

Report to the Governor
and to the Legislature:
Health Care Stabilization Fund
State Fiscal Years 2011 and 2012

December 2014

Chris Christie, Governor
Kim Guadagno, Lt. Governor

Mary E O'Dowd, MPH
Commissioner

I. Background

The New Jersey Department of Health (DOH), formerly known as the New Jersey Department of Health and Senior Services, prepares this report to summarize activities related to the Health Care Stabilization Fund Grant Program. The report is intended to provide an overview of the Health Care Stabilization Fund Grant Program, information on the goals of the funding program, a summary of the Health Care Stabilization Fund Grant activity for SFY2011 and SFY2012 and a description of program compliance with the State's requirements for grant accountability and monitoring.

In 2008, P.L.2008, c.33ⁱ, was enacted to implement recommendations included in the Report of the New Jersey Commission for Rationalizing Healthcare Resources. The Legislature found that it was "fitting and appropriate to establish a fund for the purpose of providing emergency grants to general hospitals and other licensed health care facilities to ensure continuation of access and availability of necessary health care services to residents in a community served by a hospital facing closure or significantly reducing services due to financial distress." Pursuant to P.L. 2008, c. 33, the Health Care Stabilization Act (the "Act") authorized a health care stabilization fund (the "Fund"), a non-lapsing revolving fund in the DOH, to be administered by the DOH in consultation with the Department of the Treasury. Funding is contingent upon annual appropriation.

N.J.A.C. 8:32 provides generalized guidance as to the regulatory framework for the administration of the Fund grants. Grant administration is accomplished through the development of a Request for Application which outlines application requirements and an evaluation system, the grant participation agreement letters, and the subsequent monitoring of administrative compliance, fund expenditure, and financial, organizational and quality indicators. To assist with the Health Care Stabilization Fund Grant Program, the Health Care Facilities Financing Authority (HCFFA) provides consultation and review of the grants as well as providing on-going support in routine monitoring of hospital financial indicators. The Office of the State Comptroller provides additional administrative review of compliance by reviewing the audited statements provided by the grantee at the conclusion of each grant period.

The Commissioner of Health filed a written report on the State Fiscal Years 2009, 2010 and 2011 interim awards and has reported to the Legislature and the Governor on the Fund through the annual budget process including direct testimony at legislative budget hearings and the public dissemination of the details of annual awards.

II. Overview of the Health Care Stabilization Fund Program

The Health Care Stabilization Fund Program is not a formal program in the DOH's organization. Rather it is located within the Office of Health Care

Financing and serves as a mechanism to assist in the overall charge of that office to monitor New Jersey's acute care hospitals through an early warning system. The DOH and HCFFA review licensing information and comparative financial indicators to assess a hospital's financial condition as compared to statewide medians. This assessment may indicate financial stress and a risk to the availability of health care services in a community. The DOH is proactive in meeting with hospital leadership and boards as part of the monitoring program. All New Jersey acute care general hospitals are monitored as part of the early warning system.

New Jersey acute care hospitals continue to face financial challenges. The routine monitoring of financial indicators, status meetings between health care facility leadership and the DOH, and attendance at Hospital Governing Board meetings provide the DOH with the ability "to monitor the performance of all hospitals and also have early warning signs well before a hospital actually reaches a point of financial distress to allow for early intervention."ⁱⁱⁱ

III. Overview of the Health Care Stabilization Fund Grant Process

The process begins with the publication of a Notice of Grant Availability, which is published on the DOH's web site <http://www.state.nj.us/health/legal/orders.shtml> or www.state.nj.us/health/hcf/documents/stab_funds_rfa.pdf and in *The New Jersey Register* notifying the public and interested parties of the availability of funding for the Health Care Stabilization Grant.

The Request for Application, Evaluation Criteria, and the Application are available on the DOH's web site and distributed to hospital CEOs and the hospital associations. The timing of awards from the Health Care Stabilization Fund is dependent upon the continued availability of funds during the state fiscal year.

In State Fiscal Year 2011 and 2012, grants were evaluated against criteria such as identification of hospital closure; activities to improve access to primary health care services; activities to improve the community's health status, to decrease the health disparities among sub-groups of the community being served; to decrease reliance on hospital emergency department services for non-emergent conditions and improve utilization of appropriate level of health care services and to decrease hospitalizations for ambulatory sensitive admissions; reduction of service or need for stabilization of health care services impacting the facility; demonstration of extraordinary circumstances creating the need for health care stabilization by describing the population and community and the facilities' current barriers to service provision; identification of the population and community to be served; plans/strategies/activities appropriate to stabilize access and/or availability of services and directed to the target population and ensure access to health care services in the community; specific measurable activities and reasonable time frame for outcomes to be achieved; documentation

of demonstrated efforts to improve efficiencies and facility management and governance; and a statement or description of how services will be maintained.

The general approach to developing recommendations for the Health Care Stabilization Fund Grants is to do three things: first, distribute enough funding to ensure continuation of access and availability of necessary health care services; second, improve organizational, financial, and quality indicators; and third, encourage long-term strategic planning including, but not limited to, regional planning. These three steps are intended to maintain access to high-quality care while creating financial pressure on acute care facilities to make better use of limited resources.

The DOH sends a Notice of Intent to fund to each successful grantee. Each grantee must execute a grant agreement letter and other documentation in support of the award including, but not limited to, an agreement as to the term of the grant, conditions, and reporting requirements. The Office of the Deputy Commissioner and HCFFA monitor the performance of each grantee through review of the grantee's performance reports and routine monitoring of financial indicators. Each grantee is required to comply with the Single Audit Policy defined by the Department of Treasury, Office of Management and Budget (OMB Circular 404) and the Single Audit Act of 1984 (Federal OMB Circular A-133). Within one year of the completion of the grant term, the Commissioner, in consultation with the State Comptroller reviews the audited statement pertaining to each licensed health care facility that received a grant.

The following chart provides a summary of the publication citation and date, the amount of available funds, the number of applicants, the aggregate amount requested by applicants, and the number of grants awarded by State fiscal year.

