

**CERTIFICATE OF NEED**  
**Department Staff Project Summary, Analysis & Recommendations**  
**Maternal and Child Health Services**

Name of Facility:	Our Lady of Lourdes Medical Center	CN# FR 140701-04-01
Name of Applicant:	Our Lady of Lourdes Medical Center, Inc.	Total Project Cost: 0
Location:	Camden	Equity Contribution: N/A
Service Area:	Camden County	

**Applicant's Project Description:**

The applicant, Our Lady of Lourdes Medical Center (the Hospital), a non-profit hospital, is currently licensed for 16 intensive and nine intermediate bassinets.<sup>1</sup> The Hospital is proposing to close its 16 intensive bassinets and add six intermediate bassinets that the Department of Health (Department) had approved to relocate to the Hospital from Lourdes Medical Center of Burlington County, a Hospital affiliate, under CN# ER 10-0101-04-01, dated May 4, 2010. Adding six intermediate bassinets to its license would give the Hospital a total of 15 intermediate bassinets. In addition, the Hospital is proposing to change its current designation as a Regional Perinatal Center (RPC) to a Community Perinatal Center-Intermediate (CPC-Intermediate). No capital, renovations or equipment changes will be required to complete this project. Upon project completion, the Hospital would no longer be able to provide maternal-fetal intensive services.

According to the applicant, the number of non-normal, low weight babies born at or transferred to the Hospital requiring intensive services has steadily declined during the past six years. In 2009, there were 53 babies under 1500 Grams (3lbs, 5oz), including 29 babies under 1000 Grams (2lb, 3oz). In 2014, the Hospital experienced its lowest number of babies requiring intensive services. There were only 25 babies under 1500 Grams, including 14 babies under 1000 Grams. Based on these statistics, the number of non-normal, low weight babies born at or transferred to the Hospital requiring intensive services decreased over 50% during the 6-year period. In addition, the

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<sup>1</sup> According to N.J.A.C. 8:43G-19.1(b) of the Hospital Licensing Standards:

A hospital designated as **CPC-Basic** provides care to patients expected to deliver neonates greater than 2,499 Grams and at least 36 weeks gestation;

A hospital designated as **CPC-Intermediate** provides care to patients expected to deliver neonates greater than 1,499 Grams and at least 32 weeks gestation; and

A hospital designated as **CPC-Intensive** provides care to patients expected to deliver neonates greater than 999 Grams and at least 28 weeks gestation.

number and Average Daily Census (ADC) for babies requiring intensive services declined between 2012 and 2013, from 35 babies with an ADC of 5.7 to 27 babies with an ADC of 3.6, respectively, confirming the declining need for these services at the Hospital.

According to the applicant, there are several reasons for the reduced need for maternal-fetal intensive services at the Hospital. First, over 75% of the babies born at the Hospital come from mothers who receive their prenatal care at Osborn Family Health Center (Osborn), a Hospital-affiliated clinic located across the street from the Hospital. Over the past five years, the Hospital and Osborn have worked together to increase maternal education, as well as prenatal and post-delivery care to mothers, which has resulted in a significant drop in deliveries of low-weight, fragile babies who require intensive services at birth. For example, according to Osborn statistics, there has been, from 2009 to 2013, a 51% decrease in deliveries of adolescent mothers which is believed to be a direct correlation to their educational programs on adolescent pregnancy.

Second, other hospitals in the area have reduced the number of transfers to the Hospital for intensive maternal-fetal services, contributing to the declining census for intensive bassinets. Inspira Health System, Kennedy Health System and Atlantic City Medical Center have, over the past five years, been designated CPC-Intensive hospitals allowing them to accept transfers of fragile mothers and babies from hospitals within their own systems. There was only one maternal transport received at the Hospital during 2014, down from a high of 70 in 2009; there were no infant transports received at the Hospital during 2014, down from a high of 50 transports in 2009. There is no reason to expect that these numbers, in the future, will change significantly as these hospitals will continue to treat their own higher risk babies.

Finally, the need for maternal-fetal intensive services is being addressed, regionally, by Cooper Hospital University Medical Center (Cooper) and Virtua-West Jersey Hospital Voorhees (Virtua-Voorhees).

