
Public Hearing

before

ASSEMBLY REGULATORY OVERSIGHT COMMITTEE

*“Testimony from interested parties on the recent closure of the
Point Pleasant Hospital facility by the Meridian Hospital Corporation”*

LOCATION: Point Pleasant Borough
Town Hall
Point Pleasant, New Jersey

DATE: July 10, 2000
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Guy R. Gregg, Chairman
Assemblyman Kevin J. O’Toole, Vice-Chairman
Assemblyman Michael Patrick Carroll
Assemblyman Gary L. Guear Sr.
Assemblyman Reed Gusciora



ALSO PRESENT:

David L. Sallach
*Office of Legislative Services
Committee Aide*

Laura A. Neumann
*Assembly Majority
Committee Aide*

Christine Scullion
*Assembly Democratic
Committee Aide*

Hearing Recorded and Transcribed by
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TABLE OF CONTENTS

	<u>Page</u>
Assemblyman James W. Holzapfel District 10	6
Assemblyman David W. Wolfe District 10	10
Martin Konkus Councilman Borough of Point Pleasant	15
Ronald Morris Councilman Borough of Point Pleasant	17
Gregory McGuckin, Esq. Attorney Borough of Point Pleasant	18
Frank Carey Council President Point Pleasant Beach	26
Max Gagnon Member Citizens' Action Committee to Save Point Pleasant Hospital	29
Michael H. Hurley Former Mayor Bay Head	32
John Winterstella Mayor Borough of Manasquan	34
Stephen Acropolis Councilman Brick Township	36

TABLE OF CONTENTS (continued)

	<u>Page</u>
Carol Dempsey Emergency Medical Technician, and Trustee Point Pleasant First Aid and Emergency Squad	38
Sabrina Fioretti Emergency Medical Technician, and Captain Point Pleasant First Aid and Emergency Squad	43
Charles Wills Point Pleasant First Aid and Emergency Squad	46
Pat Jurew Private Citizen Brick Township	48
Christopher J. Colavito Representing Timothy E. Ryan	49
William C. Fearon Former Mayor Borough of Point Pleasant	51
James Olsson Private Citizen Borough of Point Pleasant	54
Bernie Smith Former Councilman Borough of Point Pleasant	57
Deborah Williams Chairwoman Citizens' Action Committee to Save Point Pleasant Hospital	59

TABLE OF CONTENTS (continued)

	<u>Page</u>
Joseph D. Coronato, Esq. Representing Citizens' Action Committee to Save Point Pleasant Hospital	65
Robert Leach Private Citizen Point Pleasant Beach	69
James McGarry Director Governmental Relations New Jersey Department of Health and Senior Services	71
John A. Sunkiskis Administrative Analyst New Jersey Department of Health and Senior Services	78
APPENDIX:	
Letter plus attachments addressed to Commissioner Christine Grant From Assemblywoman Charlotte Vandervalk, submitted by Assemblyman James W. Holzapfel, and Assemblyman David W. Wolfe	1x
Letter addressed to Assemblywoman Charlotte Vandervalk From Commissioner Christine Grant submitted by Assemblyman James W. Holzapfel, and Assemblyman David W. Wolfe	19x

ASSEMBLYMAN GUY R. GREGG (Chairman): Good morning, everyone. Thank you for your patience.

Chester, New Jersey, is a little bit farther from Point Pleasant than I thought it was.

I am Assemblyman Guy Gregg, and I Chair the Regulatory Oversight Committee. And it is my pleasure to be in Point Pleasant this morning to have a hearing on hospital closings.

I will make some brief remarks about why we have brought this Committee here and then allow my members to be introduced and make some quick opening comments before we start the public hearing today.

We have, in the State of New Jersey, tremendous issues dealing with health care. And it is not only dealing with the delivery services, the insurance, the payments, and access to health care, we have issues of convenience for our citizens.

And your two Assemblymen, who are seated to the front, Assemblyman Holzapfel and Assemblyman Wolfe, brought to my attention a situation in your area, in Point Pleasant, where perhaps a hospital or the health delivery services for you may have been interrupted inappropriately by the State of New Jersey. And that is really why we're here today.

We are never going to be able to diminish or remove all the requirements we have for hospital care in the State of New Jersey. There are many who say we have more hospitals than we need, or maybe they're not in the right place. I know Assemblyman Carroll will probably have points to talk about up in our area, in Morris County, with Dover Hospital. So we will never be able to ensure that every hospital will stay open forever. However, we do

have rules, regulations, and policies that have to be followed. And that is really the purpose of this Committee.

We are here today to determine and to discuss whether or not the policies of the State of New Jersey were dealt with, as it deals with your community, appropriately. And that is what the Legislature does. It oversees the bureaucracy that deals with your health care. And that is the mission of this Committee. We will listen. We will be open. And we wish to hear your concerns, as it deals with this issue.

So with that, I will turn over the microphone to my Vice-Chair, Kevin O'Toole.

