

2024-04352-13j01

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**New Jersey Department of Health
APPLICATION - CERTIFICATE OF NEED
FOR HOSPITAL-RELATED PROJECTS**

Name of Hospital Monmouth Medical Center	FOR STATE USE ONLY Appl. No. _____ Review Cycle _____ Type of C/N: ☐ Change in Bed Capacity ☐ New Health Care Service ☐ Modernization/Renovation ☐ Major Movable Equipment ☐ Construction/Acquisition Date Received: _____
Street Address 300 Second Avenue	
City State Zip Code Long Branch NJ 07740	
County Monmouth	
Type of Hospital General Acute Care	
Name of Chief Executive Officer Eric Carney	
Name of Contact Person Tamara Cunningham	
Title VP, System Development/Planning	
Telephone Number 732-418-8054	
Official Facility Email MMCAAdmin@rwjbh.org	

A. Project Cost:

- | | | |
|----|-----------------------------|-----------------------|
| 1. | Total Capital Cost: | <u>\$ 800,000,000</u> |
| 2. | Financing Cost: | <u>58,700,000</u> |
| 3. | Total Project Cost (1 + 2): | <u>\$ 858,700,000</u> |
| 4. | Equity Contribution: | <u>150,000,000</u> |
| 5. | Construction Cost: | |

Method of Financing: Equity, Financing

Type	Square Feet	Construction/ Capital Lease Cost	Construction/ Capital Lease Cost Per Square Foot
New Construction	777,720	520,000,000	668.62
Renovation			
Lease			

6. Will this project result in any permanent change in licensed or planning bed category or capacity of the existing facility?

☒ Yes ☐ No

7. Provide a brief (50 words) description of the project:

Monmouth Medical Center proposes relocating select acute care services to a new hospital building in Tinton Falls. The campus will contain 252 relocated acute care beds (Medical/surgical, Obstetrical, Neonatal, Pediatric, ICU/CCU, and PICU) and will be supported by an Emergency Department, surgical and intervention services and diagnostic imaging.

April 1, 2024

Michael Kennedy, J.D.
Executive Director
Division of Certificate of Need and Healthcare Facility Licensing
State of New Jersey, Department of Health
120 South Stockton Street, 3rd Floor
Trenton, NJ 08608

RE: Certificate of Need Application to relocate select acute care services

Dear Mr. Kennedy:

For over a decade, Monmouth Medical Center ("MMC") has worked to develop a plan that would allow the modernization of the aging infrastructure of its Long Branch campus. Emerging from the recent pandemic, the need for replacement facilities is all the more imperative to better serve the acute service needs of our service area. Enclosed please find MMC's Certificate of Need Application to relocate many of its acute care services to property that is owned five (5) miles away in neighboring Tinton Falls, NJ. Enclosed is the original signed copy, three (3) hard copies and an electronic media copy of the application.

Our decision to build a new 252 acute care bed hospital campus rather than building in place was confirmed by our patient origin and infrastructure studies. These analyses suggested that renovating the existing site in place would add capital costs compared to new construction, cause disruption to clinical operations and patients, take longer to execute and still be less accessible to a large number of current communities served by the hospital. Our communities deserve modernized facilities providing the best care environment in the shortest timeframe possible.

The new campus of Monmouth Medical Center will offer several key benefits: 1) clinical treatment areas and single-bedded patient rooms that will greatly enhance the quality of care, patient/families and staff experience; 2) the latest technology for advanced clinical care and electronic health information; and 3) a physical plant design that is significantly more efficient and a leaner complement of licensed beds.

The new campus site is located centrally within MMC's current service area and is adjacent to our ambulatory care pavilion under construction as Phase I of our expanded campus, the Vogel Medical Campus. Included in this application is the rationale for the relocation decision, the alternatives considered and how MMC plans to comply with all regulatory standards. The new Vogel acute care campus will be built to include 90 medical surgical beds, 36 critical care beds, 16 pediatric and PICU beds, 70 OB/GYN beds. There will also be 40 Neonatal Intensive care bassinets to provide capacity for our current license of 23 Intensive and 8 Intermediate care neonatal bassinets until able to request an increase of 9 bassinets in a future certificate of need call. Newborn nursery bassinets will increase from 36 to 50.

300 Second Avenue
Long Branch, NJ 07740

732.222.5200

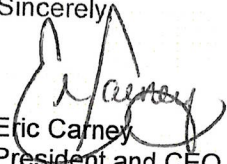
rwjbh.org/monmouth

We also address the plans for the Long Branch campus, which will remain a vibrant hospital facility providing comprehensive ambulatory services, an array of behavioral health inpatient and ambulatory care services, full emergency department services, surgical services and supporting observation/short stay acute care medical services with acuity adaptable patient rooms capable of providing intensive care services. The Long Branch campus will maintain 111 acute care beds comprised of 63 psychiatric inpatient beds (25 adult closed, 19 open adult and 19 pediatric closed beds) and 48 medical/surgical/observation beds with acuity adaptable single rooms inclusive of intensive care capability.

Despite the proposed reduction of 151 licensed acute care beds, we believe our proposal will increase and enhance community access with a Tinton Falls location while continuing to provide essential services in Long Branch. At the same time, we believe the proposed expanded campus location will allow us to move forward to meet the needs of the next half century for the growing Monmouth County population and communities.

