

State of New Jersey
DEPARTMENT OF HEALTH
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Commissioner

September 11, 2026

VIA ELECTRONIC & FIRST- CLASS MAIL

Mary Ellen Clyne, Ph.D.
President and CEO
Clara Maass Medical Center
One Clara Maass Drive
Belleville, New Jersey 07109

Re: Clara Maass Medical Center
CN # ER 2024-10361-07;01
Relocation of twenty-one (21) adult
acute closed psychiatric beds and fifteen
(15) adult acute open psychiatric beds
Total Project Cost: \$19,920,500
Expiration Date: September 11, 2031

Dear Dr. Clyne:

Please be advised that the Department of Health (Department) hereby approves the amended Expedited Review Certificate of Need (ERCN)¹ application for Clara Maass Medical Center (CMMC), originally submitted on October 1, 2024, and subsequently amended on July 20, 2026, and again on July 30, 2026. CMMC is a general acute care hospital located in Essex County at One Clara Maass Drive, Belleville, New Jersey 07109. The application proposes the relocation of twenty-one (21) adult acute closed psychiatric beds and fifteen (15) adult acute open psychiatric beds from Jersey City Medical Center (JCMC) to CMMC. Both hospitals are owned and operated by Robert Wood Johnson Barnabas Health (RWJBH). They are also located in contiguous counties, therefore, the hospitals are within the same planning region, as defined in N.J.A.C. 8:33-1.3. The Certificate of Need application was submitted pursuant to N.J.A.C. 8:33-5.1(a)(11) and has been reviewed in accordance with the requirements governing expedited review for the relocation of licensed beds set forth at N.J.A.C. 8:33-3.4² and N.J.A.C. 8:33-5.3.

CMMC currently holds a license to operate forty-two (42) adult acute psychiatric beds, consisting of thirty-one (31) closed beds and eleven (11) open beds. The Applicant is seeking approval to relocate thirty-six (36) adult acute psychiatric beds from JCMC, comprising twenty-one (21) closed beds and fifteen (15) open beds. If approved, this relocation

would increase CMMC's total capacity to seventy-eight (78) adult psychiatric beds, with fifty-two (52) closed beds and twenty-six (26) open beds. To accommodate this expansion, CMMC proposes renovating existing space on the second and third floors of the hospital's Continuing Care Building. The renovation will create a consolidated inpatient psychiatric unit featuring twelve (12) private patient rooms and twelve (12) semi-private patient rooms, for a total licensed capacity of thirty-six (36) beds. Six (6) of the private rooms will be designed with the flexibility to convert to semi-private accommodations in the future, which would allow the unit to expand to forty-two (42) beds if demand warrants such growth. According to CMMC, the proposed relocation and consolidation of psychiatric services will facilitate the establishment of a "behavioral health center of excellence," enhance regional access to behavioral health services, improve operational efficiency, provide benefits to patients and the communities served, and support the development of an expanded multi-disciplinary clinical care team with enhanced expertise and resources.

CMMC represents that the proposed relocation of inpatient psychiatric services will not affect the availability of existing outpatient behavioral health services at JCMC. Specifically, CMMC states that integrated case management services (ICMS); intensive outpatient treatment (IOP) and mental health support services; adult partial hospitalization programs (PHP); residential services, including group homes and supportive housing; and medication management and therapy services, including the pediatric-focused Hope Hub Living Room Model program, will remain in operation at JCMC. In addition, CMMC states that JCMC will continue to operate the Hope Hub for pediatric screening, the Mental Health and Social Services for the Homeless (MASSH-PATH) program, the Trauma Recovery Center, school-based youth intervention programs at five (5) high schools addressing students' social, behavioral, and substance use concerns, and Psychiatric Emergency Services, including the Emergency Department Peer Support program.

