

1 NEW JERSEY STATE HEALTH PLANNING BOARD
2 SUSSEX COUNTY COMMUNITY COLLEGE
3 NEWTON, NEW JERSEY
4
5 FEBRUARY 17, 2011 6:00 PM
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7
8 THE PUBLIC HEARING OF:
9 THE APPLICATION FOR
10 CERTIFICATE OF NEED
11 FOR THE TRANSFER OF OWNERSHIP
12 OF NEWTON HOSPITAL TO
13 ATLANTIC HEALTH SYSTEMS
14
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18 B E F O R E: MICHAEL BAKER
19 WILLIAM CONROY
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1 MR. BAKER: Good evening everyone. My
2 name is Michael Baker, I'm a member of the State
3 Health Planning Board. Joining me tonight is
4 William Conroy, he's an Assistant Commissioner of
5 the Department of Health and Senior Services.

6 This is a public hearing of the State
7 Health Planning Board in relation to the transfer
8 of ownership of Newton Hospital to Atlantic
9 Health. The Department deemed the application
10 complete and in accordance with the requirements
11 of law, the State Health Planning Board is
12 required to hold a public hearing on this
13 application within 30 days of it being deemed
14 complete.

15 Adequate notice of this hearing has been
16 published in accordance with the provisions of New
17 Jersey Administrative Code 26:2H-15.8. Notice was
18 sent to the Secretary of State, who posted the
19 notice in a public space. Copies of the
20 hospital's CN application are available for review
21 at the Sussex County Library, the New Jersey
22 Library in Trenton, and at the Department of
23 Health and Senior Services.

24 Information gathered at this hearing
25 will be reviewed by the State Health Planning

1 Board, in addition to reviewing the application
2 from Newton Memorial Hospital and the department
3 staff analysis and recommendations at a public
4 meeting.

5 Although not all of the members of the
6 State Health Planning Board are present tonight,
7 this community public hearing is being
8 transcribed. And the transcript along with any
9 written comments submitted tonight will be made
10 available to all Board members along with the
11 transcript and written submissions prior to their
12 meeting to review the application.

13 There's also a limited time available at
14 the next public meeting of the State Health
15 Planning Board to hear from members of the public.
16 The applicant will present the application and
17 answer questions that the Board members may have
18 at the March 3rd State Health Planning Board
19 meeting.

20 In the interest of making efficient use
21 of time at tonight's hearing we ask that each
22 speaker limit their comments to three minutes. If
23 you have longer written comments with you, please
24 feel free to provide a copy to the Board and they
25 will be added to the record. Anyone who is

1 interested in speaking tonight, who hasn't signed
2 in, there's a sign-in sheet at the front of the
3 stage, please sign in.

4 Anyone who wants to submit written
5 comments after tonight's hearing, and before the
6 meeting, is urged to do so. Please submit those
7 comments no later than February 25th, 2011. Those
8 comments should be addressed to the State Health
9 Planning Board in care of the Department of Health
10 and Senior Services.

11 For those of unfamiliar with the
12 Certificate of Need process, the State Health
13 Planning Board will vote on a recommendation as to
14 a decision on this application. That
15 recommendation is then submitted to the
16 Commissioner of Health and Senior Services.

17 The State Health Planning Board's
18 hearing is part of the Certificate of Need process
19 and your comments will be considered as we review
20 the issues related to health planning, hospital
21 and related health services, as well as access to
22 health care services.

23 Your comments are an important part of
24 this process and will be considered along with the
25 materials submitted by the applicant. The Board

1 can either recommend approval of the application,
2 approval with conditions, or denial of the
3 application. The Commissioner of Health and
4 Senior Services will then make a final decision on
5 the application after the Board has made its
6 recommendation.

7 I'll give our counsel a minute to get
8 himself situated. And then I would be calling the
9 first witness. I believe there's a microphone up
10 on the stage that is live at the podium. And the
11 first witness this evening would be James Hubley.

12 Mr. Hubley, please.

13 MR. HUBLEY: Good evening, ladies and
14 gentlemen. I would like to thank the New Jersey
15 Department of Health and Human Services for giving
16 me the opportunity to speak to you this evening
17 regarding the proposed merger between North Jersey
18 Health Care Corporation and the Atlantic Health
19 Care System.

20 I'm a resident of Sparta, a member of
21 the Board of Directors of the North Jersey Health
22 Care Corporation and Newton Memorial Hospital. As
23 a member of the Board of Directors and Chairman of
24 the Board's Strategy and Finance Committee, I have
25 spent a considerable amount of time focused on

1 trying to insure the continued financial health of
2 the hospital as well as focused on assuring its
3 continued support in meeting the health care needs
4 now and into the future for this community.

5 Newton Memorial Hospital, like all
6 community hospitals, faces a number of challenges
7 today as well as in the foreseeable future. How
8 to successfully address these challenges formed
9 the basis of the Board's assessment of a possible
10 partnership with the Atlantic Health. Our Board
11 Committees assessed in detail our likely success
12 in addressing these challenges, on both a
13 standalone basis and on a partnered basis. We
14 also employed outside expertise to help us analyze
15 the possibility and potential pitfalls.

16 Our first challenge is having sufficient
17 financial resources to support our investment in
18 medical services, physician recruitment programs,
19 and to compensate for ever decreasing Medicare and
20 Medicaid payments. We find ourselves under
21 pressure from both a revenue perspective and a
22 cost perspective. We face strong competition from
23 other health care providers. Our revenues are
24 also under pressure due to the high percentage of
25 below-cost payers, such as those patients using

1 Medicare and Medicaid. Clearly a merger with the
2 Atlantic Health System would give us access to a
3 broad range of competitive services that would
4 help us compete against others and mitigate the
5 lower government payments.