We thank you and your staff for guidance and support already provided as we prepared for this process. We look forward to working with the Department to answer any questions or provide additional information as needed. In addition to contacting my office, Ms. Tamara Cunningham has been assigned as our contact for this certificate of need application and can be reached at Tamara.Cunningham@rwjbh.org or 732-418-8054. She will assure any items needed for this review are expeditiously addressed.

Sincerely,


Eric Carney
President and CEO

CC: Stefanie Mozgai, Assistant Commissioner, Certificate of Need and Licensing
George Helmy, EVP, External Affairs and Policy, RWJBarnabas Health
Tamara Cunningham, VP, System Development/Planning, RWJBarnabas Health

B. PROJECT COST

Project costs should be submitted in those dollars which would be needed to complete the project over the anticipated period of construction if construction were to begin at the time of submission of the Certificate of Need proposal to the Department.

Do not include contingency. The Department will calculate a construction cost allowance for the project in lieu of providing a contingency factor for the time period from Certificate of Need submission to the start of construction.

1.	Capital Costs		
	Studies and/or Surveys	\$ 34,542,834	
	Site Survey and Soil Investigation	2,925,000	
	Architect and Engineer Fees	39,000,000	
	Legal and Other Special Services	13,000,000	
	Plans and Specifications		
	Demolition		
	Renovations		
	Asbestos Abatement		
	New Construction	\$ 520 000 000	
	Fixed Equipment Not in Construction Contracts (New Construction)	40,192,395	
	Fixed Equipment Not in Construction Contracts (Renovations)		
	Major Movable Equipment	72,246,210	
	Supervision and Inspection of Site and Building(s)	1,300,000	
	Purchase of Land		
	Purchase of Building(s)		
	Capital Value of Lease (true operating leases should be included in operating budget and details identified)		
	Developmental and/or Start-Up Costs	5,044,000	
	Department of Health Approved Construction Cost Allowance		
	Other (Specify) (Do NOT include contingency)		
	Non medical equip not in construction	52,431,560	
	Furniture/Site Furnishings not in construction	14,508,000	
	Int/Signage not in construction	4,810,000	
	Total Capital Costs		\$ 800,000,000
2.	Financing Costs		
	Capitalized Interest	54,200,000	
	Debt Service Reserve Fund		
	Other Financing Costs (Include fees assessed by any financing agency, bond counsel fees, trustees bank fees and/or other costs related to sale of bonds)	4,500,000	
	Total Financing Costs		58,700,000
	Total Project Cost		\$ 858,700,000

C. PROPOSED METHOD OF FINANCING THE TOTAL PROJECT COST:

For purposes of Certificate of Need review, equity shall mean a non-operating asset contribution which will reduce the size of the total debt. It may include cash, other liquid assets, and the fair appraised market value of land owned by an applicant which is the viable site for the proposed project. A minimum of fifteen percent (15%) of the total project cost, including all financing and carrying costs, must be available in the form of equity.

1.	Available Cash (include source of contribution in D-1)	\$	\$ 258,700,000
2.	Mortgage (provide details in D-2)		
3.	Loans (provide details in D-2)	\$	\$ 450,000,000
4.	Capital Leases (provide details in D-2)		
5.	Net fund raising (include documentation)	\$	\$ 100,000,000
6.	Other (Specify)		
	Gift from Vogels	\$	\$ 50,000,000
	Total	\$	\$ 858,700,000

D. EQUITY CONTRIBUTION

1. Indicate source of equity contribution:

In addition to available cash and cash equivalents, there will be a fundraising campaign to support raising an additional \$100,000,000. Any shortfall or overage related to the fundraising will result in a larger/smaller cash contribution needed. In 2020, Monmouth Medical Center received a \$50 million gift from Sheldon and Anne Vogel that is expected to help build a medical campus on the Tinton Falls portion of what was Fort Monmouth.

2. Mortgages/Loans/Capital Lease Agreements - Attach a copy of any mortgage, loan or capital lease agreements.

Lender/Lending Institution	Amount	Rate of Interest	Annual Payment	Maturity Date
New Construction	\$450,000,000	5%	\$ 28,622,980.68	2056 (30 years)
Renovation		----	Estimated	-----
Lease				

E. EQUIPMENT

1. Major Moveable Equipment

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
	See Exhibit C				
TOTAL					

E. EQUIPMENT

2. Fixed Equipment

Qty.	Description	Addition/ Replacement	Purchase/ Lease/ Donation	Total Purchase Cost/ Donation	Annual Lease Cost
	See Exhibit C				
TOTAL					

E. EQUIPMENT

3. Minor Moveable Equipment (For information purposes only; do not include in project cost.)

[illegible]

F. PROJECT SUMMARY

(A written summary of your project is required. Please do so on Pages 7 through 9 of the Certificate of Need Application form. The summary must be comprehensive and not exceed three pages.

Monmouth Medical Center ("MMC") plans to relocate and enhance select services via development of a new Acute Care facility on the Vogel Medical Campus ("VMC") in the Tinton Falls section of Fort Monmouth. The new facility will contain 252 relocated acute care beds, including:

- Medical/surgical beds,
- Obstetrical beds,
- Neonatal beds
- Pediatric beds,
- ICU/CCU beds, and
- Pediatric Intensive Care beds.

