proposes to establish a 24-bed open adult acute care psychiatric unit at its facility. The applicant is seeking approval of these 24 beds from the identified additional bed need of 99 in Morris County.

Based on the Department's determination that there is a need for an additional 99 adult acute care psychiatric beds in Morris County, the fact that the total number of beds requested from Morris County by applicants is 93 beds, which is less than the county's identified additional bed need, and the fact that St. Clare's Dover is located in Morris County, I find that the award of 24 open adult acute care psychiatric beds to Prime St. Clare's to be located at St. Clare's Dover and allocated to meet a portion of the bed need in Morris County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that it will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Prime St. Clare's application for 24 open adult acute care psychiatric beds at St. Clare's Dover should be granted, and that all 24 beds will be allocated to Morris County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of Prime St. Clare's stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Prime St. Clare's application for 24 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded open adult acute care psychiatric beds must be licensed within two years of CN approval.



2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUDs, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the

proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**3. Morristown Medical Center FR 17 0523-14-01 Morris County**

The applicant, AHS, which operates Morristown, a licensed general acute care hospital, proposes to add 8 open adult acute care psychiatric beds to its existing 16 open psychiatric bed unit. The applicant is seeking approval of these 8 beds from the identified additional bed need of 99 in Morris County.

Based on the Department's determination that there is a need for an additional 99 adult acute care psychiatric beds in Morris County, the fact that the total number of beds requested from Morris County by applicants is 93 beds, which is less than the county's identified additional bed need, and the fact that Morristown is located in Morris County, I find that the award of 8 open adult acute care psychiatric beds to AHS to be located at Morristown and allocated to meet a portion of the bed need in Morris County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that it will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that AHS's application for 8 open adult acute care psychiatric beds at Morristown should be granted, and that all 8 open beds will be allocated to Morris County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of AHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving AHS's application for 8 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application

with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.

3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUDs, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**4. RWJUH Somerset FR 17 0516-18-01 Somerset County**

The applicant, RWJUH Somerset, a licensed general acute care hospital located in Somerset County, proposes to add 40 closed adult acute care psychiatric beds to its existing 30 open adult acute care psychiatric beds. The applicant is seeking approval of these 40 beds from the identified additional bed need in Middlesex, Morris and Hunterdon Counties, which are contiguous counties to Somerset. Somerset County does not have an identified additional bed need.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Middlesex, Morris and Hunterdon Counties, and the fact that the total number of beds requested from these three counties by applicants does not exceed the identified additional bed need for any of these counties, I find that the award of 40 closed adult acute care psychiatric beds to RWJUH Somerset to be located in Somerset County and allocated to meet a portion of the bed need in Middlesex, Morris and Hunterdon Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that RWJUH Somerset's application for 40 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 24 beds to Middlesex County, 13 beds to Morris County, and 3 beds to Hunterdon County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of RWJ Barnabas Health stated that RWJUH Somerset accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving RWJUH Somerset's application for 40 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUDs, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to

licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.



**5. Rutgers University Behavioral FR 17 0511-12-22 Middlesex County Health Care**

The applicant, Rutgers, The State University of New Jersey (Rutgers U.), which operates RUBH, a licensed psychiatric hospital located in Middlesex County, proposes to establish a 30-bed adult acute care psychiatric facility in the Piscataway/New Brunswick area. Although the exact address of the proposed facility was not provided, the applicant states that there are plans to lease space at a site near the current RUBH facility on Hoes Lane, adjacent to Rutgers U.'s Busch campus. Of the 30 requested beds, the applicant is seeking approval of 10 open and 20 closed adult acute care psychiatric beds. The applicant did not identify the number of beds it wanted from Middlesex County and the contiguous counties.

Based on the Department's determination that there is a need for 186 additional adult acute care psychiatric beds in Middlesex County, the fact that the total number of beds requested from Middlesex County by applicants totals 173, and the fact that Rutgers U. proposes to locate the new psychiatric unit in Middlesex County, I find that the award of 10 open and 20 closed adult acute care psychiatric beds to Rutgers U. to be located near RUBH and allocated to meet a portion of the bed need in Middlesex County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); and the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Rutgers U.'s application for 10 open and 20 closed adult acute care psychiatric beds should be granted, and that all the beds should be allocated to Middlesex County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of RUBH stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Rutgers U.'s application for 10 open and 20 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation

system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter, the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.
11. If your proposed facility qualifies as an Institute for Mental Disease (IMD), a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**6. Raritan Bay Medical Center FR 17 0519-12-01 Middlesex County  
– Perth Amboy**

The applicant, Hackensack Meridian Health, Inc. (HMH), which operates RB-Perth Amboy, a licensed general acute care hospital located in Middlesex County, proposes to add 1 open and 2 closed adult acute care psychiatric beds to its existing 35-bed psychiatric unit. The applicant is seeking approval of these 3 beds from the identified additional bed need in Middlesex County.

Based on the Department's determination that there is a need for 186 additional adult acute care psychiatric beds in Middlesex County, the fact that the total number of beds requested from Middlesex County by applicants totals 173, and the fact that RB-Perth Amboy is located in Middlesex County, I find that the award of 1 open and 2 closed adult acute care psychiatric beds to HMH to be located at RB-Perth Amboy and allocated to meet a portion of the bed need in Middlesex County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that HMH's application for 1 open and 2 closed adult acute care psychiatric beds should be granted, and that all the beds should be allocated to Middlesex County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of HMH stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving MHM's application for 1 open and 2 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.