6 On the cost side, escalating costs
7 across the board has put pressure on our finances,
8 even though we operate very efficiently as
9 compared to other hospitals. However, as a small
10 community hospital, we do not have the purchasing
11 power of the larger hospitals or hospital systems
12 and therefore our supply costs are higher.
13 However, Atlantic Health has the purchasing power
14 that could help us reduce our costs.

15 The second challenge is how to implement
16 the new government health care legislation while
17 at the same time decreasing costs and improving
18 patient care. This is a monumental undertaking
19 for a small, rural community hospital. It will
20 fundamentally involve the design, development and
21 installation of complex computer systems to
22 automate and share patient records, track patient
23 progress, insure proper medication management and
24 decrease billing errors.

25 Such information system technology

1 requirements are beyond the capability of the
2 small organization, such as ours, both from a
3 financial and technical standpoint. On the other
4 hand, Atlantic Health has the size, knowledge,
5 experience, and financial resources to help us
6 meet such a challenge.

7 Our third challenge, meeting the
8 changing health care needs of our community
9 requires us to insure the acquisition of an
10 adequate supply of trained physicians, the
11 continuous introduction of modern medical
12 technology, the expansion and modernization of our
13 medical services, and the provision of continuing
14 education opportunities for our nursing staff, and
15 insuring that our patients have access to complete
16 range of medical specialties.

17 With today's complex and often highly
18 specialized medical procedures and with the ever
19 increasing demand to do more with less, Newton
20 Memorial needs to be affiliated with a large
21 medical enterprise, such as Atlantic Health, that
22 has the resources and expertise required to
23 address this challenge.

24 In summary, ladies and gentlemen, I
25 believe small, rural, community hospitals have an

1 important role to play in the state's delivery of
2 health care services to its citizens. However, in
3 this community, that role can no longer be
4 fulfilled on the standalone basis of the past.
5 Therefore, for the reasons I have stated, the
6 Board of Directors of North Jersey Health Care
7 Corporation and Newton Memorial Hospital
8 unanimously approved our merger with Atlantic
9 Health System. I hope you will also do the same.
10 Thank you.

11 MR. BAKER: Thank you. Next person on
12 the sign-in list is Anne Rooke.

13 MS. ROOKE: Hello. My name is Anne
14 Rooke and that's R-O-O-K-E.

15 Thank you for the opportunity to speak
16 tonight and to express why I feel the partnership
17 between Atlantic Health and Newton Memorial
18 Hospital will be beneficial for both the Sussex
19 and Morris County communities. Let me start by
20 saying that I am on the Board of Trustees at
21 Atlantic Health, I'm a nurse with an advanced
22 masters degree in nursing.

23 My father was a general surgeon; my
24 mother was an operating room nurse. And she was a
25 great hospital volunteer for the local hospital

1 where I grew up. The importance of giving back to
2 our community hospital was instilled in me at a
3 young age.

4 Since I moved to Morris Township in
5 1982, I have directed most of my volunteer efforts
6 to Morristown Memorial Hospital. It is with great
7 pride that I'm associated with Atlantic Health,
8 which became the parent organization of Morristown
9 Memorial and Overlook Hospital in 1996. While
10 serving as a hospital trustee, I want to ensure
11 that both hospitals can continue to serve their
12 respective communities.

13 In these tough economic times and with
14 all the uncertainty of what health care reform
15 will bring, the Board of Trustees has been
16 exploring the possibility of partnering with other
17 hospitals. The main reason for this is to ensure
18 the financial viability of our hospitals. As
19 reimbursements are reduced and fewer patients need
20 to be admitted, we needed a way to flourish. We
21 need targeted, sustainable growth during times of
22 pressing resource constraints.

23 However, we have a reputation to uphold.
24 And while we conducted our search, we had certain
25 criteria and standards that need to be met. These

1 included a hospital that shared our mission,
2 vision and values. More specifically, it had to
3 be a hospital that placed an emphasis on
4 exceptional care and services. When we considered
5 Newton Memorial Hospital, there was much
6 similarity in our values. There was a shared
7 synergy. We knew this would be a vital component
8 to the integration of our systems.

9 Another factor we considered was how
10 well we could work together. This is usually
11 difficult to gauge in advance. Of course, sharing
12 similar values would increase the chances of
13 working well together, but it's no substitute for
14 the real thing. We are fortunate to have had a
15 good working relationship with Newton since 2002.
16 As a community-based hospital, Newton does not
17 offer certain services. Transferring patients to
18 Atlantic Health has been a service that we
19 provided for many years and more recently, more
20 efficiently and quickly through the coordination
21 of services through Atlantic's Patient Transfer
22 Center.

23 For example, the Transfer Center makes
24 all the arrangements for a complicated cardiac
25 patient to be transferred to the Gagnon

1 Cardiovascular Institute at Morristown Memorial
2 Hospital, including the ambulance transportation.
3 Moreover, a patient with neurological
4 complications needing specialty treatment gets
5 transferred to the Atlantic Neuroscience Institute
6 at Overlook.

7 For each of the past three years, about
8 38 patients a month have received the benefits of
9 timely transfers and highly specialized care
10 available at Atlantic Health.

11 Based on our past history, the Board of
12 Atlantic feels confident that these two
13 institutions can work well together.