The Tinton Falls facility will be supported by a new Emergency Department, surgical and intervention services and an array of diagnostic imaging services. As an expansion of the Monmouth Medical Center Campus in Long Branch, the planned Vogel Medical Campus is five (5) miles from the Long Branch Campus and is centrally located within its current service area.

The design of the Vogel Medical Campus ("VMC") will occur in a phased approach. Phase I, is a four-story 147,000 square foot outpatient services building which broke ground in June 2023. Phase I will include the Cancer Center and Ambulatory Care Pavilion comprised of physician offices, radiation therapy, medical oncology and infusion, lab drawing stations, pharmacy, imaging and surgical services to bring advanced outpatient care closer to home for patients.

Phase II of the campus development program, and the subject of this Certificate of Need, includes the relocation of select acute care services to Tinton Falls. Plans call for construction of this phase to begin in 2027 with project completion expected in 2029. This new inpatient campus will be established as an integral part of Monmouth Medical Center, covered by the same Medicare/Medicaid provider number and therefore subject to the same conditions of participation. The new campus location would also have the same NPI number. The new campus will be governed by the same Board and contain a single medical staff. All employees will be employees of MMC. The new site will be operated in conjunction with MMC's current site, which will continue to support the Long Branch community.

MMC is located on 13.75 acres at 300 Second Avenue, in Long Branch, New Jersey, sandwiched between commercial and residential areas. Access to the campus is through the town of Long Branch from the Garden State Parkway to the West, NJ Rt. 36 to the North, and Rt 71 to the South. Accessing the hospital campus is somewhat difficult due to the location.

MMC is a part of the fabric of Long Branch, having served the community for over 130 years. The decision to relocate select acute care functions to Tinton Falls was made with a view of how best to serve the residents of our Central Monmouth County service area in a manner assuring access and to develop the most cost effective and efficient project.

The Long Branch Hospital Campus will continue to provide key services including a full service Emergency Department, outpatient services, a 48 bed medical surgical/observation unit to include at least 12 acuity adaptable beds capable of providing intensive care, all inpatient and outpatient behavioral health services, surgical services with general anesthesia and supporting longer than 24 hour recovery in the Cranmer Surgery Center with four operating rooms, clinics, and a full array of imaging services. MMC remains committed to the residents and City of Long Branch. This commitment extends to supporting the creation of a vibrant community around the hospital services provided at the Long Branch campus. A shuttle/van service will be provided from the Long Branch site to the Fort Monmouth site for easy access of patients, their families/caregivers and staff who may rely on public transportation.

The Long Branch Hospital will maintain its current emergency department capabilities and level of service. It will be open 24 hours a day for 7 days of the week and capable of pediatric and psychiatric emergency services. Mobile Health services (MICU, ALS) would continue to cover the Long Branch Hospital campus.

The main hospital complex has a number of named buildings as it was constructed over time. The age of the facility is a significant problem for continued upkeep of engineering systems and renovations of space for current treatment methods. The older buildings have hazardous materials such as asbestos in some areas. The configuration of the floor plates of the buildings severely limits the ability to re-purpose existing interior areas and rearrange the facility for better efficiency. Outpatient areas are dispersed across the campus, are not in convenient locations and lack adequate parking near entry points.

As part of its long term planning process, HOK, a global design, architecture, engineering and planning firm was selected to undertake the development of a master facility plan for MMC. As an initial step in the process HOK evaluated the campus and its overall facilities. In its report, HOK indicated that MMC facilities rate "below standard" or "undesirable" overall, when evaluated based on functional and physical qualities of the space.

F. PROJECT SUMMARY, Continued

Key issues identified in the assessment of the campus included:

- Limited access to the west due to the adjacent railroad. Location is proximal to the shore, limiting access to the facility.
- Most of the site is surrounded residential neighborhoods, with narrow streets that create difficulty accessing the site.
- While the campus has numerous entry points, there is limited parking adjacent to most entries. Parking for the transit stop can compete with staff and visitor parking.
- The garage is a large capacity structure, but there is limited surface parking adjacent to key service entry points.
- The Cancer Center entry does not link into an overall unified public space experience for the campus.

With regard to the facility overall the following factors and deficiencies were identified:

- Much of the campus is made up of aging facilities with the original buildings over 100 years old (1914) and a majority of the buildings 50+ years old.
- The west half of the campus is considered severely deficient, most other spaces are fair to poor in terms of room sizes, adjacencies, flexibility and quality of interiors.
- The campus is made of multiple building expansions over time.
- The external organization is convoluted with too many elevator banks without clear definition between public / patient / materials movement.
- Patient units are disconnected, and semi-private configurations are maintained on some units.
- Outpatient services are dispersed across the campus and not in convenient locations.
- Lack of coherent identity and location for key service lines, including cancer services and mother/children's services.
- Only a limited area of the Stanley & Todd building has opportunities for vertical expansion.
- Internal travel distance and transfer time between key departments is problematic.
- Despite recent additions and upgrades, many areas are in need of modernization.

An assessment of engineering structures was undertaken by AKF, a firm providing global engineering and design services, which found most of the engineering systems are at the end of their useful life and have current priority maintenance and/or repair and replacement issues.

MMC considered various factors as it reviewed options to ensure its ability to continue to best serve the community with appropriate facilities. These factors included existing site constraints, poor renovation potential, highly inefficient and disruptive demolition and replacement processes, an aging infrastructure and high on-site replacement costs. Consideration was also given to relocating costs versus the costs of rebuilding the majority of medical/surgical beds on the current site. The applicant concluded that site expansion to a new location was the best option from a cost, service continuity and access perspective.

