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DEPARTMENT OF HEALTH
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Commissioner

November 9, 2021

VIA ELECTRONIC AND FIRST-CLASS MAIL

Mr. Troy Schell
Secretary, EOH Acquisition Group, LLC
284 East Palisade Avenue
Englewood, New Jersey 07631

Re: Transfer of Ownership - East Orange
General Hospital
CN # FR 2020-11208-07
Acquisition Cost: \$6,200,000
Expiration Date: November 9, 2026

Dear Mr. Schell:

I am approving the certificate of need (CN) application submitted on November 1, 2020 pursuant to N.J.A.C. 8:33-3.1, for the transfer of East Orange General Hospital's (EOGH) ownership from Prospect EOGH, Inc. (Prospect), a New Jersey for-profit corporation to EOH Acquisition Group, LLC (the Applicant or EOH), a Delaware limited liability company. EOH Acquisition Group, LLC is comprised of Benjamin Klein, President (77% interest); Troy Schell, Secretary (3% interest); and Paige Dworak, current CEO of East Orange General Hospital (20% interest). Mr. Klein currently operates a total of 46 health care entities in 11 different states, with 7 in New Jersey, and 39 out-of-state. They include 3 long term care facilities, as well as behavioral health facilities which include 9 facilities providing services for addiction (Promises Behavioral Health), 30 physician practices providing treatment for depression (Success TMS), and 4 facilities which care for those with autism (Juvo Autism & Behavioral Health Services). The EOGH real estate would be held in a separate, related for-profit entity, EOH Real Estate Holdings, LLC which has the same ownership as the proposed licensed operator. According to the Applicant, EOH Acquisition Group, LLC will continue to operate EOGH as a for-profit general hospital.

A transfer of ownership of an entire general hospital is subject to the full CN review process, in accordance with N.J.A.C. 8:33-3.3(a)(1). The Department of Health (Department) evaluated this application according to the standards set forth in statute (N.J.S.A. 26:2H-1 et seq.) and by administrative rule (N.J.A.C. 8:33). I am satisfied that the application submitted by EOH Acquisition Group is consistent with those requirements. The application is being approved at the acquisition cost noted above, which is for the purchase of the EOGH real estate.

This CN approval is limited to the transfer of ownership of EOGH, a general acute care hospital, located at 300 Central Avenue in East Orange, Essex County with 201 acute care beds (License 10704). The bed composition includes 19 Adult Closed Acute Psychiatric Beds; 18 Adult Open Acute Psychiatric Beds; 13 Adult ICU/CCU Beds; and 151 Medical/Surgical Beds. The Hospital's service complement will continue to include 1 Cystoscopy Room; 7 Chronic Hemodialysis Stations; 1 MRI - Fixed unit; 3 Mixed ORs; 1 Computerized Tomography (CT) - Fixed unit; and 1 Acute Hemodialysis Station. The other related licensed facilities/services, which are included in this transfer of ownership are:

- East Orange Family Health Center (License #1167) providing primary care and located at 300 Central Avenue in East Orange.
- East Orange General Hospital - Laboratory (License # 1189) located at 310 Central Avenue in East Orange.
- East Orange General Hospital – Hemodialysis – 29 stations (License #1388) located at 310 Central Avenue in East Orange.
- East Orange General Hospital – Hyperbaric Wound Care Center – 1 chamber (License #1110) located at 310 Central Avenue in East Orange.
- East Orange General Hospital – Physical and Occupational Therapy (License #1280) located at 240 Central Avenue in East Orange.

EOH Acquisition Group is committed to continuing all services offered by EOGH and stated that there will be no change in the existing admission policies at EOGH as a result of this transfer. Patients, including indigent and medically underserved residents, will continue to have access to all existing services at EOGH.

As confirmed by the New Jersey Health Care Facilities Financing Authority (NJHCFFA), EOGH has incurred operating losses for several years and has experienced an accumulated net asset deficiency and declining occupancy. According

to the Applicant, after significant consideration of alternatives, including seeking out other prospective buyers for the Hospital, it has determined that a transfer of EOGH's assets to EOH will strengthen the Hospital, positioning it to meet the health care needs of the residents of Essex County in the most optimal manner. The application notes that the only other option to the transfer of ownership of EOGH is the closure of the Hospital which was determined to be an unacceptable option given the Hospital's perspective that they play an important role in the provision of services in the area.

