



State of New Jersey
DEPARTMENT OF HEALTH
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CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

www.nj.gov/health

March 16, 2017

CATHLEEN D. BENNETT
Commissioner

VIA ELECTRONIC AND FIRST CLASS MAIL

John A. Fromhold
President and Chief Executive Officer
HackensackUMC Mountainside Hospital
1 Bay Avenue
Montclair, New Jersey 07042
john.fromhold@mountainsidehosp.com

Re: HackensackUMC Mountainside
Hospital
CN ER #170205-07-01
Total Project Cost: 0

Dear Mr. Fromhold:

Please be advised that I am approving the certificate of need (CN) application submitted by HackensackUMC Mountainside Hospital on February 1, 2017, for the addition of 10 adult acute open psychiatric beds. You submitted this application in accordance with N.J.A.C. 8:33-5.1(b)(2), which permits the expedited review process to be used in lieu of the full review CN process when the proposed project has a minimal impact on the health care system as a whole. I have accepted that the addition of these 10 additional adult acute open psychiatric beds represent "minimal impact" because these additional beds have been maintained by your hospital for some time based on approvals by the Department of Health. There is no project cost associated with this application.

N.J.S.A. 26:2H-8 provides for the issuance of a CN only where the action proposed in the application for such certificate 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, I must take into consideration: a) the availability of facilities or services that 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.

The services in this application are subject to expedited review pursuant to N.J.A.C. 8:33-5.1(b)(2) and, therefore, a statistical bed need methodology is not required. I believe that the criterion regarding the availability of facilities or services that may serve as alternatives or substitutes is not applicable inasmuch as the services in this application will have a minimal impact on the health care system as a whole. The need for sufficient special equipment and services in the area does not apply because the proposed services are already being maintained at HackensackUMC Mountainside Hospital and no additional equipment or services are contemplated. For that reason, I am also confident that the project would be economically viable. In addition, I am confident that HackensackUMC Mountainside Hospital will remain in compliance with all professional staffing requirements and that there are sufficient professional staff in the area to meet those staffing needs.

Finally, I have taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3 and N.J.A.C. 8:33H-1.16). I find that HackensackUMC Mountainside Hospital has provided an appropriate project description, which includes information as to the total project cost, operating costs and revenues, services affected, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)); assurance that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-5.3(a)(2)); and documentation that it will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)). In addition, HackensackUMC Mountainside Hospital demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)).

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 herein 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.

Any approval granted by this Department relates to Certificate of Need and/or licensing requirements and does not imply acceptance by a reimbursing entity. This letter is also 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 any municipality's authority to regulate land use within its borders and shall not be used by you to represent that the Department has made any such findings or determinations relative to the use of any specific property.

We look forward to working with you and helping you to provide a high quality of care to your patients. If you have any questions concerning this Certificate of Need approval or the licensing of these additional 10 adult acute open psychiatric beds, please do not hesitate to telephone Mr. John A. Calabria, Director, Division of Certificate of Need and Licensing, at (609) 292-8773.

Sincerely,

A handwritten signature in black ink, appearing to read "Alison Gibson", written in a cursive style.

Alison Gibson
Deputy Commissioner
Health Systems

c: J. Calabria