Welcome to Point Pleasant, Kevin.

ASSEMBLYMAN O'TOOLE: Thank you very much.

I had no intention on being anywhere but vacation with my family because I had promised my wife to take two weeks off in July to sit with my two children on a beach and, you know, just get some quality time. And I was putting my suit on this morning -- my three-and-a-half-year-old son came up to me. He said, "Daddy, where are you going?" I said, "Well, I'm going to work." He said, "Why? I thought you're on vacation." I said, "No. Well, people need us." I said, "I have to go to work for today."

And the reason I'm here today is because I've had many conversations with your Assembly members, Wolfe and Holzapfel, and they have told me that this community is in desperate need of some help and desperate need of some answers. And the people of Point Pleasant are certainly hurting from this, seemingly, rather abrupt closing that occurred here in this rather pleasant community.

And it troubles me, as a legislator, that you have a community, obviously in need of services, seeing those services being taken away, whether it's seemingly justified or not. And I've got to ask some questions that -- either before, during, or after--

It seems to me, you know, is money really dictating the quality of health care for all of us. And if the answer is yes, then why is that in our community, when money and HMOs and profits -- are they driving the treatment for medical care--

And to me, as human beings -- as individuals, seniors, we can't allow that to happen in our society, to allow money to be put over the quality of life of all of our citizens.

So I'm here to listen to the state and find out why the people of Point Pleasant, why our legislators, why our community was not notified as to this closing, No. 1.

No. 2, I'm here to find out if the rules of law and the statutes were properly adhered to and whether the people of Point Pleasant have been shortchanged or not.

And I want to thank your Assembly members, Holzapfel and Wolfe, for their very diligent service of calling me and sending me all of the articles and keeping my office-- I live up in North Jersey, but I'm just as concerned about the people of Ocean County as I am of Essex County.

So I thank you very much for allowing me to be here. I will listen to your comments and certainly would invite some questions later on.

Thank you, Mr. Chair.

ASSEMBLYMAN GREGG: Thank you, Vice-Chair.

Assemblyman Carroll.

ASSEMBLYMAN CARROLL: As the Chairman advised, we have a situation very similar to this up in Morris County, where a hospital, which provides acute care services to a significant number of people in Morris County, is facing closure. And we have had similar crowds come out to discuss the issue of whether or not this is really in the best interest of the community.

That having been said, Mr. Chairman, I'm going to defer to the testimony of our -- the people coming today and the Assemblymen from this district.

ASSEMBLYMAN GREGG: Thank you, Assemblyman Carroll.
Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

I'm proud to be here, taking part in this hearing. Yesterday, I had a test run in Point Pleasant. I went to the Fisherman's Memorial Picnic. And I was able to talk to many of the residents of the shore hospital. And it's amazing that in its 80-year history-- I think that the originator, Dr. Frank Denniston, would be surprised -- how a family physician opens up a small shore hospital, and later on, in the 1990s, it's taken over by a corporate merger. And a lot of the questions that remain are, does it -- did it really fulfill the original mission of helping the shore community, the residents, and quality care that Point Pleasant and the surrounding area deserves.

Yesterday, I was stuck in traffic coming down here on Route 34. And it really causes pause about how someone in Lavallette, who needs emergency care, will be able to travel adequately and quick enough up 34 or

35 or 70 to Brick Memorial -- and not discounting any of the quality care you receive at Brick--

The reality is that it doesn't really serve the community. And I think that that's what we have to get to the bottom of today. And I look forward to the testimony. But with the traffic congestion, the overdevelopment, and whether this serves its mission -- to close the Point Pleasant Hospital-- And I'm very skeptical of it. And I think that we need to continue to make sure that we continue good quality care for the shore community.

ASSEMBLYMAN GREGG: Thank you, Assemblyman.

Assemblyman Guear.

ASSEMBLYMAN GUEAR: Good morning.

I'm happy to be here. I'm from Hamilton Township, Mercer County, but I do share your concerns here in Point Pleasant. Of particular interest -- a full-service hospital versus a 24-hour center-- I do have a lot of concern with this issue. The vacation season was mentioned. I know your numbers here are bolstered greatly during this time of year. And I do believe that you need a full-service hospital, as opposed to this center. And we'd be happy to hear the testimony here today and do whatever we can to help.

Thank you.

ASSEMBLYMAN GREGG: Thank you, Assemblyman.

I would like to thank the minority staff, the majority staff, Office of Legislative Services, Mr. Sallach to my right, for their organization of this ahead of time -- so we do not forget to thank them. I'd like to thank Point Pleasant for offering this facility for us this morning. And I thank all of you.

And with that, the order of events today will be your Assemblymen, who we will allow to give their statement on the issue as they see it. From there, I will go to local officials. We'll move through the public and some local organizations. And then, not on purpose, to leave the Department of Health last, but I think that it would be good for the Committee to have as much of an overview of the situation prior to listening to the Department of Health, as well.