According to the applicant, patients requiring maternal-fetal intensive services in the Hospital's service area as well as the limited number of mothers and babies at the Hospital who may require transfers for intensive maternal-fetal services, will not be significantly impacted by the Hospital's proposed closure of intensive bassinets and change to CPC-Intermediate status. Both Cooper and Virtua-Voorhees, two RPCs in the Southern New Jersey Perinatal Cooperative (SNJPC), have clearly stated to the Hospital that they are able and willing to accept transfers of these patients who need such services, including the underserved population.

The applicant has also requested to add six intermediate bassinets increasing the Hospital's number to 15 bassinets. According to the applicant, the Hospital's use and need for its intermediate level of nursery care (babies between 1500 and 2500 Grams [5lb, 8oz]) has remained comparatively high. In 2009, 2010, 2011, 2012 and

2013, there were 99, 97, 78, 93 and 74 patients, respectively, who required intermediate services. In addition to newborns weighing less than 2500 Grams, intermediate bassinets have been used to accommodate term infants (greater than 36 weeks gestation and 2500 Grams) who require a short term stay in an intensive care nursery due to medical conditions, such as, respiratory distress, blood glucose control, thermoregulation, suspected sepsis, etc. According to the applicant, its resources would be better utilized in the area of greatest need, namely, caring for intermediate babies and term infants requiring a higher level of care rather than the diminishing need for neonatal intensive services.

### **Applicant's Statement of Compliance with Statutory & Regulatory Requirements:**

The applicant has stated the following to demonstrate its proposed compliance with the statutory criteria contained in the Health Care Facilities Planning Act, as amended, at N.J.S.A. 26:2H-1 et seq. and N.J.A.C. 8:33-1.1 et seq. as follows:

#### **1. The availability of facilities or services which may serve as alternatives or substitutes:**

##### According to the Applicant:

The applicant has received both verbal and written assurances from Cooper and Virtua-Voorhees that they are willing and able to accept transfers of high-risk mothers and babies that currently go to the Hospital. Both Cooper and Virtua-Voorhees, like the Hospital, are licensed for intensive and intermediate bassinets and are designated as a RPC. Cooper is 1.42 miles and 4 minutes from OLOL. Virtua-Voorhees is 12.47 miles and 29 minutes from OLOL.

In the event that a high risk mother presents in the Emergency Room and delivers a high-risk infant, the applicant states that there will be 24 hour in-house coverage by an Obstetrician, Neonatologist or Pediatrician to deliver care and treatment to all infants delivered at the Hospital. All high risk mothers presenting to the Emergency Room will be transferred to the Labor & Delivery Department for evaluation, treatment and/or stabilization for transport to a higher level of care facility.

#### **2. Need for special equipment or services in the area:**

##### According to the Applicant:

The applicant states that no additional equipment or services will be required as a result of approval of the project.

**3. Adequacy of financial resources and sources of present and future revenues:**

According to the Applicant:

The cost to operate the Hospital's intensive bassinets is significant due to the high level of physician and nursing staffing required on a 24/7 basis. Due to the lack of an adequate census over the past several years to support these resources, the Hospital incurred an overall loss of more than \$3.7 million in 2013 for all non-normal newborns, \$1.5 million of which was incurred from caring for babies whose weight was below 1500 Grams. During the period January 1 through December 31 2014, the Hospital incurred a loss of approximately \$1.6 million due to the declining need for intensive bassinets. If the Hospital is not allowed to close its intensive bassinets, it will continue to incur significant losses.

**4. Availability of sufficient manpower in the several professional disciplines:**

According to the Applicant:

In July, 2014, the Hospital had more staff than was required for the intensive nursery beds based on the declining volume in recent years. An adjustment was needed as the hospital was unable to fulfill the hours for employed full-time and part-time clinical personnel. As a result, 18 ICU nurses were offered positions elsewhere within the health system: 7 full-time, 7 part-time and 4 per diem employees. Ten RNs accepted severance packages. Should approval be given for closure of the intensive bassinets, the Hospital anticipates a further adjustment of staff. These associates will receive severance packages and will be referred to the Hospital's Employee Assistance Program. The Hospital anticipates a savings on employee salaries and benefits due to the closure of the intensive bassinets to be \$1.3 million annually.