State Fiscal Year	<u>New Jersey Register</u> Notice of Availability	Date of Publication	# of Applicants	Amount Requested	Available and Awarded Fund	# of Awards	Term of Award
2009	40 <u>NJR</u> 5855(b)	10/06/2008	14	\$143,707,192	\$44,000,000	6	12/1/08 – 06/30/09
2010	41 <u>NJR</u> 2986(b)	08/03/2009	12	\$133,852,690	\$40,000,000	9	12/1/09 – 06/30/10
2011	43 <u>NJR</u> 210(a)	01/18/2011	12	\$110,900,603	\$30,000,000	9	01/1/11 – 06/30/11
2012	44 <u>NJR</u> 186(a)	01/17/2012	9	\$98,463,568	\$30,000,000	8	01/1/12 – 06/30/12

Fiscal Year 2011 (SFY11)

IV. Status of Health Care Stabilization Fund - SFY11

The SFY 2011 Appropriations Act, P.L. 2010, c.35 allocated \$30 million to the Health Care Stabilization Fund. Based on the availability of funding, the DOH published a Notice of Grant Availability on the DOH's web site at <http://nj.gov/health/grants/directory.shtml> and published in The New Jersey Register. 43 NJR 210(a). The DOH received 12 applications.

A. Eligible Applicants, Recommendations, and Award

After a thorough review of all the eligible applications, the committee, in consultation with the Health Care Financing Funding Authority and the State Treasurer recommended the following grant awards to 10 facilities as follows:

Grantee/Applicant	SFY11 Amount Requested	SFY 11 Amount Awarded
Christ Hospital	\$ 18,000,000	\$ 7,000,000
Clara Maass Medical Center	\$ 3,761,000	
East Orange General Hospital	\$ 5,000,000	\$ 3,053,000
Hoboken Municipal Hospital Authority	\$ 7,000,000	\$ 4,100,000
Jersey City Medical Center	\$ 10,000,000	\$ 3,053,000
Kimball Medical Center	\$ 10,000,000	\$ 1,221,000
Our Lady of Lourdes Medical Center-Camden	\$ 2,500,000	\$ 1,221,000
Raritan Bay Medical Center	\$ 8,000,000	\$ 4,000,000
St. Mary's Hospital	\$ 23,766,000	\$ 3,300,000
St. Clare's Hospital	\$ 8,000,000	\$ 1,831,000
Trinitas Regional Medical Center	\$ 7,000,000	\$ 1,221,000
UMDNJ/University Hospital	\$ 7,873,603	
	\$ 110,900,603	\$ 30,000,000

Due to the number of qualified applicants, DOH made the decision to reduce the award compared to the requested amount based on the rationale that this decision was fair and equitable to the intent of the Act. The grant project period and budget period was January 1, 2011 to June 30, 2011.

B. Application Process and Evaluation Criteria

As in SFY10, the Request for Application directed applicants on the application process including, but not limited to, the grant forms, project narrative requirements, and supporting documentation. Beginning in SFY11, the application was completed through NJ SAGE, an on-line application process. The standard forms, auditing and record keeping controls apply.

Specifically, the Request for Application identified the criteria that each applicant was to address in its submission. There were no changes in the criteria from those of SFY10. In addition, the DOH requested additional information pertaining to governing board training, annual meeting activity, and executive management salary, and consultant costs.

C. SFY11 Evaluation Summary Narratives

The Section describes the rationale for awards and the hospital's efforts at continuation of access and availability of necessary health care services to residents in the community. The narratives are presented in alphabetical order based on award recommendations and, unless otherwise noted, contain summary statements of information available at the time of grant selection. The awards were announced in March 2011. The DOH placed several general conditions on all facilities and then each facility received conditions directed to the specific hospital or community. The general conditions are included at the end of this section.

Overall, the general conditions reinforce existing requirements governed by the regulatory authority of the DOH such as licensing of health care services as well as quality indicators by facility and comparable statewide, procedures related to maintaining and improving enrollment in available governmental programs, and information sharing between the facility and the State by participating on governing boards. All grant recipients met the reporting requirements and complied with the administrative grant requirements of OMB A-133.

APPLICANT NAME: Christ Hospital

A main priority outlined in the Act and the Request for Application was a need for stabilization funds due to hospital closure or need for stabilization of health care services with a demonstration of extraordinary circumstances. Christ Hospital continued to experience financial stress in large part due to rebasing, poor payer mix, and pension underfunding. There remained a potential for closure and disruption to the availability and access to necessary health care services. Christ Hospital strengthened community affiliations to maintain access to services. Long-term planning must occur in order to stabilize the region's hospitals. Christ Hospital participated in regional discussions with Hudson County Hospitals and at the time indicated it would continue to pursue strategic partnerships. This application responds to the goals and objectives of the Act in ensuring stabilization to a facility and maintaining access to the community.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Demonstrate that mechanisms are in place to monitor individual physician accountability for adherence to core measures, quality indicators, utilization criteria and CMI adjusted LOS measures with particular emphasis on Medicare LOS. 	<ul style="list-style-type: none"> ○ Individual scorecards have been developed for physicians including root cause analysis and performance improvement targets.
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010 for process of care measures for Heart Attack, Pneumonia, and Surgical Care. By June 30, 2011 report on efforts to increase measures to become consistent with State medians. 	<ul style="list-style-type: none"> ○ A system has been developed to track and identify improvement opportunities in care measures that include reviews by medical staff and Governing Board committees.
<ul style="list-style-type: none"> ○ Document activities and percentage of medical staff participating in palliative care education presentations and training. 	<ul style="list-style-type: none"> ○ Medical staff education on palliative care was provided by hosting an “advance directive day” and three education sessions were offered to all medical staff members on bio-ethics.
<ul style="list-style-type: none"> ○ By, June 1, 2011, schedule a meeting with DOH and Christ’s hospital senior executive team and Board to outline consideration of strategic alliances and reasonable alternatives to maintain access to healthcare services relying solely on facility revenues and community resources. 	<ul style="list-style-type: none"> ○ Members of senior management and the Governing Board met with DOH representatives to discuss future plans including strategic alliances. The hospital filed for bankruptcy in February 2012 and completed a transfer of ownership on July 13, 2012.