Due to the paucity of sites providing sufficient size, the site at Tinton Falls in the center of its service area and close to the existing campus presents an excellent relocation and modernization opportunity. The decision to relocate specific services to the Tinton Falls location is supported by an analysis of patient origin and market share data that places the relocated hospital services in the center of its service area, making it easily accessible to the majority of area residents.

The existing facilities at the Long Branch Hospital will continue to be upgraded with quality and technologically advanced care while the Tinton Falls campus is being constructed.

MMC has and will continue to provide the medically indigent with access to medical care through primary, obstetrical and pediatric services provided in partnership with Monmouth Family Health Center. A full range of medical and surgical specialty clinics including general surgery, orthopedics, pediatric orthopedics, endocrine, eye, ENT, urology and pain management will continue to be available on the current campus. The Monmouth Family Health Center has expressed its support of this project.

F. PROJECT SUMMARY, Continued

MMC does not anticipate any diminishment of its services to the underserved and uninsured populations as a consequence of the proposed project. Community benefit programs will continue to be offered throughout the service area in line with MMC's commitment to maintaining and enhancing the health of all residents, including the underserved and underinsured and those most impacted by social disparities. In 2022, MMC campuses contributed \$83.8 million towards education, support services, community-based screenings, contributions to local community groups and local charitable events that support access to care and health education. The 2022 expense was a \$5.5 million contribution over and above the amount provided in 2020.

A bed need analysis was undertaken to estimate the approximate number of acute care beds required to serve residents of the service area. The study relied upon expected changes in population growth/decline, medical and technological advancements in care, as well as the impact of changing reimbursement policies. Health service demand forecasts were generated by Sg2, a national consultancy that provides data-driven tools. The impact for MMC in its entirety is a modest increase of less than half a percent with a very small growth in inpatient cases for OB, neonatal and Behavioral Health. The service area represents 83% of MMC's total discharges.

The Sg2 IoC methodology projections for 2023-2033 projects increasing utilization in the outpatient procedures across all markets, including MMC. The Sg2 outpatient projection by service line for MMC's service area shows a 18.5% growth expectation. The Sg2 outpatient projection by site of service for MMC's service area shows hospital outpatient/ambulatory surgery expected to grow 10.8%, the major procedure growth at 19.2% and minor at 12.2.%.

The Sg2 projections were cross checked with volume projections for MMC's service area generated by the Health Care Advisory Board ("HCAB"), another national healthcare consultancy firm and think tank. Both were similar directionally with HCAB indicating a decline of 1.1% over the next 5 years and a growth of 0.3% over the next 10 years in the adult population with declines in the pediatric patient population. Sg2 projected a mere decline of 0.3% in pediatric cases but had a lower base starting point. In both cases, projections tended to be in line with recent experience. These changes essentially place future inpatient volume at a stable level.

Licensed capacity will change with implementation of this proposed project to be more aligned with current and expected demand. Medical surgical beds will be reduced from 318 beds to a total of 138 beds: 90 on the Vogel campus and 48 observation/med surgical beds with acuity adaptable capability for intensive care on the Long Branch campus to ensure continued access for Long Branch residents. The inpatient average daily census for medical/surgical inpatients were approximately 79 patients for 2022. ICU/CCU beds will increase from 28 to 36 beds; acuity adaptable use will be requested to serve step-down and as surge capacity. Obstetrical beds will increase from 54 beds to 70 beds (64 postpartum and 6 antepartum beds). A 40 bed Neonatal Unit will serve Level III and Level II services to meet current licensed capacity of 31 beds and subject to increase when there is a future certificate of need call. A 16 Bed Pediatric Unit with acuity adaptable beds will be provided with licensed pediatrics beds reduced from 15 pediatric beds to 11 pediatric beds, and PICU beds will be sustained at 5 beds.

Psychiatric beds will also remain on the Long Branch campus and there will be no diminishment in the number of psychiatric beds as these are governed by specific Certificate of Need rules. The Long Branch Hospital will provide the highest level of behavioral health services with a best care environment with integrated medical services for the patient and families. MMC will continue to pursue recognition as a behavioral health Center of Excellence.

The use of acuity adaptable beds design will assure capacity to meet the highest acuity needs while building an infrastructure that is expected to operate more effectively and efficiently. Acuity adaptable beds, provision of medical/surgical/observation beds, and the fact that all beds are private and not gender dependent, will ensure sufficient capacity to meet our patients' current and future demands for services in new, state-of-the-art patient care rooms providing enhanced healing environments.

The relocation of major acute care functions of MMC from Long Branch to Tinton Falls is expected to have no impact on facilities located in and around MMC's primary and secondary service area, as the project encompasses an expansion of sites without an addition of acute care beds. The new proposed site is located centrally within the existing service area and is property owned by the hospital just 5 miles from the current site. As a result, MMC expects access to be enhanced, particularly to high need communities (high poverty, high minority and higher numbers of households without access to vehicles) found within the Tinton Falls Borough. MMC Market Share of 27.3% in its primary service area this is expected to remain stable over the course of the project. Lastly, the project is consistent with New Jersey state statutes and regulatory provisions.