The Applicant presents EOH Acquisition Group, LLC as a strong partner, which can provide the necessary infusion of capital, strategic leadership and assets. EOH's offer to acquire the Hospital will allow the continuation of EOGH's mission to provide quality affordable care the community, including the indigent and medically underserved populations. The proposed transfer of ownership will allow the Hospital to face the challenges moving forward to expand current services and ensure existing services have a firm foundation for planned capital projects and support to continue the continuum of care.

EOGH's application clearly expresses its strong commitment to the continuity of services in Essex County in the future. The transfer of ownership would preserve access to health care services for the community, including the indigent and medically underserved populations. EOH has made a commitment to retain substantially all of the current employees after the completion of the change of ownership. EOH also does not anticipate any changes in the current contracts with professional staff subsequent to this change of ownership.

For the reasons that follow, I am approving, with conditions, the application submitted for the transfer of ownership of EOGH to EOH Acquisition Group, LLC. My decision to approve this CN application is consistent with the recommendation of the State Health Planning Board (SHPB) which unanimously recommended approval of CN # FR 2020-11208-07 at its October 7, 2021 meeting. In reaching this decision, I considered the CN application for the transfer of ownership of EOGH, completeness questions and responses, the public hearing transcript, the Department staff recommendations, and the SHPB recommendations. The referenced materials are incorporated herein and made a part of this final decision.

Public Hearing

As part of the review process, the SHPB is required to hold at least one public hearing in the service area of the health care facility within 30 days of the application being declared complete by the Department. A public hearing was held on Tuesday, September 14, 2021 both remotely via a Teams meeting and at the East Orange General Hospital for those who wished to attend in person. Approximately 22 people were in attendance, most remotely, and there were 5 speakers, 4 of whom were affiliated with EOGH. The speaker from the community was a minister from a local church. All speakers spoke in favor of the transfer to EOH.

At its October 7, 2021 meeting, the SHPB unanimously recommended approval of this application with the conditions noted below.

Analysis

N.J.S.A. 26:2H-8, as well as N.J.A.C. 8:33-4.9(a), provide 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 areas 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 which 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.

As to the specifics of this application, N.J.S.A. 26:2H-8(a) requires that I consider the availability of facilities or services which may serve as alternatives or substitutes. The Applicant has documented that it and the current owner, Prospect EOGH, Inc., believe that the transfer of ownership of EOGH, is the only alternative to potential closure of the Hospital. The transfer of ownership is the least disruptive alternative for maintaining the current level of care and services in the area and it will preserve access to health care services for the Essex County community, including the indigent and medically underserved populations. I have taken into consideration that, as listed in the application, there are 10 other hospitals located within 25 minutes of EOGH, with University Hospital, St. Michael's Medical Center, Clara Maass Medical Center and

Newark Beth Israel Medical Center being within close proximity. EOGH has asserted its belief that their role as a community hospital is still important in the provision of services, especially to the medically underserved and indigent for whom it would be more difficult to travel to other locations. I find that the proposed transfer of ownership is the best alternative to preserve appropriate access to health care services for this community, including the indigent and medically underserved populations.

I also find that the requirement at N.J.S.A. 26:2H-8(b) to consider the need for special equipment and services in the area would be met in this case. EOH Acquisition Group, LLC has documented its intention to continue the same services that are currently licensed at the facility and maintain all equipment and services necessary to operate the Hospital. Future adjustments will be based on an assessment of the health care needs of the region, determined in conjunction with the Essex County community, with expansion to address identified gaps in services and elimination of duplicate services. EOH intends to lend their members' health care expertise to assist the Hospital to improve the quality and delivery of health services and programs currently operated by Prospect EOGH, Inc.

Also, with regard to special equipment and services, the Applicant has committed to the completion of all capital projects in process which includes the creation of the 16-bed Inpatient Medical Detoxification Unit, replacement boilers, and a replacement CT scanner. In addition, EOH commented that with their added expertise, the facility would undergo infrastructure modernization through the Property Assessed Clean Energy Program (PACE) which will be utilized to fund energy efficiency projects for the hospital and bring much needed modernization to the aged infrastructure. These projects will support the delivery of quality patient care to the community.

