The purpose of this Guidance Document is to notify potential applicants of the information that is expected to be included in the application (CN-3) [www.nj.gov/health/healthfacilities/certificate-need] that is submitted in response to the Certificate of Need (CN) Call for Adult Acute Care Psychiatric Beds.

Anyone who is interested in operating adult inpatient acute care psychiatric beds may apply for beds in accordance with the Call. Applicants may be acute care hospitals with or without psychiatric beds or detoxification services; psychiatric hospitals; and other potential providers, including outpatient facilities or residential detoxification facilities that are interested in establishing a psychiatric inpatient hospital.

If you have questions regarding state funding, please contact the NJ Division of Mental Health and Addiction Services.

To expedite the path to completeness, applicants are advised to respond to all components as presented in the application unless modified as listed below:

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**Section I. General Requirements**

1. Certificate of Need
   A. Pre-Submission: Local Advisory Boards are no longer in existence. Applicants may contact the staff of the Department of Health (Department), Office of Certificate of Need and Healthcare Facility Licensure (CN&HFL) for questions at (609) 292-8773.

   C. Signature. All applications must be signed by the Applicant or his/her authorized representative.

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2. Licensing
   Licensing rules are available online through LexisNexis and in most public libraries in New Jersey. The relevant licensing rules for inpatient psychiatric hospitals are the Hospital Licensing Standards, N.J.A.C. 8:43G.
4. Construction
Guidance regarding construction may be obtained from CN&HFL at (609) 292-8773.

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Section II. Requirements for Completion of Narrative Section (F and M) of Certificate of Need Application

1. State Health Planning Requirements
   A. Description/Project Narrative.
      Nos.1 - 16. Do not complete. All applicable components have been included throughout the application.

Pages 4 and 5 of 6:
2. Construction Requirements
   If an item (A – M) is Not Applicable (NA), please indicate same.
   K. In lieu of site/floor plans:
      All Applicants: Please describe the location of the proposed beds and outpatient services and attest that this location will comply with all applicable requirements for physical plant. If full compliance with physical plant requirements cannot be attained, please identify, in detail, any waivers that you may request.

      www.fgiguidelines.org/guidelines/2014-hospital-outpatient

      Note: Architectural plans for new construction/renovations should be submitted after approval of the beds is granted by the Department.

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Section III. Required Documents
2. Financial Feasibility Study
   A. Replacement language:
      Provide three years of financial projections prepared in accordance with Generally Accepted Accounting Principles and consistent with the requirements of Pages 11, 12 and 13 of 19 that demonstrate financial feasibility. Include all significant financial and utilization assumptions.

   F. Replacement language:
      For projects exceeding $15,000,000 in cost, institutions must submit to the Department projected financial and utilization information, as well as independently verified historical financial and utilization information, as identified in N.J.A.C. 8:33-4.10(b)(6) which includes:

      • The method of financing identified is accurately calculated and economically feasible, and is the least cost method available; and
• The impact of the proposed project on financial condition, capital cost, operating cost, projected revenues, and charges for the year prior to the application and the two years following project completion.

Financial information includes the four principal financial statements: Balance Sheet (aka Statement of Financial Position), Statement of Operations (aka Income Statement), Statement of Cash Flows, and Statement of Changes in Net Assets prepared in conformity with Generally Accepted Accounting Principles, as well as the significant assumptions used in developing the projections. Utilization information includes payor mix data as well as operating statistics. This information should be in a format acceptable to the New Jersey Health Care Facilities Financing Authority so that only revisions to update the information will be required at the time of financing. The New Jersey Health Care Facilities Financing Authority can be contacted for information regarding the acceptable format at (609) 292-8585.

Application – Certificate of Need for Hospital-Related Projects

Page 1 of 19:
A.7. Do not complete.

Pages 7, 8 and 9 of 19:
F. Project Summary

Provide a clear and comprehensive narrative, which describes the proposed project (no page limit). The summary should include, but not be limited to, the following:

1. Designate the number of open (voluntary) beds and the number of closed (involuntary) beds the applicant is seeking, and demonstrate why the proposed allocation of beds is appropriate.

2. Identify the county or counties in which the applicant proposes to meet all or a portion of the identified need.

3. Identify the precise location of the project.

4. Describe the present and anticipated need in the Primary and Secondary service areas of the proposed project. Include a summary of the volume projections which support the anticipated need in the proposed project.

5. Identify all other institutions in the service area(s) of the project’s proposed location that provide similar services. Discuss the anticipated impact of this project on these other institutions.
6. Discuss the applicant’s past and current history in providing care to the indigent and how the proposed project will affect the applicant’s ability to provide care for the indigent.

7. Discuss the applicant’s history in providing care to Medicaid recipients and how the proposed project will affect the applicant’s ability to provide care for Medicaid recipients.

8. Describe the demographics of the area, particularly as related to the populations affected by the proposed project.

9. Describe the economic status of the service area, particularly as related to special health service needs of the population; and future facility cash flow.

10. Provide detail on coordination of care with the area’s Hospital Emergency Departments and the Division of Mental Health and Addiction Services’ Designated Screening Service. This should include a protocol for processing referrals and admissions 24 hours a day/7 days a week.

11. For Applicants requesting closed beds, discuss, in detail, how the unit will operationalize the principle of offering treatment in the least restrictive setting in treating persons with acute psychiatric symptoms, including consideration of transfer to an open bed when the patient no longer meets commitment criteria but would still benefit from further treatment.

12. Discuss any special populations that will be served. In particular, discuss how individuals with co-occurring mental health and substance use disorders (SUDs) will be served, including any limitations.