2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the

proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**7. University Medical Center of Princeton at Plainsboro FR 17 0526-12-01 Middlesex County**

The applicant, Princeton, a licensed general acute care hospital located in Middlesex County, proposes to add 6 open adult acute care psychiatric beds to its existing 22 open adult acute care psychiatric bed unit at its hospital. The applicant is seeking approval of these 6 beds from the identified additional bed need in Middlesex County and Monmouth County, which is contiguous to Middlesex County.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Middlesex and Monmouth Counties, and the fact that the total number of beds requested from these two counties by applicants does not exceed the identified additional bed need for either of these counties, I find that the award of 6 open adult acute care psychiatric beds to Princeton to be located in Middlesex County and allocated to meet a portion of the bed need in Middlesex and Monmouth Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Princeton's application for 6 open adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 4 beds to Middlesex County, and 2 beds to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of Princeton stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Princeton's application for 6 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to



licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**8. University Medical Center of Princeton at Plainsboro - Princeton House Behavioral Health      FR 17 0527-11-01      Mercer County**

The applicant, Princeton House, a licensed general acute care hospital located in Mercer County, proposes to add 23 open and 6 closed adult acute care psychiatric beds to its existing 30 open adult acute care psychiatric beds at Princeton House. The applicant is seeking approval of these 29 beds from the identified additional bed need in Middlesex and Monmouth Counties, which are both contiguous to Mercer County. Mercer County does not have an identified additional bed need.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Middlesex and Monmouth Counties, and the fact that the total number of beds requested from these two counties by applicants does not exceed the identified additional bed need for either of these counties, I find that the award of 23 open and 6 closed beds to Princeton House and allocated to meet a portion of the bed need in Middlesex and Monmouth Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Princeton House's application for 23 open and 6 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 22 beds to Middlesex County, and 7 beds to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of Princeton stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Princeton House's application for 23 open and 6 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation

system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**9. Hampton Behavioral Health FR 17 0503-03-22 Burlington County Center**

The applicant, Universal Health Services, Inc. (UHS), which operates Hampton Burlington, a licensed psychiatric hospital in New Jersey, proposes to add 24 open and 24 closed adult acute care psychiatric beds in a newly constructed unit connected to Hampton Burlington's current facility. Of the 48 requested beds, UHS is seeking approval of 30 beds (15 open and 15 closed) from Atlantic County, and 18 beds (9 open and 9 closed) from Ocean County. Burlington County does not have an identified additional bed need.

Based on the Department's determination that there is a need for additional beds in Atlantic and Ocean Counties, which are contiguous to Burlington County, the fact that the total number of beds requested from Atlantic County by applicants does not exceed the county's identified additional bed need, and the fact that although the number of beds requested from Ocean County exceeds the identified additional bed need in that county, there are bed needs in contiguous counties available to meet other applicants' requests, I find that the award of 24 open and 24 closed adult acute care psychiatric beds and allocated to meet a portion of the bed need in Atlantic and Ocean Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that UHS's application for 24 open and 24 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 30 beds to Atlantic County, and 18 beds to Ocean County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of UHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving UHS's application for 24 open and 24 closed adult acute care psychiatric beds, with conditions, as follows:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be

in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter, the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.
11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**10. Aspen Hills Healthcare Center FR 17 0507-03-22 Burlington County**

The applicant, Aspen Hills Healthcare Center, LLC d/b/a Buttonwood Behavioral Health Hospital (Buttonwood), which operates Aspen Hills, a licensed psychiatric hospital located in Burlington County, proposes to add 20 closed adult acute care psychiatric beds to its existing 30 closed psychiatric beds by converting a 22-bed short term unit belonging to the long-term care facility that is connected to Buttonwood by 4 separate doorways. The applicant is seeking approval of these 20 beds from the identified additional bed need in Atlantic and Ocean Counties, which are contiguous to Burlington County, and from Cape May, Cumberland, Gloucester and Salem Counties, which are not contiguous to Burlington County.

Of the 20 adult acute care psychiatric beds applied for by Buttonwood, 10 of those beds are allocated to non-contiguous counties. Because the Call limited approval to the applicant's county and contiguous counties, only 10 beds are allocated to contiguous counties. In response to a completeness question, Buttonwood indicated that the minimum number of beds it would be able to implement in an economically viable manner is 20. Because Buttonwood only requested 10 beds from contiguous counties, it would not be able to implement them in an economically viable manner based on Buttonwood's response to the above-referenced completeness question. In addition, Aspen Hills lacked a substantial compliance history ("track record") within the past year. Buttonwood also failed to list the anticipated Medicaid and Charity Care projections for FY1 through FY4 for inpatient/outpatient services. As such, Buttonwood's scores received for "Track Record Review" and "Access to Underserved, Medicaid Recipients and Indigent" were considerably lower than that of other applicants.

After consideration of all the aforementioned factors and a review of the scoring criteria, I am denying Buttonwood's application in its entirety.



**11. Northbrook Behavioral Health FR 17 0508-04-22 Camden County Hospital**

The applicant, Elmwood Hills Healthcare Center d/b/a Northbrook, a licensed psychiatric hospital located in Camden County, proposes to add 34 closed adult acute care psychiatric beds to a self-contained closed unit, to be incorporated as a regular unit of the psychiatric hospital. The applicant is seeking approval of these 34 beds from the identified additional need in Atlantic and Gloucester Counties, which are contiguous to Camden County, and from Cape May, Cumberland, Ocean and Salem Counties, which are not contiguous to Camden County.

Of the 34 adult acute care psychiatric beds applied for by Northbrook, 19 of those beds are allocated to non-contiguous counties. Because the Call limited approval to the applicant's county and contiguous counties, only 15 beds are allocated contiguous counties. In response to a completeness question, Northbrook indicated that the minimum number of beds it would be able to implement in an economically viable manner is 20. Because Northbrook only requested 15 beds from contiguous counties, it would not be able to implement them in an economically viable manner based on Northbrook's response to the above-referenced completeness question. In addition, some of the owners of Northbrook also own Aspen Hills. Aspen Hills lacked a substantial compliance history ("track record") within the past year, which in turn, impacted Northbrook's track record. Northbrook also failed to list the anticipated Medicaid and Charity Care projections for FY1 through FY4 for inpatient/outpatient services. As such, Northbrook's scores for "Track Record Review" and "Access to Underserved, Medicaid Recipients and Indigent" were considerably lower than that of other applicants.

After consideration of all the aforementioned factors and a review of the scoring criteria, I am denying Northbrook's application in its entirety.

