

STATE HEALTH PLANNING BOARD

CERTIFICATE OF NEED Adult Acute Care Psychiatric Beds

Department Staff Project Summaries, Analysis and Recommendation

The Call Notice

On February 21, 2017, the New Jersey Department of Health (Department) issued a Certificate of Need (CN) Public Notice in the New Jersey Register calling for CN applications on a full review basis for the establishment of new adult acute care psychiatric beds. See, 49 N.J.R. 343(c) (the Call Notice). In the Call Notice, 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 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 below.

The Call Notice 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 Notice 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 Notice 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 Notice in the New Jersey Register, the Department also posted it on its website.

**Table 1
Call Notice Need Determination**

Geographic Area to be Served	Total Adult (18+) Population (2011-2015 Avg)	Total Maintained Adult Psych Beds (B-2)	Estimated Psych Bed Need (40/100,000)	Identified Additional Psych Beds Needed
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
Totals	6,881,098	2,343	2,751	864

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, 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 Notice. 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 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, 2017.¹

¹ 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.

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 Notice, 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 Notice. 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 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 advised 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 New Jersey State Health Planning Board. 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, US HealthVest/CentraState, was determined to be incomplete. The remaining 29 applications were determined to be complete. On August 1, 2017, each applicant received, in writing, 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, staff are 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 (N.J.A.C. 8:43G-1.1 et seq. and N.J.A.C. 8:33-4.10(b)(8)); 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 Scoring Process

In order to ensure that all applicable statutory and regulatory criteria were taken into account when evaluating each application, Department staff developed mandatory and optional criteria with which to evaluate each of the 29 applications. The five mandatory criteria were based on statutory and regulatory criteria; the three optional criteria were based on the three "special consideration" criteria identified in the Call Notice. The scoring criteria are as follows:

1. Financial Feasibility (N.J.S.A. 26:2H-8 – Project can be economically accomplished and maintained; adequate financial resources of present and future revenues) (mandatory);
2. Impact on Nearby Facilities (N.J.S.A. 26:2H-8 – will not have adverse economic impact on delivery of services in region or statewide; N.J.A.C. 8:33-4.10(c) – will not adversely affect State's health care system) (mandatory);
3. Location of Facility Compared to County of Requested Beds, and Applicant's Relationship with County Screening Centers and Outpatient Programs (N.J.S.A. 26:2H-8 – contributes to orderly development of adequate and effective health care services) (mandatory);
4. A regional approach that addresses mental health or mental health and co-occurring SUD needs of multiple counties or regions, including both inpatient and outpatient services (Call Notice) (optional);
5. An approach that provides adult acute care and outpatient mental health and co-occurring SUD services in one or more of the following counties: Cape May, Salem, and Warren County (Call Notice) (optional);
6. Innovative ways to provide treatment to patients who have mental health and co-occurring SUDs (Call Notice) (optional);
7. Access to Underserved, Medicaid Recipients and Indigent (N.J.A.C. 8:33-4.10(a) – promote access to low income persons and persons unable to obtain care) (mandatory); and
8. Track Record Review (N.J.A.C. 8:33-4.10(d) – Track record) (mandatory).

Department staff did not include scoring criteria related to the requirement that an applicant demonstrate that the action proposed in the application for a CN is necessary to provide required health care in the area to be served because the Call Notice itself identified the need for adult acute care psychiatric beds in each of the counties.

A scoring scale was developed for each criteria. Each element of the scoring scale was assigned a numerical value with the total number of points of the elements equaling the total weighted score of the criteria. The maximum achievable score was 116 points. A description of the criteria that were used to score each application and

the method used for scoring is attached to these recommendations as Appendix A.² The scores for the 29 applicants ranged from 46 to 106 points.

The results of Department staff's scoring for each applicant in each category are set forth in Appendix B. A list of the bed need by County, each applicant that is proposed to be awarded beds in that county, the number of beds proposed to be awarded to each applicant, and whether the entire bed need for each county is met is attached as Appendix C. Finally, a map indicating where each facility is located, the total score each applicant received, the number of beds requested, the number of beds Department staff proposes to be awarded, and the number of beds allocated to each county are attached as Appendix D.

In the course of its review, Department staff considered the following factors: requirements of the Call Notice; each application's compliance with the requirements outlined in the Guidance Document; each applicant's responses to the Completeness Questions; and, the scoring criteria listed in Appendix A. In determining the allocation of open and closed beds that would be recommended for each applicant, Department staff 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 were needed. In addition, Department staff also considered the bed need allocation by county set forth in the Call Notice. On the basis of this review, the Department offers the following analyses and recommendations.

² With respect to the second mandatory criteria, "Impact on Nearby Facilities," Department staff determined that every application would be entitled to a minimum score of "8" assigned to that criteria, with up to two additional points for letters of support. Department staff made the determination to give a minimum of 8 points to every applicant based on the Department's determination that there is a need for a significant number of additional adult acute psychiatric beds in specific counties. Because the need for additional beds was so great, Department staff determined that the award of those additional beds to the applicants would not have an adverse economic impact on the delivery of services in the region or statewide and would improve the orderly development of adequate and effective health care.

Staff Analysis and Recommendations

1. **Facility Name:** **Newton Medical Center**
 Applicant Name: **Atlantic Health System**
 Location of Facility: **Newton, Sussex County**
 CN #: **FR 17 0524-19-01**
 Total Project Cost: **\$6.84 million**

Criteria Total Score: 102

Applicant's Project Description:

The applicant, Atlantic Health System (AHS), which operates Newton Medical Center (NMC), 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 for these 9 beds from the identified additional bed need of 23 beds in Sussex County.

Staff Recommendations:

Department staff proposes to award AHS the full complement of its requested beds, that is, 9 closed adult acute care psychiatric beds. All 9 beds are allocated to the contiguous county, Warren County.

This proposal to award 9 beds to AHS is based on the following factors:

- a. There are 2 applicants, AHS and Universal Health Services, Inc., that applied for beds allocated to Sussex County, which has an identified bed need of 23. No applicant requested beds from Warren County, which has an identified bed need of 34.
- b. NMC is located in Sussex County, which is its primary service area. However, the applicant acknowledged in its application that it also serves residents of Warren County, which is contiguous to Sussex County.
- c. Because the total number of beds requested from all Sussex County applicants exceeds the county's identified bed need, and no applicants had applied for beds allocated to Warren County, Department staff looked to NMC to fill at least a portion of that county's bed need.
- d. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting AHC's application for 9 closed adult acute care psychiatric beds at NMS, all allocated to Warren County.

2. Facility Name: Saint Clare's Hospital - Dover
Applicant Name: Prime Healthcare Services – St. Clare's Dover
Location of Facility: Dover, Morris County
CN #: FR 17 0501-14-01
Total Project Cost: \$4.74 million

Criteria Total Score: 102

Applicant's Project Description:

The applicant, Prime Healthcare Services – St. Clare's Dover (Prime St. Clares), which operates Saint Clare's Dover Hospital (St. Clare's), a licensed general acute care hospital located in Morris County, proposes to establish a 24-bed adult acute care psychiatric unit at its facility. Renovation of existing hospital space is required.

The applicant is seeking approval for these 24 beds from the identified additional bed need of 99 in Morris County.

Staff Recommendations:

Department staff proposes to award Prime St. Clare's the full complement of its requested beds, that is, 24 open adult acute care psychiatric beds. All 24 beds are allocated to Morris County.

This proposal to award 24 beds to Prime St. Clare's is based on the following factors:

- a. There are five applicants that applied for beds allocated to Morris County, which has an identified bed need of 99 beds. The total number of requested beds from all five applicants totals 93, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. St. Clare's is located in Morris County, which is its primary service area. Most existing hospital patients at St. Clare's are Morris County residents.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Prime St. Clare's application for 24 open adult acute care psychiatric beds at St. Clare's, all allocated to Morris County.

3. Facility Name: Morristown Medical Center
Applicant Name: Atlantic Health System
Location of Facility: Morristown, Morris County
CN #: FR 17 0523-14-01
Total Project Cost: \$0

Criteria Total Score: 102

Applicant's Project Description:

The applicant, Atlantic Health System (AHS), which operates Morristown Medical Center (MMC), 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 for these 8 beds from the identified additional bed need of 99 in Morris County. According to the applicant, approximately 60% of recent psychiatric admissions at MMC are residents of Morris County. Residents from the contiguous counties account for an additional 32% of admissions.