**5. Will not have an adverse economic or financial impact on the delivery of health care services in the region or statewide and will contribute to the orderly development of adequate and effective health care services:**

According to the Applicant:

The approval to close the Hospital's 16 intensive bassinets will not have an adverse economic or financial impact on the delivery of health care services in the region or statewide. Since Cooper and Virtua-Voorhees have sufficient volumes to maintain an intensive level of maternal-fetal care, they can perform these services more economically and efficiently, while allowing the Hospital to redirect its resources to services that are needed by its patients – intermediate nursery beds. Transferring the Hospital's intensive babies to Cooper and Virtua-Voorhees will have the positive effect of maintaining their high volumes thereby

assuring that their respective staffs will maintain a high level of competency and expertise in this specialty area.

### **Public Hearing:**

A public hearing was held on Thursday, March 19, 2015 at the Camden Conference Center at Camden County College from 6:00 pm until 8:00 pm. Representatives from the Department and two individuals from the Hospital were in attendance. There were no members of the public that attended the meeting. There were no speakers at the public hearing.

### **Department Staff Analysis:**

#### **Track Record**

Department staff has not identified any track record violations in the past 12 months to warrant denial of this application. In accordance with N.J.A.C. 8:33C-2.2, the applicant is a member in good standing of the SNJPC.

#### **Access to Care**

Since a portion of the B-2 data submitted to the Department on the utilization of intensive and intermediate bassinets has been inconsistent and unreliable, the Department has relied, for review of this application, on the support and commitments contained in the following letters:

In the letter from Cooper, dated June 13, 2014, it states “. . . Cooper is well positioned to accept all additional volume expected from Lourdes in need of Regional Perinatal Center services.” Cooper is licensed for 23 intensive bassinets. According to utilization statistics contained in the application, during the first six months of 2014, the ADC of intensive bassinets was 18.6 babies reflecting an occupancy rate of approximately 81%.

Virtua-Voorhees also submitted a letter of support, dated June 2, 2014, indicating their “. . . commitment to do whatever is required to meet the needs of the women and children of Camden County and the greater South Jersey Region that we serve as a Regional Perinatal Center.” Virtua-Voorhees is licensed for 16 intensive and 30 intermediate bassinets. According to data submitted to the Department by Virtua-Voorhees, during the first four months of 2014, their ADC for the combined intensive and intermediate beds was 40 bassinets with an occupancy rate of approximately 87%. In May 2014, the Department approved three additional temporary intensive bassinets increasing their total complement to 19 intensive bassinets.

In a letter from the SNJPC, dated June 20, 2014, it concurred with the Hospital’s decision to close its intensive bassinets and lower its status within SNJPC to CPC-Intermediate “. . . because of the Hospital’s steadily declining number of babies requiring an intensive level of care over the past several years.” SNJPC also stated, “Cooper’s and Virtua’s support of this change will assure continuing access to

maternal/fetal transports and intensive services by the population that the Hospital has historically served, including the uninsured and underinsured in Camden.”

Additionally, during 2012 to 2014, there were mothers and babies cared for at the Hospital that came from towns, located in Gloucester County, within the Hospital's secondary service area. Kennedy University Hospital-Washington Township (Kennedy), located in Turnersville, Gloucester County, is 15.44 miles and 21 minutes from the Hospital. Kennedy is licensed for 6 intensive, 8 intermediate bassinets and has the designation of CPC-Intensive. According to Kennedy's B-2 data, during the first three quarters of 2014, the ADC of intensive bassinets was 3.3 babies reflecting an occupancy rate of 55%.

### **Access to Transportation**

The applicant states that there is no anticipated change in patient access to transportation for those patients who transfer care to Cooper or Virtua-Voorhees or any other facility. Only women admitted to the Hospital who are preterm <32 weeks or with severe perinatal complications will be transferred using the existing regional maternal transport system. According to the applicant, patients receiving care at Osborn, who qualify, may utilize the services of a medical transport company for transportation to and from appointments. Those who do not qualify for medical transport utilize public or private transportation which may be paid for by Medicaid or commercial insurance.