G. GRANTS

Attach a copy of grant budget submitted.

Source	Amount	Current Status of Grant
Not applicable		
TOTAL		

H. VOLUME OF ACTIVITY IN COST CENTERS RELATED TO PROJECT

1. Admissions or Cases

Routine and Emergency Service	Current Year	Projected Year 1	Projected Year 2
Medical/Surgical Admissions *	6,633	6,633	6,633
Same Day Surgery Admissions	7,554	7,554	7,554
Pediatric	599	599	599
Acute Psychiatric	1,911	1,911	1,911
Long-Term Psychiatric			
Obstetric	6,750	6,750	6,750
Burn Unit			
Intensive Care Unit	272	272	272
Neonatal Intensive Care	544	544	554
Coronary Care Unit	see ICU		
Newborn Nursery	6,186	6,186	6,186
TOTAL	30,449	30,449	30,449

*Exclude Same Day Surgery Admissions.

Excludes Same Day Medical/Observation

2. Visits

Cost Center	Current Year	Projected Year 1	Projected Year 2
Emergency Room	45,515	45,515	45,515
Clinic	18,353	18,353	18,353
Private Outpatient			

I. OPERATING PROJECTIONS

1. Revenues (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
Inpatient Services							
Outpatient Services							
Total Patient Service Revenues							
Allowance for Charity Care							
Contractual Allowances							
Net Patient Service Revenues							
Other Operating Revenues							
Total Net Operating Revenues							

Table I on following page

Section I

I. OPERATING PROJECTIONS

1. Revenues (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)								
	2021	2022		2023	2024	2025	2026	2027	2028	2029	2030	2031
Inpatient Services	\$ 1,011,413	\$ 1,014,863	\$ 1,090,255	\$ 1,099,634	\$ 1,132,623	\$ 1,183,389	\$ 1,213,038	\$ 1,255,233	\$ 1,303,432	\$ 1,355,526	\$ 1,401,376	\$ 1,448,724
Outpatient Services	\$ 701,581	\$ 754,324	\$ 861,438	\$ 872,313	\$ 898,482	\$ 938,753	\$ 962,273	\$ 995,746	\$ 1,033,981	\$ 1,075,306	\$ 1,111,677	\$ 1,149,237
Total Patient Service Revenues	\$ 1,712,994	\$ 1,769,187	\$ 1,951,694	\$ 1,971,947	\$ 2,031,105	\$ 2,122,142	\$ 2,175,311	\$ 2,250,979	\$ 2,337,413	\$ 2,430,832	\$ 2,513,053	\$ 2,597,962
Allowance for Charity Care	\$ 44,522	\$ 52,325	\$ 61,173	\$ 59,304	\$ 61,083	\$ 63,527	\$ 65,432	\$ 67,395	\$ 69,417	\$ 71,500	\$ 73,645	\$ 75,854
Contractual Allowances	\$ 1,227,808	\$ 1,268,194	\$ 1,357,936	\$ 1,327,183	\$ 1,369,290	\$ 1,427,609	\$ 1,473,099	\$ 1,519,953	\$ 1,568,213	\$ 1,617,920	\$ 1,669,119	\$ 1,721,854
Net Patient Service Revenues	\$ 440,665	\$ 448,668	\$ 532,585	\$ 585,460	\$ 600,732	\$ 631,006	\$ 636,780	\$ 663,630	\$ 699,783	\$ 741,412	\$ 770,289	\$ 800,254
Other Operating Revenues	\$ 20,872	\$ 19,564	\$ 22,079	\$ 23,150	\$ 17,824	\$ 18,537	\$ 19,093	\$ 19,665	\$ 20,255	\$ 20,863	\$ 21,489	\$ 22,134
Total Net Operating Revenues	\$ 461,536	\$ 468,232	\$ 554,664	\$ 608,610	\$ 618,556	\$ 649,543	\$ 655,873	\$ 683,296	\$ 720,039	\$ 762,275	\$ 791,778	\$ 822,388