Staff Recommendations:

Department staff proposes to award AHS the full complement of its requested beds, that is, 8 open adult acute care psychiatric beds. All 8 beds are allocated to Morris County.

This proposal to award 8 beds to AHS is based on the following factors:

- a. There are five facilities that applied for beds allocated to Morris County, which has an identified bed need of 99 beds. The total number of requested beds from all five facilities totals 93, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. MMC is centrally located in Morris County, which is its primary service area. Most existing inpatient psychiatric patients at MMC are Morris County residents.
- c. Therefore, after consideration of the aforementioned factors and a review of the scoring criteria, Department staff recommends granting AHS's application for 8 open adult acute care psychiatric beds at MMC, all allocated to Morris County.

- 4. Facility Name: Robert Wood Johnson University Hospital Somerset**
Applicant Name: Robert Wood Johnson University Hospital Somerset
Location of Facility: Somerville, Somerset County
CN #: FR 17 0516-18-01
Total Project Cost: \$4,300,759
- Criteria Total Score: 93**

Applicant's Project Description:

The applicant, Robert Wood Johnson University Hospital Somerset (RWJUHS), 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 psychiatric beds at RWJUHS.

The applicant is seeking approval for 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 bed need.

Staff Recommendations:

Department staff proposes to award RWJUHS the full complement of its requested beds, that is, 40 closed adult acute care psychiatric beds. Of these 40 beds, 24 beds are allocated to Middlesex County, 13 beds are allocated to Morris County, and 3 beds are allocated to Hunterdon County.

This proposal to award 40 beds to RWJUHS is based on the following factors:

- a. There were 7 facilities, including RWJUHS, that applied for beds allocated to Middlesex County; 5 facilities, including RWJUHS, that applied for beds allocated to Morris County; and only 1 facility, RWJUHS, that applied for beds allocated to Hunterdon County. The identified additional bed need in Middlesex County is 186 beds; the number of requested beds from the 7 facilities totaled 173 beds, which supports awarding the full complement of applicant's requested beds to this applicant. The identified additional bed need in Morris County is 99 beds; the number of requested beds from the five facilities is 93 beds. The identified additional bed need in Hunterdon County is 26 beds; the number of requested beds from the 1 facility is 3 beds.
- b. The total number of beds requested from each of the facility applications for the three counties does not exceed the identified bed need for each county.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting RWJUHS, application for 40 closed adult acute care psychiatric beds, with 24 beds allocated to Middlesex County, 13 beds allocated to Morris County, and 3 beds allocated to Hunterdon County.

5. Facility Name: Rutgers University Behavioral Health Care
Applicant Name: Rutgers, The State University of New Jersey
Location of Facility: Piscataway/New Brunswick Area, Middlesex County
CN #: FR 17 0511-12-22
Total Project Cost: \$400,000

Criteria Total Score: 85

Applicant's Project Description:

The applicant, Rutgers, The State University of New Jersey (Rutgers), which operates Rutgers University Behavioral Health Care (RUBHC), 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 stated that there are plans to lease space at a site near the current RUBHC facility on Hoes Lane, adjacent to Rutgers University's Busch campus.

Of the 30 requested beds, the applicant is seeking approval for 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. However, the applicant stated that the primary and secondary service areas for the proposed inpatient psychiatric hospital will be Middlesex and Monmouth Counties, respectively. The applicant contends that expanding the number of inpatient beds in Middlesex County will enable individuals to receive inpatient psychiatric services in a more timely fashion in the county where they reside.

Staff Recommendations:

Department staff proposes to award Rutgers the full complement of its requested beds, that is, 10 open and 20 closed adult acute care psychiatric beds. All 30 beds are allocated to Middlesex County.

This proposal to award 30 beds to Rutgers is based on the following factors:

- a. There are 7 facilities, including RUBHC, that applied for beds allocated to Middlesex County. The identified additional bed need in Middlesex County is 186 beds; the number of requested beds from all 7 facilities totals 173, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. RUBHC is located in Middlesex County and Rutgers has proposed to also locate the new psychiatric unit in Middlesex County where a bed need has been identified. The applicant stated that the primary service area of the new facility will be Middlesex County.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Rutgers' application for 10 open and 20 closed adult acute care psychiatric beds, all allocated to Middlesex County.

6. Facility Name: Raritan Bay Medical Center – Perth Amboy
Applicant Name: Hackensack Meridian Health, Inc.
Location of Facility: Perth Amboy, Middlesex County
CN #: FR 17 0519-12-01
Total Project Cost: \$6.22 million

Criteria Total Score: 91

Applicant's Project Description:

The applicant, Hackensack Meridian Health, Inc. (HMH), which operates Raritan Bay Medical Center – Perth Amboy (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 intends to renovate an area in the hospital to accommodate a unit for only closed psychiatric beds.

The applicant is seeking approval for these 3 beds from the identified additional bed need in Middlesex County.

Staff Recommendations:

Department staff proposes to award HMH the full complement of its requested beds, that is, 1 open and 2 closed adult acute care psychiatric beds. All 3 beds are allocated to Middlesex County.

This proposal to award 3 beds to HMH is based on the following factors:

- a. There are 7 applicants, including HMH, that applied for beds allocated to Middlesex County. The identified additional bed need in Middlesex County is 186 beds; the number of requested beds from all 7 applicant facilities totals 173, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. RB-Perth Amboy is located in Middlesex County which is its primary service area. Approximately 80% of the existing psychiatric patients at RB-Perth Amboy are Middlesex County residents.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting HMH's application for 1 open and 2 closed adult acute care psychiatric beds at RB-Perth Amboy, all allocated to Middlesex County.

7. **Facility Name:** University Medical Center of Princeton at Plainsboro
Applicant Name: University Medical Center of Princeton at Plainsboro
Location of Facility: Plainsboro, Middlesex County
CN #: FR 17 0526-12-01
Total Project Cost: \$713,453
- Criteria Total Score: 98**

Applicant's Project Description:

The applicant, University Medical Center of Princeton at Plainsboro (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 psychiatric bed unit at its hospital.

The applicant is seeking approval for these 6 beds from the identified additional bed need in Middlesex and Monmouth Counties, which is contiguous to Middlesex County.

Staff Recommendations:

Department staff proposes to award Princeton the full complement of its requested beds, that is, 6 open acute care psychiatric beds. Of these 6 beds, 4 beds are allocated to Middlesex County, and 2 beds are allocated to Monmouth County.

This proposal to award 6 beds to Princeton is based on the following factors:

- a. There were 7 facilities, including Princeton, that applied for beds allocated to Middlesex County; and 5 facilities, including Princeton, that applied for beds allocated to Monmouth County. The identified additional bed need in Middlesex County is 186 beds; the number of requested beds from the 7 facilities totaled 173 beds. The identified additional bed need in Monmouth County is 71 beds; the number of requested beds from the 5 facilities totaled 52 beds, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. The total number of beds applied for from Middlesex and Monmouth Counties does not exceed the identified bed need for each county.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Princeton's application for 6 open adult acute care psychiatric beds at Princeton, with 4 beds allocated to Middlesex County, and 2 beds allocated to Monmouth County.

- 8. Facility Name:** University Medical Center of Princeton at Plainsboro - Princeton House Behavioral Health
- Applicant Name:** University Medical Center of Princeton at Plainsboro - Princeton House Behavioral Health Division
- Location of Facility:** Princeton, Mercer County
- CN #:** FR 17 0527-11-01
- Total Project Cost:** \$23,889,766
- Criteria Total Score:** 96

Applicant's Project Description:

The applicant, University Medical Center of Princeton at Plainsboro - Princeton House Behavioral Health Division (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 psychiatric beds at Princeton House.

The applicant is seeking approval for these 29 beds from the identified additional bed need in Middlesex and Monmouth Counties, which are contiguous to Mercer County. Mercer County does not have an identified bed need.