APPLICANT NAME: East Orange General Hospital

East Orange General Hospital has documented appropriate efforts to improve organizational efficiencies and sale of nonperforming assets and continued to experience financial stress. The Hospital has no parent organization or affiliates to supplement programs or services. The closure of surrounding hospitals continued to have an impact on this facility. The facility outlined critical services provided to the community including mental health. The facility also identified barriers to access as there is limited transportation available in this community to reach other facilities. In meeting the conditions associated with the Health Care Stabilization Fund, the facility has demonstrated efforts to improve efficiencies, facility management and governance, documented organizational improvements, decreased length of stay, actively entered into discussions with a federally qualified health center, and improved core measures based on prior stabilization funds and monitoring conditions. This facility’s application continues to respond to the goals of maintaining access to the community. The facility was requested

to present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Demonstrate that mechanisms are in place to monitor individual physician accountability for adherence to core measures, quality indicators, utilization criteria, and CMI adjusted LOS measures, with particular emphasis on Medicare LOS. 	<ul style="list-style-type: none"> ○ The hospital is working with its medical staff to develop processes to improve utilization including but not limited to core measures, quality indicators, utilization criteria, and CMI adjusted LOS measures. CMI adjusted LOS has improved.
<ul style="list-style-type: none"> ○ Reduce case-mix adjusted length of stay by ½ day. 	<ul style="list-style-type: none"> ○ Case-mix adjusted length of stay has improved but did not achieve the target.
<ul style="list-style-type: none"> ○ Examine and report on the impact of rebasing and the hospital's plans to eliminate the need for temporary grant funding. 	<ul style="list-style-type: none"> ○ The hospital has a process to account for payment system changes and to budget accordingly.
<ul style="list-style-type: none"> ○ By June 1, 2011, schedule a meeting with the DOH and EOGH senior executive team and Board to update discussions on consideration of strategic alliances and reasonable alternatives to maintain access to healthcare services relying solely on facility revenues and community resources. 	<ul style="list-style-type: none"> ○ Members of EOGH senior executive team and the Governing Board have met with DOH to discuss plans for strategic alliances and have developed a plan to begin discussions with other organizations.

APPLICANT NAME: Hoboken Municipal Hospital Authority d/b/a Hoboken University Medical Center

A main priority outlined in the Act and the Request for Application was a need for stabilization funds due to hospital closure or need for stabilization of health care services with a demonstration of extraordinary circumstances. The facility outlined key services including obstetrics and behavioral health and outpatient clinics serving this community. Hoboken University Medical Center participated in regional discussions with Hudson County Hospitals and was acquired by Hudson Opco Inc. ⁱⁱⁱ

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Demonstrate that mechanisms are in place to monitor individual physician accountability for adherence to core measures, quality indicators, utilization criteria, and CMI adjusted LOS measures, with particular emphasis on Medicare LOS. 	<ul style="list-style-type: none"> ○ Hoboken University Medical Center has a physician accountability program which ensures adherence to all core measures, quality indicators, and utilization criteria.
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010, for process of care measures for Heart Attack, Pneumonia, and Surgical Care. By June 30, 2011, report on efforts to 	<ul style="list-style-type: none"> ○ A clinical advisory system is in place where outcomes are measured against expected outcomes, and average length of stay. Individual physician data

increase measures to become consistent with State medians	is tracked for usage in pharmacy, cardiology, laboratory, and radiology. Each practitioner's performance is measured for adherence to core measures, CMS defined hospital acquired conditions and patient safety.
<ul style="list-style-type: none"> o Document activities and percentage of medical staff participating in palliative care education presentations and training. 	<ul style="list-style-type: none"> o Medical staff members receive training on bio-ethics and palliative care.
<ul style="list-style-type: none"> o By June 1, 2011, schedule a meeting with DOH and senior executive team and Board to outline consideration of strategic alliances and reasonable alternatives to maintain access to health care services relying solely on facility revenues and community resources. 	<ul style="list-style-type: none"> o Hoboken University Medical Center representatives met with DOH to discuss future plans for strategic alliances.

APPLICANT NAME: Liberty Health (Jersey City Medical Center)

This applicant successfully documented the circumstances creating the need for health care stabilization by describing the population and community, the facilities' current barriers to service provision, and need for stabilization of health care services that impacted facility. In meeting the conditions associated with the Health Care Stabilization Fund, the facility demonstrated efforts to improve efficiencies, facility management and governance, documented organizational improvements, decreased length of stay, and improved financial indicators. Due to payer mix and on-going active management of system efficiencies, there was limited availability to alternative funding or easy reductions in expenses or revenue growth. Liberty Health completed the transfer of Meadowlands Hospital and it anticipated that this transaction will strengthen Liberty Health as well as on-going administrative review of opportunities to improve operations.

Specific Conditions	Status
<ul style="list-style-type: none"> o Demonstrate that mechanisms are in place to monitor individual physician accountability for adherence to core measures, quality indicators, utilization criteria, and CMI adjusted LOS measures, with particular emphasis on Medicare LOS. 	<ul style="list-style-type: none"> o Jersey City Medical Center has developed measures and monitoring systems for core measures and quality indicators including patient safety and behavioral health. Length of stay has been reduced in each of the last three years.
<ul style="list-style-type: none"> o Identify a five year trend for cardiac surgery volume. By June 30, 2011, report on efforts to maintain volume at 350/year in order to maintain Open Heart license. 	<ul style="list-style-type: none"> o Jersey City Medical Center has a focused initiative to develop new models of care in CHF readmission rates, a clot buster program, and diagnostic radiology.
<ul style="list-style-type: none"> o By June 1, 2011, schedule a meeting with DOH and JCMC senior executive team and Board to update discussions on consideration of strategic alliances and reasonable alternatives to maintain 	<ul style="list-style-type: none"> o An update on the divestiture of Meadowlands Hospital has been provided, along with a discussion on strategic alliances.

access to health care services relying solely on facility revenues and community resources.	
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APPLICANT NAME: Kimball Medical Center