I know this is a beautiful day outside, and we don't want to take all of it up. So in the interest of time, I would hope we can have this stay in the neighborhood of two hours to two-and-a-half hours. So all of you who will be testifying, if you could try to keep your remarks within the five-minute range, that should allow us an opportunity to be out by lunch.

With that said, I'd like to welcome my colleagues, my friends, Jimmy Holzapfel and Dave Wolfe.

In the order you wish, please, give us your views on this issue.

ASSEMBLYMAN JAMES W. HOLZAPFEL: Thank you, Mr. Chairman.

First of all, on behalf of the people of the district, we say thank you for coming down. I know it was--

UNIDENTIFIED SPEAKERS FROM AUDIENCE: We can't hear you.

ASSEMBLYMAN HOLZAPFEL: It's not on? (referring to PA microphone) How is that?

ASSEMBLYMAN GREGG: We can hear you well; they can't.

ASSEMBLYMAN HOLZAPFEL: Thank you, first of all, for coming down. We realize that you all have busy, busy schedules. And of course, this time of the year, theoretically, we were supposed to be on break. I know we have to go in Thursday. But-- I know time is limited.

What we want to say -- or what I want to say at this juncture is--

Just to give you a brief overview, the hospital here in Point Pleasant is an 11-acre site on the water. It's been there since the '20s. The history of this-- You have, by the way, copies of a statement of facts as to the circumstances that led us here today.

At the time, Meridian joined in with Point and Brick Hospital. Point and Brick had joined together. At that time, the application for consolidation of the four hospitals-- The application said, very clearly, there would not be a diminishment of service or access to the people of any of the four hospitals. In fact, the only reference was to the closing of some 150 beds, which was going to be between the four facilities.

Commissioner Fishman approves this consolidation into Meridian. And trust me when I tell you, two weeks later -- two weeks after the Commissioner okays this, they apply -- when I say they, Meridian -- they apply to close the emergency room of Point Pleasant Hospital. Within two weeks of getting the okay-- Within two weeks of telling the Commissioner of this State -- the Commissioner of Health that we're not going to diminish anything, they tried to close the emergency room. People in Point Pleasant were outraged. They went to court. They backed off.

A year later -- it's January of 1996 -- January of 1997-- They go back in. Now they want to close the entire hospital.

Now, ladies and gentlemen, you and I all know what that-- They were bamboozling the Commissioner of Health, and basically, as far as I'm concerned, lied to the Commissioner of Health in saying that there is not going to be any diminishment of service, when, in fact, they wanted to close the hospital.

They make those representations. We have copies of the application for consolidation. I'm not going to go through the hearing process. That was a farce -- a kangaroo court. They're talking about closing a hospital in Point Pleasant. Where are they having the hearings? In Camden, Atlantic City, Cherry Hill. One meeting they don't have enough members. So what do they do? They vote to throw a couple members off the committee so they could have a quorum. That fell apart.

So one step after another, there has been a breakdown and failure on the part of the bureaucracy to give the people of Point Pleasant and Southern Monmouth-- This is not just Point Pleasant. We're talking about Brielle, Manasquan, the Barrier Islands, Lavallette, Seaside, Point Pleasant Beach, people from the entire area. And the population is mentioned by Assemblyman Gusciora -- that swells into the hundreds of thousands in the summertime -- finding themselves in a situation where a not-for-profit all of a sudden decides that, "Well, you know what? We just could do better, maybe, selling this and turning it into condos or whatever else."

And the people who, since the '20s, have been donating, statewide, charitywise, to keep this hospital operating, are not finding out from the newspapers, not by notice -- public notice-- The last, most recent act was the notice of closing the hospital the day before, I think -- and you'll hear in

specific testimony-- They notified the first aid squads -- “Oh, by the way, the hospital is going to be closed.”

Now, that’s what you’re confronted with, and that’s what you’re going to hear about. And as I say, the people here, who have lived with this and have fought this for the last number of years, can give you the specifics of what has occurred. But everything that I have just said to you -- documented -- you have it there.

And something we want to make sure that all of us in the Legislature understand-- This is the executive branch of government. People seem to forget there is an executive branch, and there is a legislative branch. This will happen in other places. If they can get away with what they’ve gotten away with here in other parts of the State of New Jersey-- There are places out there where hospital administrations are going to say, “You know what? It would be better if we didn’t have this facility. It would be either--” The bottom line would be better. Forget the fact this isn’t a 7-Eleven or a gas station -- that it is a public service -- that it is something that these people have put their money and hearts into-- And they’re going to turn around and say, “For the bottom line, we’re going to just close it down.”

And if this is the process that you’re going to hear about, if this is the process that’s going to be the checks and balances of how hospitals are kept open or closed, these people would ask for one thing from day one: “Tell us, show us, financially, why this hospital doesn’t make sense.” It wouldn’t be done. It will not be done.