With respect to N.J.S.A. 26:2H-8(c) regarding the possible economies and improvement in services to be anticipated from the operation of joint central services, EOH has emphasized their experience in the mental health arena, as well as in developing new lines of business. The Applicant stated that several projects have been enhanced and new projects have been added to the strategic and operational plans for the Hospital given the proposed licensee's experience and guidance.

N.J.S.A. 26:2H-8(d) requires consideration of the adequacy of financial resources and sources of present and future revenues. The application notes that the method of financing the \$6.2 million purchase of EOGH will be from available funds and a loan from Monticello Funding, LLC. After a review by the NJHCFFA, the following

assessment was provided: "Based on correspondence received and representations made by Mr. Ben Klein, the Applicant appears to have sufficient financial resources to complete the proposed Transaction. The Applicant is in possession of a term sheet issued by a potential lender for a mortgage loan which, if funded, would provide the financing included in the application."

A financial analysis of EOH Acquisition Group's application, which included forward-looking information, indicates that the Applicant could have sufficient resources to implement and sustain the project. Based on the Applicant's representation, I find that continuation of the operating losses at EOGH could put the future of the Hospital at risk and potentially lead to the Hospital's discontinuation of certain services or closure. I believe that EOGH's transfer to the EOH Acquisition Group could afford the Hospital an opportunity to maintain and grow needed services.

With respect to N.J.S.A. 26:2H-8(e), regarding the availability of sufficient manpower in the several professional disciplines, I am satisfied that there will be sufficient qualified personnel because EOH has committed to retain substantially all the Hospital's current employees when the transfer of ownership is completed. The application states that EOH does not anticipate any changes in the current contracts with professional staff subsequent to this change of ownership.

N.J.S.A. 26:2H-8(f) requires consideration of such other factors as may be established by administrative rule. Therefore, I have taken into consideration the applicable administrative rules governing the services subject to full review (i.e., N.J.A.C. 8:33-1.1 et seq.). EOH Acquisition Group is in compliance with the access requirements set forth in N.J.A.C. 8:33-1.1 et seq. and N.J.A.C. 8:33-4.10(a). Specifically, the Applicant will continue to maintain its commitment to the community to preserve access to health care for the residents, including the indigent and medically underserved populations. EOH will provide care in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.29(c) regarding the provision of health care services regardless of the patient's ability to pay or payment source. EOH noted its track record in the provision of charity care; all the facilities currently owned by the Applicant continue to meet or exceed all charity care requirements in each state.

N.J.A.C. 8:33-4.9(a) requires a demonstration by the Applicant that this transfer of ownership shall not have an adverse impact on the population being served in regard to access and quality of care. The Applicant indicates that the transfer of ownership of EOGH will preserve and enhance the financial viability of the Hospital and allow it to

continue as a general acute care hospital providing the same level of health care services in the community. EOH also intends to continue to serve the same payer mix, thereby maintaining all the established bridges to access and care. I find that denial of the CN transfer of ownership application could adversely affect the patients in the Essex County community, who have historically received care and services at EOGH, including the indigent and uninsured.

I find that EOH has provided an appropriate project description, information as to the financial impact of the transfer of ownership, including operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-4.10(b)); assurance that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33 - 4.10(a)); and assurance that it will meet appropriate licensing and construction standards (N.J.A.C. 8:43G -1.1 et seq. and N.J.A.C. 8:33-4.10(d)). EOH has also demonstrated a track record of substantial compliance with the Department's licensing standards as required by N.J.A.C. 8:33-4.10(d).

Approval with Conditions

Based on the foregoing, I am approving the application for the transfer of ownership of EOGH to EOH Acquisition Group, LLC with conditions. The decision to approve the transfer of ownership is based on my belief that the operation of EOGH under the proposed new ownership could be beneficial to the population in its service area and will preserve access to health care services for the community, including the indigent and medically underserved populations.

This transfer of ownership may strengthen the financial viability of EOGH, and I believe that this approval will not have an adverse impact on the other existing hospitals in Essex County, or those in the surrounding counties. I concur with the seller, Prospect EOGH, Inc., and the proposed buyer, EOH Acquisition Group, LLC that this transfer is the best option to maintain the financial viability of the Hospital, so as not to disrupt and decrease access to healthcare services for the Essex County community. My decision to approve this application also factors in the Applicant's intent to stabilize and/or grow admissions at the Hospital and allow EOGH to meet the health care needs of the community.