**12. Inspira Medical Center      FR 17 0522-06-01      Gloucester County  
Woodbury**

The applicant, Inspira Health Network (IHN), which operates Inspira-Woodbury, a licensed general acute care hospital located in Gloucester County, proposes to add 75 open adult acute care psychiatric beds to its existing 9 open and 11 closed psychiatric beds at Inspira-Woodbury. In 2017, IHN received a full CN approval to relocate Inspira-Woodbury to Harrison Township, near Mullica Hill in Gloucester County. The applicant states that as part of the project approval, IHN will retain use of its Woodbury campus for the provision of behavioral health services under the license of Inspira Medical Center at Mullica Hill. Of the 75 requested beds, IHN is seeking approval of 69 beds allocated to Gloucester County, and 6 beds allocated to Salem County.

There are three facilities, Inspira-Woodbury, Salem Hospital, and Inspira-Elmer, located within the counties of Gloucester and Salem that are vying for the same designated beds. The combined bed need in these two counties is 89 beds. The number of beds requested by the three facilities is 109 beds, an excess of 20 beds. Inspira-Woodbury already has an existing psychiatric bed unit, while the other two facilities, Inspira-Elmer and Salem Hospital, each propose to establish new psychiatric bed units. I find that it is in the best interest of the State's behavioral health system to encourage quality new providers to enter the system, and that the other two applicants should be awarded the full complement of their requested beds. As a result, the total beds available to Inspira-Woodbury from those two counties is 49 beds. Because Atlantic County, a contiguous county, has a bed need of 51 beds, the Department elected to award this applicant 4 beds allocated to Atlantic County.

Based on the fact that there is a need for additional beds in Gloucester, Salem and Atlantic Counties, I find that the award of 53 open adult acute care psychiatric beds to IHN to be located at Inspira-Woodbury and allocated to meet a portion of the bed need in Gloucester and Atlantic Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of

substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that IHN's application should be granted, in part, by awarding it 53 open adult acute care psychiatric beds located at Inspira-Woodbury, and that the beds should be allocated as follows: 49 beds to Gloucester County and 4 beds to Atlantic County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of IHN stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving IHN's application, in part, for 53 open adult acute care psychiatric beds, with conditions, as follows, and am denying the remainder of the application for 22 beds based on the rationale described in the paragraphs above:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the

Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.

6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.
7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**13. The Memorial Hospital of Salem County FR 17 0509-17-01 Salem County**

The applicant, Salem Hospital Corporation (SHC), which operates The Memorial Hospital of Salem County (Salem Hospital), a licensed general acute care hospital located in Salem County, proposes to establish an adult acute care psychiatric unit within the hospital with 26 open adult acute care psychiatric beds. Salem Hospital intends to convert a Medical/Surgical unit, located on the 4<sup>th</sup> Floor of the hospital, to accommodate the psychiatric beds. The applicant did not identify the number of beds it wanted from Salem County and the contiguous counties. However, the applicant stated that the hospital's primary service area is Salem County while the secondary service areas include the lower part of Gloucester County and the upper part of Cumberland County. Currently, there are no inpatient psychiatric services offered in Salem County.

There are three facilities, Inspira-Woodbury, Salem Hospital, and Inspira-Elmer, located within the counties of Gloucester and Salem that are vying for the same designated beds. Salem Hospital and Inspira-Elmer each propose to establish new psychiatric bed units. I find that it is in the best interest of the State's behavioral health system to encourage quality new providers to enter the system, and that Salem Hospital and Inspira-Elmer should be awarded the full complement of their requested beds.

Based on the Department's determination that there is a need for an additional 20 adult acute care psychiatric beds in Salem County and a need for 69 beds in Gloucester County, the fact that there are currently no inpatient psychiatric services offered in Salem County, that Salem Hospital is located in Salem County, and that Gloucester County is contiguous to Salem County, I find that the award of 26 open adult acute care psychiatric beds to SHC to be located at Salem Hospital and allocated to meet the entire need in Salem County and a portion of the need in Gloucester County, is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that SHC's application for 26 open adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 20 beds to Salem County, and 6 beds to Gloucester County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of Salem Hospital stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving SHC's application for 26 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.

6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.
7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**14. Inspira Medical Center Elmer FR 17 0521-17-01 Salem County**

The applicant, IHN, which operates Inspira-Elmer, a licensed general acute care hospital located in Salem County, proposes to establish a 14-bed open adult acute care psychiatric unit located on the second floor of Inspira-Elmer. The applicant is seeking approval of these 14 beds from the identified additional bed need in Salem County.

There are three facilities, Inspira-Woodbury, Salem Hospital, and Inspira-Elmer, located within the counties of Gloucester and Salem that are vying for the same designated beds. Salem Hospital and Inspira-Elmer each propose to establish new psychiatric bed units. I find that it is in the best interest of the State's behavioral health system to encourage quality new providers to enter the system, and that Salem Hospital and Inspira-Elmer should be awarded the full complement of their requested beds.

Based on the Department's determination that there is a need for an additional 20 adult acute care psychiatric beds in Salem County and a need for 69 beds in Gloucester County, the fact that there are currently no inpatient psychiatric services offered in Salem County, that Inspira-Elmer is located in Salem County, and that Gloucester County is contiguous to Salem County, I find that the award of 14 open adult acute care psychiatric beds to IHN to be located at Inspira-Elmer and allocated to meet a portion of the need in Gloucester County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that IHN's application for 14 open adult acute care psychiatric beds should be granted, and that the beds should be allocated to Gloucester County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of IHN stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.



Based on the foregoing, I am approving IHN's application for 14 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long

as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**15. Inspira Health Center      FR 17 0520-06-01      Cumberland County  
Bridgeton**

The applicant, Inspira Medical Centers, Inc./Inspira Health Network (IMC), which operates Inspira Medical Centers, Inc. - Vineland (Inspira-Vineland), a licensed general acute care hospital, proposes to add 19 open adult acute care psychiatric beds to its existing inpatient psychiatric unit, which has 10 open and 23 closed psychiatric beds and is located at Inspira-Bridgeton in Cumberland County, under the license of Inspira-Vineland. The applicant is seeking approval of these 19 beds from the identified additional bed need in Cumberland County.

There are two facilities, Cumberland BH and Inspira-Bridgeton, located within Cumberland County vying for beds in Cumberland County. The identified additional bed need in Cumberland County is 19; the number of requested beds from these same two facilities totals 115 beds. In response to a completeness question, IMC stated that the minimum number of additional beds it requires to ensure the project's financial viability is 19. The other applicant, Cumberland Behavioral Health, LLC, indicated that a 24-bed model would be financially viable for operating a facility.

