



State of New Jersey  
**DEPARTMENT OF HEALTH**

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April 3, 2024

**VIA U.S. FIRST CLASS & ELECTRONIC MAIL**

Garrick J. Stoldt, CPA FHFMA  
Saint Peter's University Hospital  
254 Easton Avenue  
New Brunswick, NJ 08901

Re: Saint Peter's University Hospital  
Relocation and Addition of PICU Beds  
CN# ER 2022-12313-12;01  
Total Project Cost: \$9,293,000  
Expiration Date: April 3, 2029

Dear Mr. Stoldt:

Please be advised the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted on November 30, 2022, for Saint Peter's University Hospital (SPUH), a general acute care hospital located in Middlesex County at 254 Easton Avenue, New Brunswick, New Jersey 08901, for the relocation and addition of services. This application is being approved at the total project cost noted above.

This project involves the relocation and addition of Pediatric Intensive Care Unit (PICU) beds, increasing the existing 8 licensed pediatric intensive care beds to 14, through the addition of 6 beds. This project will be completed in two phases as follows:

1. There will be a relocation of the beds from the A Wing to the H Wing, (second floor). The A-Wing will become a support staff area with sleeping accommodations.
2. After the relocation, there will be renovations to the PICU to meet Peds Pre-Op patient care and recovery requirements, with an isolated infection room, family playroom, and parent sleeping space.

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)), the Department finds the following:

Saint Peter's University Hospital has provided an appropriate project description, including information about the total project cost of \$9,293,000 for the renovations of H Wing. The operating cost and revenues were provided, which assert that in the first year of operation, the total revenue would be \$567,690,000 and \$548,932,000 for expenses, which project a profit of \$18,758,000 within the first twelve months. The source of funds has been identified as available cash from Saint Peter's University Hospital. Utilization statistics project the unit would be 60% occupied on an annualized basis. However, as shown in the 2022 monthly trend tables, SPUH projects normal seasonal fluctuations which will increase occupancy levels to 80-100% of the 14 beds requested throughout the year.

Justification for the proposed project, as per N.J.A.C. 8:33-5.3(a)(1), is found in the hospital's desire to conform with State licensing and occupancy requirements, and better meet the needs of its acutely ill pediatric patients. Saint Peter's exceeded the licensed occupancy level of its PICU beds an average of 52 percent of the time for the past five years. SPUH PICU operated at or above its licensed 6-bed capacity 29 percent of the time in 2020 and 56 percent of the time in 2021. In addition, 2022 tracking statistics document that the unit operated above its license 23 percent of the time, with overages 8 of the 12 months. In the post-COVID-19 pandemic era, occupancy has continued to exceed capacity and is currently averaging 111 percent as of October 2022. Furthermore, approximately 26 percent of SPUH's PICU patients are transferred from hospitals throughout the State. As the demand for Saint Peter's specialized services continues to grow, it is anticipated that the number of patients requiring PICU beds will continue to increase over the next 5 years. With an increase of 14 beds, and utilization statistics estimating a straight-line increase in PICU days of 6 percent per year, the facility's occupancy will match the 70 to 75 percent average occupancy target.

Approval of the 6 new PICU beds will neither have an adverse impact on the population being served regarding access and quality of care nor negatively impact the neighboring hospital, Robert Wood Johnson University–New Brunswick (RWJUH-NB). Although RWJUH-NB provides PICU services in the same service area, RWJUH-NB serves a higher relative percentage of older children (age 13-21 years) while Saint Peter's serves a higher relative percentage of younger children (age 0-2, excluding neonates). In addition, Saint Peter's serves a higher relative percentage of diseases and disorders that are oftentimes congenital, due to their Medical Genetics and Genomic Medicine program. Dissimilarly, RWJUH-NB, a Level I trauma center, serves a higher relative percentage of cases involving injuries and external causes. Based on the above description, the Department concludes that the addition of these 6 PICU beds will have

minimal impact on the health care system as a whole, and thus meets the criteria at N.J.A.C. 8:33-5.1(b)(2).

N.J.A.C. 8:33-5.3(a)(2), requires an assurance that all residents of the area, particularly the medically underserved, will have access to services. Saint Peter's University Hospital meets the standards of N.J.A.C. 8:33-5.3(a)(2), as approximately 53 percent of SPUH's pediatric intensive care patients are Medicaid, self-pay, or charity care patients. This rate compares to the hospital's overall payor mix of 33 percent, demonstrating the commitment to this highly vulnerable population. In addition, St. Peter's University Hospital has provided documentation that it will meet appropriate licensing and construction standards per N.J.A.C. 8:33-5.3(a)(3)(i). Duly, SPUH 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.

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.

Finally, 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 the applicant 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](mailto:Michael.Kennedy@doh.nj.gov).

Sincerely,

*Robin C. Ford*

Robin C. Ford, MS  
Deputy Commissioner  
Health Systems  
New Jersey Department of Health

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