For the reasons set forth in this letter and noting the recommendations of the SHPB, I am approving the EOH Acquisition Group, LLC's application for the transfer of ownership of East Orange General Hospital subject to the following conditions:

1. The Applicant shall submit a licensing application (CN-7) to the Division of Certificate of Need and Licensing (Division) to execute the transfer of ownership of assets of EOGH to EOH.
2. Within sixty (60) days of licensure, the Applicant shall notify the Division, in writing, of the individual who is responsible for the safekeeping and accessibility of all EOGH patients' medical records (both active and stored) in accordance with N.J.S.A. 8:26-8.5 et seq. and N.J.A.C. 8:43G-15.1 Hospital Licensing Standards.
3. As noted by the Applicant, "The prospective owners plan to ... retain substantially all of the current employees when the change of ownership is completed." Six (6) months after licensure, EOH shall document to the Division the number of full-time, part-time and per diem employees retained and provide the rationale for any work force reductions.
4. In accordance with the provisions of N.J.S.A. 26:2H-18.59h, EOH shall "offer to its employees who were affected by the transfer, health insurance coverage at substantially equivalent levels, terms and conditions to those that were offered to the employees prior to the transfer." This condition does not prohibit good faith contract negotiations in the future.
5. EOH shall comply with requirements of the Department of Labor and Workforce Development's Division of Wage and Hour compliance that address conditions of employment and the method and manner of payment of wages.
6. As noted by the Applicant, "The proposed sale of the Hospital to EOH however, will provide a stabilized funding source that is committed to maintaining the same level of acute care beds and services to the greater East Orange Community for many years." EOH and its successors and assigns shall operate EOGH for at least a five (5) year period as a general acute care hospital following the effective date of EOH Acquisition Group's licensure as the licensed operator of the Hospital. This condition shall be

imposed as a contractual condition of any subsequent sale or transfer, subject to appropriate regulatory or legal review, by EOH within the five-year period.

7. As noted in the CN application, EOH shall continue all clinical services currently offered at EOGH and for EOGH patients. Any changes in this commitment involving either a reduction, relocation out of EOGH's current service area, or elimination of clinical services offered by EOGH, shall require prior written approval from the Department and shall be subject to all applicable statutory and regulatory requirements.
8. EOH shall continue compliance with N.J.A.C. 8:43G-5.21(a), which requires that "all hospitals...provide on a regular and continuing basis, out-patient and preventive services, including clinical services for medically indigent patients for those services provided on an in-patient basis." Documentation of compliance shall be submitted within thirty (30) days of the issuance of the license and quarterly thereafter for a period of five (5) years. Such documentation of clinical services shall include, but not be limited to, a list of all physician specialties, the number of physicians within each specialty and the number of those physicians within each specialty that accept Medicaid reimbursement.
9. Related to its Behavioral Health services, EOGH shall comply with all program requirements in accordance with N.J.A.C. 10:190 and shall report progress in resolving any identified compliance issues to the Behavioral Health staff at the Division.
10. EOH shall continue to comply with the Federal Emergency Medical Treatment and Active Labor Act (EMTALA) requirements, and provide care for all patients who present themselves at EOGH without regard to their ability to pay or payment source, in accordance with N.J.S.A. 26:2H-18.64 and N.J.A.C. 8:43G-5.2(c) and shall provide unimpaired access to all services offered by the hospital.
11. The value of indigent care provided by EOGH shall be determined by the dollar value of documented charity care, calculated at the prevailing Medicaid rate, and shall not be limited to the amount of charity care provided historically by EOGH.

12. Within ninety (90) days of licensing, EOH shall establish a Community Advisory Group (CAG) for the Hospital responsible for:
 - a. representing EOGH in the community and taking into account the views of the community related to strategic planning and changes to service areas;
 - b. participating in community outreach programs;
 - c. monitoring the Hospital's charity care policies and practices;
 - d. monitoring financial indicators and benchmarks including the review of EOH's compliance with capital commitments;
 - e. monitoring quality of care indicators and benchmarks and service data such as Emergency Department admissions and the provision of clinic services; and
 - f. evaluating EOH's compliance with State and Federal laws, statutes, regulations, administrative rules, and directives and the impact on community health care access and quality, and all conditions in any approval letter.