Based on the Department's determination that there is a need for additional beds in Cumberland County, and the fact that the minimum number of additional beds IMC requires to ensure the project's financial viability is 19, I find that the award of 19 open adult acute care psychiatric beds to IMC to be located at Inspira-Bridgeton and allocated to meet the entire bed need in Cumberland County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that IMC's application for 19 open adult acute care psychiatric beds should be granted, and that the beds should be allocated to Cumberland County. This decision is consistent with the recommendations of Department staff. During the

SHPB's meeting, a representative of IHN stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving IMC's application for 19 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the

availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**16. Cumberland Behavioral Health, LLC      FR 17 0525-06-22      Cumberland County**

The applicant, Cumberland BH, proposes to construct a new 96-bed adult acute care psychiatric hospital on a 14-acre parcel of land presently part of the Elwyn campus in Vineland. The proposed hospital is planned to have 4 distinct inpatient service components each with 24 beds. Of the 96 requested beds, the applicant is seeking to obtain approval for 72 open and 24 closed psychiatric beds, proportioned at 75 percent and 25 percent, respectively, of the total number of requested beds. The applicant did not identify the number of beds it wanted from Cumberland and contiguous counties. However, the applicant proposed that the primary service areas for the inpatient psychiatric and addiction services will be Cumberland and its contiguous counties of Atlantic, Cape May, Gloucester and Salem.

There are five facilities, including Cumberland BH, within the counties of Cumberland, Atlantic, Cape May, Salem and Gloucester, all vying for the same designated beds within these counties. Overall, the bed need in the five counties totals 190 beds. The number of beds requested by the five facilities totaled 230 beds, an excess of 40 beds. In response to a completeness question, Cumberland BH stated that this application was premised "on the award of the entire 96-bed facility. Nevertheless, the applicant's parent, Acadia, has developed successful inpatient psychiatric hospital models based on wings containing either 20 or 24 beds." The applicant also stated that, "While a 20-bed model would be financially viable, [an] analysis of the needs in the proposed service areas, the size of its selected site, the architectural design and construction plans, staffing costs and distribution, patient safety and successful clinical interaction all support the 24-bed model for this project." Because the applicant acknowledges that a 24-bed model would be financially viable, and because other applicants also applied to meet the needs in the proposed service areas, Department staff recommend awarding applicant sufficient beds to accommodate two 24-bed units.

Based on the Department's determination that there is a need for additional beds in Cape May and Atlantic Counties, both of which are contiguous to Cumberland County where Cumberland BH proposes to construct its new psychiatric hospital, and that the applicant indicates that a 24-bed model is financially viable, I find that the award of 19 open beds to Cumberland BH, allocated to meet the entire bed need in Cape May County and a portion of the need in Atlantic County, is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for

the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Cumberland BH's application should be granted, in part, by awarding it 36 open and 12 closed adult acute care psychiatric beds, and that the beds should be allocated as follows: 31 beds to Cape May County, and 17 beds to Atlantic County. This decision is consistent with the recommendations of Department staff. No one appeared on behalf of Cumberland BH at the SHPB's meeting, although Department staff spoke to a representative of the applicant in advance of the meeting, and advised the representative that applicants would have an opportunity at the meeting to voice any concerns they had regarding the staff recommendations. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Cumberland BH's application, in part, for 36 open and 12 closed adult acute care psychiatric beds, with conditions, as follows, and am denying the remainder of the application for 48 beds based on the rationale described in the paragraphs above:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD,

including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.

5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.
7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter,



the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.

11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**17. Sunrise Psychiatric – FR 17 0512-15-22 Ocean County  
Toms River**

The applicant, Praesum Healthcare Services, LLC (Praesum), proposes to operate Sunrise Toms River, a new 40-bed adult acute care psychiatric hospital within an existing building located in Ocean County. This building, owned by Praesum Healthcare, was originally constructed as a skilled nursing facility, formerly known as Country Manor Nursing and Rehabilitation Center. Of the 40 requested beds, the applicant is seeking approval of 20 open and 20 closed adult acute care psychiatric beds. The applicant did not identify the number of beds it wanted from Ocean County and contiguous counties. The site of Sunrise Toms River is in Ocean County, which has three contiguous counties. Ocean County and two of its contiguous counties, that is, Monmouth and Atlantic Counties, have an identified need for additional psychiatric beds. Burlington, the remaining contiguous county, does not have an identified additional bed need. The applicant states that the proposed 40-bed adult inpatient psychiatric facility is expected to alleviate the strain on Emergency Departments and also provide greater choice for patients and their families throughout the Ocean-Monmouth-Atlantic County region.

As noted above, during the SHPB meeting, Renee Nauyoks from the Ocean County Prosecutor's Office, spoke in support of this application. She noted that Ocean County "has a huge heroin epidemic," and that "Sunrise Detox has been working cooperatively with the Ocean County Prosecutor's Office for the past three years." She stated that "Sunrise Detox, along with the counseling center has been a vital part of helping [the Ocean County Opiate Task Force] place people into treatment. . . . [T]hey have been an integral part of Ocean County and our resources that are available to the community." SHPB Transcript at p. 48.

The applicant submitted two CN applications to establish two 40-bed psychiatric facilities, one in Plainfield, the other in Toms River. Both applications reflected identical financial information regarding the Total Project Cost and the availability of funds for construction of the facilities. Discrepancies in the Total Project Cost ranged from \$2.9 million, to \$3.3 million to \$6.5 million. The Audit for Year Ended 2016 reflected \$7.1 million in cash and a line of credit of \$2.5 million. The variances in the Total Project Cost when compared to available funding raised concerns regarding the financial feasibility for construction of *both* of the proposed facilities. Without the applicant's description of the exact Total Project Cost for each of the submitted applications, the Department could not determine, with certainty, that the applicant had sufficient funds for the construction of *both* of the proposed facilities. However, inasmuch as the highest Total Project Cost was listed as \$6.5 million and the revised amount of cash and a credit line, when combined, was listed as \$10 million, the applicant only provided financial information that would support the financial feasibility for construction of one of the two proposed psychiatric facilities.