We propose legislation to permit another hospital to have the right of first refusal to come in and take over this so-called nonmoneymaker. They

fought it. Nobody wants that. Well, let's see. Capitalistic system-- If it's such a dog, if it's not going to make any money, why is it that they're interested in not permitting anyone else to take it over and operate it. And these are the same kinds of issues that you're going find throughout the state.

And with that, I thank you for your time, and I certainly thank you for your efforts to come down here today to listen to these people.

Thank you very much. (applause)

ASSEMBLYMAN GREGG: Thank you, Assemblyman Holzapfel.
Assemblyman Wolfe.

ASSEMBLYMAN DAVID W. WOLFE: Thank you very much, Guy and Committee members, for coming here today.

I think that-- I just want to expand on some of the things that Jim has said.

I think the important thing is not what Jim and I say, but what the people here today say. You have citizens, you have members of volunteer organizations, you have community organizations who are here, who, for years, have been serviced by this facility. And I think much of this is a fait accompli. It's done. It's done in many people's minds. It's not done in our minds.

I think if you look at this as a scenario, as Jim has said, that is playing out. And I know, when we testified last spring before the Health Committee, I said to the Committee at that time, "It's going to happen in your Committee." And two weeks later, the same thing happened in Elizabeth. Then it happened in South Amboy. And I had the Committee members on that Committee say, "Gee, you're right. It did happen in my community."

What we're talking about is corporate greed. We're talking about people -- a corporate citizenship that really takes no account of individual concerns or community concerns.

I am very concerned because, for 15 years, I was a member of the Brick Township Council. I was Council President when Brick Hospital was a -- dedicated as a satellite at Point Pleasant Hospital. I met, for a year, with representatives of Point Pleasant Hospital, as they prepared to come into the new community in Brick and establish a facility that was begged for for 20 years. And what happened? Almost like an amoeba or a virus out of control, the small hospital really devoured the big hospital through corporate greed.

Jim and I have met many times and have had meetings with representatives of Meridian, with the State, and they already have their minds made up. It's already done. And they're just really going through the motions.

We have-- As an elected official, I attended three very important ceremonies at Point Pleasant Hospital. I attended the dedication of a hyperbaric chamber, which was dedicated four or five years ago, that would enable the Coast Guard and fishermen to have top facilities in case of any diving problems -- about a mile down the road here -- half a mile down the road at the hospital. It was there four years ago when the ambulatory care pavilion was dedicated the Lane Pavilion in honor of the first administrator of that hospital.

What happened is, as a self-fulfilling prophecy, Meridian Health System jockeyed the facilities out of Point and geared them and steered them directly into Brick Hospital. And therefore, they could justify the fact that they don't have hospital -- they have hospital vacancies. They don't have

requests for those services anymore at Point Pleasant Hospital, simply because they've duplicated, they've built, they've expanded in the Brick.

The Brick Council recently considered donating, I believe it was, half a million dollars a year for a five-year period to bring a health system in Brick, simply to welcome them into the community.

I live in Brick Township, and I'm not talking against the residents of Brick Township. I, along with Jim, represent 200,000 in my legislative district.

But what we're saying is, if you listen to what these people will tell you today, you're going to hear a horror story, a horror story where people say, just show us why you're doing what you're doing -- justify it to us. And it's like, "We don't really care. Our mind is made up. You're getting closed down."

I think you will hear one thing from the residents, today, talking about the staff of Point Pleasant Hospital. Point Pleasant Hospital had a dedicated staff, and I'm not talking about the staff at Brick Hospital. They're dedicated people, but they're forced, now, to work with conditions-- I've had nurses, doctors, administrators contact my office talking about the horror that's going on now, what's happened since the closing. Nobody wants to hear about that. It's simply, that's the way it's going to be done. This is what's going to happen.

And it's almost like, and I don't mean to be surrealistic, but the movie *The Shining*. I was in a boat on Manasquan River three weeks ago, on a Sunday, and I came by that hospital. There was nothing in the parking lot. There was no movement. There was nothing. You could walk in those

hallways. They're deserted. You could walk in those hallways-- You can see the names of these family members, who, for years and years, have dedicated money for cardiac units, for all the special services there. They're on the wall. Their names are still on the wall. There's nothing there. Nothing there but bare walls.

And all Jim and I are asking is that you listen to what we say -- one more point in what the representatives of our community say because this is something that, unless we now begin to prepare and we can learn from the experiences of our own Point Pleasant and Meridian System, it's going to happen everywhere else in the state. And it's very, very sad. It's very sad that as elected representatives -- as legislators, we have to deal with an administration in -- especially in the Health Department that says, "That's the way it is, folks. Too bad."

Thank you for listening. (applause)

ASSEMBLYMAN GREGG: Thank you, Assemblyman.

Assemblyman Carroll.

ASSEMBLYMAN CARROLL: To either one of you gentlemen.

How far away, if I were living in, say, Lavallette, in which, at times, I do, would the nearest hospital be if we suffered a cataclysm, now that Point Pleasant is gone?