Staff Recommendations:

Department staff proposes to award Princeton House the full complement of its requested beds, that is, 23 open and 6 closed adult acute care psychiatric beds. Of these 29 beds, 22 beds are allocated to Middlesex County and 7 beds are allocated to Monmouth County.

This proposal to award 29 beds to Princeton at Princeton House is based on the following factors:

- a. There were 7 facilities, including Princeton House, that applied for beds allocated to Middlesex County; and 5 facilities, including Princeton House, that applied for beds allocated to Monmouth County. The identified additional bed need in Middlesex County is 186 beds; the number of requested beds from the 7 facilities totaled 173 beds. The identified bed need in Monmouth County is 71 beds; the number of requested beds from the five facilities totaled 52 beds, which supports awarding the full complement of applicant's requested beds to this applicant.
- b. The total number of beds applied for from Middlesex and Monmouth Counties does not exceed the identified bed need for each county.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Princeton's application for 23 open and 6 closed adult acute care psychiatric beds at Princeton House, with 22 beds allocated to Middlesex County and 7 beds allocated to Monmouth County.

9. Facility Name: Hampton Behavioral Health Center
Applicant Name: Universal Health Services, Inc.
Location of Facility: Westampton, Burlington County
CN #: FR 17 0503-03-22
Total Project Cost: \$11,454,476

Criteria Total Score: 89

Applicant's Project Description:

The applicant, Universal Health Services, Inc. (UHS), which operates Hampton Behavioral Health Center (Hampton Burlington) located in Burlington County, 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 for 30 beds (15 open and 15 closed) from Atlantic County, and 18 beds (9 open and 9 closed) from Ocean County.

Staff Recommendations:

Department staff proposes to award UHS at Hampton Burlington the full complement of its requested beds, that is, 24 open and 24 closed adult acute care psychiatric beds. Of these 48 beds, 30 beds are allocated to Atlantic County and 18 beds are allocated to Ocean County.

This proposal to award 48 beds to UHS at Hampton Burlington is based on the following factors:

- a. There is no bed need in Burlington County. However, there are 3 applicants, including UHS at Hampton Burlington, that applied for beds allocated to Atlantic County. The identified bed need in Atlantic County is 51 beds; the number of requested beds from the 3 applicants totals 40 beds. There are 6 applicants, including UHS at Hampton Burlington, that applied for beds allocated to Ocean County. The identified bed need in Ocean County is 79 beds; the number of requested beds from the 6 applicants totals 118 beds.
- b. The total number of beds applied for from Atlantic County does not exceed the identified bed need for that county. Although the number of beds requested from Ocean County exceeds the identified bed need in that county, Department staff were able to identify bed needs in contiguous counties to meet other applicants' requests.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting UHS's application for 24 open and 24 closed adult acute care psychiatric beds at Hampton Burlington, with 30 beds allocated to Atlantic County and 18 beds allocated to Ocean County.

10. **Facility Name:** Aspen Hills Healthcare Center
Applicant Name: Aspen Hills Healthcare Center, LLC d/b/a Buttonwood Behavioral Health Hospital
Location of Facility: Pemberton, Burlington County
CN #: FR 17 0507-03-22
Total Project Cost: \$0
- Criteria Total Score: 60**

Applicant's Project Description:

The applicant, Aspen Hills Healthcare Center, LLC d/b/a Buttonwood Behavioral Health Hospital (Buttonwood), which operates Aspen Hills Healthcare Center (Aspen Hills) located in Burlington County, a licensed psychiatric hospital, 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 for these 20 beds from the identified additional 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. Buttonwood states that the proposed additional 20 closed beds are expected to alleviate part of the need identified by the Department throughout the "southern region."

Staff Recommendations:

Department staff is proposing that Buttonwood not be awarded any of the 20 adult acute care psychiatric beds requested based on the following factors:

- a. 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 Notice limited approval to the applicant's county and contiguous counties, Department staff recommends denial of those 10 beds, leaving the applicant with a request for 10 beds allocated to Atlantic and Ocean Counties.
- b. 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.
- c. Aspen Hills lacked a substantial compliance history ("track record") within the past year. Additionally, Buttonwood 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.

- d. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends denying Buttonwood's application for 20 closed adult acute care psychiatric beds.

- 11. Facility Name: Northbrook Behavioral Health Hospital**
Applicant Name: Elmwood Hills Healthcare Center d/b/a Northbrook Behavioral Health Hospital
Location of Facility: Blackwood, Camden County
CN #: FR 17 0508-04-22
Total Project Cost: \$0
- Criteria Total Score: 57**

Applicant's Project Description:

The applicant, Elmwood Hills Healthcare Center d/b/a Northbrook Behavioral Health Hospital (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 for these 34 beds from the identified 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. Northbrook states that the proposed additional 34 closed beds are expected to alleviate part of the need identified by the Department throughout the "southern region."

Staff Recommendations:

Department staff is proposing that Northbrook not be awarded any of the 34 adult acute care psychiatric beds requested based on the following factors:

- a. 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 Notice limited approval to the applicant's county and contiguous counties, Department staff recommends the denial of those 19 beds, leaving the applicant with a request for 15 beds allocated to Atlantic and Gloucester Counties.
- b. 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.
- c. 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. Additionally, Northbrook 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.

- d. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends denying Northbrook's application for 34 closed adult acute care psychiatric beds.

12. Facility Name: Inspira Medical Center Woodbury
Applicant Name: Inspira Health Network
Location of Facility: Woodbury, Gloucester County
CN #: FR 17 0522-06-01
Total Project Cost: \$13,298,243

Criteria Total Score: 98

Applicant's Project Description:

The applicant, Inspira Health Network (IHN), which operates Inspira Medical Center Woodbury (f/k/a Underwood Hospital & Underwood-Memorial Hospital) (Inspira-Woodbury), a licensed general acute care hospital located in Gloucester County, proposes to add 75 open adult acute 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 beds requested beds, IHN is seeking approval for 69 beds allocated to Gloucester County, and 6 beds allocated to Salem County. The applicant contends that expanding the number of inpatient beds will allow IHN to establish a regional behavioral health network that treats patients based on acuity through open and closed units at its three sites (Woodbury, Bridgeton and Elmer) and integrated outpatient behavioral health care facilities. Additionally, the applicant further declares that the addition of a substantial number of new open beds will give IHN the increased ability to quickly place individuals in less restrictive settings, as patients stabilize and can be transitioned out of closed beds.

Staff Recommendations:

Department staff proposes to award IHN a total of 53 open adult acute care psychiatric beds. Of these 53 beds, 49 beds are allocated to Gloucester County, and 4 beds are allocated to Atlantic County.

This proposal to award 53 beds to IHN is based on the following factors:

- a. IHN was the only applicant located in Gloucester County that requested adult acute care psychiatric beds. As previously stated, the applicant requested 69 beds from Gloucester County and 6 beds from Salem County. There were 3 facilities, including Inspira-Woodbury, within the counties of Gloucester and Salem vying for the same designated beds within these counties. The combined bed need in these 2 counties was 89 beds. The number of beds requested by the 3 facilities totaled 109 beds, an excess of 20 beds.
- b. Inspira-Woodbury already had an existing psychiatric bed unit, while the other 2 facilities, Inspira-Elmer and The Memorial Hospital of Salem County, each proposed to establish new psychiatric bed units. Department staff determined

- that it was in the best interest of the State's behavioral health system to encourage quality new providers to enter the system, and that the other 2 applicants should be awarded the full complement of their requested beds.
- c. Inasmuch as the number of beds requested by the 3 facilities exceeded the combined bed need for Gloucester and Salem Counties, the Department looked to a contiguous county in an effort to meet this applicant's request. Because Atlantic County, a contiguous county, has a bed need of 51 beds and the number of requested beds only totaled 40 beds, the Department elected to award this applicant 4 beds allocated to Atlantic County.
 - d. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends approving IHN's application to the extent of awarding 53 open adult acute care psychiatric beds at Inspira-Woodbury, with 49 beds allocated to Gloucester County and 4 beds allocated to Atlantic County. Department staff recommends denying the remainder of IHN's application. which. in addition to the total score of the applicant supports awarding the full complement of requested beds from this applicant.