This applicant provided a good general and detailed description of the population and community served and current barriers to service provision. It provides necessary services including, but not limited to, outpatient clinics and psychiatric services for low income patients. It is part of a larger system that is stable but the System is still facing major financial challenges that negatively impact its ability to fund and preserve essential health services. Kimball Medical Center must implement long term strategic planning to assure it is able to provide the community with health care services. This includes addressing market conditions and ability to sustain services without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> o Demonstrate that mechanisms are in place to monitor individual physician accountability for adherence to core measures, quality indicators, utilization criteria, and CMI adjusted LOS measures, with particular emphasis on Medicare LOS 	<ul style="list-style-type: none"> o KMC uses software applications to track and trend core measure performance. Physicians are provided education and individual sessions on performance improvement.
<ul style="list-style-type: none"> o Identify process of care measures for Surgical Care and Heart Failure. By June 30th, report on efforts to increase measures to become consistent with State medians. 	<ul style="list-style-type: none"> o Cardiac and Surgery trend data has been developed, quality management staff conducts daily rounds on patients to ensure compliance with process of care requirements.
<ul style="list-style-type: none"> o Demonstrate that the hospital maintains an effective Patient Safety Reporting system and root cause and sentinel event analysis program which meets national benchmarks for the number of analysis per 1,000 discharges and reports adverse events to the State as required. 	<ul style="list-style-type: none"> o KMC has a standard reporting application for patient safety following guidelines established by DOH and DHS including near miss reporting and root cause analysis. A root cause analysis team reviews all cases. Hospital patient safety events are reviewed annually at the hospital performance improvement council and Board of Trustees.
<ul style="list-style-type: none"> o By June 1, 2011, schedule a meeting with DOH and KMC senior executive team and Board to update discussions on consideration of strategic long-term planning and reasonable efforts to maintain access to health care services relying solely on facility revenues and community resources. 	<ul style="list-style-type: none"> o Representatives of Saint Barnabas Health System met with DOH to discuss strategic planning.

APPLICANT NAME: Our Lady of Lourdes

The applicant provides necessary community primary care clinic services. Surrounding clinics and federally qualified health centers are insufficient to absorb the volume of patients should the facility close. The facility receives annual subsidy from its parent to operate and has limited alternative funding sources as it serves a primarily under or uninsured population. The applicant took reasonable steps to partner with a federally qualified health center and to maintain services.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ By June 1, 2011 schedule a meeting with DOH Office of Primary Care and OLOL to outline consideration of strategic alliances and long-term planning to maintain access to health care services. 	<ul style="list-style-type: none"> ○ A meeting took place that included a discussion on a potential strategic alliance with an area FQHC.

APPLICANT NAME: Raritan Bay Medical Center

This applicant documented financial circumstances creating the need for health care stabilization due to DSH repayment and pension obligations. It provides necessary services including, but not limited to, inpatient psych, OB/Peds, and ER Crisis stabilization. Although there are similar services provided at surrounding hospitals, there is insufficient capacity to meet unplanned closure. The facility discussed possible sale of one division but discussions were terminated voluntarily by both parties. The facility needs to address market conditions and ability to sustain services without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Allocate stabilization fund to maintain appropriate debt-service coverage and ratios to prevent triggering of bond covenants. Submit documentation of planned allocation to HCFFA. 	<ul style="list-style-type: none"> ○ All debt service payments were made avoiding triggering bond covenants.
<ul style="list-style-type: none"> ○ Old Bridge facility - Identify trends from July 1, 2010 for process of care measures for Heart Attack and Pneumonia. By June 30, 2011, report on efforts to increase measures to become consistent with state medians. 	<ul style="list-style-type: none"> ○ RBMC has developed a quality measurement system using an outside vendor for support that includes care measurement for heart attacks and pneumonia at the Old Bridge facility.
<ul style="list-style-type: none"> ○ Perth Amboy facility - Identify trends from July 1, 2010 for process of care measures for pneumonia. By June 30, 2011, report on efforts to increase measures to become consistent with state medians. 	<ul style="list-style-type: none"> ○ RBMC has developed a quality measurement system using an outside vendor for support that includes care measurement for heart attacks and pneumonia at the Perth Amboy facility.
<ul style="list-style-type: none"> ○ By June 1, 2011, schedule a meeting with DOH and RBMC senior executive team and Board to update discussions 	<ul style="list-style-type: none"> ○ Management and the Governing Board are developing plans to consider strategic alliances with other

<p>on consideration of strategic alliances and reasonable alternatives to maintain access to health care services relying solely on facility revenues and community resources.</p>	<p>organizations.</p>
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APPLICANT NAME: St. Mary’s Hospital

The applicant successfully documented the impact of hospital closures on the facility’s service creating the need for health care stabilization. The applicant described the population, community, and the facility’s current barriers to service provision. The facility provides necessary primary care clinics, obstetrics, and emergency department access. The HCFFA participates on the facility’s finance committee and the State is actively monitoring financial conditions. The facility was requested to present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Use a portion of grant proceeds to pay debt service. 	<ul style="list-style-type: none"> ○ Monthly debt service payments were made.
<ul style="list-style-type: none"> ○ Complete the sale of the 211 Pennington Avenue Property. 	<ul style="list-style-type: none"> ○ The 211 Pennington Avenue property was sold.
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010 for process of care measures for Heart Attack, Pneumonia, Surgical Care, and Heart Failure. 	<ul style="list-style-type: none"> ○ The Hospital has a process in place to measure and improve quality and safety initiatives [core measures]. Individual physician performance is measured and improvement targets are established. Cardiology volume including cardiac cath is measured and specific improvement plans have been developed. The Carelogics application is used in patient management and the Columbia Heart Source Program is used for cardiology services
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010 for cardiac surgery volume. By June 30, 2011, report on efforts to maintain volume at 350/year in order to maintain Open Heart Surgery license. 	<ul style="list-style-type: none"> ○ Cardiac surgery volumes are tracked by physician with follow up efforts aimed at improving utilization and quality.
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010 for quality standards for CABG risk-adjusted mortality rate to be consistent with state medians. 	<ul style="list-style-type: none"> ○ CABG volumes are tracked by physician using the Columbia Heart Source Program with follow up efforts aimed at improving quality.

APPLICANT NAME: Saint Clare’s Hospital, Inc.