14 Thank you again for the opportunity to
15 speak. And I trust that you will see the merit of
16 letting these two institutions partner together.
17 Thank you.

18 MR. BAKER: Thank you. Dr. Owens?

19 DR. OWENS: Good evening. My name is
20 Paul Owens and I live at 17 Windemere Way in
21 Sparta. I am a cardiologist and I have been on
22 staff of Newton Memorial for the past 16 and a
23 half years. I've served on many committees and
24 leadership positions at the hospital over the
25 years and I am currently president of the Newton

1 Hospital medical staff.

2 During this time, I have seen the
3 hospital grow from a small community hospital to a
4 more comprehensive regional one, able to treat the
5 great majority of illnesses that afflict the
6 population over a wide area of Sussex County and
7 other surrounding areas. We have a highly
8 advanced emergency department, including being a
9 state designated stroke center, a diagnostic
10 cardiac catheterization laboratory, an advanced
11 intensive care unit, and perform the full range of
12 surgical procedures, except for cardiac surgery
13 and neurosurgery.

14 Newton and Atlantic Health already have
15 a strong clinical affiliation, as you heard. As a
16 practicing cardiologist, I frequently have
17 patients that are treated here and sent to
18 Morristown for invasive cardiology procedures,
19 only to return to our service area for follow-up
20 care. I believe that this merger will continue to
21 enhance the already excellent clinical integration
22 of the two facilities.

23 In order to maintain this high quality
24 of medical care, however, additional resources
25 will be required, that under the present

1 conditions, Newton Memorial Hospital would have
2 difficulty providing. For example, implementation
3 of full electronic medical records is a necessity
4 for any hospital at this time. As a result of the
5 merger, Atlantic Health, which has a very advanced
6 Information Technology department, would provide
7 the resources necessary to fully implement an
8 electronic medical record. This will result in
9 improved access between the institutions and
10 between the physicians' offices and the hospitals.

11 In addition, the merger will allow
12 Newton Memorial Hospital to implement computerized
13 physician order entry and bar coding of
14 medications, which are key elements in reducing
15 the risk of medication errors and improving the
16 care of our patients.

17 Newton Memorial Hospital will also
18 benefit from Atlantic Health's continuing medical
19 education infrastructure for both physicians and
20 nurses. Currently, many physicians in our
21 community have difficulty attending medical
22 education conferences to keep abreast of the
23 latest findings in medical research given the long
24 travel time to academic centers and other
25 impediments. Atlantic Health will bring various

1 medical education activities to the Sussex County
2 medical community, either by live presentations or
3 via advanced electronic conferencing facilities.

4 In addition, our patients will benefit
5 from new opportunities to participate in research
6 and clinical trials currently ongoing at Atlantic,
7 currently not available at Newton Memorial
8 Hospital as an independent small community
9 hospital.

10 Finally, I believe that the resources
11 that Atlantic Health will provide will enhance our
12 efforts to deliver evidence-based measurement to
13 both inpatients and outpatients and to allow us to
14 compare ourselves to the best hospital systems in
15 the country.

16 In summary, I believe that the
17 physicians in our community are very supportive of
18 this proposed merger, as it will bring needed
19 resources to enable us to continue to provide the
20 highest quality care to our patients in a very
21 challenging health care environment. Thank you
22 for your attention.

23 MR. BAKER: Thank you, Doctor. Reverend
24 Welch.

25 REVEREND WELCH: I'm Reverend Alden

1 Welch.

2 As a representative of the churches and
3 the clergy of Sussex County, I am speaking in
4 support of the proposed merger of Newton Memorial
5 Hospital with Atlantic Heath. I have been a
6 clergyman in Sussex County for over 30 years and
7 spent countless hours administering to the
8 spiritual needs of parishioners who were patients
9 in Newton Hospital as well as patients in Overlook
10 and Morristown Hospital. I know well the fine
11 care that is provided by all of these
12 institutions.

13 I have also served at Newton on the
14 Bio-Ethics Committee, the Chaplaincy Committee and
15 the Board of Directors. Currently, I am the
16 Chairman of the Board of Directors at Bristol
17 Glen, a CCRC located here in Newton.

18 As an outstanding community hospital,
19 Newton has served this community well. But to
20 meet the future healthcare needs of Sussex County
21 will require services that, I believe, can best be
22 provided as a part of a larger system. Medical
23 care has become more specialized and complicated.
24 Patients are more acute, reimbursement issues and
25 health care reform is making the management and

1 the financing of health care more difficult.

2 To continue to be the hospital that this
3 community needs, to be available and convenient,
4 providing the best health care in northwest New
5 Jersey, we need the advanced technology, the
6 physician recruitment, and the financial resources
7 that can be provided as a part of the Atlantic
8 Health Care System. I strongly believe that this
9 merger is in the best interests of all of the
10 residents of Sussex County. And I ask your
11 endorsement of it. Thank you very much.

12 MR. BAKER: Thank you, Reverend.
13 Cecelia Clayton.

14 MS. CLAYTON: Hi, my name is Cecilia
15 Clayton and I am the Executive Director for the
16 Karen Ann Quinlan Hospice. And my educational
17 background is in public health. I have been with
18 the hospice for 20 years, living in this community
19 for 30. I work with volunteers, bereavement
20 services and for the last ten years as Executive
21 Director.

22 During my tenure in the hospice, I have
23 seen incredible changes in the health care system
24 in our local area and in the nation. Some good,
25 some debatable, some we struggle with and some we

1 embrace. Health care, like the people we serve,
2 is a dynamic entity and needs to be so in order to
3 meet the myriad needs of people.