13. Facility Name: The Memorial Hospital of Salem County
Applicant Name: Salem Hospital Corporation
Location of Facility: Salem, Salem County
CN #: FR 17 0509-17-01
Total Project Cost: \$3,159,500

Criteria Total Score: 96

Applicant's Project Description:

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 4th 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 contingent 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. The applicant contends that the 26-bed inpatient unit will attract those mental health patients previously forced to migrate to other providers located outside of Salem County, in addition to those individuals who refuse to seek treatment because of their inability to find quality options in the local community.

Staff Recommendations:

Department staff proposes to award SHC the full complement of its requested beds, that is, 26 open adult acute care psychiatric beds. Of these 26 beds, 20 beds are allocated to Salem County, and 6 beds are allocated to Gloucester County.

This proposal to award 26 beds to SHC is based on the following factors:

- a. There were 2 facilities, including Salem Hospital, located within Salem County that requested psychiatric beds. The identified additional bed need in Salem County is 20 beds. However, the number of requested beds from the 2 facilities totaled 40 beds, double the county's identified bed need.
- b. As previously stated, there are currently no inpatient psychiatric services offered in Salem County. The applicant stated that Salem Hospital's primary service area includes only Salem County. Thus, the Department is proposing to award all of the county's bed need of 20 beds to SHC. Additionally, inasmuch as the applicant states that a portion each of Gloucester and Cumberland Counties are Salem Hospital's secondary service areas and inasmuch as there is a significant difference in the bed need of these 2 counties, that is, 69 and 19 beds, respectively, the Department is proposing to award SHC 6 beds allocated to the larger bed need in Gloucester County.

c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting SHC's application for 26 open adult acute care psychiatric beds at Salem Hospital, with 20 beds allocated to Salem County, and 6 beds allocated to Gloucester County.

14. Facility Name: Inspira Medical Center Elmer
Applicant Name: Inspira Health Network
Location of Facility: Elmer, Salem County
CN #: FR 17 0521-17-01
Total Project Cost: \$2,988,423

Criteria Total Score: 100

Applicant's Project Description:

The applicant, Inspira Health Network (IHN), which operates Inspira Medical Center Elmer (Inspira-Elmer), a licensed general acute care hospital located in Salem County, proposes to establish a 14-bed open adult acute care psychiatric inpatient unit located on the second floor of Inspira-Elmer.

The applicant is seeking approval for these 14 beds from the identified additional bed need in Salem County. The applicant stated that IHN is the major health system and regional behavioral health provider serving the "Tri-County" area of South Jersey, including the southwestern counties of Cumberland, Gloucester and Salem.

Staff Recommendations:

Department staff proposes to award IHN the full complement of its requested beds, that is, 14 open adult acute care psychiatric beds. All 14 beds are allocated to Gloucester County.

This proposal to award 14 beds to IHN is based on the following factors:

- a. There were 2 facilities, including Inspira-Elmer, located in Salem County vying for beds in Salem County. The identified bed need in Salem County is 20 beds; the number of requested beds from the 2 applicant facilities totaled 40 beds.
- b. Gloucester County is contiguous to Salem County, and has an identified bed need of 69.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting IHN's application for 14 open adult acute care psychiatric beds at Inspira-Elmer allocated to Gloucester County.

15. Facility Name: Inspira Health Center Bridgeton
Applicant Name: Inspira Medical Centers, Inc./Inspira Health Network
Location of Facility: Bridgeton, Cumberland County
CN #: FR 17 0520-06-01
Total Project Cost: \$6,226,288

Criteria Total Score: 106

Applicant's Project Description:

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 Health Center Bridgeton (Inspira-Bridgeton) in Cumberland County, under the license of Inspira-Vineland.

The applicant is seeking approval for these 19 beds from the identified additional bed need in Cumberland County. The applicant contends that expanding the number of open beds would alleviate the volume issues and better serve the needs of the community.

Staff Recommendations:

Department staff proposes to award IMC the full complement of its requested beds, that is, 19 open adult acute care psychiatric beds. All 19 beds are allocated to Cumberland County.

This proposal to award 19 beds to IMC is based on the following factors:

- a. There are 2 facilities, including Inspira-Bridgeton, located within Cumberland County vying for beds in Cumberland County. The identified bed need in Cumberland County is 19 beds; the number of requested beds from these same 2 facilities totals 115 beds.
- b. In response to a completeness question, IMC stated that the minimum number of additional beds it required to ensure the project's financial viability was 19 beds. The other applicant, Cumberland Behavioral Health, LLC, indicated that a 24-bed model would be financially viable for it. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting IMC's application for 19 open adult acute care psychiatric beds at Inspira-Bridgeton, all allocated to Cumberland County.

16. Facility Name: Cumberland Behavioral Health, LLC
Applicant Name: Cumberland Behavioral Health, LLC
Location of Facility: Vineland, Cumberland County
CN #: FR 17 0525-06-22
Total Project Cost: \$32,751,000

Criteria Total Score: 97

Applicant's Project Description:

The applicant, Cumberland Behavioral Health, LLC (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 contingent 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. The applicant stated that the new facility will provide 51% of the combined bed need of 190 inpatient psychiatric beds in the five-county service area.

Staff Recommendations:

Department staff proposes to award Cumberland BH a total of 48 adult acute care psychiatric beds. Based on the percentages of open and closed beds of the originally requested 96 beds, the Department proposes to award identical proportions of open and closed beds of the 48 beds, that is, 36 open and 12 closed adult acute care psychiatric beds. Of these 48 beds, 31 beds will be allocated to Cape May County, and 17 beds will be allocated to Atlantic County.

This proposal to award 48 beds to Cumberland BH, rather than the requested 96 beds, is based on the following factors:

- a. There were 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 totaled 190 beds. The number of beds requested by the five facilities totaled 230 beds, an excess of 40 beds.
- b. In response to a completeness question, Cumberland BH stated that its 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 2 24-bed units.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Cumberland BH’s application to the extent of awarding 36 open and 12 closed adult acute care psychiatric beds to accommodate 2 24-bed units. Of these 48 beds, 31 beds are allocated to Cape May County, and 17 beds are allocated to Atlantic County. Department staff recommends denying the remainder of Cumberland BH’s application.

17. **Facility Name:** Sunrise Psychiatric – Toms River
Applicant Name: Praesum Healthcare Services, LLC
Location of Facility: Toms River, Ocean County
CN #: FR 17 0512-15-22
Total Project Cost: Amount varied

Criteria Total Score: 68

Applicant's Project Description:

The applicant, Praesum Healthcare Services, LLC (Praesum), proposes to operate Sunrise Psychiatric – Toms River (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 for 20 open and 20 closed adult acute care psychiatric beds. The applicant did not identify the number of beds it wanted from Ocean and contingent counties. The site of Sunrise Toms River is in Ocean County, which has three contiguous counties. Ocean County and 2 of its contiguous counties, that is, Monmouth and Atlantic Counties, have a need for additional psychiatric beds. However, Burlington, the remaining contiguous county, does not have an identified 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.

Staff Recommendations:

Department staff proposes to award Praesum the full complement of its requested beds, that is, 20 open and 20 closed psychiatric beds. Of these 40 beds, 33 beds are allocated to Monmouth County; and 7 beds are allocated to Ocean County.

This proposal to award 40 beds to Praesum is based on the following factors:

- a. The applicant submitted 2 CN applications to establish 2 40-bed psychiatric facilities, 1 in Plainfield and 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 exact Total Project Cost for each application, 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 to support the financial feasibility for construction of 1 of the 2 proposed psychiatric facilities.
- b. 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 boardinghouse 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. Praesum envisions becoming a full continuum service provider, in a one-campus setting, at the Toms River site.
 - c. Therefore, after consideration of all of the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Praesum's application for 20 open and 20 closed adult acute care psychiatric beds at the Toms River site, with 33 beds allocated to Monmouth County, and 7 beds allocated to Ocean County.

18. Facility Name: St. Barnabas Behavioral Health Center
Applicant Name: Monmouth Medical Center
Location of Facility: Lakewood, Ocean County
CN #: FR 17 0514-13-01
Total Project Cost: \$8,300,000

Criteria Total Score: 100

Applicant's Project Description:

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 as of yet unimplemented, closed beds to create a 20-bed unit at St. Barnabas Behavioral Health Center (SBHC) located in Ocean County.