2. Expenses (Report in 000's)

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)								
	2021	2022		2023	2024	2025	2026	2027	2028	2029	2030	2031
Salaries, Wages & Professional Fees (Including Contracted Services and Fringe Benefits)	\$ 183,544	\$ 216,759	\$ 220,339	\$ 196,562	\$ 202,282	\$ 212,764	\$ 216,685	\$ 223,185	\$ 235,160	\$ 245,187	\$ 255,583	\$ 266,358
Interest:	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////
a. Current Interest	\$ 7,771	\$ 8,546	\$ 8,359	\$ 8,648	\$ 8,992	\$ 8,773	\$ 8,203	\$ 7,860	\$ 7,402	\$ 6,919	\$ 6,714	\$ 6,489
b. Project Interest	\$ -	\$ -	\$ -	\$ -	\$ 3,750	\$ 11,194	\$ 17,271	\$ 21,997	\$ 21,693	\$ 21,251	\$ 20,890	\$ 20,428
c. Total Interest	\$ 7,771	\$ 8,546	\$ 8,359	\$ 8,648	\$ 12,682	\$ 19,966	\$ 25,474	\$ 29,857	\$ 29,085	\$ 28,170	\$ 27,563	\$ 26,917
Depreciation:	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////	////////
a. Current Depreciation	\$ 15,462	\$ 22,444	\$ 17,605	\$ 17,293	\$ 17,927	\$ 17,569	\$ 17,316	\$ 17,066	\$ 16,819	\$ 16,574	\$ 16,332	\$ 16,092
b. Project Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,667	\$ 7,667	\$ 7,667	\$ 25,667	\$ 25,667	\$ 25,667	\$ 25,667
c. Total Depreciation	\$ 15,462	\$ 22,444	\$ 17,605	\$ 17,293	\$ 17,927	\$ 25,235	\$ 24,983	\$ 24,733	\$ 42,486	\$ 42,241	\$ 41,998	\$ 41,758
Bad Debt Provision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies and Other Expenses	\$ 251,355	\$ 249,388	\$ 254,143	\$ 289,726	\$ 297,498	\$ 321,955	\$ 326,305	\$ 341,746	\$ 361,614	\$ 381,049	\$ 394,014	\$ 407,432
Total Operating Expenses	\$ 458,132	\$ 497,137	\$ 500,446	\$ 512,230	\$ 530,390	\$ 579,921	\$ 593,447	\$ 619,521	\$ 668,295	\$ 696,648	\$ 719,158	\$ 742,466
Net Income From Operation	\$ 3,404	\$ (28,905)	\$ 54,218	\$ 96,380	\$ 88,166	\$ 69,622	\$ 62,426	\$ 63,775	\$ 51,744	\$ 65,627	\$ 72,620	\$ 79,922
Non-Operating Income	\$ (86)	\$ (338)	\$ (1,130)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Surplus (or Deficit)	\$ 3,318	\$ (29,243)	\$ 53,088	\$ 96,380	\$ 88,166	\$ 69,622	\$ 62,426	\$ 63,775	\$ 51,744	\$ 65,627	\$ 72,620	\$ 79,922

1) Patient Mix by Sources of Revenue (Report in 000's)

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)									
	2021	2022		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Medicare	\$ 616,567	\$ 633,479	\$ 707,678	\$ 709,413	\$ 730,695	\$ 763,446	\$ 782,574	\$ 809,795	\$ 840,890	\$ 874,498	\$ 904,077	\$ 934,623	
Medicaid	\$ 389,549	\$ 432,418	\$ 466,271	\$ 474,511	\$ 488,747	\$ 510,633	\$ 523,447	\$ 541,655	\$ 562,454	\$ 584,934	\$ 604,718	\$ 625,150	
Blue Cross	\$ 305,175	\$ 308,184	\$ 358,508	\$ 354,679	\$ 365,320	\$ 381,694	\$ 391,257	\$ 404,867	\$ 420,413	\$ 437,216	\$ 452,004	\$ 467,276	
Commercial Insurance	\$ 287,704	\$ 281,032	\$ 267,736	\$ 284,328	\$ 292,858	\$ 305,985	\$ 313,651	\$ 324,561	\$ 337,024	\$ 350,494	\$ 362,349	\$ 374,592	
Self-Pay	\$ 62,386	\$ 57,691	\$ 68,161	\$ 71,676	\$ 73,826	\$ 77,135	\$ 79,068	\$ 81,818	\$ 84,960	\$ 88,355	\$ 91,344	\$ 94,430	
Indigent	\$ 32,344	\$ 34,464	\$ 45,815	\$ 41,366	\$ 42,607	\$ 44,517	\$ 45,632	\$ 47,219	\$ 49,032	\$ 50,992	\$ 52,717	\$ 54,498	
Other	\$ 19,269	\$ 21,918	\$ 37,526	\$ 35,973	\$ 37,052	\$ 38,713	\$ 39,682	\$ 41,063	\$ 42,640	\$ 44,344	\$ 45,844	\$ 47,393	
Total Patient Service Revenue	\$ 1,712,994	\$ 1,769,187	\$ 1,951,694	\$ 1,971,947	\$ 2,031,105	\$ 2,122,142	\$ 2,175,311	\$ 2,250,979	\$ 2,337,413	\$ 2,430,832	\$ 2,513,053	\$ 2,597,962	

TABLE 3 provided on PREVIOUS PAGE.

3. Patient Mix by Sources of Revenue (Report in 000's):

Category	2 Most Recent Actual Years Ended (Audited)		Current Year Projection	Projected Years Ending (Through Second Year After Project Completion)			
Medicare							
Medicaid							
Blue Cross							
Commercial Insurance							
Self-Pay							
Indigent							
Other							
Total Patient Service Revenue	100%	100%	100%	100%	100%	100%	100%

J. PROJECTED STAFFING LEVELS

Provide a list of the type, number of Full-Time Equivalents (FTE's) and estimated annual salary of the personnel required to staff the new or expanded facility and identify the source from which you intend to obtain the required personnel. (Compute FTE based on 2,080 annual hours per employee.)