The Community Advisory Group shall adopt by-laws and maintain minutes of monthly meetings. EOH shall submit to the Division, on a quarterly basis, a current working description of the CAG's roster and advise the Division of any significant changes to the CAG's policies governing composition, governance authority and appointments made during each year that the Hospital is in operation. The CAG shall maintain suitable representation of the residing population of EOGH's service area who are themselves neither employees of, nor related to employees or owners of, any parent, subsidiary corporation or corporate office. The CAG shall be independent of EOH and/or any related entity, having no current or previous familial or personal relationship to EOH and/or any related entity, its principals, board members and/or managers, or entities owned by a related entity in whole or in part.

13. EOGH shall develop and implement a Community Health Needs Assessment (CHNA) in substantial compliance with Section 501(r)(3)(A) of the Internal Revenue Code as amended that aligns itself with the “Healthy New Jersey 2020”, the State’s health improvement plan and health promotion and disease prevention agenda.
14. Within thirty (30) days of licensing, EOH shall provide the Division with an organizational chart of the Hospital and each service that shows lines of authority, responsibility, and communication between EOH and Hospital management and the Community Advisory Group. EOH, as licensee operating the Hospital, shall be responsible for compliance.
15. EOH’s Governing Body shall adopt policies and procedures that ensure the appointment of independent directors, and conflict of interest and recusal rules for all Board members, including employees serving in an ownership capacity.
16. For the initial five (5) years following the transfer of ownership, EOH shall submit annual reports to the Assistant Commissioner for Health Facilities Survey and Field Operations and the Assistant Commissioner for the Division of Certificate of Need and Licensing detailing:
 - a. The investments/capital improvements it has made during the previous years at the Hospital. Such reports shall also include a detailed annual accounting of any long- or short-term debt or other liabilities incurred on the Hospital’s behalf and be reflected on the EOH balance sheet.
 - b. The transfer of funds from the Hospital to any parent, subsidiary corporation or corporate affiliate. Such reports shall also detail the amount of funds transferred, in order to document that assets and profits reasonably necessary to accomplish the healthcare purposes remain with the Hospital. Transfer of funds shall include, but not be limited to, assessment for corporate services, transfers of cash and investment balances to centrally-controlled accounts, management fees, capital assessments, and/or special one-time assessments for any purpose.

- c. All financial data and measures required pursuant to N.J.A.C. 8:31B and from the financial indicators monthly reporting.
17. Within fifteen (15) business days of approval of this application, EOH shall provide a report to the Division detailing its plans for communications to EOGH's staff and the community, including but not limited to elected officials, clinical practitioners, and EMS providers, concerning the approval of the transfer of the license and the availability of fully integrated and comprehensive health services. EOH shall also provide a follow-up report on how the plans were fully implemented.
18. Prior to licensure, EOH shall identify a single point of contact to report to the Division concerning the status of all of the conditions within the time frames noted in the conditions.
19. EOH shall maintain compliance with the United States Department of Health and Human Services Standards for Culturally and Linguistically Appropriate Services in Health and Healthcare. Compliance shall be documented and filed with the Division with the annual licensing renewal.
20. Within twelve (12) months of licensure, and annually thereafter for five (5) years, EOH shall provide the Division with a written report detailing
 - a. Its plan to reduce unnecessary and duplicative services and excess inpatient beds, if any;
 - b. Its plan for addressing the need to expand or add ambulatory care services; and
 - c. Capital improvement plans, including physical plant improvements, equipment upgrades, additions (including IT), and other capital projects.