The applicant is seeking approval for these 3 beds from the identified additional bed need in Ocean and Monmouth Counties, which are contiguous counties.

Staff Recommendations:

Department staff proposes to award MMC the full complement of its requested beds, that is, 3 closed adult acute care psychiatric beds. Of these 3 beds, 2 beds are allocated to Ocean County, and 1 bed is allocated to Monmouth County.

This proposal to award 3 beds to MMC is based on the following factors:

- a. There were five facilities, including SBHC, that requested beds from Monmouth County and 6 facilities, including SBHC, that requested beds from Ocean County. The identified bed need in Ocean County is 79 beds; the number of requested beds from the 6 facilities totaled 118 beds. The identified bed need in Monmouth County is 71 beds; the number of requested beds from the five facilities totaled 52 beds.
- b. 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.
- c. Therefore, after consideration of the aforementioned factors and a review of the scoring criteria, Department staff recommends awarding MMC 3 closed acute care psychiatric beds at SBHC, with 2 beds allocated to Ocean County, and 1 bed allocated to Monmouth County.

19. Facility Name: Ocean Medical Center
Applicant Name: Hackensack Meridian Health, Inc.
Location of Facility: Brick, Ocean County
CN #: FR 17 0518-15-01
Total Project Cost: \$9,338,402

Criteria Total Score: 91

Applicant's Project Description:

The applicant, Hackensack Meridian Health, Inc. (HMH), which operates Ocean Medical Center (OMC), a licensed general acute care hospital located in Ocean County, proposes to establish a 22-bed adult acute 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 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.

Staff Recommendations:

Department staff proposes to award HMH the full complement of its requested beds, that is, 16 open and 6 closed adult acute care psychiatric beds. All 22 beds are allocated to Ocean County.

This proposal to award 22 beds to HMH is based on the following factors:

- a. There are 2 facilities, including OMC, located within Ocean County that requested beds from this county. The identified additional bed need in Ocean County is 79 beds; the number of requested beds from the 2 facilities located within Ocean County totaled only 62 beds.
- b. Because the identified need for beds in Ocean County exceeds the number of beds requested from that county, the Department has elected to award all of the 22 beds to HMH allocated to Ocean County.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting HMH's application for 16 open and 6 closed adult acute care psychiatric beds at OMC, all allocated to Ocean County.

20. Facility Name: Hampton Behavioral Health Center
Applicant Name: Universal Health Services, Inc.
Location of Facility: Monmouth County
CN #: FR 17 0530-13-22
Total Project Cost: \$32,421,073

Criteria Total Score: 85

Applicant's Project Description:

The applicant, Universal Health Services, Inc. (UHS), which operates Hampton Behavioral Health Center (Hampton Monmouth) and 1 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 indicated in its application that it was seeking 60 beds (30 open and 30 closed) from Middlesex County, 30 beds (15 open and 15 closed) from Monmouth County, and 30 beds (15 open and 15 closed) from Ocean County.

Staff Recommendations:

Department staff proposes to award UHS at Hampton Monmouth the full complement of its requested beds, that is, 60 open and 60 closed adult acute care psychiatric beds. Of these 120 beds, 74 beds are allocated to Middlesex County, 16 beds are allocated to Monmouth County, and 30 beds are allocated to Ocean County.

This proposal to award 120 beds to UHS at Hampton Monmouth is based on the following factors:

- a. There are 5 facilities, including UHS at Hampton Monmouth, located within Monmouth County that requested beds from this county. The identified bed need in Monmouth County is 71 beds; the number of requested beds from the 5 facilities totaled 52 beds. There are 6 facilities, including UHS at Hampton Monmouth, that requested beds from Ocean County. The identified bed need in Ocean County is 79 beds; the number of requested beds from the 6 facilities totaled 118 beds. There are 7 facilities, including UHS, that requested beds from Middlesex County. The identified bed need in Middlesex County is 186 beds; the number of requested beds from the 7 facilities is 173 beds.
- b. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting UHS's

application for 60 open and 60 closed adult acute care psychiatric beds at Hampton Monmouth, with 74 beds allocated to Middlesex County, 16 beds allocated to Monmouth County, and 30 beds allocated to Ocean County.

21. Facility Name: Bayshore Medical Center
Applicant Name: Hackensack Meridian Health, Inc.
Location of Facility: Holmdel, Monmouth County
CN #: FR 17 0517-13-01
Total Project Cost: \$4.71 million

Criteria Total Score: 89

Applicant's Project Description:

The applicant, Hackensack Meridian Health, Inc. (HMH), which operates Bayshore Medical Center (Bayshore MC), 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 MC.

The applicant has requested 12 open acute care psychiatric beds from the identified additional bed need in Monmouth County. According to the applicant, approximately 80% of Bayshore MC's recent hospital admissions are residents of Monmouth County.

Staff Recommendations:

Department staff proposes to award Bayshore MC the full complement of its requested beds, that is, 12 open adult acute care psychiatric beds. All 12 beds are allocated to Monmouth County.

This proposal to award 12 beds to Bayshore MC is based on the following factors:

- a. There are 5 applicants, including HMH, that requested beds from Monmouth County. Of those five applicants, 3 facilities are located within Monmouth County, 1 is located in Mercer County, and 1 is located in Middlesex County. The identified bed need in Monmouth County is 71 beds; the number of beds allocated to Monmouth County from all five applicants totals 52 beds.
- b. Therefore, after consideration of the aforementioned factors and a review of the scoring criteria, Department staff recommends granting HMH's application for 12 open adult acute care psychiatric beds at Bayshore MC, all allocated to Monmouth County.

22. Facility Name: Sunrise Psychiatric – Plainfield
Applicant Name: Praesum Healthcare Services, LLC
Location of Facility: Plainfield, Union County
CN #: FR 17 0513-20-22
Total Project Cost: Amount varied

Criteria Total Score: 46

Applicant’s Project Description:

The applicant, Praesum Healthcare Services, LLC (Praesum), proposes to operate Sunrise Psychiatric – Plainfield (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 4 contiguous counties. Union County does not have a need for additional psychiatric beds. Likewise, 2 of its 4 contiguous counties, that is, Somerset and Essex, also do not have a need for additional psychiatric beds. The remaining 2 contiguous counties, Middlesex and Morris Counties, have been determined to have a bed need. The proposed facility, Sunrise Plainfield, is proposed to be located in Plainfield, Union County. A detoxification facility and a behavioral health counseling center, both with identical ownership as the proposed facility, are located in Morris and Union Counties, respectively. In addition, the applicant plans to open a behavioral health counseling center in S. Plainfield in Middlesex County. 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 Middlesex-Morris County region.

Staff Recommendations:

Department staff is proposing that Praesum not be awarded any of the requested 40 adult acute care psychiatric beds based on the following factors:

- a. The applicant submitted 2 CN applications to establish 2 40-bed psychiatric facilities, 1 in Plainfield and 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 exact Total Project Cost for each application, 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 to support the financial feasibility for construction of 1 of the 2 proposed psychiatric facilities.
- b. Other than Sunrise Plainfield, 1 other facility in Union County, that is, Summit Oaks Hospital, applied for psychiatric beds. There was a wide variance of the Criteria Scores between the 2 applicants, ranging from 46 points to 94 points. The Department took into consideration, along with other factors, this significant variance in its proposal to award Summit Oaks Hospital with additional psychiatric beds from Morris and Middlesex Counties.
 - c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends denying Praesum's application for 40 adult acute care psychiatric beds at the Plainfield site.

23. Facility Name: Summit Oaks Hospital
Applicant Name: Universal Health Services, Inc.
Location of Facility: Summit, Union County
CN #: FR 17 0504-20-22
Total Project Cost: \$12,244,746

Criteria Total Score: 89

Applicant's Project Description:

The applicant, Universal Health Services, Inc. (UHS), which operates Summit Oaks Hospital (Summit Union), 1 of 2 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.

Staff Recommendations:

Department staff proposes to award UHS at Summit Union the full complement of its requested beds, that is, 36 open and 12 closed psychiatric beds. Of these 48 beds, 29 beds are allocated to Middlesex County, and 19 beds are allocated to Morris County.