### **Adequacy of Financial Resources**

According to unaudited financial statements for the twelve month period ending December 31, 2014 provided by the Hospital to the New Jersey Health Care Facilities Financing Authority, the Hospital reported an excess of revenues over expenses of \$22.8 million, which translates to a profit margin of 7.6%. Unrestricted cash, including board-designated funds as of December 31, 2014, was \$55.3 million, which translates to about 76 days cash on hand.

### **Staff Recommendations:**

Department staff recommends approval of CN# FR 140701-04-01 for the Hospital to close all intensive bassinets, add six intermediate bassinets and change its RPC designation to CPC-Intermediate.

### **Reasons:**

The application meets statutory (N.J.S.A. 26:2H-1 et seq.) and regulatory (N.J.A.C. 8:33-3.2) criteria requirements for termination/discontinuation of certificate of need regulated services.

In accordance with N.J.A.C. 8:33C-2.2, the applicant is a member in good standing of the SNJPC. The SNJPC has provided a letter to the Department, included in the CN application, in support of the change in the intensive neonatal services at the Hospital

and the willingness and capability of Cooper and Virtua-Voorhees to accept any maternal/fetal transfers that come to the Hospital.

**Conditions:**

1. The Hospital shall submit a detailed communication plan to the Department's CNHFL Program for review and approval within 30 days of CN approval and prior to closure of the service. The purpose of the communication plan is to inform all residents in Camden and contiguous counties, as well as local governments, emergency service providers and alternative area service providers, of the closure of intensive neonatal services at the Hospital and of available alternative providers in the Camden and contiguous county region. The plan shall include a mechanism for responding to questions from the public regarding implementation of the closure and transportation/access concerns with attention given to intensive neonatal services. Written communication shall be developed and published in at least two newspapers of general circulation in the Hospital's service areas. The Hospital cannot close the service until 30 days after the publication of the notices of closure in at least two newspapers.
2. The Hospital shall maintain existing intensive and intermediate neonatal services at current capacity until Condition 1 is satisfied and a licensing application with CNHFL to execute the removal of the intensive neonatal bassinets, addition of the six intermediate bassinets and change of the perinatal designation to CPC-Intermediate is approved.
3. The Hospital shall assist its existing and new clinic OB high-risk patients to select a hospital for delivery and assure a seamless transition to the alternate provider as needed.
4. The Hospital shall provide clinically-appropriate transportation, free of charge, for laboring patients or patients needing advanced maternal-fetal medicine services who are under the care of the Hospital and who lack access to and the ability to pay for private transportation or ambulance services. Any change to this condition shall be requested at least 90 days prior to implementation and require written approval from the Department.
5. The Hospital shall continue to provide high-risk obstetric coverage and its ED must provide 24 hours per day coverage/365 days for access to emergency stabilization to any woman who presents in need of emergency care where delivery may or may not be imminent and delivery services to any woman for whom birth is imminent. In accordance with Condition 4, following stabilization, the Hospital must arrange for the transport of the pregnant woman and, in the case of delivery, it must arrange for the transport of the mother and the baby to the mother's choice of hospital that provides inpatient obstetrics and the appropriate level of newborn services regardless of the patient's ability to pay.

6. All Hospital ED physicians must maintain qualifications and credentials to provide Precipitous Newborn Delivery and all of the RN staff shall receive specific training regarding OB emergencies in the emergency department as part of a mandatory annual education. In addition, all RNs are required to obtain and maintain certification in Neonatal Resuscitation.
7. Patient medical records related to the Hospital's closed intensive neonatal services shall be maintained in accordance with N.J.S.A. 8:26:8-5 et seq. and N.J.A.C. 8:43G-15.1, following completion of the aforementioned closure.
8. The Hospital shall report to the Department's CNHFL program concerning the status of all of the conditions referenced within the time frames noted in the conditions.