



State of New Jersey
DEPARTMENT OF HEALTH

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January 14, 2025

VIA ELECTRONIC AND FIRST CLASS MAIL

Mark Nessel
President, Virtua Voorhees & Marlton Hospitals
SVP Virtua Health
West Jersey Hospital
100 Bowman Drive
Voorhees, NJ 08043

Re: West Jersey Hospital
License #10405
CN# ER 2024-01346-04;01
Addition of Six Neonatal Intermediate
Care Bassinets
Total Project Cost: \$1,129,565.61
Expiration Date: January 14, 2029

Dear Mr. Nessel:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted on January 3, 2024, by Virtua West Jersey Health System (Virtua) for West Jersey Hospital (Hospital), a general acute care hospital, located in Camden County at 100 Bowman Drive, Voorhees, New Jersey, to add six neonatal intermediate care bassinets (intermediate bassinets). This application is being approved at the total project cost as noted above.

West Jersey Hospital, currently licensed for 30 intermediate bassinets, is seeking approval for the addition of six intermediate bassinets. This expansion will be achieved by converting a space originally designed as a Newborn Nursery (Observation Room on the 4th floor of the Well Baby Unit) into a Level II Special Care Nursery. The applicant has stated that the space is equipped to care for these patients, with the necessary medical gas, air, suction, appropriate bassinets, and emergency supplies in place. With this addition, the hospital will be authorized to accommodate a total of 36 intermediate bassinets. The unit will exclusively care for intermediate-level patients, typically those with feeding and growing needs. The unit will be staffed by Registered Nurses experienced in neonatal care, Nurse Practitioners, Neonatologists, Respiratory Therapists, and other necessary support staff, with nurse-to-patient ratios not exceeding one nurse per three patients.

The justification for the proposed project, in accordance with N.J.A.C. 8:33-5.3(a)(1), is based on the hospital's reported desire to better serve its vulnerable patients, including mothers and newborns. This request arises from a sustained increase in patient volume within the community over the past two years, which has been especially pronounced in 2023. Furthermore, the rising prevalence of comorbidities, such as advanced maternal age, hypertension, diabetes, and obesity, is contributing to higher rates of preterm deliveries and complications among newborns. Without an increase in the number of licensed intermediate neonatal bassinets, the hospital is faced with the unnecessary transfer of antepartum mothers and neonates, often to hospitals outside the community, which creates a hardship for patients. In 2022, 22 out of 106 transfers were for intermediate-level care, and in 2023, 20 out of 97 transfers were for the same level of care. A review of the anticipated delivery volume shows a continuing increase, and, under the current capacity, the neonatal intermediate care unit is projected to exceed its combined intermediate and intensive care bassinet capacity of 46 beds on 110 days of the year. This expansion is therefore essential to meet the growing demand for neonatal care within the community and ensure that patients are not forced to travel long distances for necessary care.

N.J.A.C. 8:33-5.3(a)(2), requires assurance that all residents in the area, particularly those who are medically underserved, will have access to necessary services. The applicant affirms that this project will enhance access to essential neonatal care for residents of the service area, with a special focus on the underserved population. Due to high patient volumes that at times exceed capacity, many obstetric and neonatal patients have had to be transferred to outside facilities, which often requires displacement from their primary residence. This situation disproportionately affects the underserved population, who frequently face limited resources and transportation challenges. Approval of the request to expand the hospital's neonatal capacity will significantly reduce the need for these transfers, thereby improving access to care for all patients, particularly those in vulnerable communities.

The applicant further asserts that approving this application will not negatively affect the existing healthcare system. Most transfers out of the intermediate bassinet unit due to capacity limitations are directed to Children's Hospital in Philadelphia (CHOP), a partner for neonatal care with Virtua. CHOP is reportedly in support of adding additional beds to alleviate the need for these transfers. Keeping babies locally at West Jersey Hospital is in the best interest of both the patients and their families. Currently, high-risk mothers and neonates are transferred to other facilities when the intermediate bassinet unit reaches its licensed capacity, including transfers to Pennsylvania Hospital, Jefferson Hospital, and within Virtua's own health system to Virtua Mount Holly Hospital and Virtua Our Lady of Lourdes Hospital. While this may impact the volume at these facilities, it will positively enhance patient care by reducing the need for transfers. Based on the summation of all of the above, the Department concludes that the addition of these six intermediate bassinets will have minimal impact on the healthcare system, thereby meeting the criteria outlined in 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), West Jersey Hospital has provided an appropriate

project description, including information about the total project cost of \$1,129,565.61 for the equipment and labor. The operating cost and revenues were provided, which were reflected by the first year of operation, the total revenue would be \$8,974,191 and \$3,556,510 for expenses. The applicant asserts that they anticipate recouping the cost of this project within one year. For this critical patient care and community need, they do not anticipate they will realize a profit or experience a loss. The source of funds has been identified as existing budgeted capital. West Jersey Hospital 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.

Licensure approval to add these six neonatal intermediate care bassinets to West Jersey Hospital's license is contingent upon the following conditions:

1. West Jersey Hospital must have the necessary physical space to accommodate the additional bassinets and shall adequately meet physical plant compliance in accordance with N.J.A.C. 8:43G and the 2022 Facility Guidelines Institute (FGI), Guidelines for Design and Construction of Hospitals.
2. West Jersey Hospital shall submit a licensing amendment application (CN-7 form) and fee to obtain licensure approval from the Certificate of Need and Healthcare Facility Licensure Program prior to the expiration of this ERCN Approval.

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 West Jersey Hospital 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

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