Personnel Category		Estimated Annual Salary	Number of FTE's	Sources of Personnel	Additional Personnel To Be Hired
Department	Job Title				
			1,963.6		326
See Exhibit D					

K. ACCESS TO SERVICES

1. Was your facility, or a portion thereof, constructed with Hill-Burton funds?
☐ Yes ☒ No
2. Indicate the percentage of uncompensated care provided annually for inpatient and outpatient services:
 - a. Inpatient Mortgage (provide details in D-2) 1.4 %
 - b. Outpatient 3.4 %
3. What is the number of physicians with admitting privileges at your facility?
910
4. What is the number of physicians with admitting privileges who admit Medicaid patients to your facility?
268
5. Does your facility require a pre-admission deposit?
☒ Yes ☐ No
 - a. If Yes, explain:
 MMC requests a pre-admission deposit from self-pay patients who are not medically indigent or any patients who have a deductible or co-insurance and are not medically indigent. No patients will ever be denied admission if unable to pay.
6. Clinic Services (Exclude Private Outpatient Visits):

Type	Hours/Days Per Week of Operation	Patient Visits/Week
General Medical		See Note 1
Surgery	4 hours; 4 times a month	8 - 20
Cardiac	8 hours a month (4 hours twice a month)	6 - 8
Prenatal		See Note 1
Pediatric		See Note 1
Psychiatric	8 hours a day M - F	535
Post-Partum		See Note 1
Other:	Special Medical; Special Surgery; Specialty Orthopedic	7 - 8; 10-11; 35 -36

Note 1: MMC has a service agreement with the local FQHC for service provision and provides financial support.

L. BED AND SERVICE INVENTORIES

1. Bed Inventory:

Bed Complement	Licensed Beds	C/N Approved But Not Licensed Beds	Proposed New Beds	Proposed Decrease in Beds	Total Beds After Project Completion
Medical/Surgical	318			-180	138
ICU/CCU	28		+ 8		36
Obstetric	54		+ 16		70
Pediatric	15			-4	11
Psychiatric (All categories)	63				63
Comprehensive Rehabilitation					
Long Term Care					
Other: Pediatric ICU	5				5

2. Psychiatric Beds by Category:

Bed Category	Existing Beds	Increase	Decrease	Total Beds After Project Completion
Adult Open Acute	19			19
Adult Closed Acute	25			25
Adult Closed Acute				
Adult Intermediate				
Adult Special				
Adult MICA				
Adult Geriatric				
Adult Eating Disorder				
Child and Adolescent Acute	19			19
Child and Adolescent Intermediate				
Undesignated				
Total	63			63

3. Service Inventory:

Cardiac Services	Number Existing	C/N Approved But Not Implemented	Total After Project Completion
Cardiac Diagnostic Services - Catheterization Labs - Adult	1 (+1 IR/Cath)		2
Cardiac Diagnostic Services - Catheterization Labs - Pediatric			
Cardiac Diagnostic Services - E.P.S. Labs			
Cardiac Surgery Operating Rooms			

Renal Services	Number of Existing Stations	C/N Approved But Not Implemented	Total After Project Completion
Acute Stations	4		Bedside
ESRD Chronic Hemodialysis Stations			
Peritoneal Stations			
Isolation Stations			
Training Stations			

Surgical Services	Number of Existing Operating Rooms	C/N Approved But Not Implemented	Total After Project Completion
Dedicated Inpatient Operating Rooms			
Dedicated SDS			
Mixed Inpatient / SDS	15		18
Cardiac			

Trauma Services
☐ Level I
☐ Level II
☐ None

MMC operates a Level III ED

3. Service Inventory, Continued:

Perinatal Services	Existing	Proposed
Regional Perinatal Center - Normal Newborn Bassinets	36	50
Regional Perinatal Center - Intermediate Neonatal Bassinets	8	
Regional Perinatal Center - Intensive Neonatal Bassinets	23	40 (See Note 1)
Community Perinatal Center - Birthing Center Bassinets		
Community Perinatal Center - Normal Bassinets		
Community Perinatal Center - Intermediate Bassinets		
Community Perinatal Center - Intensive Bassinets		
Obstetric Bed Categories - LDR	18	22
Obstetric Bed Categories - LDRP		
Obstetric Bed Categories - Post Partum		

M. PROJECT NARRATIVE

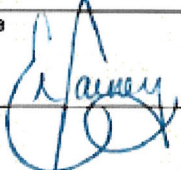
Respond to all statements specified in Section II referenced to the corresponding items in Section II.

N. REQUIRED DOCUMENTS

Submit all required documents specified in Section III referenced to the corresponding items in Section III.

O. ASSURANCES

The applicant gives assurance that the attached statements and tables are complete and correct to the best of the applicant's knowledge and belief.

Name of Responsible Officer	Title
Eric Carney	President and CEO
Signature	Date
	3/1/2024

Note 1: Build 40 Level III bassinets inclusive of the current 31 licensed Intensive and Intermediate bassinets; seek approval in future NICU CN call for additional licensed capacity of 9 bassinets.

SCHEDULE A

Name of Facility					Certificate of Need Number		Date
VOGEL MEDICAL CAMPUS HOSPITAL EXPANSION							FEBRUARY 1, 2024
Location (Building/Wing/Floor)	Project Description *	Current Problem Code **	Department or Service Areas		Gross Square Feet ***	Construction Cost Breakdown	Total Project Cost
			Current Use	Proposed Use			
MAIN HOSPITAL	NEW	NA	NA	NA	777,720	\$442,000,000	\$800,000,000
Central Utility Plant	NEW	NA	NA	NA	32,766	\$46,800,000	
Parking Garage	NEW	NA	NA	NA	340,000	\$31,200,000	
GROUND FLOOR	NEW	NA	NA	NA	98,957	\$56,240,027	
Lab							
Kitchen							
Security							
Facilities Management							
Materials Management							
Biomed							
Morgue							
Central Sterile							
Processing							
FIRST FLOOR	NEW	NA	NA	NA	136,687	\$77,683,040	
Lobby & Reception							
Registration							
Diagnostic Imaging							
NI Cardio							
Nuclear Medicine							
Emergency Department							
Observation							
Breast Center							

* Identify as New Construction (NEW), Renovation (REN), or Demolition (DEM). Following the identification of Renovations (REN), indicate the associated scope of work as Minor (MIN), Moderate (MOD), or Major (MAJ). (For example, use REN-MIN, REN-MOD, or REN-MAJ.)

