



State of New Jersey
DEPARTMENT OF HEALTH

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Commissioner

May 21, 2024

VIA U.S. FIRST CLASS & ELECTRONIC MAIL

Michele Acito
Executive Vice President & Chief Nursing Officer
Holy Name Medical Center
718 Teaneck Rd
Teaneck, NJ 07666

Re: Holy Name Medical Center
CN# ER 2023-03318-02;01
Addition of Neonatal Intensive Care Bassinets
Total Project Cost: \$2,325,000
Expiration Date: May 21, 2029

Dear Ms. Acito:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted on March 28, 2023, for Holy Name Medical Center (Holy Name or the Hospital), a general acute care hospital located in Bergen County at 718 Teaneck Rd, Teaneck, New Jersey 07666, for the addition of six neonatal intensive care unit bassinets (NICU or Intensive bassinets). This application is being approved at the total project cost noted above.

Holy Name is currently licensed for 11 neonatal intermediate care bassinets (NICU or Intermediate bassinets) and this project involves the addition of six Intensive bassinets which will be achieved by removing six existing licensed Intermediate bassinets. As a result of this change, the Hospital will be approved for six Intensive bassinets and five Intermediate bassinets for a total compliment of 11 NICU bassinets.

By way of history, Holy Name Medical Center applied for Intensive bassinets in response to a certificate of need call on December 1, 1999, which was heard in front of the State Health Planning Board (SHPB) and approved by the Department in a letter dated May

11, 2000. With that approval, the Hospital was awarded a designation to Community Perinatal Center-Intensive, requiring a minimum of six Intensive bassinets. However, due to construction constraints, Holy Name was unable to establish the six-bassinet neonatal intensive care unit for which the Department determined a need. The Hospital purports that those construction constraints no longer exist, and the anticipated construction to implement the six Intensive bassinets is estimated to be completed in five to six months.

Justification for the proposed project, as per N.J.A.C. 8:33-5.3(a)(1), is found in the Hospital's desire to better meet the needs of its vulnerable patients, mothers, and newborns. Holy Name Medical Center has averaged 1,400 newborn deliveries a year from 2021 to 2023. Due to not having an established neonatal intensive care unit, Holy Name has contracted with Cooperman Barnabas Medical Center to transfer newborns in need of intensive care as well as arranging transfers to neighboring hospitals that are designated as Regional Perinatal Centers such as Hackensack University Medical Center and St. Joseph's University Medical Center in accordance with N.J.A.C. 8:43G-19.6. The Hospital stated that currently, infants requiring Intensive bassinets are immediately transferred out of Holy Name away from the mother which delays the bond between mother and child while the mother recovers and awaits discharge. Holy Name asserts that often times, when a newborn is transported to another facility for Intensive services, the father of the child visits the hospital where the child has been transferred, further dividing the family. Holy Name asserts that providing a nursery with 6 intensive bassinets at its hospital, with expert physicians, nurses, and support staff, will eliminate the need to transfer newborns by ambulance away from the mother which will also eliminate parents being divided between two hospitals, enabling bonding of the family unit.

The applicant provided a letter from the Partnership for Maternal & Child Health of Northern New Jersey (Partnership), dated December 20, 2022, in support of Holy Name's request to add six Intensive bassinets. Partnership asserted that Holy Name is a member in good standing and found the Hospital's proposal to be consistent with the needs of the region. On December 7, 2022, trustees of Partnership, including representatives from other Bergen County hospitals such as The Valley Hospital, Hackensack University Medical Center and Englewood Hospital, all voted in favor of Partnership submitting a letter on Holy Name's behalf, in favor of their establishing a neonatal intensive care unit.

Holy Name asserts that the approval of this application will have no negative impact on the existing healthcare system as a whole as there will be no net change in the number of existing NICU beds in the state. Additionally, with Holy Name serving a high percentage of low-income patients and families, providing this service in the family's chosen Hospital would improve outcomes as well as reduce physical, emotional, and financial hardships on families as they navigate through an already traumatic situation. Based on the above description, the Department concludes that the addition of these 6 Intensive bassinets will have minimal impact on the health care system as a whole, thus meeting the criteria at N.J.A.C. 8:33-5.1(b)(2).

The Department has taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3). As it pertains to the provisions of N.J.A.C. 8:33-5.3(a)(1), Holy Name Medical Center has provided an appropriate project description, including information about the total project cost of \$2,325,000 for the renovations of the Labor, Delivery, and Nursery area. The operating cost and revenues were provided, which were reflected by the first year of operation, the total revenue would be \$5,058,784 and \$3,515,798 for expenses, which project a profit of \$1,542,986 within the first twelve months. The source of funds has been identified as available cash from Holy Name as well as funds generated through fundraising. Utilization statistics project that five newborns in need of intensive care will be in the NICU daily for an average stay of 18 days. The facility projects to have 101 annual admissions a year with a projected total of 1,818 patient days.

N.J.A.C. 8:33-5.3(a)(2), requires an assurance that all residents of the area, particularly the medically underserved, will have access to services. Holy Name meets the standards of N.J.A.C. 8:33-5.3(a)(2), as approximately 35 percent of Holy Name's patients receive Medicaid. In addition, Holy Name has provided documentation that it will meet appropriate licensing and construction standards per N.J.A.C. 8:33-5.3(a)(3)(i). Duly, Holy Name has demonstrated a track record of substantial compliance with the Department's licensing standards as set forth in N.J.A.C. 8:33-5.3(a)(3)(ii) as there were no significant regulatory compliance events reported in the New Jersey facilities that are owned, operated, or managed by the Applicant.

This approval is limited to the proposal as presented and reviewed. The application, related correspondence and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope, as defined at N.J.A.C. 8:33-3.9. However, a change in cost of an approved certificate of need is exempt from certificate of need review subject to the following:

1. The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for licensure for the beds/services with the Certificate of Need and Healthcare Facility Licensure Program.
2. Where the actual total project cost exceeds the Certificate of Need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional Certificate of Need application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost in excess of the Certificate of Need approved total project cost.

3. The Department will not issue a license for beds/services until the additional fee is remitted in full.

The Department, in approving this application, has relied solely on the facts and information presented to us. We have not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented, the Department may take administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

Any approval granted by this Department relates to certificate of need and/or licensing requirements only and does not imply acceptance by a reimbursing entity. This document is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way the authority to regulate land use within its borders and shall not be used by the applicant to represent that the Department has made any findings or determination relative to the use of any specific property.

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

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

Sincerely,



Jeff Brown
Deputy Commissioner
Health Systems
New Jersey Department of Health

C: Stefanie J. Mozgai, DOH (Electronic mail)
Michael J. Kennedy, J.D., DOH (Electronic mail)
Luisa Alexopoulos, DOH (Electronic mail)
Kara Morris, DOH (Electronic mail)

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Kim Hansen, DOH (Electronic mail)
Antonella Ventura, DOH (Electronic mail)
Daniel Addy, DOH (Electronic mail)
Ramon Santiago, DOH (Electronic mail)
Intake Unit, DOH (Electronic mail)