This proposal to award 48 beds to UHS is based on the following factors:

- a. There is no bed need in Union County; however, there are 7 facilities, including UHS at Summit Union, that requested beds from Middlesex County. The identified bed need in Middlesex County is 186 beds; the number of requested beds from the 7 facilities totals 173 beds. There are five facilities, including UHS at Summit Union, that requested beds from Morris County. The identified bed need in Morris County is 99 beds; the number of requested beds from the five facilities totals 93 beds.
- b. Because the identified need for beds in Middlesex and Morris Counties exceeds the number of beds requested from those counties, the Department has elected to award all of the 48 beds sought by UHS allocated to Middlesex and Morris Counties.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting UHS's application for 36 open and 12 closed adult acute care psychiatric beds at Summit Union, with 29 beds allocated to Middlesex County, and 19 beds allocated to Morris County.

24. **Facility Name:** Bayonne Medical Center
Applicant Name: IJKG Opco LLC d/b/a CarePoint Health – Bayonne Medical Center
Location of Facility: Bayonne, Hudson County
CN #: FR 17 0510-09-01
Total Project Cost: \$2,094,392
- Criteria Total Score: 88**

Applicant's Project Description:

The applicant, IJKG Opco LLC d/b/a CarePoint Health – Bayonne Medical Center (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 existing licensed open beds. The applicant has requested that all 27 beds be allocated to Hudson County.

Staff Recommendations:

Department staff proposes to award BMC the full complement of its requested beds, that is, 27 open adult acute care psychiatric beds. All 27 beds are allocated to Hudson County.

This proposal to award BMC 27 beds is based on the following factors:

- a. There are 2 facilities, BMC and Clara Maass Medical Center, that have requested beds from Hudson County. The identified bed need in Hudson County is 27 beds; the number of requested beds from the 2 facilities totaled 29 beds. Clara Maass Medical Center is located in Essex County, a contiguous county to Hudson County.
- b. BMC is located in Hudson County and can meet the entire bed need for Hudson County.
- c. Because the total number of beds requested exceeds the bed need identified for Hudson County, the Department has elected to award all of the Hudson County beds to this applicant, located in Hudson County, and has looked to Passaic County, which has an identified additional bed need, to award beds to Clara Maass Medical Center.
- d. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting BMC's application for 27 open adult acute care psychiatric beds, all allocated to Hudson County.

25. Facility Name: Clara Maass Medical Center
Applicant Name: Clara Maass Medical Center
Location of Facility: Belleville, Essex County
CN #: FR 17 0515-07-01
Total Project Cost: \$2,689,564

Criteria Total Score: 93

Applicant's Project Description:

The applicant, Clara Maass Medical Center (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 as of yet unimplemented, 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.

Staff Recommendations:

Department staff proposes to award CMMC the full complement of its requested beds, that is, 2 closed adult acute care psychiatric beds. Both beds are allocated to Passaic County.

This proposal to award 2 beds to CMMC is based on the following factors:

- c. There were 2 facilities, BMC and CMMC, that requested beds from Hudson County. The identified bed need in Hudson County is 27 beds; the number of requested beds from the 2 facilities totaled 29 beds. BMC is located in Hudson County.
- d. CMMC is located in Essex County. The bed need for Essex County is 0. However, the applicant stated that its primary and secondary service areas include parts of Essex, Hudson, Bergen, and Passaic Counties.
- e. The allocation of CMMC's requested beds to Passaic County will help meet the bed need identified for Passaic County.
- f. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, the Department recommends granting CMMC's application for 2 closed adult acute care psychiatric beds, both allocated to Passaic County.

26. Facility Name: Saint Mary's General Hospital
Applicant Name: Prime Healthcare Services – St. Mary's Passaic
Location of Facility: Passaic, Passaic County
CN #: FR 17 0502-16-01
Total Project Cost: \$5.45 million

Criteria Total Score: 99

Applicant's Project Description:

The applicant, Prime Healthcare Services – St. Mary's Passaic (Prime St. Mary's), which operates Saint Mary's General Hospital (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. According to the applicant, most of St. Mary's recent hospital admissions are residents of Passaic County and all three existing hospitals within the county are requesting psychiatric beds.

Staff Recommendations:

Department staff proposes to award Prime St. Mary's the full complement of its requested beds, that is, 24 open adult acute care psychiatric beds. All 24 beds are allocated to Passaic County.

This proposal to award 24 beds to Prime St. Mary's is based on the following factors:

- a. There are 4 applicants, including Prime St. Mary's, that requested beds from this county. The identified bed need in Passaic County is 129 beds; the number of requested beds from these four applicants totals 127.
- b. St. Mary's is located in Passaic County, which is its primary service area. Most of the existing hospital patients at St. Mary's are Passaic County residents.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting Prime St. Mary's application for 24 open adult acute care psychiatric beds at St. Mary's, all allocated to Passaic County.

27. Facility Name: St. Joseph's Regional Medical Center
Applicant Name: St. Joseph's Hospital and Medical Center
Location of Facility: Patterson, Passaic County
CN #: FR 17 0506-16-01
Total Project Cost: \$8,624,590

Criteria Total Score: 105

Applicant's Project Description:

The applicant, St. Joseph's Hospital and Medical Center (St. Joseph's), which operates St. Joseph's Regional Medical Center (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.

Staff Recommendations:

Department staff proposes to award St. Joseph's at Regional the full complement of its requested beds, that is, 12 closed adult acute care psychiatric beds. All 12 beds are allocated to Passaic County.

This proposal to award 12 beds to St. Joseph's at Regional is based on the following factors:

- a. There are 4 facilities, including St. Joseph's Hospital and Medical Center at Regional, located within Passaic County that requested beds from this county. The identified bed need in Passaic County is 129 beds; the number of requested beds from the 4 facilities totals 127 beds.
- b. Because the identified need for beds in Passaic County exceeds the number of beds requested from that county, the Department has elected to award all 12 beds to St. Joseph's at Regional allocated to Passaic County.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting the application of St. Joseph's for 12 closed adult acute care psychiatric beds at Regional, all allocated to Passaic County.

28. Facility Name: St. Joseph's Wayne Hospital
Applicant Name: St. Joseph's Hospital and Medical Center
Location of Facility: Wayne, Passaic County
CN #: FR 17 0505-16-01
Total Project Cost: \$9,064,210

Criteria Total Score: 105

Applicant's Project Description:

The applicant, St. Joseph's Hospital and Medical Center (St. Joseph's), which operates St. Joseph's Wayne Hospital (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.

Staff Recommendations:

Department staff proposes to award St. Joseph's at St. Joseph's Wayne the full complement of its requested beds, that is, 18 open and 6 closed adult acute care psychiatric beds. All 24 beds are allocated to Passaic County.

This proposal to award 24 beds to St. Joseph's at St. Joseph's Wayne is based on the following factors:

- a. There are 4 facilities, including St. Joseph's Hospital and Medical Center at St. Joseph's Wayne, located within Passaic County that requested beds from this county. The identified bed need in Passaic County is 129 beds; the number of requested beds from the four facilities totals 127 beds.
- b. Because the identified need for beds in Passaic County exceeds the number of beds requested from that county, the Department has elected to award all 24 beds to St. Joseph's at Wayne allocated to Passaic County.
- c. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting St. Joseph's application for 18 open and 6 closed adult acute care psychiatric beds at St. Joseph's Wayne, all allocated to Passaic County.

29. Facility Name: Summit Oaks Hospital
Applicant Name: Universal Health Services, Inc.
Location of Facility: Passaic County
CN #: FR 17 0529-16-22
Total Project Cost: \$32,421,073

Criteria Total Score: 85

Applicant's Project Description:

The applicant, Universal Health Services, Inc. (UHS), which operates 2 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.

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.

Staff Recommendations:

Department staff proposes to award UHS at Summit Passaic the full complement of its requested beds, that is, 72 open and 48 closed adult acute care psychiatric beds. Of these 120 beds, 30 beds are allocated to Morris County, 67 beds are allocated to Passaic County, and 23 beds are allocated to Sussex County.