The applicant already operates a 38-bed residential detoxification facility within the same building as the proposed 40-bed inpatient psychiatric facility. The applicant states that renovations are underway to also include a 40-bed Class B boarding house within this building. Adjacent to the building, the applicant operates a behavioral health

counseling center, which provides both substance use and mental health outpatient and partial care services.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Ocean and Monmouth Counties, and the fact that Praesum envisions becoming a full continuum service provider in a one-campus setting at the Toms River site, I find that the award of 20 open and 20 closed adult acute care psychiatric beds to Praesum to be located at Sunrise Toms River and allocated to meet a portion of the bed need in Ocean and Monmouth Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Praesum's application for 20 open and 20 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 7 beds to Ocean County, and 33 beds to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of Praesum stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Praesum's application for 20 open and 20 closed adult acute care psychiatric beds, with conditions, as follows:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not

commence operation of the awarded beds prior to Department approval and licensure.

3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter, the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.
11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**18. St. Barnabas Behavioral Health Center FR 17 0514-13-01 Ocean County**

The applicant, Monmouth Medical Center (MMC), a licensed general acute care hospital, proposes to add 3 closed adult acute care psychiatric beds to 17 previously approved, but not yet implemented, closed beds to create a 20-bed unit at SBHC located in Ocean County. The applicant is seeking approval of these 3 beds from the identified additional bed need in Ocean and Monmouth Counties, which are contiguous counties.

There are five facilities, including SBHC, that request beds from Monmouth County, and six facilities, including SBHC, that request beds from Ocean County. The identified additional bed need in Ocean County is 79 beds; the number of requested beds from the six facilities totals 118 beds. The identified additional bed need in Monmouth County is 71 beds; the number of requested beds from the five facilities totals 52 beds. Because the total number of beds requested exceeds the bed need identified for Ocean County, the Department looked to contiguous counties to meet some of these requests.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Ocean and Monmouth, and the fact that the applicant is only seeking 3 beds, I find that the award of 3 closed adult acute care psychiatric beds to MMC to be located at SBHC and allocated to meet a portion of the bed need in Ocean and Monmouth Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that MMC's application for 3 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 2 beds to Ocean County, and 1 bed to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of

RWJ Barnabas Health stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving MMC's application for 3 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the

availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.



**19. Ocean Medical Center FR 17 0518-15-01 Ocean County**

The applicant, HMH, which operates OMC, a licensed general acute care hospital located in Ocean County, proposes to establish a 22-bed adult acute care psychiatric inpatient unit located on OMC's 5-South Wing. This space is currently occupied by a 31-bed Medical/Surgical Unit. Of the 22 requested beds, the applicant is seeking to obtain approval for 16 open and 6 closed adult acute care psychiatric beds from the identified additional bed need in Ocean County. The applicant contends that expanding the number of inpatient beds will allow the hospital to better serve Ocean County residents by providing needed access to inpatient mental health and dual diagnoses services closer to home.

Based on the Department's determination that there is a need for an additional 79 adult acute care psychiatric beds in Ocean County, and the fact that the total number of beds requested from Ocean County by applicants located in that county is less than the county's identified additional bed need, I find that the award of 22 adult acute care psychiatric beds to HMH to be located at OMC and allocated to meet a portion of the bed need in Ocean County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that HMH's application for 16 open and 6 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated to Ocean County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of HMH stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving HMH's application for 16 open and 6 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to

licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**20. Hampton Behavioral Health FR 17 0530-13-22 Monmouth County Center**

The applicant, UHS, which operates Hampton Monmouth and one other licensed psychiatric hospital in New Jersey, proposes to establish a 120-bed adult acute care psychiatric facility in Monmouth County. The exact location of the proposed facility has not been identified. Of the 120 requested beds, UHS is seeking to obtain approval for 60 open and 60 closed adult acute care psychiatric beds. UHS indicates in its application that it is seeking 60 beds (30 open and 30 closed) allocated to Middlesex County, 30 beds (15 open and 15 closed) allocated to Monmouth County, and 30 beds (15 open and 15 closed) allocated to Ocean County.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Middlesex, Ocean and Monmouth Counties, and the fact that although the number of beds requested from Ocean County exceeds the identified additional bed need in that county, there are sufficient bed needs in contiguous counties to meet Hampton Monmouth's requests, I find that the award of 60 open and 60 closed adult acute care psychiatric beds to UHS to be located at Hampton Monmouth and allocated to meet a portion of the bed need in Middlesex, Ocean and Monmouth Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that UHS's application for 60 open and 60 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 74 beds to Middlesex County, 30 beds to Ocean County, and 16 beds to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of UHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving UHS's application for 60 open and 60 closed adult acute care psychiatric beds, with conditions, as follows:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be

in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter, the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.
11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**21. Bayshore Medical Center FR 17 0517-13-01 Monmouth County**

The applicant, HMM, which operates Bayshore, a licensed general acute care hospital located in Monmouth County, proposes to establish a new inpatient psychiatric unit with 12 open adult acute care psychiatric beds. The applicant plans to locate the new unit on the first floor of Bayshore. The applicant requests 12 open acute care psychiatric beds from the identified additional bed need in Monmouth County.

Based on the Department's determination that there is a need for an additional 71 adult acute care psychiatric beds in Monmouth County, and the fact that the total number of beds requested from Monmouth County by applicants is 52, which is less than the county's identified additional bed need, I find that the award of 12 open adult acute care psychiatric beds to HMM located at Bayshore is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that HMM's application for 12 open adult acute care psychiatric beds should be granted, and that the beds should all be allocated to Monmouth County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of HMM stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving HMM's application for 12 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application

with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.

3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.



7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**22. Sunrise Psychiatric – FR 17 0513-20-22 Union County  
Plainfield**

The applicant, Praesum, proposes to operate Sunrise Plainfield, a new 40-bed adult acute care psychiatric hospital within an existing building located in Union County. This building was originally constructed as a general acute care hospital, formerly known as Muhlenberg Hospital. Of the 40 requested beds, the applicant is seeking to obtain approval for 20 open and 20 closed adult acute care psychiatric beds. The applicant did not identify the number of beds it wanted from counties that are contiguous to Union County. The site of the proposed hospital is in Union County, which has four contiguous counties. Union County does not have an identified need for additional psychiatric beds. Likewise, two of its four contiguous counties, that is, Somerset and Essex, also do not have a need for additional psychiatric beds. The remaining two contiguous counties, Middlesex and Morris Counties, have been determined to have an identified additional bed need.