The amended application retains the information submitted with the original filing and updates those sections affected by developments occurring since the initial submission. CMMC supplemented the record with additional information regarding the impact of the closure of Heights University Hospital (HUH) on patient capacity and operations at JCMC. CMMC also submitted a comparative construction timeline indicating that the proposed project could be completed more expeditiously than renovations at JCMC to address existing capacity constraints. CMMC states that the proposed relocation would improve the physical environment for inpatient psychiatric services while making additional space available at JCMC for departments adversely affected by the closure of HUH.

CMMC states that Hudson County patients will remain a priority, with transportation assistance available to CMMC. According to CMMC, transportation resources will include hospital-coordinated transportation, emergency medical services, ride-share services (including Uber Health), transportation vouchers, public transit planning, county and community transportation programs, and family-assisted transportation, as appropriate. CMMC further states that transportation services will be provided or arranged at no cost to patients and families, when necessary, and will be coordinated by an assigned social worker or care-management professional based on a case-by-case assessment of clinical, financial, and individual needs.³ CMMC represents that, for patients unable to travel

due to financial, medical, or other extenuating circumstances, the care team will coordinate appropriate transportation resources or utilize virtual family meetings, telehealth participation, and flexible visitation accommodations to support family involvement and continuity of care.

CMMC further states that consolidating inpatient psychiatric services at CMMC would promote more sustainable staffing, improve operational efficiencies, and enhance the delivery of therapeutic, rehabilitative, and group treatment services within a larger inpatient behavioral health program. CMMC also asserts that relocating the psychiatric beds would allow JCMC to preserve capacity for high-acuity, time-sensitive non-psychiatric services, including trauma, cardiac, stroke, intensive care, and medical-surgical services. In support of these assertions, CMMC submitted utilization data demonstrating that, following the closure of HUH, JCMC transferred a greater number of medical-surgical patients than psychiatric patients and experienced increased capacity demands across multiple service lines. Based on the information submitted, CMMC asserts that approval of the proposed project would alleviate capacity constraints across multiple service lines and maintain access to inpatient psychiatric services despite increased travel distances for certain patients.

The Department has taken into consideration the applicable regulations for the services subject to expedited review. The applicable regulations include N.J.A.C. 8:33-3.4(a) and N.J.A.C. 5.1(a) (1-3). The Department's findings pursuant to the applicable provisions are set forth below:

N.J.A.C. 8:33-3.4(a)(3)(i) requires that the relocation of licensed beds, or an entire service with a specific licensed bed complement, from one licensed facility to another within the same planning region be reviewed through the expedited certificate of need process. The rule also requires that the relocation occur within the same planning region as the sending facility.

The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-3.4(a)(3)(i). Pursuant to N.J.A.C. 8:33-1.3, a planning region consists of the county in which the facility is located and any counties contiguous to that county. JCMC is located in Hudson County, and CMMC is located in Essex County. Because Hudson and Essex Counties are contiguous, the facilities are located within the same planning region. Accordingly, the proposed relocation satisfies the planning region requirement of N.J.A.C. 8:33-3.4(a)(3)(i).

N.J.A.C. 8:33-3.4(a)(3)(ii) requires that the receiving facility already holds a license for the category of beds proposed for relocation. The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-3.4(a)(3)(ii). CMMC, the receiving facility, holds a license for the category of adult acute open and closed psychiatric beds proposed for relocation.

N.J.A.C. 8:33-3.4(a)(3)(iii) requires that the proposed relocation does not adversely affect the ability of the population currently served by the sending facility's service area to

access the same type of service or bed complement proposed for relocation. The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-3.4(a)(3)(iii). CMMC represents that outpatient behavioral health services at JCMC will remain in operation and that Hudson County residents will continue to have access to adult inpatient psychiatric services at CMMC following the proposed relocation. CMMC further represents that transportation assistance will be available through multiple transportation modalities, coordinated based on each patient's clinical, financial, and individual needs, and provided or arranged at no cost to patients and their families when necessary. CMMC also states that virtual family meetings, telehealth participation, and flexible visitation accommodations will be available when travel to CMMC is not feasible, thereby supporting continuity of care and family involvement.