4 It is gratifying that end-of-life care
5 is becoming a major issue nationwide. Light is
6 finally coming to the ultimate end we all face.
7 And we are deciding that quality care needs to be
8 given in the final months and days. We need this
9 for ourselves, we need this for our families, for
10 our communities, and for our economy.

11 The final days of life can be
12 exorbitant, painful and costly for mind and body,
13 and for the community, or they can be reasonable,
14 comfortable and healing through the care given by
15 hospice services.

16 The partnership with Atlantic Health
17 will offer more opportunities for collaboration in
18 this area of New Jersey to offer dignified,
19 comprehensive end-of-life care to our residents
20 where they live.

21 Many will ask what it will mean when our
22 local hospital goes regional. It's no secret that
23 it is a growing trend for larger institutions to
24 partner with smaller hospitals. Integrated health
25 systems bring many advantages. Who wouldn't

1 choose, for example, the Mayo Clinic for
2 neurosurgery? Name recognition speaks to
3 patients' choices when it comes to their medical
4 decisions.

5 The collected partnerships of each
6 facility will be capable of offering the best care
7 for the region. For example, a sole institution
8 may be able to deliver good heart care, but as a
9 collective, they may be able to deliver great
10 heart care. Playing to the strengths of a
11 combined effort will only serve to enhance the
12 expertise available to all of us in our own
13 backyard.

14 Therefore, the beneficial key point I
15 see with this merger is that it will deliver a
16 broader and cost effective range of services,
17 technology, and skills for our area. The services
18 will be more frequently available to the people
19 where they live. With respect to hospice, it will
20 ease the path for all of those in need of
21 end-of-life care. When we are able to stay close
22 at home and have all the benefits of a
23 multi-layered health system, our hospice patients
24 will have more of an opportunity to live out their
25 lives in familiar and comfortable surroundings.

1 People will be able to be diagnosed, to
2 receive appropriate curative and/or palliative
3 treatment, and when the time is right, segue into
4 receiving quality end-of-life hospice care where
5 they live. Their loved ones will not be presented
6 with the added burden of trying to find
7 transportation out of the county, which is
8 exceedingly difficult, wondering if time will be
9 against them. We need to make it possible to keep
10 more people home, in all ways. This agreement
11 hopefully will enable us to do so. Thank you.

12 MR. BAKER: Thank you. Jake Lighton.

13 MR. LIGHTON: Hello, I'm Jake Lighton,
14 I'm the administrator of the Sussex County
15 Homestead. I've been with the Homestead, the
16 nursing home, for approximately five years. And
17 we offer long term care services in our nursing
18 home and we also offer short-term rehabilitation.
19 Over 90 percent of our patients and residents come
20 directly from Newton Memorial Hospital and we are
21 very, very familiar with the Newton Memorial
22 Hospital system.

23 Over the decades, Newton Memorial
24 Hospital and the Homestead have grown up together
25 and really supported each other through our

1 growth. Because we see so many of the Newton
2 Memorial Hospital patients, we can truly tell that
3 the care at Newton Memorial Hospital is
4 extraordinary. The hospital truly gives great
5 clinical care, but also great personal care. And
6 we can accomplish our goal, caring for our
7 residents, with them starting the process and us
8 continuing with it.

9 Our relationship with Morristown
10 Memorial Hospital only started a few years ago,
11 but we have seen the same thing, great quality of
12 care, great personal care. And care that really
13 benefits the quality of life for our residents and
14 with the patients of the hospitals.

15 The reason we endorse this merger is
16 because they are two alike, the only difference is
17 one is a local hospital and one is a regional
18 hospital. But they both offer great services and
19 when these two hospitals merge together, they
20 really will afford the Sussex County residents the
21 opportunity to benefit from both worlds, a local
22 community hospital and the regional hospital.

23 The Sussex County residents realize that
24 these services are crucial as health care evolves.
25 In short, we feel that this merger between these

1 two wonderful entities will benefit all of the
2 Sussex County residents. And we will endorse it
3 and look forward to its fruition. Thank you.

4 MR. BAKER: Thank you. Steven Gruchacz?
5 I'm sorry if I butchered the pronunciation.

6 MR. GRUCHACZ: Good evening. I'm
7 Stephen Gruchacz, I'm the Administrator of Sussex
8 County Department of Human Services.
9 Organizationally, the Department is comprised of
10 four divisions. Community and youth services,
11 social services, senior services, and, as you just
12 heard, the Homestead. Together, these programs
13 provide services to thousands of citizens residing
14 in the county, each month.

15 The Department of Human Services has
16 enjoyed a mutual partnership and collaborative
17 relationship with Newton Hospital for many years,
18 which has involved the four divisions and many of
19 the services that we deliver to the citizens each
20 day.

21 Newton Memorial Hospital actively
22 participates on our advisory boards and assists
23 with such things as community programming,
24 planning, county-wide needs assessments, and other
25 services that are so crucial to the citizens.

1 There have been ongoing collaborations with
2 specific events, such as our diabetic health
3 month, and memory screenings, older American's
4 month, senior day at the fair, and our healthy
5 living festival. Newton Memorial Hospital is
6 represented on our senior advisory board and other
7 boards within the county.

8 There have been -- there's a been a
9 collaborative process in the area of behavioral
10 health and substance abuse programs. Within our
11 social services program, Newton Memorial Hospital
12 refers clients in need of services to us so that
13 we can help the citizens in a more effective way.

