



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

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

JUDITH M. PERSICILLI, RN, BSN, MA
Commissioner

June 21, 2022

VIA ELECTRONIC & FIRST- CLASS MAIL

Timothy J. Hogan, FACHE
President, Chief Hospital Executive
Hackensack Meridian Health
Riverview Medical Center
1 Riverview Plaza
Red Bank, NJ 07701

Re: Riverview Medical Center
CN ER#2021-09261-13;01
License #11305
Total Project Cost \$9,874,333
Expiration Date: June 21, 2027

Dear Mr. Hogan:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted on August 31, 2021, for Riverview Medical Center (RMC), to relocate 31 adult acute psychiatric voluntary (open) beds from RMC Raritan Bay Medical Center (RBMC). Both hospitals are operated by HMM Hospitals Corporation and are in contiguous counties, which means they are in the same planning region as that term is defined in N.J.A.C. 8:33-1.3.

Hackensack Meridian Health (HMH) states that they are seeking to establish a hospital-based behavioral health "Center of Excellence" in the realm of behavioral health services within South-Central New Jersey to be centrally located at RBMC. As part of this process, RBMC anticipates increasing its total inpatient behavioral healthcare beds to 81 upon approval of numerous projects currently under review by the Department. HMH reports that this configuration will allow for a wide range of programs and services to meet the specialized needs of all behavioral health patients in this region. HMH believes that regionalizing inpatient behavioral health services will enhance its ability to attract a larger pool of behavioral health professionals because of the expanded practice opportunities. This, in turn, will also reportedly serve to provide patients in the South-Central region with high-quality inpatient behavioral health services.

Upon relocation of the 31 open beds to RBMC, RMC will no longer offer inpatient psychiatric services/beds but assures that it will continue to provide emergency and outpatient treatment to all those in need of mental health services by creating and expanding a secure emergency psychiatric unit from two to six beds. RMC avers that they will maintain close working relationships with other outpatient service providers to ensure that patients can receive ongoing outpatient care with providers that are close to home.

The Department has taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3 and 8:33H-1.16). As it pertains to the provisions of N.J.A.C. 8:33-5.3(a)(1)), the Department finds the following:

RMC has provided an appropriate project description, including information about the total project cost of \$9,874,333 for the renovations at RBMC. Projected utilization statistics were provided for 2023, indicating 77.5% occupancy with 1,462 inpatient admissions expected, and 80% occupancy for 2024 with 1,509 inpatient admissions expected. Operating costs for 2023 are expected to be \$7,881,338, and \$3,864,932 in net revenues after operating costs; operating costs for 2024 is expected to be \$8,313.97, and \$5,427,278 in net revenues after operating costs. No services will be affected, as the applicant reports no increase or decrease in services will occur with the relocation of the 31 open beds. The applicant states that no special equipment is required for the relocation. The source of funds will be organic, meaning that it will be paid with the applicant's available funds. The applicant has provided sufficient justification for the proposed project, which as stated by the applicant, is to regionalize services to have a wider array of specialized service capabilities in a location that is proximate to other HMM hospitals, as well as the ability to attract medical, nursing and allied professional staff because of a diversified range of programs.

N.J.A.C. 8:33-5.3(a)(2), requires an assurance that all residents of the area, particularly the medically underserved, will have access to services. RMC has met the standards of N.J.A.C. 8:33-5.3(a)(2), by ensuring that patients will be transported by ambulance to a psychiatric unit that is closest to the patient's home, family, or significant others, and if deemed necessary due to financial constraints, will provide transportation assistance to families with loved ones at RBMC. Documentation submitted with the applications shows that the project will meet appropriate licensing and construction standards required by N.J.A.C. 8:33-5.3(a)(3)(i) as evidenced by a review of the project narrative and schematic drawings for the behavioral health expansion project at RBMC. In addition, HMM Hospitals Corporation has demonstrated a track record of substantial compliance with the Department's licensing standards as set forth in N.J.A.C. 8:33-5.3(a)(3)(ii).

N.J.A.C. 8:33-5.5(a)2 also requires compliance with N.J.A.C. 8:33-3.4(a)(3)(i-vii), which states that "i. the relocation shall take place within the same planning region where the sending facility is located; ii. The receiving facility shall already hold a license for the category of beds proposed for relocation. The Commissioner may, in the case of proposed bed relocations, waive this requirement when the receiving facility is the site of a general hospital proposed or approved for closure in the previous 12 months, if the Commissioner makes a finding that such approval will not reduce the quality of care associated with the beds; iii. The relocation shall not have an adverse impact on the ability of the population currently being served in the sending facility's service area to access the same types of service or bed complement as those proposed for relocation; iv. The relocation shall not reduce access by the medically underserved and shall address the criteria set forth at N.J.A.C. 8:33-4.10(a); v. The relocation shall not have an adverse impact on quality of care at either the sending or receiving facility;". The applicant has demonstrated compliance with the above requirements as both RMC and RBMC are in the same

planning region in contiguous counties (Monmouth and Middlesex counties, respectively); RBMC, as the receiving facility is currently licensed to operate open beds; RMC states that they will transport patients requiring an open bed to a unit closest to the patient's home, including non-HMH facilities and regardless of the patient's ability to pay; the relocation will not reduce access to the medically underserved as addressed above; and the applicant states that the proposed relocation will help better serve patients requiring open beds by regionalizing services at RBMC to offer a wider array of specialized service capabilities. The requirements at N.J.A.C. 8:33-3.4(a)(3)(vi), and N.J.A.C. 8:33-3.4(a)(3)(vii) are not applicable to this application.

Please be advised that this approval is limited to the application as presented and reviewed. The application, related correspondence, and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope, as defined at N.J.A.C. 8:33-3.9. However, a change in cost of an approved certificate of need is exempt from certificate of need review subject to the following:

1. The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for licensure for the beds/services with the Certificate of Need and Healthcare Facility Licensure Program.
2. Where the actual total project cost exceeds the certificate of need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional certificate of need application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost in excess of the certificate of need approved total project cost.
3. The Department will not issue a license for beds/services until the additional fee is remitted in full.

The Department in approving this application has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented as part of this application, the Department may take administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

Any approval granted by this Department relates to certificate of need and/or licensing requirements only and does not imply acceptance by a reimbursing entity. This letter is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way the authority to regulate land use within its borders and shall not be used by the applicant to represent that the Department has made any findings or determination relative to the use of any specific property.

Please be advised that services may not commence until a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate the relocated psychiatric beds. A survey by Department staff will be required prior to commencing services.

If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael J. Kennedy, Executive Director, Division of Certificate of Need and Licensing at Michael.Kennedy@doh.nj.gov.

Sincerely,

Robin C. Ford

Robin C. Ford, MS
Deputy Commissioner
Health Systems

cc: Stefanie J. Mozgai, DOH (Electronic mail)
Michael J. Kennedy, DOH (Electronic mail)
Luisa Alexopoulos, DOH (Electronic mail)
Kim Hansen, DOH (Electronic mail)
Anna Sousa, DOH (Electronic mail)
Antonella Ventura, DOH (Electronic mail)
Intake Unit, DOH (Electronic mail)
Ramon Santiago, DOH (Electronic mail)
William DiStanislao, Hackensack Meridian Health (Electronic mail)
Donna Getcliffe, Hackensack Meridian Health (Electronic mail)
CN Tracker #18908