The applicant successfully documented the impact of closure of a health care service on the facility creating the need for health care stabilization. The facility provided 40% of behavioral health programs in the market and evidences high occupancy. The hospital is part of a larger health care system although the

applicant states limited access to resources. The facility must present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Denville facility - identify trends for process of care measures for Heart Failure. By June 30, 2011 report on efforts to decrease rates to a level consistent with state medians. 	<ul style="list-style-type: none"> ○ Saint Clare's has a process in place at all hospital locations to identify trends in process of care and patient safety. The medical staff quality committee members review data, identify trends, and establish performance improvement targets.
<ul style="list-style-type: none"> ○ Denville facility - Identify trends for patient safety indicator adverse event rate of accidental puncture or laceration. By June 30, 2011, report on efforts to decrease rates to a level consistent with the statewide average. 	<ul style="list-style-type: none"> ○ Saint Clare's has a process in place at all hospital locations to identify trends in process of care and patient safety. The medical staff quality committee members review data, identify trends, and establish performance improvement targets. The Denville facility is within statewide averages.
<ul style="list-style-type: none"> ○ Dover facility - By June 30, 2011, report on efforts to maintain facility quality standards relative to state medians/average and national expectations. 	<ul style="list-style-type: none"> ○ Saint Clare's has a process in place at all hospital locations to identify trends in process of care and patient safety. The medical staff quality committee members review data, identify trends, and establish performance improvement targets. The Dover facility has made improvement in reaching state and national expectations.
<ul style="list-style-type: none"> ○ Sussex facility - Identify trends for process of care measures for Surgical Care and Heart Failure. By June 30, 2011, report on efforts to increase measures to become consistent with state medians. 	<ul style="list-style-type: none"> ○ Saint Clare's has a process in place at all hospital locations to identify trends in process of care and patient safety. The medical staff quality committee members review data, identify trends, and establish performance improvement targets. St. Clare's has reached the 56 percentile for heart failure and is under the 50 percentile for surgical care improvement.
<ul style="list-style-type: none"> ○ By June 1, 2011, schedule meeting with DOH and Saint Clare's Hospital senior executive team and Board to update discussions on consideration of long-term strategic planning and reasonable alternatives to maintain access to health care services relying solely on facility revenues, organizational system support, and community resources. 	<ul style="list-style-type: none"> ○ Saint Clare's senior executive team and Board have met with DOH to discuss long term strategic plans. On December 1, 2011 a certificate of need was filed to operate the Sussex facility as an outpatient center discontinuing inpatient acute care services.

APPLICANT NAME: Trinitas Regional Medical Center

This applicant documented the impact of a closure of a hospital on the facility creating the need for health care stabilization. Trinitas documented general and specific operational improvements, efficiencies, and long-term strategies to improve stability. It expanded psychiatric and obstetric services when Muhlenberg Hospital closed. The facility documented a long-term plan to improve financial stability but identified rebasing as a critical event, which did not allow full implementation. The facility must present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> ○ Examine the report on the impact on rebasing and the hospital's plan to incorporate in fiscal year planning effective July 1, 2011 to eliminate the need for temporary grant funding. 	<ul style="list-style-type: none"> ○ Trinitas has included the impact of rebasing in its budgeting and did not request a stabilization grant in 2012.
<ul style="list-style-type: none"> ○ Identify trends from July 1, 2010 for process of care measures for Heart Attack, Pneumonia, Surgical Care, and Heart Failure. By June 30, 2011, report on efforts to increase measures to become consistent with state medians. 	<ul style="list-style-type: none"> ○ Process of care measures are in place that use software tools provided by Quadramed. Performance improvement initiatives have been developed for Heart Attack, Pneumonia, Surgical Care, and Heart Failure.
<ul style="list-style-type: none"> ○ Demonstrate the hospital maintains an effective Patient Safety reporting system and root cause and Sentinel Event analysis program which meets national benchmarks for the number of analysis per 1,000 discharges and which reports adverse events to the State as legally required. 	<ul style="list-style-type: none"> ○ Trinitas measures its patient safety outcomes against national benchmarks reported by CMS, and the Joint Commission on Accreditation of Hospitals. Root cause analysis is developed and performance improvement targets are established.

NO RECOMMENDATION TO AWARD HEALTH CARE STABILIZATION FUNDS - STATE FISCAL YEAR 2011

APPLICANT NAME: St. Barnabas Health Care System/Clara Maas Medical Center

Based on the availability of funds, this application did not sufficiently address the application criteria to receive an award. The applicant identified improvements and projections to cash flow going forward and provide sufficient capital to maintain existing operations. This facility is part of a larger system.

APPLICANT NAME: UMDNJ/University Hospital

Based on the availability of funds, this application did not sufficiently address the application criteria to receive an award. The applicant identified the need for replacement equipment for specific service. There was insufficient reference to long-term strategic planning. Based on Governor's Executive Order No. 51

authorizing an expert panel to review the structure of UMDNJ, it was appropriate to wait for the review of this panel. Based on availability of stabilization funds, this application did not sufficiently meet the application criteria to receive an award.

D. SFY11 General Conditions

Overall, the general conditions reinforce existing requirements governed by the regulatory authority of the DOH such as licensing of health care services as well as quality indicators by facility and compared statewide, procedures related to maintaining and improving enrollment in available governmental programs, and information sharing between the facility and the State by participating on governing boards. All grant recipients met the reporting requirements and complied with administrative grant requirements of OMB A-133. The SFY11 general conditions are as follows:

General Conditions for All Hospitals

Provide monthly reports documenting performance and quality conditions required of all licensed facilities.

Document process and procedures for verification, eligibility and financial counseling for all governmental payers including, but not limited to, charity care, Medicaid, and Family Care.

Refund the entire award to the DOH, if Grantee knowingly makes a false material misrepresentation in any application, report or other disclosure that the applicant was or is required to make pursuant to the award.

Agree that stabilization funds may be used towards salaries in any combination of funding categories excluding direct line items for executive management salaries or bonus, if applicable. In other words, any combination of salaries may be charged to the stabilization grant except for executive management salaries or bonus.

Include a State representative on the hospital board for the duration of the grant.

Fiscal Year 2012 (SFY12)

D. Status of Health Care Stabilization Fund - SFY12

The SFY 2012 Appropriations Act, P.L. 2011, c.85 allocated \$30 million to the Health Care Stabilization Fund. Based on the availability of funding, the DOH published a Notice of Grant Availability on the DOH's web site at <http://nj.gov/health/grants/directory.shtml> and published in The New Jersey Register. 43 NJR 210(a). The DOH received 9 applications.