The applicant submitted two CN applications to establish two 40-bed psychiatric facilities, one in Plainfield, the other in Toms River. Both applications reflected identical financial information regarding the Total Project Cost and the availability of funds for construction of the facilities. Discrepancies in the Total Project Cost ranged from \$2.9 million, to \$3.3 million to \$6.5 million. The Audit for Year Ended 2016 reflected \$7.1 million in cash and a line of credit of \$2.5 million. The variances in the Total Project Cost when compared to available funding raised concerns regarding the financial feasibility for construction of *both* of the proposed facilities. Without the applicant's description of the exact Total Project Cost for each of the submitted applications, the Department could not determine, with certainty, that the applicant had sufficient funds for the construction of *both* of the proposed facilities. However, inasmuch as the highest Total Project Cost was listed as \$6.5 million and the revised amount of cash and a credit line, when combined, was listed as \$10 million, the applicant only provided financial information that would support the financial feasibility for construction of one of the two proposed psychiatric facilities.

Of the two Praesum applications, the one proposing to establish a 40-bed inpatient psychiatric facility in Toms River was the stronger application. The applicant already operates a 38-bed residential detoxification facility within the same building as the proposed Toms River inpatient psychiatric facility. The applicant states that renovations are underway to also include a 40-bed Class B boardinghouse within this building. Adjacent to the Toms River building, the applicant operates a behavioral health counseling center, which provides both substance use and mental health outpatient and partial care services. Praesum envisions becoming a full continuum service provider, in a one-campus setting, at the Toms River site. During the SHPB's meeting, a representative of Praesum stated that it accepted the recommendations of Department staff with respect to the denial of this application.

After consideration of all the aforementioned factors and a review of the scoring criteria, I am denying Praesum's Sunrise Plainfield application in its entirety.

**23. Summit Oaks Hospital FR 17 0504-20-22 Union County**

The applicant, UHS, which operates Summit Union, one of two licensed psychiatric hospitals UHS operates in New Jersey, proposes to add 48 beds in a newly constructed unit connected to Summit Union's current facility in Union County, which is currently licensed for 84 open acute care psychiatric beds. Of the 48 requested beds, the applicant is seeking to obtain approval for 36 open and 12 closed adult acute care psychiatric beds. Of these 48 requested beds, the applicant is seeking approval of 30 beds (23 open and 7 closed) allocated to Middlesex County, and 18 beds (13 open and 5 closed) allocated to Morris County.

Based on the Department's determination that there is a need for an additional 285 adult acute care psychiatric beds in Middlesex and Morris Counties, and the fact that the total number of beds requested from those two counties is 266, which is less than the identified additional bed need in those two counties, I find that the award of 36 open and 12 closed adult acute care psychiatric beds to UHS to be located at Summit Union and allocated to meet a portion of the bed need in Middlesex and Morris Counties is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that UHS's application for 36 open and 12 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 29 beds to Middlesex County, and 19 beds to Morris County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of UHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving UHS's application for 36 open and 12 closed adult acute care psychiatric beds, with conditions, as follows:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation

system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter, the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.
11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

**24. Bayonne Medical Center FR 17 0510-09-01 Hudson County**

The applicant, BMC, a licensed general acute care hospital located in Hudson County, proposes to add 27 open adult acute care psychiatric beds to its existing 15 licensed open beds. The applicant has requested that all 27 beds be allocated to Hudson County.

Based on the Department's determination that there is a need for an additional 27 adult acute care psychiatric beds in Hudson County, the fact that the total number of beds requested from Hudson County is 29, which exceeds the counties' identified additional bed need, and the fact that BMC is the only applicant located in Hudson County, I find that the award of 27 open adult acute care psychiatric beds to BMC to be located in Hudson County and allocated to meet the entire bed need in Hudson County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that BMC's application for 27 open adult acute care psychiatric beds should be granted, and that the beds should be allocated to Hudson County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of BMC stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving BMC's application for 27 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.

2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the

proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.



**25. Clara Maass Medical Center FR 17 0515-07-01 Essex County**

The applicant, CMMC, a licensed general acute care hospital located in Essex County, proposes to add 2 closed adult acute care psychiatric beds to 21 previously approved, but not yet implemented, closed beds to create a 23-bed unit in its hospital. The applicant is requesting that the beds be allocated from Hudson County, which is contiguous to Essex County.

Based on the Department's determination that there is a need for an additional 27 adult acute care psychiatric beds in Hudson County, the fact that the total number of beds requested from Hudson County is 29, which exceeds the counties' identified additional bed need, and the fact that there is an identified need for additional beds in Passaic County, which is contiguous to Essex County, I find that the award of two closed adult acute care psychiatric beds to CMMC to be located in Essex County and allocated to meet a portion of the bed need in Passaic County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that CMMC's application for 2 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated to Passaic County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of RWJ Barnabas stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving CMMC's application for 2 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to

licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**26. St. Mary's General Hospital FR 17 0502-16-01 Passaic County**

The applicant, Prime Healthcare Services – St. Mary's Passaic (Prime St. Mary's), which operates St. Mary's, a licensed general acute care hospital located in Passaic County, proposes to establish a new 24-bed open adult acute care psychiatric unit at its facility. The applicant has requested that all 24 beds be allocated to Passaic County.

Based on the Department's determination that there is a need for an additional 129 adult acute care psychiatric beds in Passaic County, the fact that the total number of beds requested from Passaic County by applicants is 127, which is less than the county's identified additional bed need, and the fact that St. Mary's is located in Passaic County, I find that the award of 24 open adult acute care psychiatric beds to Prime St. Mary's to be located at St. Mary's and allocated to meet a portion of the bed need in Passaic County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that Prime St. Mary's application for 24 open adult acute care psychiatric beds should be granted, and that the beds should be allocated to Passaic County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of St. Mary's stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving Prime St. Mary's application for 24 open adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.

