



State of New Jersey
DEPARTMENT OF HEALTH

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

PO BOX 358
TRENTON, N.J. 08625-0358

www.nj.gov/health

JEFFREY A. BROWN
Acting Commissioner

In Re Licensure Violation: :
HEIGHTS UNIVERSITY HOSPITAL : NOTICE OF ASSESSMENT OF
: PENALTIES
(NJ Hospital ID# NJ 10902) :
: :
:

TO: Dr. Nizar Kifaieh, System President and CEO
Hudson Regional Health System
Heights University Hospital
176 Palisade Avenue
Jersey City, New Jersey 07306
nkifaieh@hudsonregionalhospital.com

Dear Dr. Kifaieh:

As more fully detailed below, effective immediately, the New Jersey Department of Health (the Department) is assessing penalties pursuant to N.J.A.C. 8:43E-3.4(a)12 upon Heights University Hospital (hereinafter Heights or the Hospital) (previously known as Christ Hospital) because the Hospital closed on November 14, 2025, without following the full review certificate of need (CN) process required pursuant to N.J.A.C. 8:33-3.2(b) and without obtaining prior approval.

The Health Care Facilities Planning Act (N.J.S.A. 26:2H-1 et seq.) (the Act) provides a statutory scheme designed to ensure that all health care facilities are of the highest quality. General hospitals are licensed in accordance with N.J.S.A. 26:2H-1 and N.J.A.C. 8:43G. Pursuant to the Act, N.J.A.C. 8:43G (Hospital Licensing Standards) and N.J.A.C. 8:43E (General Licensure Procedures and Standards Applicable to All Licensed Facilities), the Commissioner of the

Department of Health is authorized to inspect all health care facilities and to enforce the Manual of Hospital Licensing Standards set forth at N.J.A.C. 8:43G-1.1 et seq.

CERTIFICATE OF NEED REQUIREMENTS

On April 17, 2023, the Department approved, with conditions, a certificate of need application by HH Opco for the transfer of ownership of CarePoint Health Christ Hospital. The conditions of approval included the requirement that HH Opco shall remain obligated to comply with all conditions contained in the Department's June 19, 2012, certificate of need approval letter and shall apply to any successor organization to HH Opco that acquires Christ Hospital within five years from the date of the anticipated CN approval. In addition, the certificate of need was conditioned on HH Opco continuing all clinical services currently offered at Christ Hospital for Christ Hospital patients and that any changes in this commitment involving either a reduction, relocation out of Christ Hospital's current service area, or elimination of clinical services offered by Christ Hospital shall require written approval from the Department and shall be subject to all applicable statutory and regulatory requirements. The conditions also included continuing compliance with N.J.A.C. 8:43G-5.21(a), which requires that "[a]ll hospitals shall provide, on a regular and continuing basis, out-patient and preventive services, including clinic services for medically indigent patients, in those services provided on an in-patient basis."

UNAUTHORIZED CLOSURE

On October 14, 2025, Heights submitted to the Department a Certificate of Need application requesting a staged hospital closure. The two-phase closure plan submitted with the application provided for complete closure of the Hospital by November 10, 2025. According to the application, the Hospital acknowledged that despite the "oversight, guidance, and support of a state-mandated fiscal monitor," the Hospital continued to experience "ongoing and unsustainable financial losses, despite substantial investments and operational interventions." The Hospital asserted that it continued to face operating losses exceeding \$60 million annually since assuming ownership after its predecessor CarePoint's exit from bankruptcy in May 2025. The Hospital claimed that it would not meet its payroll funding by the end of the day on October 15th and that critical services such as the cardiac catheterization laboratory and neuro-intervention would have to be suspended due to a lack of supplies. The Hospital requested funding from the state to meet payroll and to allow for an orderly closure of the hospital with an expedited process over four weeks. On October 16, 2025, the State advanced \$2 million in charity care funding to the Hospital so that it could meet payroll.

By letter dated October 15, 2025, the Department informed the Hospital that closure of a general hospital must follow the full review CN process pursuant to N.J.A.C. 8:33-3.2(b). The letter advised the Hospital in detail about the process to submit the application, that the Department would review the application and may issue completeness questions and that, once the

Department deemed the application to be complete, the SHPB would begin its process of conducting a public hearing in Jersey City to solicit input from the community, followed by its regularly scheduled meeting to decide whether to recommend to the Commissioner the approval or denial of the application. Finally, the letter advised the Hospital that, even if the closure of the Hospital was approved, the Hospital may be required to continue to operate services at or near its 176 Palisades Avenue, Jersey City location. These services might include, at a minimum, a satellite emergency department and ancillary support services as provided by N.J.A.C. 8:43-36, as well as 24/7 emergency medical service transportation and outpatient services as deemed necessary by the Department.