13. Describe how services will be coordinated with the acute care system in the proposed service area, including the mental health and SUD services to which patients will be referred upon discharge. Please list the providers that the applicant will affiliate with, and include the level of service (for example inpatient, residential, ambulatory) that the provider offers and how access will be facilitated.

14. Describe any process that you propose that incorporates:

   a. a regional approach to address mental health and co-occurring SUD needs of multiple counties or regions, including both inpatient and outpatient services;
b. 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 County, Salem County and Warren County.

c. Innovative ways to provide treatment to patients who have mental health and co-occurring SUDs.

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G. Grants
Identify only those grants specific for mental health and SUDs. Grant information should include the name, purpose, amount, current status and expiration date. Please state whether or not you intend to apply for renewal of the grant at the time of its expiration. If a grant is not renewed, please explain how this will impact the functioning of the facility.

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H. Volume of Activity in Cost Centers Related to Project
1. Admissions: See Attachment A

Page 11 of 19:

H. Volume of Activity in Cost Centers Related to Project (Continued)
2. Visits: See Attachment B

Page 11 of 19:

I. Operating Projections
1. Revenues: See Attachment C

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I. Operating Projections
2. Expenses: See Attachment D

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I. Operating Projections
3. Patient Mix by Source of Revenue: See Attachment E

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J. Projected Staffing Levels
Staffing information is required for the facility's total complement of open and closed psychiatric beds. In addition to the required information, identify each job title and the number of full-time, part-time and per diem employees within each title. State the number of hours constituting full-time and part-time status. Discuss how additional staffing needs will be obtained should more than one patient require one-to-one supervision at the same time.
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**K. Access to Services**

2(a). Replace “Inpatient Mortgage (provide details in D-2)” with “Inpatient”.

3. What is/will be the projected number of Physicians and Advanced Practice Nurses, respectively, with admitting privileges to the Psychiatric unit. Please specify the number of Psychiatrists within the Physician category.

4. What is/will be the projected number of Physicians and Advanced Practice Nurses, respectively, with admitting privileges to the Psychiatric unit who will admit Medicaid patients to this unit? Please also provide this information for the Psychiatrists who admit/will admit to this unit.

6. Clinic Services:
   Do not complete.

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**L. Bed Service Inventories**

1. Bed Inventory: Do not complete.

2. Psychiatric Beds by Category:
   Respond to only Adult Open Acute and Adult Closed Acute categories.
   Inpatient Facility Applicants with licensed psychiatric beds: Complete all required information. Replace the category titled, Existing Beds, with Licensed Beds. Separately identify any psychiatric beds (open and closed) that were CN approved but not yet licensed.
   **All Other Applicants:** Complete only the last category, titled Total Beds after Project Completion.

Page 16 and 17 of 19:

**L. Bed Service Inventories (Continued)**

3. Service Inventory: Cardiac Services: Do not complete.
   Renal Services: Do not complete.
   Surgical Services: Do not complete.
   Trauma Services: Do not complete.
   Perinatal Services: Do not complete.

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**M. Project Narrative**

Do not complete. Previously addressed in Project Summary section (Pages 7, 8 and 9 of 19).
Additional Required Documentation:

1. The application must include an ownership chart that reflects the hierarchy of ownership interests in the facility starting from the facility and ascending to the highest level of ownership interests by individuals/business entities. The chart shall include:
   a. Each individual/business entity that has an ownership interest in the current/proposed facility;
   b. The percentage of ownership of each individual/business entity accounting for 100% of the ownership; and
   c. The identity of an individual or entity that invests 10% or more in the proposed facility.

2. Any individual or business entity that owns 10% or more of the proposed facility must disclose ownership of other similar types of health care facilities in the U.S., and provide documentation for track record review purposes. Track record documentation shall accompany the application at the time of submission to the Department. See CN rules at N.J.A.C. 8:33-4.10(d).

3. Provide a statement, signed and dated by the applicant or authorized representative of the applicant, acknowledging that, if approved, the applicant will accept a Certificate of Need condition that requires the provision of up to 5% of annual patient days in each approved bed category to serve Medicaid recipients, and up to 5% of annual patient days in each approved bed category to serve the uninsured.

4. Specific Certificate of Need criteria, as identified in N.J.S.A. 26:2H-8 and N.J.A.C. 8:33-4.9, must be addressed by the applicant. The criteria are set forth below. Please repeat each criterion followed by your response.
   a. The proposed service is necessary to provide required health care in the area to be served;
   b. The availability of facilities or services which may serve as alternatives or substitutes;
   c. The need for special equipment and services in the area;
   d. The adequacy of financial resources and sources of present and future revenues;
   e. The proposed service can be economically accomplished and maintained;
   f. The availability of sufficient manpower in the several professional disciplines; and
   g. The approval will not have an adverse economic or financial impact on the delivery of health care services in the region or statewide and will contribute to the orderly development of adequate and effective health care services.
5. Provide a timeline of your plan to achieve licensure of all approved beds within two years of CN approval.

6. Provide a map of the patient Primary and Secondary service areas of the facility in which the psychiatric beds will be located. Include on the map the location of the facility. Identify the towns/cities, their zip codes and their individual percentage of market share within each service area.

7. Explain how the proposed project promotes access to low income persons, racial and ethnic minorities, women, disabled persons, the elderly, and persons with HIV infections and other persons who are unable to obtain care. As part of the response, specifically address:

- The contribution of the proposed service in meeting the health related needs of members of medically underserved groups as identified in the applicant’s service area;
- How and to what extent the applicant will provide services to the medically indigent, Medicare recipients, Medicaid recipients and members of medically underserved groups;
- Access by public or private transportation to the proposed project, including applicant-sponsored transportation services; and
- Means of assuring effective communication between the staff of the proposed project and non-English speaking people and those with speech, hearing, or visual handicaps.