2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the

proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**27. St. Joseph's Regional FR 17 0506-16-01 Passaic County**

The applicant, St. Joseph's Hospital and Medical Center (St. Joseph's), which operates Regional, a licensed general acute care hospital located in Passaic County with existing psychiatric services, proposes to add 12 closed adult acute care psychiatric beds in a currently empty unit of the hospital. St. Joseph's is the only current provider of psychiatric services in Passaic County and operates the Designated Screening Center in Passaic County. The applicant has requested that the 12 beds be allocated to Passaic County.

Based on the Department's determination that there is a need for an additional 129 adult acute care psychiatric beds in Passaic County, the fact that the total number of beds requested from Passaic County by applicants is 127, which is less than the county's identified additional bed need, and the fact that Regional is located in Passaic County, I find that the award of 12 closed adult acute care psychiatric beds to St. Joseph's to be located at Regional and allocated to meet a portion of the bed need in Passaic County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that St. Joseph's application for 12 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated to Passaic County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of St. Joseph's stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving St. Joseph's application for 12 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to



licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**28. St. Joseph's Wayne Hospital FR 17 0505-16-01 Passaic County**

The applicant, St. Joseph's, which operates St. Joseph's Wayne, a licensed general acute care hospital located in Passaic County, proposes to construct a 24-bed unit at St. Joseph's Wayne by renovating an entire nursing unit. St. Joseph's Wayne is not currently licensed as a psychiatric service provider. Of the 24 requested beds, the applicant is seeking to obtain approval for 18 open and 6 closed adult acute care psychiatric beds. The applicant has requested that the 24 beds be allocated to Passaic County.

Based on the Department's determination that there is a need for an additional 129 adult acute care psychiatric beds in Passaic County, the fact that the total number of beds requested from Passaic County by applicants is 127, which is less than the county's identified additional bed need, and the fact that St. Joseph's Wayne is located in Passaic County, I find that the award of 18 open and 6 closed adult acute care psychiatric beds to St. Joseph's to be located at St. Joseph's Wayne and allocated to meet a portion of the bed need in Passaic County is necessary to provide required health care in the area to be served. I also find that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and the applicant has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that St. Joseph's application for 18 open and 6 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated to Passaic County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of St. Joseph's stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving St. Joseph's application for 18 open and 6 closed adult acute care psychiatric beds, with conditions, as follows:

1. All of the awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the applicant's anticipated date of approval to operate the awarded beds, the applicant shall file a licensing application with the Division for approval to operate the beds. The applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD, including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.
5. The applicant shall submit: 1) schematic drawings of the entire proposed physical plant for review to the Department; 2) upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and 3) upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to

licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.

7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. The Applicant shall comply with Federal Emergency Medical Treatment and Active Labor Act requirements, and provide care for all patients who present at the facility without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c), and shall provide unimpaired access to all services offered by the hospital.
10. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.

**29. Summit Oaks Hospital FR 17 0529-16-22 Passaic County**

The applicant, UHS, which operates two licensed psychiatric hospitals in New Jersey, proposes to establish a 120-bed adult acute care psychiatric facility in Passaic County (Summit Passaic). The exact location of the proposed facility has not been identified, although a representative of the applicant stated at the SHPB's October 10, 2017 meeting that the applicant has identified one or more properties in Passaic County that may serve as the location for the proposed facility. Of the 120 requested beds, the applicant is seeking to obtain approval for 72 open and 48 closed adult acute care psychiatric beds. The applicant has requested that 30 beds (18 open and 12 closed) be allocated to Morris County, 67 beds (40 open and 27 closed) be allocated to Passaic County, and 23 beds (14 open and 9 closed) be allocated to Sussex County.

As noted above, during the SHPB meeting, Doug Struyk, President and CEO of Christian Health Care Center, spoke in opposition to this application. Mr. Struyk stated that Christian Health Care Center operates the State's "first private nonprofit psychiatric hospital . . . known as Ramapo Ridge." SHPB Transcript at p. 49. Ramapo Ridge is located in Wyckoff, New Jersey in Bergen County. Mr. Struyk noted that Ramapo Ridge provides services regionally to residents in Morris, Sussex, and Passaic Counties. He expressed concern that this application "could significantly and irreparably harm the services that are currently provided to the mentally ill in our region." Ibid. at p. 50. He also questioned the methodology used by the Department to assess need. Ibid. at 51.

A representative of UHS responded to Mr. Struyk's concerns by noting that "the statewide [admission] rate for behavioral health in the state as a whole is 7.59 [inpatient behavioral health admissions per thousand people in the State], but in Passaic County it is just 2.52, which shows a very underserved county and there is a need, a large need for beds and providers in that county." Ibid. at p.59. In addition, the Chairperson of the SHPB noted that "you only have to talk to the hospitals about their emergency rooms to know that the bed need isn't being met. One of our major problems right now is patients who need psychiatric beds who are backing up in the [emergency rooms] and can't get out. And so the empirical need is there that we have a bed need." Ibid. at p. 61.

Based on the Department's determination that there is a need for additional adult acute care psychiatric beds in Passaic, Morris and Sussex Counties, and that the total number of beds the Department is awarding to applicants that are allocated to those three counties does not exceed the identified additional bed need, I find that the award of 72 open and 48 closed adult acute care psychiatric beds to UHS to be located in Passaic County and allocated to meet a portion of the bed need in Passaic, Morris and Sussex Counties is necessary to provide required health care in the area to be served. I also find that the SHPB sufficiently reviewed the potential impact on services, and that the applicant has demonstrated that the proposed project can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will continue the orderly development of adequate and effective health care services.

With respect to the regulatory factors, I find that the proposed project will not have an adverse impact on the population being served in regards to access and quality of care (N.J.A.C. 8:33-4.9(a)); the applicant provided an appropriate project description, including information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); the applicant provided adequate assurances that all residents of the area, particularly the medically underserved, Medicaid recipients and the indigent, will have access to services (N.J.A.C. 8:33-4.10(a)); the applicant provided adequate assurances that the applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); and Department staff did not identify any violations that warrant denial of the application (N.J.A.C. 8:33-4.10(d)).