A. Eligible Applicants, Recommendations, and Award

After a thorough review of all the eligible applications, the committee, in consultation with the Health Care Financing Funding Authority and the State Treasurer recommended the following grant awards to 8 facilities as follows:

Grantee/Applicant	SFY12 Amount Requested	SFY 12 Amount Awarded
Camden County Health Services	\$ 10,000,000	
Christ Hospital	\$ 10,000,000	\$ 7,000,000
East Orange General Hospital	\$ 2,000,000	\$ 1,000,000
Jersey City Medical Center	\$ 12,000,000	\$ 6,000,000
Kimball Medical Center	\$ 8,850,000	\$ 1,000,000
Raritan Bay Medical Center	\$ 8,000,000	\$ 1,000,000
St. Mary's Hospital ic	\$ 24,993,000	\$ 9,500,000
Saint Clare's Hospital	\$ 16,569,778	\$ 3,500,000
UMDNJ/University Hospital	\$ 6,050,790	\$ 1,000,000
	\$ 98,463,568	\$ 30,000,000

Due to the number of qualified applicants, DOH made the decision to reduce the award compared to the requested amount based on the rationale that this decision was fair and equitable to the intent of the Act. The grant project period and budget period was January 1, 2012 to June 30, 2012.

B. Application Process and Evaluation Criteria

As in SFY11, the Request for Application directed applicants on the application process including, but not limited to, the grant forms, project narrative requirements, and supporting documentation. Specifically, the Request for Application identified the criteria that each applicant was to address in its submission. There were no changes in the criteria for SFY12, which are included above (see pages 3-4). In addition as in SFY11, the DOH requested additional information pertaining to governing board training, annual meeting activity, and executive management salary, and consultant costs.

C. SFY12 Evaluation Summary Narratives

The Section describes the rationale for awards and the hospital’s efforts at continuation of access and availability of necessary health care services to residents in the community. The awards were announced in April 2012 and the DOH has finalized specific grant conditions with each hospital. The general conditions are included at the end of this section.

APPLICANT NAME: Christ Hospital

A main priority outlined in the Act and the Request for Application was a need for stabilization funds due to hospital closure or need for stabilization of health care services with a demonstration of extraordinary circumstances. Christ Hospital continued to experience financial stress in large part due to rebasing, poor payer mix, and pension underfunding. In February of 2012, Christ Hospital filed for bankruptcy and subsequently filed a certificate of need application leading to a transfer of ownership on July 13, 2012. Christ Hospital strengthened community affiliations to maintain access to services. Long-term planning must occur in order to stabilize the region’s hospitals. Christ Hospital participated in regional discussions with Hudson County Hospitals and continues to pursue strategic partnerships. This application responded to the goals and objectives of the Act in ensuring stabilization to a facility and maintaining access to the community.

Specific Conditions	Status
<ul style="list-style-type: none"> Funding contingent on applicant providing an updated progress report satisfactory to DOH at least monthly on bankruptcy proceedings and securing a successor organization. 	<ul style="list-style-type: none"> Hospital management provided progress reports weekly through the completion of the sale of the hospital to Hudson Holdco. The sale was completed on July 13, 2012.
<ul style="list-style-type: none"> Funding contingent on applicant continuing to provide services described as essential including emergency services, cancer, radiation, chemotherapy, behavioral medicine, pediatric and cardiology services. 	<ul style="list-style-type: none"> Hospital has maintained services described as essential including emergency services, cancer, radiation, chemotherapy, behavioral medicine, pediatric and cardiology services.
<ul style="list-style-type: none"> Funding contingent on collaboration with other area providers on the recommendations contained in the Navigant report dated July 2011 and reporting on the progress of such collaboration with the DOH. 	<ul style="list-style-type: none"> Hospital attempted to collaborate with other providers in Hudson County. Collaboration plans have not yet been finalized. Discussions with area providers have been reported to the NJ DOH.

<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> The management reports to the Governing Board of the Hospital includes key financial and operational indicators along with plans for improvement.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> The Hospitals invited local legislators to attend meetings including meetings related to the sale of the hospital.

APPLICANT NAME: East Orange General Hospital

East Orange General Hospital documented appropriate efforts to improve organizational efficiencies and sale of nonperforming assets and continues to experience financial stress. The Hospital has no parent organization or affiliates to supplement programs or services. The closure of surrounding hospitals continues to have an impact on this facility. The facility outlined critical services provided to the community including mental health. The facility also identified barriers to access as there is limited transportation available in this community to reach other facilities. In meeting the conditions associated with the Health Care Stabilization Fund, the facility demonstrated efforts to improve efficiencies, facility management and governance, documented organizational improvements, decreased length of stay, actively entered into discussions with a federally qualified health center, and improved core measures based on prior stabilization funds and monitoring conditions. This facility’s application continued to respond to the goals of maintaining access to the community. The was requested to present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> Funding contingent on providing an update report at least quarterly on progress in reducing/eliminating operating losses. 	<ul style="list-style-type: none"> Quarterly update reports have been provided to DOH management.
<ul style="list-style-type: none"> Funding contingent on providing a report on the progress on operational and capital improvements on inpatient and outpatient behavioral health programs. 	<ul style="list-style-type: none"> EOGH contracted with a national provider of psychiatry services to offer a psychiatric telemedicine services as a way to ensure access to psychiatric services. Capital improvements to the EOGH behavioral health unit were completed in 2012.
<ul style="list-style-type: none"> Provide a report on the status of converting hospital based clinic 	<ul style="list-style-type: none"> EOGH pursued a relationship with Newark Community health Centers

services to a Federally Qualified Health Center [FQHC].	[FQHC], with the FQHC having other priorities to be addressed ahead of a discussion with EOGH.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> In a collaborative effort with its medical staff EOGH developed a monitoring program of core measures. The progress of every patient is monitored every day by a clinical management team. Other clinical management tools were put in place including length of stay barrier hotline, physician incentives, etc.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> EOGH held its annual open public meeting and invited local legislators to attend.

APPLICANT NAME: Liberty Health (Jersey City Medical Center)

This applicant successfully documented the circumstances creating the need for health care stabilization by describing the population and community, current barriers to service provision, and need for stabilization of health care services that is impacting the facility. In meeting the conditions associated with the Health Care Stabilization Fund, the facility demonstrated efforts to improve efficiencies, facility management and governance, documented organizational improvements, decreased length of stay, and improved financial indicators. Due to payer mix and on-going active management of system efficiencies, there was limited availability to alternative funding or easy reductions in expenses or revenue growth. Liberty Health recently completed the transfer of Meadowlands Hospital and it is anticipated that this transaction will strengthen Liberty Health as well as on-going administrative review of opportunities to improve operations.