ASSEMBLYMAN HOLZAPFEL: Well, someone in here probably could tell you the specific miles, but basically you'd have to come through Lavallette to go to Brick, cross over the Mantoloking Bridge, go all the way out Mantoloking Road, and work your way through inner Brick into Brick

Hospital. I'm guessing, but I'm going to say it's got to be in excess of 10 to 12 miles.

ASSEMBLYMAN CARROLL: I suppose, in the interest of full disclosure, reveal-- I have sort of have an interest in this, not only because I may end up as a resident of Lavallette at some point in the future, but my little brother died in Point Pleasant Hospital a number of years ago. My mom went into premature labor when she was down in Lavallette, and they took her to a hospital in Point Pleasant. And he had a fighting chance because he was there -- because it was close.

I'm concerned. I'm not sure that the State has a plan to make sure that the people -- the residents aren't put in danger because of-- You know, when we built our hospitals 50 -- 100 years ago, and having relocated them in certain places -- that didn't always make -- that doesn't always make sense today to have those same hospitals there.

But I'm also concerned that when we go to these regional centers, they're not always located where the regional center would be located if it had been planned based upon today's reality. And it concerns me that we'd lose a facility like this, which, again, personally benefited my family.

ASSEMBLYMAN HOLZAPFEL: Well, I think you should also inquire, Assemblyman, when you have people here who can answer it, how many times Brick Hospital was on divert -- which means that these ambulance people out here are going to tell you -- first aiders -- that they're told, initially -- before they even pick somebody up, "Take them to Jersey Shore because Brick can't handle them." Now you're talking about a real ride.

ASSEMBLYMAN CARROLL: And at that Point Pleasant-- I gathered, from what I read in the forms, that they have an emergency room, which is sort of like a stitch and -- they'll take care of a cut or a concussion or something along those lines, but nothing more serious than that.

ASSEMBLYMAN HOLZAPFEL: It's called the satellite limited emergency department. And there's regulations being proposed. I understand they've been put in a register about what they will handle and what they won't handle. They won't handle women with childbirth. They won't handle a number of things. But you'll hear the list when they have-- You have the list, I think, there.

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's the traffic, not the millage.

ASSEMBLYMAN CARROLL: I'm aware of that, too.

ASSEMBLYMAN GREGG: We will continue, now.

Thank you very much, Assemblymen, for your comments.

We will begin the testimony with Martin Konkus. If I mispronounced that, I apologize.

Councilman, come right up.

MARTIN KONKUS: You did just fine with the pronunciation.

I would like to welcome you all to Point Pleasant.

HEARING REPORTER: Excuse me, you have to sit in front of the microphone.

MR. KONKUS: Oh, I have to sit here.

ASSEMBLYMAN CARROLL: Different system.

MR. KONKUS: All right.

I would like to thank you all for being here.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Why don't you give him that microphone that works so we all could hear.

MR. KONKUS: Okay, this one works.

ASSEMBLYMAN GREGG: Can everybody hear in the back?

MR. KONKUS: All right.

I see quite a few people here today who, I know, are going to give excellent detail on some of the specifics that took place.

Therefore, I, as a Councilman, would like to just give a general big picture of my impression of what happened and what I think is needed within this system.

I believe that legislation is needed to guard against what I've come to think of as the single image phenomenon. What I mean by that is if you take a motion picture and you look at the individual cells throughout the picture, you see nice colors, nice people, nice pictures, but you don't get the story. You have to run the whole reel and watch the whole movie, beginning to end.

And I think that what the Department of Health was presented with was individual frames cut out of that motion picture by Meridian to give the image that Meridian wanted the Department of Health to see.

My overall impression of how the Department of Health handled it was they looked at the specific statistics presented to them at the moment that whatever approval the hospital was seeking was being presented. And rather than the Department of Health looking into how and why things happen and whether it was manipulated by Meridian or not, was never

addressed. And if it was, I think it was dismissed out of hand. And that is wrong.

In a situation like that, if you're just going to look at what's presented to you here, now, for a decision, you look at it on paper -- it seems logical. Of course, you're going to go with what is being presented to you and approve it.

But again, looking at the big picture, how did it happen? Did Meridian, in fact, manipulate these statistics? Would things have been different if Meridian had allowed the system to operate freely instead of interfering and, again, manipulating the data? And I think that's what needs to be addressed at the State level.

And I will keep this short and sweet and the let specifics come out of people who, I know, are very astute.

Thank you for your time.

ASSEMBLYMAN GREGG: Thank you, Councilman. (applause)
Councilman Ron Morris.

R O N A L D M O R R I S: Good morning, and thank you very much, Committee, for coming down here, and thank you, Mr. Chairman.

We have the Borough Attorney here, who has been involved with this debacle for quite some time, almost four years. In that four years, we've seen things like David Wolfe pointed out, the hyperbaric chamber removed and the Coast Guard not notified, the first aid squads not notified. There's a lot of things that have gone on that leave you to question whether it's a monetary or a health situation over there.