14 We've partnered with Newton Memorial
15 Hospital Auxiliary and Skylands Ride, our county
16 transit program, in order to assist the needy in
17 getting to the hospital for critical acute care
18 services. Residents living at the Homestead for
19 sub-acute rehabilitation and long-term care have
20 medical care provided at Newton Hospital. Newton
21 Hospital in turn refers patients to us so that we
22 can provide the services to our citizens each day.

23 We value the services of Newton Memorial
24 Hospital and that provides the citizens of Sussex
25 county. We recognize the value of the

1 relationship between Newton Memorial Hospital and
2 county government. We both have our challenges,
3 we both work together. Together, we help ensure
4 all citizens have access to high quality services.
5 This is of vital importance, particularly in these
6 difficult economic times.

7 We look forward to the continued
8 relationship with Newton Memorial Hospital and
9 Atlantic as we move forward with the transition.
10 I'd like to thank you for the opportunity to
11 express our thoughts this evening and look forward
12 to the merger. Thank you.

13 MR. BAKER: Thank you. Mark Avondoglio.

14 MR. AVONDOGLIO: Good evening, my name
15 is Mark Avondoglio. I'm a resident of Andover,
16 New Jersey. My address is 350 Andover Sparta
17 Road. And I was born here at Newton Hospital and
18 have lived my entire life here. My mother was the
19 17th baby ever born at Newton Hospital in February
20 of 1933. I've worked at Perona Farms for over 40
21 years, have been chairman of the Newton Memorial
22 Hospital Foundation for the last six years.

23 The Newton Memorial Hospital Foundation
24 celebrated its 25th year of existence in 2010. We
25 began in 1985 with the following purposes:

1 Becoming a fund raising arm of Newton Memorial
2 Hospital to ensure that the hospital retains
3 state-of-the-art technology and facilities; to
4 ensure the appropriate development and access to
5 needed health care services for the residents of
6 Sussex, Warren and Pike Counties.

7 The foundation was organized as
8 501(c)(3) non-profit under the Internal Revenue
9 Code. The foundation is governed by a community
10 Board of Directors consisting of 32 volunteers, as
11 I call them, and is supported by a staff of three
12 full time employees. Additionally, there are
13 hundreds of volunteers who support various
14 activities and events that we provide.

15 The foundation has been highly
16 successful in raising funds for the stated
17 purposes. Some highlights of these activities
18 include the following:

19 Securing healthier tomorrows, today
20 capital campaign, to benefit the construction of
21 the new Emergency Department, the Sparta Cancer
22 Center and the Pike County Endowment for the
23 uninsured or underinsured ran from 2002 to 2004.
24 We raised \$7.3 million.

25 The Charles L. Tice Heart Center for

1 diagnostic services ran from 2005 to 2007, we
2 raised \$3 million.

3 The hospital did a major revitalization
4 to its single room maternity department in 2009,
5 the foundation raised \$1 million towards that
6 program.

7 While there have been many special
8 events over the years, recently an Evening of Wine
9 and Roses, the Frank Redfern Memorial Golf Outing,
10 and the Festival of Lights are premiere events
11 that grow larger and our participants grow over
12 the years.

13 Special events in 2010 netted over
14 \$433,000, which were earmarked for the purchase of
15 a digital mammography machine and bone
16 densitometer.

17 In 2010, the foundation received a
18 \$200,000 contribution with the challenge to match
19 those funds to support the renovations to the
20 patient access center. The foundation will focus
21 its priorities in 2011 on completing that
22 challenge, while also beginning a campaign to
23 raise funds to support the development of an
24 in-house MRI at the hospital. Those plans are
25 already under way.

1 The foundation also supports the
2 community by offering scholarship opportunities to
3 students in the nursing field who will one day
4 work at Newton Memorial Hospital. In addition,
5 the foundation provides this college, Sussex
6 County Community College, with grants to enhance
7 its nursing education department.

8 One of the proudest and critical
9 investments the foundation has made to the
10 community was the implementation of AED program.

11 It is estimated that about 95 percent of
12 sudden cardiac arrest victims die before reaching
13 the hospital. Portable AED's have proven vital in
14 the efforts to increase survival rates in the
15 cases of sudden arrest. When trained bystanders
16 can provide immediate CPR and a shock from an AED
17 within 3-5 minutes, the reported survival rates
18 are then as high as 48 to 74 percent, according to
19 the American Heart Association.

20 This AED program was established in 2001
21 to save lives of people suffering a sudden cardiac
22 arrest. It is estimated that 225,000 people die
23 each year from sudden cardiac arrest. The
24 American Heart Association believes that as many
25 as 50,000 lives could be saved if AED's were

1 available at public and private locations. The
2 goal is to create a five minute response time to
3 reach victims so they can be stabilized until they
4 reach a hospital.

5 To accomplish this goal, the foundation
6 underwrites three-quarters of the cost of a
7 state-of-the-art AED making it possible for any
8 nonprofit organization that wanted a unit to
9 afford one. In addition, free training is
10 available to assure effective use of each aid.

11 And this is truly a community-based program
12 improving access and quality of care.

13 To date, 38 lives have been saved, 361
14 lifesaving units have been distributed, and 3,373
15 people have been trained.

16 Regarding the proposed merger between
17 the two entities, I strongly support moving
18 forward as I believe it will strengthen Newton
19 Hospital well into the future. The partnership
20 will allow us to benefit from a larger system's
21 resources. But local community members will still
22 be an integral part of steering the hospital's
23 future. All future monies raised here in Sussex
24 County will stay here to support the local
25 community. Our hospital is a vital resource in

1 our community and making sure that it stays here
2 and grows here should be our top priority. Thank
3 you for your time.