Specific Conditions	Status
<ul style="list-style-type: none"> Provide a quarterly report on the continued development of the Liberty Health Accountable Care Organization 	<ul style="list-style-type: none"> The Medical Center is a member of the Association of Accountable Care Organizations formed to assist urban and safety net hospitals. Management is active in the health care information exchange efforts.
<ul style="list-style-type: none"> Develop plans to reduce operating losses and the need for future stabilization grants. 	<ul style="list-style-type: none"> Through December 2012 the Medical Center has successfully implemented a financial improvement plan producing \$13.2 million in improvement.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance 	<ul style="list-style-type: none"> Jersey City Medical Center has provided reports on key

outcome measures including readmissions, average length of stay, and patient satisfaction indicators.	performance indicators including improvement plans for each measure, average length of stay, patient satisfaction, core measures, and readmission rates.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> Local legislators were invited to the Medical Center's annual public meeting.
<ul style="list-style-type: none"> Funding contingent on collaboration with other area providers on the recommendations contained in the Navigant report dated July 2011 and reporting on the progress of such collaboration with the DOH. 	<ul style="list-style-type: none"> Management provided a report on efforts to collaborate with area providers in particular Hudson Holdco Inc. Discussions have not yet produced definitive plans for collaboration.

APPLICANT NAME: Kimball Medical Center

This applicant provided a good general and detailed description of the population and community served and current barriers to service provision including, but not limited to outpatient clinics and psychiatric services, for low income patients. It is part of a larger system that is stable but the System is still faced with major financial challenges that negatively impact its ability to fund and preserve essential health services. Kimball Medical Center must implement long term strategic planning to assure it is able to provide the community with health care services. This includes addressing market conditions and ability to sustain services without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> Develop and execute a plan on the facility's future including eliminating operating losses. 	<ul style="list-style-type: none"> Management is developing a three year plan including an analysis of investments in primary care and ambulatory care to develop a referral network that can reduce operating losses.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> Kimball Medical with support of its parent organization Barnabas Health has developed a process to review key performance measures weekly including exception reports and cases.
<ul style="list-style-type: none"> Funding contingent on developing plans to regionalize services with other affiliated organizations of the Saint Barnabas Health System. 	<ul style="list-style-type: none"> Kimball Medical Center has developed a plan with a Barnabas Health affiliate to consolidate services while continuing essential services.

<ul style="list-style-type: none"> • Funding contingent on a study by an independent consultant not unsatisfactory to the DOH and the New Jersey Health Care Facilities Financing Authority on the Saint Barnabas Health System leadership oversight, engagement, and effectiveness in addressing the challenges facing the hospital. 	<ul style="list-style-type: none"> ○ Barnabas Health has engaged an independent consultant, Berkeley Research Group, to develop alternatives to the Kimball facility in light of national health care reform initiatives.
<ul style="list-style-type: none"> ○ Funding contingent on inviting local legislators to the annual open public Board meeting 	<ul style="list-style-type: none"> ○ A letter was sent to local legislators inviting them to the annual open public meeting.

APPLICANT NAME: Raritan Bay Medical Center

This applicant documented financial circumstances creating the need for health care stabilization due to DSH repayment and pension obligations. It provides necessary services including, but not limited to, inpatient psych, OB/Peds, and ER Crisis stabilization. Although there are similar services provided at surrounding hospitals, there is insufficient capacity to meet unplanned closure. The facility discussed the possible sale of one division but discussions were terminated voluntarily by both parties. The facility needs to address market conditions and ability to sustain services without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> • Funding contingent on developing a plan to reduce future operating losses and reliance on future stabilization grants. 	<ul style="list-style-type: none"> • RBMC has developed a plan of revenue and expense initiatives aimed at reducing operating losses.
<ul style="list-style-type: none"> • Funding contingent on engaging an independent consultant not unsatisfactory to the DOH and the New Jersey Health Care Facilities Financing Authority to examine the opportunity for financial improvement including but not limited to management furloughs/compensation reductions. 	<ul style="list-style-type: none"> • RBMC engaged Executive Resources to develop a five year forecast of the impact of health care reform on RBMC operating margins, and including the impact of the financial improvement plan referenced above.
<ul style="list-style-type: none"> • Funding contingent on discussions with other organizations on mergers 	<ul style="list-style-type: none"> • Under an engagement with Executive Resources a request

and/or affiliations including providing the DOH a written report on such discussions.	for proposal was issued seeking various alignment approaches with other organizations.
<ul style="list-style-type: none"> Funding contingent on engaging an independent consultant not satisfactory to the DOH and the New Jersey Health Care Facilities Financing Authority to examine the Governing Board's engagement and effectiveness in addressing the challenges facing the hospital. 	<ul style="list-style-type: none"> Executive Health Resources was engaged for this purpose.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> RBMC routinely monitors key performance indicators including length of stay, admissions, case-mix index, and other indicators. RBMC issues a dashboard report of key indicators monthly.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> Local legislators were invited to the annual open public meeting.

APPLICANT NAME: St. Mary's Hospital

The applicant successfully documented the impact of hospital closures on the facility's service creating the need for health care stabilization. The applicant described the population, community, and the facilities' current barriers to service provision. The facility provides necessary primary care clinics, obstetrics, and emergency department access. The HCFFA participates on the facility's finance committee and the State is actively monitoring financial conditions. The facility was requested to present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding.

Specific Conditions	Status
<ul style="list-style-type: none"> Funding contingent on submission of monthly progress reports on due diligence and efforts to find a successor organization including but not limited to an Asset Purchase Agreement. 	<ul style="list-style-type: none"> Management provided monthly reports on the progress made in finding a successor organization. The Medical Center filed a certificate of need application for an asset transfer to Prime Healthcare Inc., January 2, 2013, and signed Asset Purchase Agreement on January 29, 2013, and continued on to the required regulatory review process and anticipate completing

	an asset sale in the first quarter of 2014.
<ul style="list-style-type: none"> Funding contingent on plans to improve accounting and accounts payable systems including the payment of payroll taxes and health insurance premiums. Such plans should address staffing and competencies of the accounting staff. 	<ul style="list-style-type: none"> The Medical Center hired an experienced Chief Financial Officer to provide management and insure the integrity of the Medical Center's accounting systems and processes.
<ul style="list-style-type: none"> Funding contingent on a study by an independent consultant engaged by June 1, 2012 not unsatisfactory to the DOH and the New Jersey Health Care Facilities Financing Authority to examine the opportunities for financial improvement including management's capabilities to execute a financial improvement plan and financially sustain operations until a successor organization can be found. Such a study may be a product of an Asset Purchase Agreement if signed by June 1, 2012. 	<ul style="list-style-type: none"> The Medical Center engaged an independent consultant, Accretive, to develop financial improvement opportunities. Accretive identified approximately \$2 million in revenue cycle improvement.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> The Medical Center uses a monthly reporting system to track and target improvement in admissions, length of stay, readmissions, and case-mix index.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> Local legislators were invited to the annual open public meeting.