In its supplemental and revised application, CMMC provided additional information addressing the Department's concerns regarding the potential impact of the proposed relocation on access to inpatient psychiatric services for Hudson County residents. In particular, CMMC represents that the proposed relocation will not reduce the total number of inpatient psychiatric beds, including voluntary and STCF-designated beds, and that inpatient psychiatric services will continue to be available to Hudson County residents following the relocation.

CMMC further describes the existing regional infrastructure that will support patient access and continuity of care, including centralized transfer coordination, direct admission processes, physician-to-physician handoffs, clinical screening, coordinated transportation, and transportation assistance for patients and families when needed. CMMC also represents that in-person visitation will remain available and that virtual family engagement and flexible accommodations will be available to reduce barriers associated with increased travel distance.

The Department recognizes that the relocation of inpatient psychiatric services from Hudson County to CMMC may increase travel distance for some patients and their families. Based on the additional information, commitments, and access measures provided in CMMC's supplemental and revised application, however, the Department finds that CMMC has adequately addressed the Department's concerns regarding patient transportation, continued access to inpatient psychiatric services, the preservation of STCF-designated capacity, and family involvement and visitation. The conditions of approval set forth below are intended to ensure the implementation and continued maintenance of the commitments upon which the Department has relied in reaching this determination.

Based on these representations, the Department finds that the proposed relocation will not adversely affect the ability of the population currently served by JCMC's service area to access the services proposed for relocation.

N.J.A.C. 8:33-3.4(a)(3)(iv) requires that the proposed relocation not reduce access to services for the medically underserved and that the application addresses the criteria set forth at N.J.A.C. 8:33-4.10(a).

The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-3.4(a)(3)(iv). CMMC has addressed the criteria set forth at N.J.A.C. 8:33-4.10(a), which requires a CN applicant to demonstrate that its proposed project will promote access to the medically underserved population. In its submission, CMMC represents that the proposed relocation will not reduce access to services for the medically underserved because it will provide transportation for patients requiring inpatient adult psychiatric services from JCMC to CMMC and it will arrange for family and visitor transportation as needed. Based on the information provided in the application and CMMC's representations, the Department finds that the proposed relocation will not reduce access to services for the medically underserved.

N.J.A.C. 8:33-4.10(a) requires that a proposed project promote access to care for low-income persons, racial and ethnic minorities, women, persons with disabilities, the elderly, persons with HIV infection, and other persons who are unable to obtain care.

The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-4.10(a). CMMC represents that Hudson County patients, including medically underserved populations, will continue to have access to inpatient psychiatric services at CMMC following the proposed relocation. CMMC further represents that transportation assistance will be available through multiple transportation modalities and coordinated based on each patient's clinical, financial, and individual needs. When necessary, CMMC represents that transportation will be provided or arranged at no cost to patients and their families. CMMC also states that virtual family meetings, telehealth participation, and flexible visitation accommodations will be available when travel to CMMC is not feasible, thereby supporting continuity of care and family involvement.

Based on these representations and the measures proposed to maintain access to services, the Department finds that the proposed project promotes access to care consistent with the requirements of N.J.A.C. 8:33-4.10(a).

N.J.A.C. 8:33-3.4(a)(3)(v) requires that the proposed relocation not have an adverse impact on the quality of care at either the sending or receiving facility.

The Department finds that the application meets the requirements of N.J.A.C. 8:33-3.4(a)(3)(v). CMMC represents that relocating inpatient psychiatric services would enhance regional health care accessibility and efficiency and benefit patients, the communities served, and the clinical care team's development. CMMC further represents that consolidating inpatient psychiatric services at CMMC would promote more sustainable staffing, improve operational efficiency, and enhance the delivery of therapeutic, rehabilitative, and group treatment services within a larger inpatient behavioral health program. CMMC also states that the proposed relocation would alleviate documented capacity constraints at JCMC by making additional space available for high-acuity, time-sensitive non-psychiatric services.

