



State of New Jersey
DEPARTMENT OF HEALTH

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Commissioner

June 6, 2023

VIA ELECTRONIC & FIRST-CLASS MAIL

David Yhlen, FACHE
Vice President and COO
Salem Medical Center
310 Woodstock Road
Salem, New Jersey 08079

Re: Salem Medical Center
CN# ER 2017-0509-17-01
Convert 26 Adult Voluntary Psychiatric Beds to
26 Involuntary Psychiatric Beds
Project Cost: \$0
Expiration Date: June 30, 2023

Dear Mr. Yhlen:

Please be advised that the Department of Health (Department) is approving Salem County Hospital Corporation's (Applicant) Expedited Review Certificate of Need (ERCN) application seeking approval for Salem Medical Center to convert the bed designation of CN# FR 17-0521-17-01 from 26 Adult Acute Psychiatric Voluntary (open) beds to 26 Adult Acute Psychiatric Involuntary (closed) beds. The original CN permitting Salem Medical Center to establish an acute care psychiatric unit with 26 open beds was approved on November 17, 2017. As set forth in the December 12, 2022 memo to facilities, June 30, 2023 is the final deadline to have the beds approved in the November 17, 2017 certificate of need (CN) decision letter ready for survey and implementation.

These 26 inpatient psychiatric beds were allocated to meet the identified bed need of its primary service area of Salem County and a portion of the need in the hospital's secondary service area of Gloucester County; thereby the inpatient psychiatric beds were allocated as follows: twenty (20) beds to Salem County and six (6) beds to Gloucester County. The applicant states that the proposed conversion of open to closed beds will not require construction or other renovation costs; therefore, this application is being approved at the project cost noted above.

The Applicant reports that the change in designation from open to closed beds will enable hospitals in Salem and Gloucester Counties to reduce the number of patients currently waiting 24 hours or longer to obtain admission to a Closed inpatient psychiatric unit, as Salem Medical Center is the only provider of psychiatric inpatient services located in Salem County. The plan set forth with this application will achieve this goal while continuing to serve those who are medically underserved.

Furthermore, the Applicant asserts that while the proposed conversion of acute voluntary psychiatric beds to involuntary beds will not add to the overall number of psychiatric beds in the area, it will provide a more appropriate mix of beds for patients. The applicant asserts that it has seen a far greater number and higher acuity of patients in the Emergency Department (ED) needing involuntary admission. The Applicant cites that a larger complement of involuntary beds will allow Salem Medical Center to move patients more quickly from the ED to receive the care they require in a more timely and expeditious manner.

The Department is approving this change for the conversion of licensed bed complement based on the applicant's statements of a negative impact on service delivery and access to care, due to the lack of available closed beds. Furthermore, consistent with the Department's rationale for the final decision in the matter of CN# FR 17-0509-17-01, the Department again considers the applicant to be in the best position to identify the number each of open and closed beds that will meet the healthcare needs of those patients with mental illness. Therefore, the Department is granting the applicant's proposed bed re-designation.

The Department has taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-3.9 and 8:33-5.3). Salem County Hospital Corporation has provided an appropriate project description. The project description includes information on their staffing assignment, policies and procedures for compliance and services affected, including behavioral assessment, monitoring, treatment, privacy, and infection control policies, utilization statistics, justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)), and assurance that all residents of the area, particularly the medically underserved will have access to services (N.J.A.C. 8:33-5.3(a)(2)), and documentation that it will meet the Department's appropriate licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)).

Please be advised that this approval is limited to the application 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 the 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.

In approving this application, the Department has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented as part of this application, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the New Jersey 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 letter 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 services may not commence until such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program.

Please be advised that services may not commence until a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required prior to commencing services.

The Department looks forward to working with the applicant to provide high-quality 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,

Robin C. Ford

Robin C. Ford, MS
Deputy Commissioner
Health Systems

cc: Stefanie J. Mozgai, DOH
Michael J. Kennedy, DOH
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