



September 30, 2010

Judy Donlan, RN, Chair
State Health Planning Board
Department of Health and Senior Services
P.O. Box 360
Trenton, New Jersey 08625-0360

Re: Meadowlands Hospital Medical Center
MHA, LLC
CN# FR 100201-09-01

Chairwomen Donlan and Board Members:

We thank you for the opportunity to make this submission in support of the DHSS staff's recommendations to the State Health Planning Board with respect to the transfer of ownership of Meadowlands Hospital Medical Center ("MHMC") to MHA, LLC, a for-profit limited liability company. We want to especially acknowledge the Department's sensitivity to our previously expressed concerns that are directly addressed by its recommendations; specifically, that portion of its recommendation that set forth explicit conditions regarding continuity of service commitments, employment levels, financial reporting requirements, board governance, community outreach efforts (including the establishment of a Community Advisory Group (CAG)), maintenance of charity care levels, out-of-network insurance contracts, and the imposition of such conditions on any future owner.

Notwithstanding our support, we have two concerns that have not been adequately addressed. Although the Department's recommendations note the "public's concerns about applicant's lack of experience in operating hospital," it does not otherwise deal with the track record of Dr. Richard Lipsky, a principal in

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MHA and one of its two principle managers (through Complete Medical Project Management LLC and its corporate owner ATRP, LLC). Our previous three submissions to the Commissioner detail regulatory problems at both Xanadu Adult Medical Day Care Center and Roseland Ambulatory Surgery Center, co-owned and/or operated by Dr. Lipsky. As we have documented, licensure problems have occurred at the Xanadu Adult Medical Care Center that resulted in curtailment of services at the facility, and serious state and federal deficiencies that implicate patient safety, deficient supervision, inadequate record keeping and failure to maintain properly certain equipment have been found at Roseland Ambulatory Surgery Center. This track record is a fact, and must be dealt with by the State Health Planning Board rather than ignored.

Accordingly, we request that the Commissioner further require, as a condition of transfer, that the Commissioner and relevant DHSS staff regularly meet with front-line staff at MHMC, including representatives of the medical and nursing staff, solely to discuss quality and patient safety issues. Such discussions are necessary to ensure that changes in administration do not negatively impact the quality and safety of services even if formal amendments to policies and procedures do not constitute violations of law. A health care monitor who would serve as a quality control officer would be preferred, but we accept that financial considerations weigh in favor of regular reporting requirements to key persons who can take action rather than compelling the hospital to compensate an independently retained health care monitor.

The recommendations also explicitly realize that "in the future MHA may approach the CAG with additional requests to modify services to strengthen viability of the hospital." We too anticipate such requests due to the strategic plan of the hospital to increase same-day surgical services and surgery generally. However, as we noted in our submission at the Community Healthcare Assets Protection Act (CHAPA) hearing, there is the possibility that MHA, as a for-profit hospital, may also seek permission to close a specific department or community program in an attempt to avoid its charity care obligations. In anticipation of such an event, we request that the Department, as part of its conditions of transfer, establish a rebuttable presumption which would require MHA to establish that it is not motivated by a desire to lessen its charity care burden if the proportion of charity care allocated to the department or service it seeks to eliminate is greater than the average level of charity care provided at the hospital.

Thank you for your anticipated consideration of our remarks and your efforts to protect New Jersey consumers as community hospitals are facing difficult choices and, in some cases, transferring ownership to for-profit companies with limited or no operational experience.

Respectfully submitted,

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Executive Director