Since the Department's initial consideration of this application, circumstances in the region have materially changed. In particular, Heights University Hospital ceased operating its inpatient hospital services without the required Certificate of Need approval. The loss of Heights University Hospital as an operating inpatient hospital has placed additional pressure on JCMC. The Department has received information describing capacity constraints at JCMC, particularly with respect to accommodating patients requiring high-acuity and time-sensitive non-psychiatric services.

The improper and unapproved closure of Heights University Hospital therefore required the Department to reconsider CMMC's application in light of the changed circumstances affecting the regional health care system. The Department finds that relocating CMMC's inpatient psychiatric services would make additional space available at JCMC and help address the capacity constraints that have increased following the closure of Heights University Hospital.

Based on CMMC's representations, the documented capacity constraints at JCMC, and the material change in regional health care circumstances resulting from the unapproved closure of Heights University Hospital, the Department finds that the proposed relocation would promote regional health care accessibility and efficiency and is consistent with the requirements of N.J.A.C. 8:33-3.4(a)(3)(v).⁴

N.J.A.C. 8:33-5.3(a)(1) requires that CMMC provide an appropriate project description, including information about changes in beds, total project cost, services affected, equipment involved, sources of funds, utilization statistics, both inpatient and outpatient, and justification of the proposed project.

The Department finds that the application satisfies the requirements of N.J.A.C. 8:33-5.3(a)(1). CMMC provided a project description that identifies the proposed changes in beds, the total project cost of \$19,920,500 for renovations at CMMC, and projected utilization statistics for 2023 through 2028. The utilization statistics include psychiatric admissions, average length of stay, and total patient days for both CMMC and JCMC. CMMC also provided projected total operating costs ranging from \$11,167,805 to \$11,996,996, together with corresponding projected total revenues.

CMMC provided additional justification for the proposed project, including its anticipated impact on inpatient and outpatient services. CMMC states that the purpose of the project is to enhance regional health care accessibility and efficiency, provide benefits to patients and the communities served, and support the development of a clinical care team with expanded competencies and resources.

Based on the information provided in the application and CMMC's supplemental submission, including the project description, utilization projections, financial information, and justification for the proposed project, the Department finds that the application satisfies the requirements of N.J.A.C. 8:33-5.3(a)(1).

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.

The Department finds that the application satisfies the requirements of **N.J.A.C. 8:33-5.3(a)(2)**. CMMC has provided an assurance that residents, including the medically underserved, will have access to the proposed inpatient and outpatient services. CMMC further represents that transportation resources will be available to support patient access to services, including for patients and family members who may require assistance. According to CMMC, transportation resources will be coordinated based on patient needs and provided or arranged at no cost to patients and families, when necessary.

N.J.A.C. 8:33-5.3(a)(3)(i) requires that all services proposed for expedited review meet applicable licensing and construction standards.

The Department finds that the Applicant satisfies the requirements of **N.J.A.C. 8:33-5.3(a)(3)(i)**. Documentation submitted with the application, including the project narrative and schematic drawings for the behavioral health expansion project at CMMC, demonstrates that the proposed project is designed to meet the applicable licensing and construction standards.

N.J.A.C. 8:33-5.3(a)(3)(ii) requires that an applicant demonstrate a track record of substantial compliance with the Department's licensing standards. The Department finds that the Applicant satisfies the requirements of **N.J.A.C. 8:33-5.3(a)(3)(ii)**. RWJBH has demonstrated a track record of substantial compliance with the Department's licensing standards.

Based on the foregoing, the Department approves the relocation of twenty-one (21) adult acute closed psychiatric beds and fifteen (15) adult acute open psychiatric beds, subject to the following conditions:

1. Transportation Plan

CMMC shall develop, implement, and maintain a Transportation Plan consistent with the representations made in its application. The Transportation Plan shall be operational upon implementation of the relocated inpatient psychiatric beds and shall remain in effect for as long as the relocated beds are licensed and operated at CMMC.