4 MR. BAKER: Thank you. Ardelle Bigos.

5 MS. BIGOS: Good evening. My name is
6 Ardelle Bigos. I'm a registered nurse. My
7 present position at Newton Memorial Hospital is
8 chief nursing officer. As a young lady, I always
9 dreamed of becoming a nurse and that dream came
10 true in 1983. The majority of my nursing career
11 was spent caring for critically ill patients in
12 the ICU.

13 I was offered a position in 2003 at
14 Newton Memorial Hospital as an administrative
15 nursing supervisor. At that time, I knew very
16 little about the hospital, other than it was a
17 community hospital close to my home. Today,
18 Newton Hospital is much more than that. It is an
19 organization that takes pride in being a community
20 hospital and providing quality care. In 2006 and
21 2007, Newton received VHA awards for Excellence in
22 ICU; and in 2008, won a VHA award in clinical
23 Excellence. In addition, we have been recognized
24 for our participation in NJHA Sepsis and Pressure
25 Ulcer Collaborative.

1 You may ask yourself how these awards
2 were achieved. The answer is through caring and
3 compassionate staff. As the CNO, I can assure you
4 that our nurses strive to provide high levels of
5 care while nurturing our patients and their
6 families.

7 We have an outstanding nursing team that
8 I am very proud to work with. The nursing staff
9 works together with all members of the hospital
10 healthcare team to provide exceptional care and
11 the best patient outcomes. Our excellent
12 reputation is clearly a result of the nurses and
13 their vital role on the interdisciplinary teams.
14 Our goal is to be recognized as a premiere
15 community provider of health care services. This
16 can be enhanced through a merger with Atlantic
17 Health.

18 The time is right for a partnership like
19 the one proposed by Atlantic Health. Health care
20 reform will demand more from us in every way.
21 We've already begun to see that partnerships and
22 sharing resources are keys to the hospitals'
23 survival and success. The goal is to maintain and
24 enhance the resources needed to achieve an optimum
25 level of organizational functioning.

1 Our nurses want to feel empowered to be
2 decision-makers, to have our voices heard in the
3 organization. Shared governance is one avenue in
4 which empowerment can be realized. In addition,
5 Morristown Memorial Hospital has been recognized
6 as a magnet hospital for nursing excellence.
7 Overlook Hospital is already pursuing this
8 designation. So we know Atlantic Health shares
9 our vision of the role of nursing and will support
10 us on our journey.

11 I am very excited about the future with
12 our exceptional nursing team as we continue to
13 focus on nursing excellence with Atlantic,
14 building and expanding on the already outstanding
15 reputation we have in quality patient care.

16 Established organizational structures at
17 both Newton Memorial and Atlantic Health support a
18 culture that promotes and values quality patient
19 care. In the words of an ancient philosopher,
20 Lao, a journey of a thousand miles begins with the
21 first step. This merger is the first step and can
22 only improve the care given in the community even
23 further. Thank you.

24 MR. BAKER: Thank you. Dr. DeBitetto.

25 DR. DeBITETTO: Hello, my name is Nick

1 DeBitetto, I'm an internist with Sussex County
2 Medical Associates, one of the larger
3 multi-specialty groups in the county. As has been
4 pointed out to me recently, serving the community
5 for almost 20 years, I'm one of the more senior
6 members of the medical staff.

7 As a community-based physician, who did
8 his residency training in Morristown, I see many
9 advantages to the merger with Atlantic Health.
10 First of all, the current referral pattern for the
11 Newton physicians is to the physicians at
12 Morristown and Overlook hospitals. Referral
13 patterns would not need to change. To their
14 credit, the Atlantic Health physicians are
15 excellent at providing feedback to the primary
16 care physicians on their patients.

17 Secondly, as a result of the merger,
18 Atlantic Health would help implement electronic
19 medical records. This will result in improved
20 access between institutions and physicians'
21 offices as well. Physicians at Newton Hospital
22 could apply for privileges at Morristown or
23 Overlook and follow their more complicated
24 patients there, if they choose to do so.

25 As a result of the merger, patients from

1 Newton would also have access to more clinical
2 trials. Additional advances in technology, such
3 as you've heard earlier, such as bar-coded
4 medication administration, computerized provider
5 order entry would be implemented at Newton
6 Memorial Hospital.

7 Infection prevention improvements that
8 were achieved at Atlantic Health resulted in more
9 than \$4 million in savings. And although Newton
10 Hospital, their infection rate is already quite
11 low, but a proportionately similar savings could
12 be achieved once this software is instituted,
13 courtesy of Atlantic Health.

14 Newton Memorial allocates over \$100,000
15 to charitable and civic organizations in the
16 region. Atlantic Health has committed to provide
17 \$250,000 each year over the next three years to
18 augment the programs and services for the
19 community.

20 As the director of medical education for
21 the medical staff, I'm also looking forward to
22 increasing our education programs for the Newton
23 Memorial Hospital physicians and the community. I
24 would also hope that our affiliation with Atlantic
25 Health would attract residents in their primary

1 care residency programs to alleviate a shortage of
2 primary care physicians in this service area.

3 Finally, Newton Memorial Hospital
4 currently enjoys a healthy balance sheet and in
5 the short run, could continue to operate if it did
6 not merge with Atlantic Health. However, in the
7 long run, if the merger did not occur and revenues
8 decline, certain service lines would likely be
9 affected and possibly close completely.