21. Within sixty (60) days of posting its Audited Annual Financial Statements to the EOGH website as required by N.J.A.C. 8:96-3.1, EOH shall hold an Annual Public Meeting in New Jersey, pursuant to N.J.S.A. 26:2H-12.50, and shall make copies of those audited annual financial statements available at the Annual Public Meeting. The Community Advisory Group shall be invited to attend the Annual Public Meeting and to hear concerns expressed by community members. EOH shall develop mechanisms for the meeting that address the following:
 - a. An explanation, in layperson's terms, of the audited annual financial statement;
 - b. An opportunity for members of the local community to present their concerns to EOH and the Community Advisory Group regarding local health care needs and hospital operations;
 - c. A method for EOH to publicly respond, in layperson's terms, to the concerns expressed by community members at the Annual Public Meeting; and
 - d. EOH shall develop these methods within ninety (90) days of the date of the approval letter and provide them to the Division.
22. EOH shall post on the Hospital's website annual audited financial statements within 180 days of the close of the Hospital's fiscal year and shall post quarterly unaudited financial statements within 60 days of the close of the Hospital's fiscal quarter in accordance with N.J.A.C. 8:96-2.1. All annual and quarterly statements shall be prepared in accordance with Generally Accepted Accounting Principles. With respect to the posting of quarterly unaudited financial statements, EOH may include disclaimer language regarding the unaudited nature of the quarterly financial statements on its website where such statements are posted.
23. EOH shall convene annual meetings with the Department and the Department of Banking and Insurance (DOBI) to review and evaluate all issues arising in contract negotiations within the first year of licensure. If requested by the Department, EOH will provide written documentation to the

Department during that first year which may potentially include, but not be limited to, a description of the number and subject of telephone calls, correspondence and meetings with existing HMO and commercial insurance carriers, as well as follow-up telephone calls, correspondence and meetings. At a minimum, EOH shall have monthly contact with the existing HMO and commercial insurers. If the existing HMO and commercial insurers fail to respond to requests for negotiations, then EOH shall notify the Department and DOBI to request assistance.

24. After the transfer is implemented, EOH shall comply with all requirements of N.J.S.A. 26:2SS-1 et seq., the Out-of-Network Consumer Protection, Transparency, Cost Containment and Accountability Act (Act), including the requirements pertinent to the DOBI. As part of compliance EOH must note that:
 - a. If a covered person (i.e., a person on whose behalf a carrier is obligated to pay health care expense benefits or provide health care services) receives medically necessary services at EOGH on an emergency or urgent basis as defined by the Emergency Medical Treatment and Active Labor Act, 42 U.S.C. s.1395dd et seq. and section 14 of P.L. 1992, c.160 (C.26:2H-18.64), EOH shall not bill the covered person in excess of any deductible, copayment, or coinsurance amount applicable to in-network services pursuant to the covered person's health benefits plan.
 - b. If a covered person receives medically necessary services at EOGH as an out-of-network health care facility on an emergency or urgent basis as defined by the Emergency Medical Treatment and Active Labor Act, 42 U.S.C. s.1395dd et seq. and section 14 of P.L. 1992, c.160 (C.26:2H-18.64), and the carrier and EOH cannot agree on the final offer as a reimbursement rate for these services pursuant to N.J.S.A. 26:2SS-9, the carrier, EOH, or covered person, as applicable, may initiate binding arbitration pursuant to N.J.S.A. 26:2SS-10 or 11.
 - c. If EOGH is in-network with respect to any health benefits plan, EOH shall ensure that all health-care providers providing services in EOGH on an emergency or inadvertent basis are provided notification of the

provisions of the Act and information as to each health benefits plan with which EOGH has a contract to be in-network.

- d. When EOH contracts with a carrier to be in-network with respect to any health benefits plan, EOH shall annually report to the Department the health benefits plans with which EOH has an agreement to be in-network.
25. EOH shall invest in programs designed to improve public health, community health services, and health and wellness and, within twelve (12) months of licensure, shall provide the Division with a written sustainability plan detailing how it intends to ensure the financial viability of such programs. EOH's investment in such programs shall be coordinated with its development and implementation of the Community Health Needs Assessment (CHNA).
 26. Every twelve (12) months for the next five (5) years, starting on the date a license is issued to EOH, EOH shall report to the Division the progress on the implementation and measured outcomes of the following initiatives noted in the application to improve the operational efficiency and quality of care at EOGH, and shall present the most current report to the public at the Hospital's Annual Public Meeting:
 - a. Expansion of the outpatient Mental Health services on campus, which may include creating a depression center of excellence, offering new, state-of-the-art therapies to patients; implementation of the new Substance Use Disorder / Inpatient Detoxification program; and expansion into addiction medicine by adding Intensive Outpatient Program (IOP) and Partial Hospitalization Program (PHP) levels of care.
 - b. Implementation of methods to integrate mental health services and primary care.
 - c. Update on capital projects in process and initiated after the transfer including but not limited to replacement boilers, and replacement CT scanner.

