



State of New Jersey
DEPARTMENT OF HEALTH
PO BOX 360
TRENTON, N.J. 08625-0360
www.nj.gov/health

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July 26, 2018

VIA ELECTRONIC AND FIRST-CLASS MAIL

Michael Antoniadis
President & CEO
Robert Wood Johnson University Hospital
One Robert Wood Johnson Place
New Brunswick, NJ 08901

Re: Robert Wood Johnson University Hospital-
Mobile Advance Life Support Services in
Hamilton Township, Mercer County
CN# ER 160601-12-01- DENIED

Dear Mr. Antoniadis:

Please be advised that the Department of Health (Department) is denying the expedited review certificate of need (CN) application submitted by Robert Wood Johnson University Hospital (RWJUH) on June 1, 2016 to establish mobile advance life support (ALS) services in Hamilton Township at the location of Robert Wood Johnson University Hospital at Hamilton. The reason for denial is set forth below.

N.J.S.A. 26:2K-12.1(b) specifically provides that a hospital that has been issued a CN by the Department of Health to operate a level one trauma center shall have the right to apply, under expedited review (ER), to provide ALS services in municipalities in which an acute care hospital that is part of the same health system as the level one trauma center is located, provided such application for ER is submitted on or before December 31, 2016.

RWJUH in New Brunswick, located in New Brunswick, Middlesex County, is licensed by the Department as a level one trauma center; RWJUH at Hamilton is an acute care hospital, located in Hamilton Township, Mercer County. Both RWJUH in New Brunswick and Hamilton are affiliate facilities in RWJUH's health system and operated by Robert Wood Johnson Barnabas Health (RWJBH).

N.J.S.A. 26:2H-8 provides for the issuance of a CN only where the action proposed in the application 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 contribute to the orderly development of adequate and effective health care services. In making such determinations, the Department takes into consideration: a) the availability of facilities or services which 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.

With respect to the first criterion (i.e., whether the action proposed is necessary to provide required health care in the area to be served), the Department has considered the need for MICU services in Hamilton Township, Mercer County area and has determined that RWJUH has not demonstrated the need or justification for additional, duplicate or replacement ALS services in Hamilton Township, Mercer County. There is an existing provider of ALS services in Mercer County, and the only rationale RWJUH has provided for the need for ALS services in Hamilton Township, Mercer County by RWJUH was a citation to N.J.S.A. 26:2K-12.1(b). The statute does not establish a need for additional services, but simply offers a more expedited path for seeking a CN for such services. Therefore, the Department finds that RWJUH has not demonstrated that the proposed services are necessary to provide required health care in the area to be served.

As to the second criterion (i.e., whether the proposed project could be economically accomplished and maintained), the Department notes that with the addition of ALS services at RWJUH at Hamilton, RWJUH would realize economies of scale from the operation and the sharing of joint central services because RWJUH at Hamilton is one of several health care facilities in New Jersey that shares RWJUH's common ownership. However, the Department also notes that the current provider of ALS services in Mercer County, Capital Health Regional Medical Center, shares common ownership with another hospital in the area and, therefore, currently realizes economies of scale from the operation and the sharing of joint central services.

With respect to the third criterion (i.e., whether the action as proposed would have an adverse economic or financial impact on the delivery of health services in the region or statewide), the Department notes that RWJUH did not address how the proposed MICU services under the operation of RWJUH – New Brunswick and Hamilton facilities would potentially affect the financial aspect of existing MICU services in the service locations or demonstrate that a MICU under their operation would not have a negative impact or adverse economic or financial impact on the current Provider of MICU services in Hamilton Township and the surrounding Mercer County areas, including but not limited to, the Townships of Robbinsville, East Windsor, West Windsor and Trenton. RWJUH did not address how the above MICU services in Hamilton Township, if provided by RWJUH, would not affect the financial aspect of existing MICU services in locations other than Hamilton Township, Mercer County as noted above.

Finally, with respect to the fourth criterion (i.e., whether the establishment of MICU services in Hamilton Township, Mercer County would contribute to the orderly development of adequate and effective health care services in the region), RWJUH has not demonstrated how MICU services provided in Hamilton Township, Mercer County under the operation of RWJUH – New Brunswick and Hamilton facility would not negatively impact MICU services in the surrounding areas, including the Townships of Robbinsville, East Windsor, West Windsor and Trenton, which receive services from the existing MICU Provider. In addition, RWJUH has not demonstrated why or how a command center for the proposed MICU services under the operation of the medical command group RWJUH's Medical Health System and directed from RWJUH facilities in New Brunswick and Somerset, would be better for residents of Hamilton Township rather than the existing MICU command center and services that are currently in place with the local level two trauma center.

Furthermore, as previously noted, implementation of MICU services that would be limited to the specific area of Hamilton Township, Mercer County could potentially have a negative impact to the financial condition of the existing MICU Provider; have a negative or adverse economic or financial impact on the delivery of access to health care services to the residents historically served by the current MICU Provider, especially to residents in areas outside of Hamilton Township that are not proposed for services by the Applicant; and therefore, adversely affect the orderly development of adequate and effective health care services in the region.

As to the specifics of this application, it is noted that in identifying those services that are subject to expedited review, the Department chose services that would have a minimal impact on the health care system as a whole, and, therefore, for which a statistical bed need methodology would not be necessary. The services proposed in this application are subject to expedited review pursuant to N.J.A.C. 8:33-3.1 and N.J.S.A. 26:2K-12.1b; therefore, a statistical bed need methodology is not required. The Department believes that the criterion regarding the availability of facilities or services which may serve as alternatives or substitutes is not applicable inasmuch as the services requested in this application will have an impact on the health care system as a whole.

Please be advised that this denial is limited to the proposal as presented and reviewed. The application, related correspondence, and any completeness questions and responses are incorporated and made a part of this decision. The Department, in making this decision, has relied solely on the facts and information presented to us.

Pursuant to N.J.S.A. 26:2H-9, RWJUH is entitled to a hearing at the Office of Administrative Law to contest the denial of its application. Requests for such hearing should be made in writing, and should be forwarded to the Department's Office of Legal and Regulatory Affairs, P.O. Box 360, Room 805, Trenton, New Jersey 08625, within 30 days of receipt of this notice. Failure to do so will negate the opportunity for such hearing(s).

If you have any questions concerning these matters, please do not hesitate to telephone Mr. John A. Calabria, Director, Certificate of Need and Healthcare Facility Licensure Program, at (609) 292-8773.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: Ms. Gibson (electronic copy)
Ms. Mozgai (electronic copy)
Mr. Calabria (electronic copy)
Mr. Phelps (electronic copy)
Ms. J. Brown (electronic copy)
Ms. D'Errico (electronic copy)