10 As with so many things in life, it's
11 about being in the right place at the right time.
12 In my opinion, for Newton Memorial Hospital and
13 the community it serves, Atlantic Health is the
14 right place and it's at the right time - now.

15 MR. BAKER: Thank you. Bonnie
16 Schreiber.

17 MS. SCHREIBER: Good evening. And thank
18 you for allowing me this opportunity to speak
19 tonight. My name is Bonnie Schreiber, I'm a
20 registered nurse. And I live in Dingsman Ferry,
21 Pennsylvania. I've been employed with Newton
22 Memorial for the last three and a half years. I
23 started out working as per diem staff in the
24 telemetry unit.

25 In May 2008, I was offered a full time

1 position in the nursing education department. I
2 left my previous place of employment after being
3 there for 22 years because I saw the opportunities
4 Newton offered me professionally. I was excited
5 to be part of a newly forming nursing education
6 department.

7 In January of 2010, I took on the
8 position of clinical nurse manager for 2 West,
9 which is a 30 bed med/surg unit. On a daily
10 basis, I work with my staff to ensure that our
11 patients have a positive experience while in our
12 care. Each day, I encounter patients and families
13 whose lives are touched by the quality care
14 rendered by my staff.

15 In addition to my position as a nurse
16 manager, I also work as an adjunct faculty for the
17 Passaic County Community College nursing program
18 out of the Sussex campus. Newton Memorial has
19 graciously opened their doors to the nursing
20 students and have helped provide them with
21 experiences that have enabled them to successfully
22 become registered nurses, many that go on to
23 become employees of Newton Memorial Hospital.

24 For these reasons, Newton is an
25 invaluable asset, not only to the patients we

1 serve, but also to the community.

2 A partnership with the Atlantic Health
3 System will benefit the nursing staff at Newton
4 Memorial Hospital in a number of ways. Atlantic
5 Healthcare has been recognized by Fortune Magazine
6 as one of the top 100 companies to work for, and
7 the only hospital system in northern New Jersey to
8 earn this recognition.

9 Our nursing professionals at Newton will
10 be able to share in the vast resources that
11 Atlantic has to offer. We are in the grass roots
12 of developing programs such as hared governance,
13 palliative care, to name a few. Atlantic has
14 successfully implemented these programs and will
15 be able provide our nurses with ideas, resources,
16 and suggestions to aid in the successful
17 development and progression of these programs.

18 In addition, the nurses at Newton may
19 have the opportunity to participate in the
20 observation of these successful programs in
21 action. Atlantic Health also provides care to
22 joint replacement, cardiac and stroke patients
23 that is recognized statewide. Our nurses will be
24 able to build a relationship with their peers at
25 Atlantic in order to expand their knowledge and

1 skills in order to continue to carry out our
2 mission of providing exceptional care and service.

3 Aside from the impact that this merger
4 will have on the care that our nurses deliver
5 directly to the patients of Sussex County,
6 Atlantic's passion to lead will also open up the
7 doors for the professional growth of our nursing
8 staff. Educational resources can be shared and
9 nurses will have a variety of programs to
10 participate in that will assist in aiding the
11 nursing staff here at Newton with the resources to
12 achieve practice excellence and obtain their
13 national certification in their area of specialty.

14 These are just a few reasons on how the
15 merger with Atlantic will have a positive impact
16 on the delivery of patient care and the
17 professional growth of our nursing staff. Thank
18 you.

19 MR. BAKER: Thank you. Audrey Trapp.

20 MS. TRAPP: Hello, everyone. My name is
21 Audrey Trapp and I'm originally from Whippany and
22 moved to Stillwater in 2000. I became a widow in
23 2003 and found I had a lot of free time on my
24 hands and decided to volunteer at Newton Memorial
25 Hospital.

1 Newton Memorial Hospital is the backbone
2 of this community and the communities that
3 surround us, all the way to northeastern
4 Pennsylvania. Our concern should be about
5 securing its future.

6 This hospital is crucial in this area
7 and making sure that it stays here and grows here
8 should be our top priority. Thank you for your
9 time.

10 MR. BAKER: Thank you. George Morville.

11 MR. MORVILLE: Good evening. My name is
12 George Morville, and I speak to you tonight as a
13 community member, board member, and former
14 patient.

15 I am a resident of Stillwater Township,
16 my address is 909 West End Drive. I'm married to
17 Michelle and I have four children. The first
18 generation of Morville children born at Newton
19 Memorial Hospital were born in the original
20 building in 1950s. The second generation was born
21 in Newton Memorial Hospital in the 70's and the
22 80's. And now, I'm happy to say, that the third
23 generation of Morvilles have recently been born in
24 2007 and 2009.

25 My family has lived in Newton since the

1 early 1900's, and my grandmother is listed in the
2 original gift registry with her original gift to
3 the hospital of one dollar.

4 I've been in the insurance business
5 since 1974 and continue today at the Morville
6 Agency in Newton. I joined the Newton Memorial
7 Hospital Foundation Board in 1997 and currently
8 serve as a trustee of Newton Memorial Hospital
9 Board of Directors.

10 Having been a patient many times in my
11 life through the years, I've had the unique
12 experience of spending extended stays at both
13 Newton and Atlantic Health Care. This partnership
14 between the Atlantic Health and Newton will allow
15 us to benefit from the resources of much a larger
16 system, while retaining the comfort of a community
17 hospital. With that said, we will still have the
18 security of local community leaders retaining an
19 integral part of steering our hospital's future.

