



NJ APPLESEED TALKING POINTS  
(CN Review of application to Close St. James Hospital)

I. Introduction

Good Evening. My name is Renée Steinhagen, and I am the Executive Director of New Jersey Appleseed Public Interest Law Center. Two weeks ago, I spoke to you about what is wrong about the process that the Department of Health and Senior Services has permitted to transpire here. Tonight, I am going to simply focus on what the Department must do now to ensure that the closure of St. James Hospital (“SJH”) that will officially be completed tomorrow will not have an adverse impact on the residents of Newark.

Reading the responses and documents supporting the CN application before you it is clear that there is an assumption, based on occupancy rates statistics and letters of commitment to accept patients by Clara Maas, Newark Beth Israel and East Orange Hospitals, that the closing of St. James Hospital will not have an adverse impact on the residents of Newark and specifically the East Ward. This assumption *qua* conclusion relies on general statistics and is not tied to any specific finding of need for particular type of acute beds, or specific non acute or emergency services.

Rather, the ongoing closure set in motion a political process where the City attempted to conduct a community needs study under coercive conditions, inadequate resources and lack of institutional leadership. For that reason, New Jersey Appleseed cannot in good conscience stand here today and ask you to condition the closure on an ad hoc list of services that were the outcome of a flawed process, or simple the “ideas” of CHE, such as a LTAC, or now a stated intent to keep inpatient psychiatric beds at SJH (Response to Question 11, at p. 14 of Completeness Review Questions). Instead, we stand here today, and ask you to condition the closure on more general conditions, some of which were secured most recently upon the sale of Bayonne Hospital, that will ensure CHE’s continuing presence as a healthcare provider in the East Ward, accountability to the broader community, and accountability to the State that is lending it up to \$250 million to complete the transaction.

II. Demands

We request that the Department take all steps necessary to transform the delivery of health care services in Newark so as to benefit the residents of Newark:

New Jersey Appleseed  
Public Interest Law Center of New Jersey  
744 Broad Street, Suite 1600  
Newark, New Jersey 07102

Phone: 973.735.0523 Fax: 973.735.0524  
Email: rsteinhagen@lawsuites.net  
Website: www.njappleseed.net

--- commitment to operate St. James Hospital primarily or in part as a health care facility for a period of ten years following the transfer to CHE and closure of the hospital as an acute care provider. It cannot be forgotten that Newark is a documented medically underserved area according to the Health Resources and Service Administration. Currently, Saint James Hospital provides several primary care and other non acute care services that are vital to the neighborhood. These services must remain in the neighborhood for many reasons including logistics of travel, cultural and language requirements, and efficiency of delivery. Efforts must be made to keep them at the hospital to ensure access and alleviate pressures placed on the emergency rooms throughout the City. Once it is determined which clinical services and community health programs should be provided at St. James they too should be subject to closure only after rigorous scrutiny by the Department with notice to the public.

--commitment to undertake a community needs assessment within three months of approval—  
We understand that the State has conditioned its bonding on the completion of a community needs assessment within two years of the issuance of the bonds. That is insufficient. A community needs assessment must be done now, must consider the interests of all stakeholders in Newark, and must inform what services should be provided at St. James, and in the case of the emergency room, for how long should the emergency room remain open.

---commitment to infuse some portion of the 25mm in new equity and the bond proceeds into provision of services at St. James. Although CHE is not committing to investing a substantial sum of money of its own money into the transaction, the Department should monitor this investment, in addition to the \$250 million bond proceeds, and any other transfers into and out of the three corporate entities, including Saint James Care, Inc. That is, the Department should require St. Michaels Medical Center, St. James Care, Inc., and Columbus Acquisition Corp. to submit a report, on an annual basis for the initial five years following the transfer of ownership, detailing the investments CHE has made during the previous year at the hospital. Such report should also include an accounting of any long or short term debt or other liabilities incurred on the hospital's behalf, as well as any transfer of funds from the hospital to any parent, subsidiary or affiliate and the reason for such transfer.

---commitment to appoint a representative of the Newark Health Board, the relevant union, and local community members to its Board of Trustees and to appoint a Community Advisor Board  
In the recent transaction involving Bayonne Hospital, the for-profit purchaser, committed to creating a Community Advisory Board (CAB) that within 90 days of closing that would commence a community needs assessment funded by purchaser. In addition, the Chairman of this advisory board would be given a seat, ex-officio, on the for-profit's Board as would the President of HPAE and the Mayor of Bayonne. These commitments in addition to a requirement that physicians not working for the hospital would be placed on the hospital's board were made conditions of the CN. Similar commitments must be made a condition of this CN application, and the relationship between the CAB and the CHE/St. James Care, Inc. Board and the Department, as well as reporting requirements, should be further detailed. Local community members, a member of the Newark Health Board, a representative of JNESO, and physicians who are not employed by any of the three CHE affiliated entities should be appointed to the Board to ensure accountability to the health mission of the transformed hospital. The Department

must forge some way to ensure that management remains accountable to the community and CHE/Sat. James Care continues to satisfy the health care needs of the community it serves.

### III. Conclusion

In summary, we urge the Department to take all actions within its authority to make the above conditions real. Specifically, we request that the Commissioner consider the appointment of a health care monitor pursuant to its authority under CHAPA to ensure the quality, affordability and accessibility of health care is not diminished after closure of the facility, and that each of the above demands become a condition of approval subject to change only after public notice, hearings and the Commissioner's approval.