** Problem Codes:

- 1 - Life Safety Code Deficiencies (per NFPA 101 Life Safety Code)
- 2 - Undersized/Non-Compliant Area Iper current Licensure Standards and AIA Guidelines for Construction and Equipment of Hospital and Medical Facilities (current Edition in effect)]

- 3 - Non-Compliant Functional Design Layout
- 4 - Overall Physical Plant Age Obsolescence
- 5 - Other - Specify
- 6 - Uniform Fire Code, State of New Jersey

*** For new construction, provide breakdown in terms of proposed Building Gross Square Feet.

SCHEDULE A

Name of Facility				Certificate of Need Number		Date	FEBRUARY 1, 2024		
VOGEL MEDICAL CAMPUS HOSPITAL EXPANSION									
Location (Building/Wing/Floor)	Project Description *	Current Problem Code **	Department or Service Areas		Gross Square Feet ***	Construction Cost Breakdown	Total Project Cost		
CONTINUED FROM CN-3 PAGE 18 OF 19 SECOND FLOOR Dining / Servery Surgery/Cath/IR/PACU Prep / Recovery & PACU LDR / C Section Antepartum	NEW	NA	Current Use	Proposed Use	134,181	\$76,258,811			
THIRD FLOOR Hospital Administration Medical Education Nursing Education Patient Satisfaction Conference Center Pharmacy	NEW	NA	NA	NA	111,119	\$63,152,032			
Fourth FLOOR NICU Adult ICU	NEW	NA	NA	NA	72,037	\$40,940,639			
CONTINUED NEXT PAGE									

* Identify as New Construction (NEW), Renovation (REN), or Demolition (DEM). Following the Identification of Renovations (REN), indicate the associated scope of work as Minor (MIN), Moderate (MOD), or Major (MAJ). (For example, use REN-MIN, REN-MOD, or REN-MAJ.)

** Problem Codes:

- 1 - Life Safety Code Deficiencies (per NFPA 101 Life Safety Code)
- 2 - Undersized/Non-Compliant Area [per current Licensure Standards and AIA Guidelines for Construction and Equipment of Hospital and Medical Facilities (current Edition in effect)]

- 3 - Non-Compliant Functional Design Layout
- 4 - Overall Physical Plant Age Obsolescence
- 5 - Other - Specify
- 6 - Uniform Fire Code, State of New Jersey

*** For new construction, provide breakdown in terms of proposed Building Gross Square Feet.

SCHEDULE A

Name of Facility					Certificate of Need Number		Date
VOGEL MEDICAL CAMPUS HOSPITAL EXPANSION							FEBRUARY 1, 2024
Location (Building/Wing/Floor)	Project Description *	Current Problem Code **	Department or Service Areas		Gross Square Feet ***	Construction Cost Breakdown	Total Project Cost
			Current Use	Proposed Use			
CONTINUED FROM CN-3 PAGE 18 OF 19							
FIFTH FLOOR Inpatient Unit Postpartum Unit Well Baby Nursery	NEW	NA	NA	NA	72,037	\$40,940,639	
SIXTH FLOOR Inpatient Unit Postpartum Unit Well Baby Nursery	NEW	NA	NA	NA	72,037	\$40,940,639	
SEVENTH FLOOR Inpatient Unit Mechanical Penthouse	NEW	NA	NA	NA	66,002	\$37,510,780	
EIGHTH FLOOR Mechanical Penthouse	NEW	NA	NA	NA	14,663	\$8,333,392	

* Identify as New Construction (NEW), Renovation (REN), or Demolition (DEM). Following the identification of Renovations (REN), indicate the associated scope of work as Minor (MIN), Moderate (MOD), or Major (MAJ). (For example, use REN-MIN, REN-MOD, or REN-MAJ.)

** Problem Codes:

- 1 - Life Safety Code Deficiencies (per NFPA 101 Life Safety Code)
- 2 - Undersized/Non-Compliant Area Iper current Licensure Standards and AIA Guidelines for Construction and Equipment of Hospital and Medical Facilities (current Edition in effect)]

- 3 - Non-Compliant Functional Design Layout
- 4 - Overall Physical Plant Age Obsolescence
- 5 - Other - Specify
- 6 - Uniform Fire Code, State of New Jersey

*** For new construction, provide breakdown in terms of proposed Building Gross Square Feet.

SCHEDULE B

Identify all licensed health care facilities, both in New Jersey and in any other state, which are owned, operated or managed by the applicant or any corporate entity related to the applicant (e.g., parent or subsidiaries). Identify the complete name of the facility, the city and state in which the facility is located, and the Medicare Provider number. If licensed out-of-state facilities are listed, please submit track record reports, for the preceding 12 months, from the respective state agencies responsible for licensing those facilities. Attach additional sheets as necessary.

Name and Address of Facility

Medicare Provider Number

See Exhibit E