



**State of New Jersey**  
**DEPARTMENT OF HEALTH**  
PO BOX 360  
TRENTON, N.J. 08625-0360  
[www.nj.gov/health](http://www.nj.gov/health)

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*Lt. Governor*

JUDITH M. PERSICILLI, RN, BSN, MA  
*Commissioner*

October 28, 2022

**VIA U.S. FIRST CLASS & ELECTONIC MAIL**

Brian Finestein  
Chief Executive Officer  
Prime Healthcare – Saint Clare’s  
25 Pocono Road  
Denville, N.J. 07843

Re: Saint Clare’s Hospital, Dover  
CN# ER 2021-07259-14;01  
Change in Scope  
Total Project Cost: \$0

Dear Mr. Finestein:

Please be advised that the Department of Health (Department) is approving Prime Healthcare Service’s certificate of need (CN) – expedited review application, submitted on August 2, 2021, for a change in scope to CN #FR 17-0501-14-01, in accordance with N.J.A.C. 8:33-5.1(a)(2). The original CN to add 24 Open Adult Psychiatric beds to the services offered at Saint Clare’s Hospital in Dover, Morris County was approved on November 17, 2017. These 24 psychiatric beds were allocated to meet the identified bed need in Morris County for an initial total project cost of \$4,735,000.

This CN application’s change in scope is to redesignate six of the 24 Adult Acute Psychiatric beds awarded to Saint Clare’s Hospital from open (voluntary) to closed (involuntary) beds. These 24 beds are already licensed and operational, so there is no project cost involved.

Your application states that the ability to operate six closed beds will allow for improved access to this level of care for patients who require inpatient psychiatric hospitalization but are unable to provide voluntary consent. In addition, there is limited access to this treatment level in Saint Clare’s service area, which causes prolonged wait times for access to closed psychiatric beds and may exacerbate continued patient decompensation and worsening of symptoms. Patients who wait in a hospital emergency room or long-term care facility for a closed psychiatric bed are not receiving the appropriate treatment needed and are causing backlogs in those other facilities.

The Department is approving this change in scope CN application based on the applicant’s statements of no negative impact on service delivery nor access to care due to the current lack of available closed psychiatric beds. Further, consistent with the Department’s rationale for the final decision in the matter of CN #FR 17-0501-14-01, the Department again considers the applicant to be in the best position to identify the re-allocation of the number of open and closed psychiatric beds that will meet the healthcare needs of patients that require inpatient psychiatric medical care. Therefore, the Department is granting the applicant’s proposed bed designation of 18 open and 6 closed psychiatric beds at Saint Clare’s Hospital.

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). The Department finds that Prime Healthcare Services, the licensed operator of these beds, has provided an appropriate project description. The project description includes information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)), an 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, Prime Healthcare Services has 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 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 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.

Finally, please be advised that changes in beds or services may not commence until a license application and amended license have been approved by the Certificate of Need and Healthcare Facility Licensure Program. A survey by Department staff may also be required prior to approving the changes and commencing services.

The Department looks forward to working with the applicant to provide high quality of care to your patients. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael J. Kennedy, J.D., Executive Director, Division of Certificate of Need and Licensing at [Michael.Kennedy@doh.nj.gov](mailto:Michael.Kennedy@doh.nj.gov).

Sincerely,



Robin C. Ford, MS  
Deputy Commissioner  
Health Systems

cc: Stefanie J. Mozgai, DOH (Electronic mail)  
Michael J. Kennedy, J.D., DOH (Electronic mail)  
Luisa Alexopoulos, DOH (Electronic mail)  
Jeff Kasko, DOH (Electronic mail)  
Kim Hansen, DOH (Electronic mail)  
Jan Bednar, Saint Clare’s Hospital (Electronic mail)  
Rebecca Dauerman, Saint Clare’s Hospital (Electronic mail)