They took statistics and skewed them because there is no way that the emergency room, which was doing approximately 15,000 calls a year, could drop down to approximately 100. They've had divers, which go into Bricktown. Then Bricktown is overloaded. They diverted again to Jersey Shore, which is another 15 miles added to the 12 miles from Lavallette.

We know that there was a great deal of money donated to this hospital. In one instance, one of the individuals donated \$10 million, plus \$50,000 a year for the maintenance of the hospital. Where has all the money gone? This was all donated. This was-- This hospital was part of the community -- an integral part of the community. We all used it. We've used it for 80 years, almost. And we feel that we were shortchanged -- that the people of Lavallette, the people of Manasquan, Spring Lake, Brielle, Point Beach, Bay Head, and Mantoloking were all shortchanged. We have the former mayor of Bay Head here. We have the mayor of Manasquan. And they will speak to their individual concerns.

But I would like Greg McGuckin to come up here and utilize my time, plus his, to speak on this matter, if it's agreeable with you, Mr. Chairman.

ASSEMBLYMAN GREGG: It is agreeable.

Please step forward, sir.

G R E G O R Y M c G U C K I N, E S Q .: Good morning, Mr. Chairman.

ASSEMBLYMAN GREGG: Thank you for coming.

MR. MCGUCKIN: My name is Gregory McGuckin. I represent the Borough of Point Pleasant in this matter. And I've represented them for approximately four years in this process.

I see, today, many people in the audience who I've seen at public hearings on this matter over and over and over again. And I share with them -- and I think you are going to hear -- the frustration that has accompanied them on their trips around the State of New Jersey as they have tried to stop what they believe is clearly something done unfairly and unjustly to the Borough.

They've traveled to Cherry Hill, where the convenient hearings were held for the Borough of Point Pleasant residents. They've traveled to Atlantic City, where the convenient hearings were held for the Borough of Point Pleasant. And they've lobbied their legislators, who have taken an active role. And I thank Assemblyman Wolfe and Assemblyman Holzapfel for the role they've taken in this matter. And again, we thank you all for coming today.

First, as you review this matter, please keep in mind the process is called a certificate of need process to close a hospital. There is nothing needy about it, and it is a misnomer that should be changed because it really provides a false hope to people who are opposed to something like this occurring.

There's nothing needy about it. If the hospital corporation wants to close, they submit an application to the Department of Health. The Department of Health, under their own regulations, is required to assist them in providing the information necessary to get an approval to close. The Department then works with the applicant over and over and over, over a period of months, provides a recommendation to, what was then, the local advisory board to permit the closure. There is no opportunity-- Only after all of that is done, and a recommendation has been made, is there a hearing held.

During that hearing, the Borough of Point Pleasant is not permitted to take -- to put any of the representatives of Meridian under oath. In fact, throughout this process, there has never been an opportunity to place any documents or witnesses of Meridian under oath and cross-examine them on what they say in their records.

They claim that they have a need to close the hospital, that they claim they're losing money. They claim that they can't operate the way it's been going for all these years because of losses, yet every time we've asked to have them placed under oath to permit some limited discovery to find out the true facts, we are foreclosed under the existing regulations.

The regs provide that if a hospital wishes to close, and the Department, for some reason, denies that request, the hospital has the right to ask for a hearing, but the public does not. Only the applicant has that right. Then it is sent to an administrative law judge for administrative hearing.

It seems to us that if a community or a group of residents of a community or a municipality like the Borough of Point Pleasant believes that something is wrong, that they should have an opportunity for a hearing before an administrative law judge. Let's place the representatives of Meridian under oath. Let's find out the true facts if there really is a need to close.

Now, the reason there is so much frustration here is because in addition to closing Point Pleasant Hospital, Meridian is expanding Brick Hospital to the tune of over \$20 million -- \$20 million they're spending. They can't afford to run an existing facility, but they're going to spend \$20 million to expand another facility only four miles away.

Now, we've heard this four-mile argument back and forth. And it seems that it doesn't work both ways. It's okay to close Point Pleasant because Brick Hospital is only four miles away, but we can't put our money and investments into Point Pleasant Hospital because it's too far away from Brick. It's only four miles, no matter which way you look. And you can't have it both ways.

Now, they are spending \$20 million to expand a hospital facility in Brick, and they have their own corporate interests in doing so. We believe that they own-- And if we had been permitted to place them under oath and ask these questions-- They own all the office facilities surrounding the hospital in Bricktown. They collect the rents at those buildings. Their doctors have their offices and work right next door in the hospital. And it makes more sense for them.

It seems to us that to spend \$20 million and close a facility four miles away just makes no sense. And under the regs that existed in this case, that's what's occurred. And it just does not seem fair to the residents of Point Pleasant and, we believe, the surrounding communities.

When you look at the certificate of need process, I think it's important that it not be -- if it's going to be a need, that a process be in place to permit that need to be established. And there should be some type of an independent review of that request because, quite frankly, under the regs, it is not independent. The Department and the applicant work together to achieve a goal, and we believe that that's where this should really be changed.