After consideration of all the aforementioned factors and a review of the scoring criteria, I am satisfied that UHS's application for 72 open and 48 closed adult acute care psychiatric beds should be granted, and that the beds should be allocated as follows: 30 beds to Morris County, 67 beds to Passaic County, and 23 beds to Sussex County. This decision is consistent with the recommendations of Department staff. During the SHPB's meeting, a representative of UHS stated that it accepted the recommendations of Department staff with respect to this application. My decision is also consistent with the recommendations of the SHPB.

Based on the foregoing, I am approving UHS's application for 72 open and 48 closed adult acute care psychiatric beds, with conditions, as follows:

1. All awarded adult acute care psychiatric beds must be licensed within two years of CN approval.
2. At least 90 days prior to the Applicant's anticipated date of approval to operate the awarded beds, the Applicant shall file a licensing application with the Division for approval to operate the beds. The Applicant shall not commence operation of the awarded beds prior to Department approval and licensure.
3. At the time of submission of the application for licensure of the awarded beds, the Applicant shall file a signed certification with the Division as to the final total project cost expended for the project.
4. In accordance with N.J.A.C. 8:43G-5.21(a) of the Hospital Licensing Standards, the applicant shall provide on a regular and continuing basis, either directly or through a written contract, outpatient services and preventive services for those services provided on an inpatient basis. Outpatient services shall be provided by the applicant, either directly or through a written contract, which shall include the provision of services for medically indigent patients. To ensure a continuum of care for patients, when discharged from the hospital, the Applicant shall submit to the Division, no less than three months prior to licensure, a plan to provide its own outpatient clinics for patients with mental health disorders and SUD,

including clinic services for those patients with co-occurring mental health and SUDs, either directly or through a written contract, a copy of which shall be provided to the Division with the plan. The plan for outpatient services and preventive services shall be approved by the Division prior to licensure of the awarded beds.

5. The Applicant shall submit: schematic drawings of the entire proposed physical plant for review and approval to the Department; upon notice by the Department that the applicant can proceed to the DCA, full architectural plans to the DCA; and upon approval by DCA, DCA-approved plans to the Local Building officials. Schematic drawings and architectural plans shall be in compliance with all applicable State, Federal and Local requirements for hospitals.
6. An Applicant-sponsored Transportation Plan, for discharged patients who have no access to transportation or the financial means to obtain access, shall be in place and operational at the time of licensure of the awarded beds. The transportation services shall include, at a minimum, the availability of round-trip transportation from the facility where the awarded beds are located (or the patient's residence, whichever is closest) to appropriate outpatient mental health and outpatient SUD clinics for as long as those services are clinically warranted. Transportation services shall be in operation during normal business hours on a daily basis, excluding weekends and holidays. The plan for the development of a transportation system shall be approved by the Division at least six months prior to licensure of the awarded beds. The plan shall remain in effect for as long as the proposed facility is in operation. Any proposed changes in this plan shall be submitted to the Division at least 120 days in advance of the proposed change and be approved in writing by the Division before implementation.
7. The value of indigent care provided by the Applicant shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care historically provided by the Applicant.
8. All awarded beds must be available to any adult patient that requires an acute care psychiatric bed, and cannot be restricted to use by a specific population or by a patient from any particular county.
9. All of the conditions shall also apply to any successor organization to the Applicant that acquires the awarded beds within five years from the date of CN approval.
10. Within one year from licensure of the awarded beds, the facility shall provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients, and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured. Annually thereafter,

the facility shall continue to provide a minimum of 5% of annual patient days in each approved bed category to serve Medicaid recipients and a minimum of 5% of annual patient days in each approved bed category to serve the uninsured.

11. If your proposed facility qualifies as an IMD, a Federal classification, you may not be eligible to participate in Medicaid. Therefore, you may choose to substitute one of the following as a replacement for the five percent Medicaid requirement set forth in the Call, the Guidance Document and Condition No. 10 above:
  - a) Increase the free care requirement from five percent to 7.5 percent;
  - b) Develop a separately licensed unit consisting of no more than 16 adult acute care psychiatric beds, but no less than 5 such beds, because a 16-bed or less unit is IMD-exempt. In this instance, the percentages required in Condition No. 10 shall be based on the total patient days generated by the number of beds awarded in response to this Call. The applicant shall provide the Division annually with documentation that demonstrates compliance with this requirement; or
  - c) Within 90 days of CN approval, submit your own plan for compliance with the minimum five percent Medicaid requirement.

\* \* \*

As noted above, the Department determined that there was a need for an additional 864 adult acute care psychiatric beds in fourteen counties throughout the State. In this decision letter, I award 811 such beds. As a result, there is still a need for an additional 53 beds adult acute care psychiatric beds in three counties (Hunterdon, Morris and Warren Counties), and the Department anticipates issuing a call for those additional beds in the near future.

Failure to satisfy any of the aforementioned conditions of approval applicable to your application may result in sanctions, including license suspension, monetary penalties, and other sanctions in accordance with N.J.S.A. 26:2H-1 et seq. and all other applicable requirements. Acceptance of these conditions will be presumed unless written objections are submitted to the Department within 30 days of receipt of this letter. Upon receipt of such objections, this approval will be deemed suspended with respect to any application that is the subject of the written objections, and the project shall be re-examined in light of the objections.

Any applicant whose application is partially or completely denied is entitled to a prompt formal hearing at the Office of Administrative Law (OAL) to challenge this determination, pursuant to N.J.S.A. 26:2H-9. Applicant must advise this Department within 30 days of receipt of this letter if it requests an OAL hearing regarding this matter.



Please forward your OAL hearing request to:

Office of Legal and Regulatory Compliance  
New Jersey Department of Health  
P.O. Box 360  
Trenton, New Jersey 08625-0360

*Attention: OAL Hearing Requests*

Corporations are not permitted to represent themselves in OAL proceedings. Therefore, if the applicant is owned by a corporation, representation by counsel is required.

We look forward to working with each of you and helping you provide quality care to the patients of your community. If you have any questions concerning this final decision letter, please do not hesitate to contact John Calabria, Director of Certificate of Need and Healthcare Licensure Program at 609-292-8773.

Sincerely,



Christopher R. Rinn  
Acting Commissioner

cc: John A. Calabria, DOH (By Electronic Mail)