This proposal to award 120 beds to UHS at Summit Passaic is based on the following factors:

- a. There are 4 facilities, including UHS at Summit Passaic, located within Passaic County that requested beds from this county. The identified bed need in Passaic County is 129 beds; the number of requested beds from the 4 facilities totals 127 beds. There are 5 facilities, including UHS at Summit Passaic, that requested beds from Morris County. The identified bed need in Morris County is 99 beds; the number of requested beds from the 5 facilities totals 93 beds. There are 2 facilities that requested beds from Sussex County. The identified bed need in Sussex County is 23; the number of requested beds from the 2 facilities totals 32. Due to the bed request being over the bed need, UHS at Summit Union is proposed to receive all 23 Sussex County beds while the second facility, Newton Medical Center, is proposed to receive its 9 requested beds from Warren County.
- b. Therefore, after consideration of all the aforementioned factors and a review of the scoring criteria, Department staff recommends granting UHS's application for 72 open and 48 closed adult acute care psychiatric beds at

Summit Passaic, with 30 beds allocated to Morris County, 67 beds allocated to Passaic County, and 23 beds allocated to Sussex County.

General Conditions Applicable to All Successful Applicants:

1. All awarded adult acute care psychiatric beds (awarded 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.
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 Department of Community Affairs (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.

Conditions Applicable to All Successful General Acute Care Hospital Applicants:

10. 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.

Conditions Applicable to All Successful Psychiatric Hospital Applicants:

11. 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.
12. 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 Notice, the Guidance Document and Condition No. 4 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. 12 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.

CN CALL: PSYCHIATRIC BEDS – SCORING CRITERIA

**1. Financial Feasibility (Construction and Sustainability)
(Mandatory Criteria: Maximum 20 Points)**

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – Project can be economically accomplished and maintained; adequate financial resources of present and future revenues

**2. Impact on Nearby Facilities
(Mandatory Criteria: Maximum 10 Points)**

All applicants will receive a minimum of 8 points, with a maximum of 10 points.

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – will not have adverse economic impact on delivery of services in region or statewide; N.J.A.C. 8:33-4.10(c) – will not adversely affect State’s health care system

Grading Scale:

Target County:

5 Points:

The award of adult acute psychiatric beds to the applicant will not have an adverse economic impact on the delivery of services by Competitive Facilities in the Target County.

plus

Contiguous County(ies):

3 Points:

The award of adult acute psychiatric beds to the applicant will not have an adverse economic impact on the delivery of services by Competitive Facilities in the Contiguous County(ies).

plus

Community Support:

2 Points:

Applicant provided letters of support from community individuals or entities, inclusive of documented support from competing facilities.

or

1 Point:

Applicant provided letters of support from community individuals or entities.

3. Location of Facility Compared to County of Requested Beds, and Applicant's Relationship with County Screening Centers and Outpatient Programs

(Mandatory Criteria: Maximum 25 Points)

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – contributes to orderly development of adequate and effective health care services

Grading Scale:

Location of Facility and Requested Beds:

10 Points:

Applicant requested beds only from the county in which the proposed facility/service will be located.

or

10 Points:

Applicant requested beds from the county in which the proposed facility/service will be located *and* from a contiguous county(ies).

or

8 Points:

Applicant requested beds from a contiguous county(ies) because there was no bed need in the county in which the applicant's proposed facility/service will be located.

plus

Relationship with Designated Screening Center:

5 Points:

Applicant identified an *already established working* relationship with a Designated Screening Center.

or

3 Points:

Applicant intends to develop a relationship with a Designated Screening Center.

plus

Relationship with Outpatient Facilities:

5 Points:

Applicant identified *already established working* relationships with outpatient behavioral health facilities in its designated service areas.

or

3 Points:

Applicant identified outpatient behavioral health facilities in its designated service areas and stated its intent to develop a working relationship with these facilities.

plus

Transportation Plan:

5 Points:

An applicant-sponsored, on-going transportation service was identified for patient transport to outpatient behavioral health clinics.

- 4. A regional approach that addresses mental health or mental health and co-occurring SUD needs of multiple counties or regions, including both inpatient and outpatient services.
(Optional Criteria)**

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – possible economies and improvement in services to be anticipated from operation of regional facilities; contributes to orderly development of adequate and effective health care services

Definition:

Regional area means the county in which the proposed facility will be located and its contiguous counties.

Grading Scale:

5 Points:

Applicant operates regionally-located healthcare facilities in NJ.

or

3 Points:
Applicant will engage in regional processes in NJ.

- 5. An approach that provides adult acute care and outpatient mental health and co-occurring SUD services in one or more of the following counties: Cape May, Salem, and Warren County.
(Optional Criteria)**

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – contributes to orderly development of adequate and effective health care services

Grading Scale:

5 Points:
The proposed psychiatric bed/services will be located in Cape May, Salem or Warren Counties.

or

3 Points:
Applicant is located in a county that is contiguous to Cape May, Salem and/or Warren Counties.

- 6. Innovative ways to provide treatment to patients who have mental health and co-occurring SUDs.
(Optional Criteria)**

Statutory/Regulatory Authority:

N.J.S.A. 26:2H-8 – contributes to orderly development of adequate and effective health care services

Grading Scale:

5 Points:
Innovative approach(s) to care.

- 7. Access to Underserved, Medicaid Recipients and Indigent
(Mandatory Criteria: Maximum 20 Points)**

Statutory/Regulatory Authority:

N.J.A.C. 8:33-4.10(a) – promote access to low income persons and persons unable to obtain care

Resources to be used for grading (Projections for 2020-2023):

- a. Use Guidance Document, Attachments C and E.
- b. Check F. Troy's questions and the responses.

- c. Check responses to analyst's completeness questions.
- d. If alteration of Attestation made by applicant, then only 1 point.

Grading Scale:

9 Points:

Medicaid and Charity care projections for FY1 through FY4 identified for inpatient services.

plus

9 Points:

Medicaid and Charity care projections for FY1 through FY4 identified for outpatient services.

plus

2 Points:

Attestation statement signed by applicant to accept 5% Medicaid and 5% Uninsured patients in each open and closed bed category.

**8. Track Record Review
(Mandatory Criteria: Maximum 25 Points)**

Statutory/Regulatory Authority:

N.J.A.C. 8:33-4.10(d) – Track record

In-State – hospitals with psych beds and outpatient BH facilities

Out-of-state – hospitals with psych beds

Definitions:

Track Record Review Period means the period from May 1, 2016 (12 months preceding submission of the application) through to the date on which the Commissioner renders a decision with respect to the application.

Federal (CMS) and State (Department of Health and Department of Human Services) substantial compliance means:

- a. No significant compliance issue(s), defined as a situation, condition or circumstance that may pose serious risks to life, safety and quality of care for patients, residents or clients;
- b. No citation or notice of a deficiency involving an immediate jeopardy or involving actual harm;
- c. No findings of a substandard quality of care as defined in N.J.A.C. 8:33-4.10(d)(5)(ii); and

- d. No action by a State or Federal agency to ban, curtail, or temporarily suspend admissions to a facility or to suspend or revoke a facility's license or to decertify, terminate or exclude a facility from Medicaid or Medicare participation.

Calculation of Track Record Score for *Each* Category:

- a. Divide the number of facilities not in substantial compliance by the total number of facilities to obtain a percentage of non-compliance;
- b. Multiply the total number of assigned points by the percentage of non-compliance to obtain a numerical value (points) of non-compliance of the assigned points; then
- c. Subtract the numerical value (points) of non-compliance from the total number of assigned points. The difference is the score for the category.

Note: If a fraction of a whole number is less than .5, the whole number remains unchanged. If a fraction of a whole number is .5 or greater, the whole number is increased by one.

Calculation of Score for Inpatient Psychiatric Facilities:

If the applicant has **only** in-state inpatient facilities or **only** out-of-state inpatient facilities, the score is calculated on one category only.

If the applicant has both in-state and out-of-state inpatient facilities, the score is calculated on the combined number of in-state and out-of-state facilities.

Grading Scale:

In-State:

20 Points:

Inpatient facilities with psychiatric services/beds with a track record of substantial compliance during the track record review period.

plus

5 Points:

DHS facilities offering residential and outpatient behavioral health services with a track record of substantial compliance during the track record review period.

or

Out of State:

20 Points:

Inpatient facilities with psychiatric services/beds with a track record of substantial compliance during the track record review period.

or

In-State and Out-of-State Inpatient Facilities Combined:

20 Points:

Inpatient facilities with psychiatric services/beds with a track record of substantial compliance during the track record review period.