I'd be glad to answer any questions you might have as to what has occurred in the four years. You're going to hear from people who have lived

with this for -- day in and day out for all of these years. And all I can tell you is that, while they have the specifics, I can just tell you basically what's occurred, if you have any questions on that process.

ASSEMBLYMAN GREGG: Any questions from the Committee?
Assemblyman Guear.

ASSEMBLYMAN GUEAR: Regarding the certificate of need, the community doesn't have the opportunity to play any part, whatsoever, in this process?

MR. McGUCKIN: Well, it depends on what you mean by play a part. We are permitted to go to a hearing and say we oppose it. We were limited-- The Borough of Point Pleasant, for instance, was limited to five minutes to testify as to why this should not occur. A hospital that's been in existence since 1930-something, in the Borough of Point Pleasant-- We were given five minutes to explain why this hospital should not be closed.

We were not allowed to question any representative of Meridian. We were not allowed to obtain any information from them. We were not allowed to ask why they were spending \$20 million. All we were allowed to do was come up to a microphone and state our piece, and that's it.

To me, as a lawyer, that's not due process. That's not a right to confront our witnesses. That's not a right to really get to the truth. And that's where we have a big problem with what occurred.

ASSEMBLYMAN GUEAR: Thank you.

ASSEMBLYMAN GREGG: Vice-Chair O'Toole.

ASSEMBLYMAN O'TOOLE: I think it is an affront to -- as an American -- forget about being a lawyer -- that you can't confront someone in that situation.

Two things. This is to the Chair.

Is there a representative from Meridian here or scheduled to be here?

ASSEMBLYMAN GREGG: I do not have a listing of a representative from Meridian.

Is there a representative in the audience?

ASSEMBLYMAN O'TOOLE: What I'd like to see -- it's not going to happen today -- after this hearing, perhaps a second hearing in Point Pleasant, as opposed to Camden or Atlantic City, is to -- if we could subpoena members of Meridian because I'd like to tear the veil off of this very secretive corporation. (applause)

And if we can't do it through pleasantries and courtesies or using our State regulations, perhaps, through this Committee, or another forum, Chairman, we can, at least, subpoena them and get some justification -- at least put a face behind some of the actions that have occurred here.

The second thing. I'd like to hear from-- I assume it's the Department of Health that is holding these hearings across the State that are impacting Point Pleasant, here. Why would we have a hearing -- and this-- I don't know if anyone has the answer. Why would we have a hearing in Camden or Atlantic City or any place other than the impacted area? (applause) It doesn't make any sense.

MR. MCGUCKIN: If I can address that very issue, Mr. O'Toole.

The former process was for local advisory boards to review certificate of need applications. That has since changed as of 1998, although this process underwent that period.

The local advisory board was a -- covered southern New Jersey -- rotated their meetings every month. One month they would be in Cherry Hill. One month they would be in Atlantic County. One month they would be in Ocean County -- in Toms River.

Well, this application was filed before their March meeting, which was scheduled in Toms River, but was held-- So it would be heard in April in Atlantic County. We believe, and we can't prove it-- We believe that there was a reason for that.

When we objected to it and requested that it be redone because we only had one day's notice in the newspaper -- I might add, one day's notice-- And myself and an attorney for the Citizens' Action Committee traveled to Atlantic County to testify. We asked that the meeting be held in Toms River, which was scheduled for June in Toms River. They said, "No. We'll give you another hearing, but it will be in May, and it's going to be out in Cherry Hill. We won't hold it for June." And we've never been told why, other than that's the way we're going to do it.

ASSEMBLYMAN GREGG: Mr. Vice-Chair, the Department of Health will be available to answer--

ASSEMBLYMAN O'TOOLE: Great.

ASSEMBLYMAN GREGG: --perhaps, specific questions. I share your concerns on that. We, as public officials, and elected officials, should be

bringing government to people, as opposed to keeping it away from people. And that is a great concern to me.

Assemblyman Carroll, you look like you have a question.

ASSEMBLYMAN CARROLL: You will notice that the Legislature can come to them. There is no reason why the DOH couldn't. But be that as it may--

ASSEMBLYMAN GREGG: We can't find a parking space, but we can come here. (laughter)

ASSEMBLYMAN CARROLL: I'm just hoping my car is still at Summit Bank when I come out.

ASSEMBLYMAN GREGG: Me, too. And no one is leaving until I'm leaving because I'm parked parallel to everyone.

ASSEMBLYMAN CARROLL: Counsel, I have just a couple of questions.

First of all, on the certificate of need process, it seems to me that probably those regs were written at a time when everybody sort of assumed that instead of contracting hospitals -- would be expanding. And so the idea was to work to -- DOH would work to ensure that the hospital that wanted to expand, say, into cardiac or something along those lines, got the assistance that it needed.

Are you contending, at this point, that perhaps what we need is to adopt a policy or a different policy for the certificate of no need?

MR. McGUCKIN: That's a very good way to say it. Yes, I believe that is an appropriate way to address it.