APPLICANT NAME: Saint Clare's Hospital, Inc.

The applicant successfully documented the impact of closure of a health care service on the facility creating the need for health care stabilization. The facility provides 40% of behavioral health programs in the market and evidences high occupancy. The hospital is part of a larger health care system although the applicant states limited access to resources. The facility was requested to present a reasonable long term strategy to sustain health care services for this community without on-going stabilization funding. The DOH notes that on August 16, 2012, a Certificate of Need application was approved to repurpose

the Sussex hospital from inpatient care to outpatient care. On September 21, 2012 inpatient services were discontinued.

Specific Conditions	Status
<ul style="list-style-type: none"> Funding contingent on a plan to eliminate losses and/or accepting ambulance losses as part of the overall return on investment in the ambulance service. 	<ul style="list-style-type: none"> St. Clare's engaged the services of an outside consultant specializing in ambulance services to develop a performance improvement plan. Many of the recommendations proposed by the consultant have been implemented by St. Clare's.
<ul style="list-style-type: none"> Funding contingent on a plan to reduce operating losses and the need for future stabilization grants. 	<ul style="list-style-type: none"> St. Clare's has developed and implemented a plan to reduce operating losses.
<ul style="list-style-type: none"> Funding contingent on providing the DOH with monthly progress reports on discussions with Ascension Health Care Network Inc. an affiliate of Ascension Health Care Network. Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> Discussions between St. Clare's and Ascension health were not successful. St. Clare's reissued the request for proposal for a successor organization and ultimately selected Prime Healthcare Inc. St. Clare's has a process to measure key performance indicators including length of stay, readmissions, core measures, and others.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> Local legislators were invited to the annual open public Board meeting.

APPLICANT NAME: UMDNJ/University Hospital

This applicant provided a good general and detailed description of the population and community served and current barriers to service provision including, but not limited to, cancer treatment and the capital needs for low income patients. In meeting the conditions associated with the Health Care Stabilization Fund, the facility demonstrated efforts to improve efficiencies, facility management and governance, documented organizational improvements, decreased length of stay, and improved financial indicators. The Governor's Executive Order No. 51 authorizing an expert panel to review the structure of UMDNJ. It is appropriate to

award stabilization funds for this application as UMDNJ continues to work out the details of the structure of the facility.

Specific Conditions	Status
<ul style="list-style-type: none"> Funding contingent on monthly reports showing continued progress in financial performance and the need for future stabilization. 	<ul style="list-style-type: none"> University Hospital provided monthly reports showing the progress made in financial performance and have discussed their findings with representatives of the DOH.
<ul style="list-style-type: none"> Funding contingent on reporting progress in key performance outcome measures including readmissions, average length of stay, and patient satisfaction indicators. 	<ul style="list-style-type: none"> Monthly key performance report indicators are issued and discussed with management and the medical staff. Key indicators include admissions, average length of stay, readmissions, and other measures.
<ul style="list-style-type: none"> Funding contingent on inviting local legislators to the annual open public Board meeting. 	<ul style="list-style-type: none"> Local legislators were invited to the annual open public meeting.

APPLICANT NAME: Camden County Health Services

Based on the availability of funds, this application did not sufficiently address the application criteria to receive an award. The applicant is a county sponsored provider.

D. SFY12 General Conditions

Overall, the general conditions reinforce existing requirements governed by the regulatory authority of the DOH such as licensing of health care services as well as quality indicators by facility and compared statewide, procedures related to maintaining and improving enrollment in available governmental programs, and information sharing between the facility and the State by participating on governing boards. All grant recipients met the reporting requirements and complied with administrative grant requirements of OMB A-133. The SFY12 general conditions are as follows:

General Conditions For All Hospitals

Provide monthly reports documenting performance and quality conditions required of all licensed facilities.

Document process and procedures for verification, eligibility and financial counseling for all governmental payers including, but not limited to, charity care, Medicaid, and Family Care.

Refund the entire award to the DOH, if Grantee knowingly makes a false material misrepresentation in any application, report or other disclosure that the applicant was or is required to make pursuant to the award.

Agree that stabilization funds may be used towards salaries in any combination of funding categories excluding direct line items for executive management salaries or bonus, if applicable. In other words, any combination of salaries may be charged to the stabilization grant except for executive management salaries or bonus.

Consent to Include a State representative on the hospital board for the duration of the grant.

CONCLUSION

Beginning in 2008, the DOH initiated an early warning system to monitor financial indicators. The Health Care Stabilization Fund provided additional monitoring and indicators. During this time, regional planning efforts in Camden, Newark and Trenton have provided concrete examples of mechanisms to improve provision of services.

The Health Care Stabilization Fund played an important role during a particular time in the evolution of New Jersey's health care financing landscape. Because of changes in that landscape at both the state and federal levels, funding for the Health Care Stabilization Fund was not included in the budgets for State Fiscal years 2014 or 2015. Going forward DOH expects to continue to assist hospitals and other health care facilities to adapt to changes in health care financing, as it currently is doing in helping hospitals retain federal funding through their participation in the new Delivery System Reform Incentive Payment program.

Endnotes

ⁱ On 6/30/2008, S1978 was codified at N.J.S.A. 26:2h-18.74 *et seq.* as the "Health Care Stabilization Fund Act".

ⁱⁱ New Jersey Commission on Rationalizing Health Care Resources, Final Report 2008. <http://www.nj.gov/health/rhc/finalreport/index.shtml>

ⁱⁱⁱ After the finalization of the SFY 2011 grant cycle Hoboken University Medical Center completed a certificate of need process transferring ownership to HUMC Opco, LLC