The Transportation Plan shall ensure that transportation assistance is available to Hudson County patients receiving inpatient psychiatric services at CMMC and, when appropriate, their family members or designated support persons, to facilitate access to care and continuity of treatment. Transportation assistance must be coordinated based on each

patient's clinical, financial, and individual needs. When transportation assistance is determined to be necessary, CMMC shall provide or arrange transportation at no cost to the patient or family member.

CMMC shall maintain written policies and procedures governing the Transportation Plan. CMMC shall submit any material modification to the Transportation Plan to the Department at least 120 days prior to the proposed implementation date. No material modification shall be implemented without the Department's prior written approval.

"Material modification" means any proposed change to the Transportation Plan that would reasonably be expected to reduce, limit, or otherwise adversely affect the availability, scope, geographic coverage, eligibility, response time, or manner of transportation assistance provided to Hudson County patients receiving inpatient psychiatric services at CMMC, or to their family members or designated support persons when appropriate. A material modification includes, but is not limited to, any change that would: (1) eliminate or substantially reduce a transportation modality; (2) impose a new fee, cost, eligibility requirement, or other barrier to transportation assistance; (3) materially reduce the hours or days during which transportation assistance is available; (4) materially increase the time patients must wait for transportation; (5) limit transportation assistance based on a patient's clinical, financial, or individual circumstances in a manner inconsistent with the approved Transportation Plan; or (6) otherwise materially impair a patient's ability to access inpatient psychiatric services at CMMC or maintain continuity of care.

A change shall not constitute a material modification if it is an administrative or operational change that does not reduce or adversely affect the availability, accessibility, or scope of transportation assistance required under this condition and does not otherwise conflict with the representations contained in the application.

2. Patient Evaluation and Behavioral Health Care Coordination

CMMC shall ensure that patients presenting to JCMC for psychiatric evaluation are evaluated to determine their immediate medical needs and the appropriate level of behavioral health care. Any acute medical condition shall be stabilized prior to or during transfer for inpatient psychiatric treatment, as clinically appropriate.

Patients requiring both medical and behavioral health services shall receive appropriate multidisciplinary care at JCMC, including, as clinically appropriate, psychiatric consultation, medication management, behavioral health nursing care, observation, social work services, and telehealth psychiatric support.

When inpatient psychiatric treatment is clinically indicated, CMMC shall coordinate the timely placement and transfer of the patient to an appropriate inpatient psychiatric facility, including CMMC when appropriate.

3. Continuity of Outpatient Behavioral Health Services

Pursuant to N.J.A.C. 8:43G-5.21(a), CMMC shall ensure the continued availability of outpatient behavioral health and preventive services for patients receiving inpatient psychiatric services at CMMC. Consistent with the representations made in the application, outpatient behavioral health services shall continue to be available through JCMC, either directly or through written contract, to support continuity of care for Hudson County patients following discharge from CMMC.

Such services shall include, as appropriate, Intensive Case Management Services (ICMS), Intensive Outpatient Program (IOP), Adult Partial Hospitalization Program (PHP), medication management, therapy services, and other outpatient behavioral health services identified in the application.

CMMC shall ensure that discharge planning includes appropriate referral to and coordination of outpatient behavioral health services available through JCMC to facilitate continuity of care following discharge.

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 the cost of an approved certificate of need is exempt from certificate of need review subject to the following:

1. CMMC 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 appropriate administrative regulatory

action to rescind the approval or refer the matter to the Office of the New Jersey Attorney General.

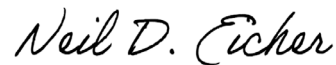
Any approval granted by this Department relates to certificate of need and/or licensing requirements only and does not imply acceptance by a reimbursing entity. This letter is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

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 such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program.

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

The Department looks forward to working with the applicant to provide high-quality care to your patients. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Rebecca Nazario-Straffi, Assistant Commissioner, Division Certificate of Need and Licensing via email at rebecca.nazario-straffi@doh.nj.gov.

Sincerely,

A handwritten signature in black ink that reads "Neil D. Eichler". The signature is written in a cursive, flowing style.

Neil Eichler
Deputy Commissioner
Health Systems
New Jersey Department of Health