- d. Progress on infrastructure modernization through the Property Assessed Clean Energy (PACE) program which will be utilized to fund energy efficiency projects for the Hospital.
 - e. Progress on the development of a Medical Group (underway during the application review process), which would add an additional fifteen (15) Full Time Equivalents (FTEs), composed of physicians, nurse practitioners, physician assistants, and clerical staff. This is anticipated to expand primary care and specialty services such as Women's Health, Bariatric and Metabolic Medicine, and Gastroenterology. The Medical Group would operate with extended hours of operation to include weekend hours. This represents 15 new jobs.
 - f. Expansion of COVID testing to the community: nursing homes, senior housing/ centers, schools, and municipalities. This may lead to EOGH partnering with nearby nursing homes to assist with service provision.
27. EOGH shall participate in meetings that address inpatient and outpatient medical and behavioral health care trends, needs, service reallocations, consolidations, and Regional Planning Collaboratives necessary to ensure a quality, accessible system of care for East Orange and the Greater Newark area. EOGH shall continue to participate in, cooperate with, and support the Greater Newark Healthcare Coalition (GNHC) in its regional planning activities and services.
28. For five (5) years after initial licensure, the Hospital's Board Chair, President/CEO and other senior hospital management shall have periodic conference calls with the Commissioner of the Department of Health or designees at regular intervals on a schedule to be determined by the Commissioner to discuss the Hospital's condition and compliance with the terms of this CN. EOH will invite a Department representative to all Board and Board Finance Committee meetings.
29. As noted in the application, EOH Real Estate Holdings, LLC will have a lease agreement with the Hospital through EOH. That is, the proposed/new operating entity (EOH) will make lease payments to the newly-established property entity (EOH Real Estate Holdings, LLC). Within thirty (30) days of

CN Approval, EOH shall submit a copy of the executed lease agreement and the other required information in accordance with N.J.A.C. 8:33-4.4 Certificate of Need filing requirements: A duly executed copy of the lease agreement for the site shall be submitted including identification of the site, terms of agreement, date of execution and signature of all parties to the transaction. If the site is leased by the Applicant, a copy of the deed held by the current owner shall be required.

30. EOGH shall be assured of continued use of the Hospital property through any lease arrangement with EOH Real Estate Holdings, LLC or any subsequent holder of the lease, for as long as this ownership entity, EOH, is the licensed operator of East Orange General Hospital. EOH and EOH Real Estate Holdings, LLC shall comply with N.J.S.A. 26:2H-5.1b.a.(3) which states that no less than ninety (90) days prior to signing an agreement for the sale or the lease of the land or property on which the hospital is located, the entity shall provide notice to the Department of the hospital's intent to sign an agreement to sell or lease the land or property on which the hospital is located. Notification to the Department shall include a copy of the agreement, the names of all parties included, and the intended use of the proceeds from the sale or lease of the land or property.
31. Within thirty (30) days of the CN approval, EOH shall provide documentation of a firm commitment for the above-referenced mortgage loan and revolving credit for EOH from the proposed lender, Monticello AM.
32. All of the conditions shall also apply to any successor organization to EOH which acquires EOGH within five (5) years from the date of this CN approval letter.

Failure to satisfy any of the aforementioned conditions of approval may result in sanctions, including license suspension, monetary penalties and other sanctions in accordance with N.J.S.A. 26:2H-1 et seq. and all other applicable requirements. Acceptance of these conditions by the Applicant will be presumed unless written objections are submitted to the Department within 30 days of receipt of this letter. Upon receipt of such objections, this approval will be deemed suspended, and the project shall be re-examined in light of objections.

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I look forward to working with the Applicant to provide a high quality of care to the patients of EOGH. If there are any questions concerning this certificate of need approval, please do not hesitate to contact Fred Jacobs, Assistant Commissioner at Frederick.Jacobs@doh.nj.gov.

Sincerely,

A handwritten signature in blue ink that reads "Judith M. Persichilli". The signature is written in a cursive style with a large initial "J".

Judith M. Persichilli, RN, BSN, MA
Commissioner

c: Benjamin Klein, EOH Acquisition Group, LLC
Paige Dworak, East Orange General Hospital
Fred Jacobs, NJ Department of Health
Michael Kennedy, NJ Department of Health