20 Newton Memorial Hospital is crucial to
21 the long term growth of our community and making
22 sure that it stays here and continues to grow here
23 should be and is our top priority.

24 I very much look forward to the fourth
25 generation of Morville children being born in this

1 wonderful place that we call our family hospital
2 and encouragingly ask that you seek the
3 endorsement of the state to allow this to happen.

4 MR. BAKER: Thank you.

5 MR. MORVILLE: Thank you.

6 MR. BAKER: Sean O'Rourke.

7 MR. O'ROURKE: Good evening. I'm Sean
8 O'Rourke, I'm the senior vice president and chief
9 operating officer of Newton Memorial Hospital.
10 And as a member of the senior management team, I
11 would like to thank you for the opportunity to
12 speak to you this evening regarding the proposed
13 merger between North Jersey Health Care, the
14 parent company of Newton Memorial Hospital, and
15 Atlantic Healthcare Systems.

16 Newton Memorial Hospital is located in
17 semi-rural Sussex County, New Jersey, and is
18 unique in that it serves residents not only of
19 Sussex County, but parts of Warren County, New
20 Jersey; Pike County, Pennsylvania; and Orange
21 County, New York. In fact, Newton Memorial has
22 one of the largest geographical service areas of
23 any community hospital in the state. Many
24 residents of these communities rely on Newton
25 Memorial and its affiliates for their health care.

1 In fact, Newton Memorial is the sole
2 provider of obstetrics and gynecological services
3 and for a continuum of behavioral medicine
4 inpatient and outpatient services.

5 Newton Memorial has achieved the legacy
6 of both quality excellence and cost efficiency,
7 and has been recognized nationally four times in
8 the last six years by the Voluntary Hospitals of
9 America Leadership Awards in these various
10 categories.

11 In considering the merger with Atlantic
12 Health System, what is first and foremost on our
13 minds is how do we continue our mission to serve a
14 very geographically diverse population and
15 continue to advance the areas of quality,
16 technology, and service, given the very real
17 challenges that are in front of us, both in the
18 near term and long term, that will challenge our
19 financial viability. Health care reform,
20 reimbursement reductions, new technologies and
21 cost containment pressures are but a few of the
22 issues we face.

23 There were many strategic considerations
24 in our analysis of this transaction. In my
25 comments tonight, I will focus on one key aspect,

1 the cost of health care, which is on everybody's
2 mind, whether you are a federal or state elected
3 official, a large business concern, a sole
4 proprietor or just an individual who is
5 responsible for their own health care costs.

6 One of the greatest increases in costs
7 for acute care hospitals relates to information
8 technology. The good news is these systems are
9 becoming more sophisticated and are providing the
10 means for clinicians to better treat and diagnose
11 their patients. In fact, the federal government,
12 through health care reform, is mandating that many
13 of these system enhancements must be implemented
14 with significant financial penalties if they are
15 not. The challenge is that these systems are
16 incredibly expensive, both to acquire on a
17 one-time cost basis and the ongoing maintenance
18 and support costs year in and year out.

19 The merger with Atlantic Health Systems
20 will provide a far more efficient cost of
21 implementation and ongoing maintenance costs due
22 to the scale and size of this existing health care
23 system and will enable, for the first time, the
24 ability to employ electronic health care record in
25 our community and to our physicians and clinicians

1 for the first time. As a free-standing community
2 hospital, Newton Memorial Hospital would have been
3 fiscally challenged to do so and maintain its
4 viability.

5 This is but one example of how a large
6 scale can be leveraged to be more efficient and to
7 also avoid costs. There are other strong
8 rationale to support this merger, for which time
9 does not permit testimony tonight. But
10 considering all of the factors, the senior
11 management team concluded that meeting the mission
12 of providing exceptional care and service to the
13 communities we serve could be best performed in
14 the future by being part of Atlantic Health
15 Systems.

16 In summary, Newton Memorial Hospital
17 plays a critical role in the health care delivery
18 in Sussex County and the surrounding communities,
19 and needs to continue to grow to meet today's
20 unmet needs and the needs of the future. This can
21 best be done as a part of a major health care
22 system. And for these reasons, the senior
23 management team of Newton Memorial Hospital
24 recommended to its Board of Directors unanimously
25 that we proceed with the merger with Atlantic

1 Health System. Thank you for your time and
2 consideration.

3 MR. BAKER: Thank you. Is there anyone
4 else in the audience who would like to speak,
5 anyone who hasn't signed up? Seeing no one, we're
6 going to take a recess. Since we noticed this
7 meeting would be open until eight, we'll stay
8 until eight in case anyone comes in late and
9 wishes to speak.

10 I want to thank those members who have
11 spoken from both hospitals and from the community.

12 And, again, two important dates. The
13 25th of February would be a date that we would
14 like all written statements to be submitted. And
15 the next meeting of the State Health Planning
16 Board, at which we will most likely have full or
17 close to full membership will be March 3rd, that
18 meeting will be in Trenton. Thank you all.

19

20 (Whereupon a short recess was taken.)

21

22

23 (Whereupon the hearing was concluded.)

24

25

1 C E R T I F I C A T E

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6 I HEREBY CERTIFY that the foregoing is a

7 true and accurate transcript of the testimony and

8 proceedings as taken stenographically by me at the

9 time, place, and on the date hereinbefore set

10 forth.

11

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13 _____

14 SUSAN BISCHOFF, CCR, RPR
15 LICENSE NO. 30XI00233700

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