Psych Bed Call 2017

Scoring

Facility	System	County	Financial Feasibility - 20	Impact nearby - 10	Location - 25	Regional Approach - (Opt.5)	Cape May - Warren - (Opt.6)	Innovative Treatment - (Opt.5)	Underserved - 20	Track Record - 25	Total (100+root.16)
1 Newton Medical Center	(Atlantic Health)	Sussex	20	9	20	5	3	0	20	25	102
2 St. Clare's Hospital - Dover	(Prime)	Morris	20	9	20	5	3	0	20	25	102
3 Morristown Medical Center	(Atlantic Health)	Morris	20	9	20	5	3	0	20	25	102
4 RWJ University Hospital - Somerset	(RWJ Barnabas)	Somerset	20	10	18	5	0	0	20	20	93
5 Behavioral Health Care	(Rutgers)	Middlesex	20	10	20	5	0	5	20	5	85
6 Raritan Bay Medical Center - Perth Amboy	(Hackensack Meridian)	Middlesex	20	10	20	5	0	0	20	16	91
7 Univ. Med. Ctr. of Princeton at Plainsboro	Princeton	Middlesex	20	8	20	5	0	0	20	25	98
8 Behavioral Health	Princeton	Mercer	20	8	18	5	0	0	20	25	96
9 Hampton Behavioral Health Center - Burlington	(Universal Health) Add beds	Burlington	20	10	18	5	0	0	19	17	89
10 Center	(Feigenbaums)	Burlington	20	9	16	3	0	0	2	10	60
11 Northbrook Behavioral Health Hospital	(Feigenbaums)	Camden	20	9	13	3	0	0	2	10	57
12 Inspira Medical Center Woodbury	Inspira	Gloucester	20	9	20	5	3	5	11	25	98
13 The Memorial Hospital of Salem County		Salem	20	8	20	3	5	0	20	20	96
14 Inspira Medical Center Elmer	Inspira	Salem	20	9	20	5	5	5	11	25	100
15 Inspira Health Center Bridgeton	Inspira	Cumberland	20	9	25	5	6	5	11	25	106
16 Cumberland Behavioral Health	(New)	Cumberland	20	8	16	3	6	0	20	24	97
17 Sunrise Psychiatric - Toms River	Sunrise - Praesum	Ocean	20	9	18	5	0	0	11	5	68
18 St. Barnabas Behavioral Health Center	(RWJ Barnabas)	Monmouth	20	10	20	5	0	0	20	25	100

Psych Bed Call 2017

Scoring

Facility	System	County	Financial Feasibility - $\frac{\text{---}}{20}$	Impact nearby - $\frac{\text{---}}{10}$	Location - $\frac{\text{---}}{25}$	Regional Access ch - $\frac{\text{---}}{5}$	Cape May - $\frac{\text{---}}{0}$	Innovative Treatment - $\frac{\text{---}}{0}$	Underserved - $\frac{\text{---}}{20}$	Track Record - $\frac{\text{---}}{25}$	Total $\frac{\text{---}}{100+root.16}$
19 Ocean Medical Center	(Hackensack Meridian)	Ocean	20	10	20	5	0	0	20	16	91
Hampton Behavioral Health Center -	(Universal Health) New Facility	Monmouth	20	10	16	3	0	0	19	17	85
20 Monmouth	(Hackensack Meridian)	Monmouth	20	10	18	5	0	0	20	16	89
21 Bayshore Medical Center	(Sunrise - Praesum)	Union	0	9	16	5	0	0	11	5	46
22 Plainfield	(Universal Health) Add beds	Union	20	10	18	5	0	0	19	17	89
Summit Oaks Hospital -		Union	20	10	18	5	0	0	19	17	89
23 Union	(Care Point)	Hudson	20	8	20	0	0	0	20	20	88
24 Bayonne Medical Center		Hudson	20	8	20	0	0	0	20	20	88
25 Clara Mass Medical Center	(FWJ Barnabas)	Essex	20	10	18	5	0	0	20	20	93
St. Mary's General Hospital	(Prime)	Passaic	20	9	20	5	0	0	20	25	99
26 Hospital		Passaic	20	9	20	5	0	0	20	25	99
27 St. Joseph's Regional Medical Center	(St. Joseph's)	Passaic	20	10	25	5	0	0	20	25	105
St. Joseph's Wayne Hospital	(St. Joseph's)	Passaic	20	10	25	5	0	0	20	25	105
28 Hospital		Passaic	20	10	25	5	0	0	20	25	105
Summit Oaks Hospital -	(Universal Health)	Passaic	20	10	16	3	0	0	19	17	85
29 Passaic		Passaic	20	10	16	3	0	0	19	17	85

PSYCH BED BATCH PROPOSED ALLOCATION BY COUNTY

County	Bed Need	Applicants	Requested Beds	Proposed Award (Beds)	Bed Need Met?
Atlantic	51	Cumberland Behavioral Health Hampton BHC Burlington Inspira Medical Ctr Woodbury Northbrook Behavioral HH Aspen Hills Healthcare Center	U ¹ 30 0 6 <u>4</u> 40	17 30 4 0 <u>0</u> 51	Yes
Cape May	31	Cumberland Behavioral Health	U	31	Yes
Cumberland	19	Inspira Medical Ctr Bridgeton Cumberland Behavioral Health	19 <u>96</u> 115	19 <u>0</u> 19	Yes
Gloucester	69	Inspira Medical Ctr Woodbury Inspira Medical Ctr Elmer Memorial Hospital of Salem Northbrook Behavioral HH	69 0 U <u>9</u> 78	49 14 6 <u>0</u> 69	Yes
Hudson	27	Bayonne Medical Center Clara Maass Medical Center	27 <u>2</u> 29	27 <u>0</u> 27	Yes
Hunterdon	26	RWJUH Somerset	3	3	No - 23 beds not allocated
Middlesex	186	Raritan Bay Medical Center Hampton BHC Monmouth RWJUH Somerset Rutgers Univ. Behavioral Health Princeton House UMC of Princeton at Plainsboro Summit Oaks Union	3 60 24 30 22 4 <u>30</u> 173	3 74 24 30 22 4 <u>29</u> 186	Yes
Monmouth	71	Hampton BHC Monmouth Bayshore Medical Center Princeton House Sunrise - Toms River St. Barnabas Behavioral HC UMC of Princeton at Plainsboro	30 12 7 U 1 <u>2</u> 52	16 12 7 33 1 <u>2</u> 71	Yes
Morris	99	Morristown Medical Center St. Clare's Dover Hospital Summit Oaks Passaic Summit Oaks Union RWJUH Somerset	8 24 30 18 <u>13</u> 93	8 24 30 19 <u>13</u> 94	No - 5 beds not allocated

¹ "U" indicates that the applicant did not designate the counties from which it requested beds. In those instances, a "U" will be inserted in any contiguous counties, and the total number requested will be inserted in the county in which the proposed facility will be located.

APPENDIX C

Ocean	79	Hampton BHC Burlington Hampton BHC Monmouth Ocean Medical Center St. Barnabas Behavioral HC Sunrise - Toms River Aspen Hills Healthcare Center	18 30 22 2 40 <u>6</u> 118	18 30 22 2 7 <u>0</u> 79	Yes
Passaic	129	Summit Oaks Passaic St. Joseph's Wayne Hospital St. Joseph's Regional MC St. Mary's General Hospital Clara Maass Medical Center	67 24 12 24 <u>0</u> 127	67 24 12 24 <u>2</u> 129	Yes
Salem	20	Memorial Hospital of Salem Inspira Medical Ctr Woodbury Inspira Medical Ctr Elmer	26 6 <u>14</u> 46	20 0 <u>0</u> 20	Yes
Sussex	23	Summit Oaks Passaic Newton Medical Center	23 <u>9</u> 32	23 <u>0</u> 23	Yes
Union	0	Sunrise - Plainfield	40	0	N/A
Warren	34	Newton Medical Center	0	9	No - 25 beds not allocated
Total	864	53 beds not allocated	946	811	