Despite submission of the staged closure plan, the Hospital continued operations past November 10, 2025, while gradually decreasing its patient count, as indicated in the census reports provided to the Department, and requesting funding from the State to continue operating. On November 13, 2025, the Hospital submitted its certificate of need application to the Department, requesting an emergency hospital shutdown, alleging “ongoing and unsustainable financial losses, despite substantial investments and operational interventions.” According to the Hospital, it was unable to fulfill its payroll obligation for November 14, 2025, without additional State funding, which had been denied, and informed Robert Iannaccone, the Department’s monitor at the Hospital, of its immediate closure, indicating its intent to solely function as a Satellite Emergency Department. However, the Hospital never received approval from the Department to close or to operate as a Satellite Emergency Department.

MONETARY PENALTIES

N.J.A.C. 8:43E-3.4(a)12 allows the Department to impose a monetary penalty “[f]or failure to implement a Certificate of Need condition of approval, \$ 1,000 per day, which shall be assessed either from the date specified in the Certificate of Need for implementation of the specific condition of approval, if identified, or from the date on which the Certificate of Need was considered to be implemented.”

In accordance with N.J.A.C. 8:43E-3.4(a)12, the penalty assessed for each day on which noncompliance was found is \$1,000 per day from when the hospital closed on November 14, 2025, through January 16, 2026, the date of issuance of the notice of assessment, for each certificate of need condition violation. The total penalty assessed is \$128,000.

The total amount of this penalty is required to be paid within 30 days of receipt of this letter by certified check or money order made payable to the “Treasurer of the State of New Jersey” and forwarded to Office of Program Compliance, New Jersey Department of Health, P.O. Box 358, Trenton, New Jersey 08625-0358, Attention: Lisa King. **On all future correspondence related to this Notice, please refer to Control X25038.**

INFORMAL DISPUTE RESOLUTION (IDR)

N.J.A.C. 8:43E-2.3 provides facilities the option to challenge factual findings by requesting Informal Dispute Resolution (IDR) with Department representatives. Facilities wishing to challenge only the assessment of penalties are not entitled to IDR review. Such facilities may request a formal hearing at the Office of Administrative Law as set forth herein below. Please note that the Hospital's rights to IDR and administrative hearings are not mutually exclusive, and both may be invoked simultaneously. IDR requests must be made in writing within ten (10) business days from receipt of this letter. The request must state whether the Hospital opts for a telephone conference or review of Hospital documentation only. The request must include an original and ten (10) copies of the following:

1. A list of each specific fact the Hospital is contesting;
3. A specific explanation of why each fact is contested; and
4. Any relevant supporting documentation.

Any supporting documentation or other papers submitted later than 10 business days prior to the scheduled IDR may not be considered at the discretion of the IDR panel. Send the above-referenced information to:

Nadine Jackman, Office of Program Compliance
New Jersey Department of Health
P.O. Box 358
Trenton, New Jersey 08625-0358

The IDR review will be conducted by professional Department staff who do not participate in the survey process. Requesting IDR does not delay the imposition of any enforcement remedies.

FORMAL HEARING

The Hospital is entitled to contest the assessment of penalties pursuant to N.J.S.A. 26:2H-13 by requesting a formal hearing at the Office of Administrative Law (OAL). The Hospital may request a hearing to challenge any or all of the following: the factual findings and/or the assessed penalties. The Hospital must advise this Department within 30 days of the date of this letter if it requests an OAL hearing.

Please forward your OAL hearing request to:

Attention: OAL Hearing Requests

Heights University Hospital
Notice of Assessment of Penalties
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Office of Legal and Regulatory Compliance, New Jersey Department of Health
P.O. Box 360
Trenton, New Jersey 08625-0360

Corporations are not permitted to represent themselves in OAL proceedings. Therefore, if the Hospital is owned by a corporation, representation by counsel is required. In the event of an OAL hearing regarding the penalty, the Hospital is further required to submit a written response to each charge as specified in this notice, which shall accompany its written request for a hearing.

Please note that failure to submit a written request for a hearing within 30 days from the date of this notice will render this a final agency decision. The final agency order shall thereafter have the same effect as a judgment of the court. The Department also reserves the right to pursue all other remedies available by law.

Thank you for your attention to this important matter and for your anticipated cooperation. If you have any questions regarding this Notice of Assessment, please contact Nadine Jackman, Office of Program Compliance, at Nadine.Jackman@doh.nj.gov.

Sincerely,



Gene Rosenblum, Director
Office of Program Compliance
Division of Certificate of Need and Licensing

GR:JLM:nj
DATE: January 16, 2026
E-MAIL
REGULAR AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED
c. Order Distribution List

Control # AX25038