

April 14, 2008

Attorney General Anne Milgram
New Jersey Department of Law and Public Safety
Division of Law
Richard J. Hughes Justice Complex
P.O. Box 106
Trenton, New Jersey 08625-0106

Commissioner Heather L. Howard
New Jersey Department of Health and Senior Services
John Fitch Plaza
P.O. Box 360
Trenton, New Jersey 08625-6543

Re: Bankruptcy and Sale of Barnert Hospital

Dear General Milgram and Commissioner Howard:

In September, 2007, New Jersey Appleseed Public Interest Law Center wrote you that we had become aware of the bankruptcy and potential sale or closing of Barnert Hospital in Paterson, New Jersey. At that time, we expressed our concerns that purchase and/or closing of Barnert Hospital will change the hospital's mission and eliminate the provision of vital reproductive services that are important to the health and well-being of the community; services that that no other acute care facility in Passaic County is currently providing. We have now heard that the assets of the Hospital have been sold, pursuant to an order of the Bankruptcy Court, to a for-profit entity that will not be operating the facility as an acute care hospital.

As a result of this sale of dedicated health care assets and the closing of Barnert Hospital, we are inquiring as to when the Attorney General and the Department of Health and Senior Services intend to hold the necessary state regulatory hearings to further protect the public interest. We urge the Commissioner to review this sale under the standards set forth in the Community Healthcare Assets Protection Act ("CHAPA") N.J.S.A. 26:2H-7.10 et seq., in addition to the standards set forth in its Certificate of

Need Process concerning hospital transfers (if applicable) or closings.

Similarly, as we requested in our September 2007 letter, we are also requesting that the Attorney General review the transaction under CHAPA and thereby ensure that appropriate steps are taken “to safeguard the value of the charitable assets of the hospital and to ensure that any proceeds [remaining after debtors are satisfied] from the [sale of the assets] are irrevocably dedicated for appropriate charitable health care purposes” within the community in which they accrued N.J.S.A. 26:2H-7.11(b). We trust that the Attorney General will also take all actions necessary to protect any endowment funds, restricted funds and any foundations associated with the hospital, which have not been within the jurisdiction of the bankruptcy court.

Sincerely yours,

Renée Steinhagen

Cc: Jay Ganzman, DAG