Recently, it was changed. The regulations were changed that if you want to expand, you don't need a certificate of need anymore. You still need a certificate of need, however, to close. But again, it's not really a need, it's a want. And, quite frankly, I think that is the perfect way to phrase it. It's a certificate of no need, we believe, and that should be the proper way. And regulations should be addressed just to that issue.

ASSEMBLYMAN CARROLL: Thank you.

ASSEMBLYMAN GREGG: Thank you very much.

MR. McGUCKIN: Thank you very much.

ASSEMBLYMAN GREGG: Councilman Frank Carey.

Good morning and welcome.

F R A N K C A R E Y: Good morning, and thank you for coming here today.

I'm Frank Carey, Council President of Point Pleasant Beach, a neighboring community.

Point Pleasant Hospital is truly a -- it's a community hospital for many towns. People are born and raised here, stayed here. People have moved into these surrounding towns because of the hospital. You had great service, great care, great staff.

This is not to slam Brick Hospital and the staff at Brick Hospital. They are just now overwhelmed. They cannot handle the load that they are presently under.

We've talked about the four-mile issue. It seems like an inconvenience. But when you're in an ambulance, an inconvenience becomes a hardship. And that is the case. And that was totally ignored.

The acute care hospital or acute care emergency room that is a standard emergency room can handle just about any type of situation. The care -- emergent care unit that is there now-- It was in the letter that we received in the Council, that the first aid squads received-- The only people that should be taken there are those that could be treated by a regular family physician in an office. So it is nowhere, in any shape or form, near an emergency room service that people are getting to go there.

You heard about the word divert. It is a tragedy that people have to be loaded into an ambulance and are not sure what hospital they're going to.

The hearings that were held-- I went to the hearing in Cherry Hill. A group of people got together. We went on a school bus and bounced all the way from here to Cherry Hill and felt like we were totally ignored.

The process was-- Testimony was given, but nothing was investigated. Testimony on our part was not investigated. Claims by Meridian Hospital were not investigated. It was just taken as a matter of fact. Whatever the hospital said, went. And any statements that people made to disclaim their information-- We felt like it was just disregarded.

The rules-- The system that is in place now, let the people down. The people followed the rules. Municipalities passed resolutions opposing the close of the hospital. The Board of Freeholders did the same. First aid squads and emergency services groups all followed the rules, and we were let down by the rules. So the rules should really be changed to help protect the people.

You're going to hear a lot of stories. There is a tremendous amount of frustration here. I happen to have had my wife be in a hospital two

years ago -- at first aid -- went into the emergency room and got tremendous care. She was in the hospital a few months ago, visiting a friend, and it was like a ghost town in that hospital.

So you're going to hear some stories that are horrifying. People in this community, and the surrounding communities, are not receiving adequate medical service. And that's the bottom line, and that's what we're here for.

Okay. Thank you.

ASSEMBLYMAN GREGG: Thank you, Council President.

Would you just hold for a second?

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: I just really wanted to say something about what he said, and also what Councilman Morris had said, previously.

Councilman Morris mentioned the \$10 million request that was to the hospital. There is no-- As far as I know, there is no representative or trustee from the affected communities now on that board that were formerly served by -- by this particular hospital. All these people donated the money. They no longer have a voice in what's going on.

The second thing, and what this councilman just said, I think -- have to expand on. It may still be going on, but I know when the local first aids would bring someone to Point emergency room, and they would be then, therefore, diverted, very often they were going in ambulances that were owned and operated by Meridian Health System. And people, then, were being charged exorbitant amounts of moneys to be transported to those facilities. So it's a cycle. It's a cycle. It's a ball -- whatever you want to call it -- cabal,

whatever you want to call it. And I think, more and more that you hear from the public, it is very, very suspicious.

Thank you.

MR. CAREY: Just to add to that, emergency first aid squads all offered free service to anyone in need. The hospital does not offer free service, and they charge for their ambulance service.

ASSEMBLYMAN GREGG: Thank you, Council President.

Vice-Chair O'Toole.

ASSEMBLYMAN O'TOOLE: Yeah, Chair -- just raised an interesting question, hearing what Assemblyman Wolfe said--

You know, the \$10 million that was stated, and the \$50,000 maintenance donation that was given-- What happens to that money? Where does it go? Is there some legal recourse to what we--

UNIDENTIFIED SPEAKER FROM AUDIENCE: We all have that question.

ASSEMBLYMAN GREGG: Councilman Mass Yezzi. Councilman Yezzi? (no response)

Max Gagnon, Citizens' Action Committee, Point Pleasant.

Welcome.

MAX GAGNON: Before I start, I'd like to give you people copies of--

ASSEMBLYMAN GREGG: A little light reading.

MR. GAGNON: Yeah, a little light reading.

I'm giving you a copy of the diverts -- 9-1-1 reporting, copies to Point Pleasant Beach Police Department reporting--

ASSEMBLYMAN GREGG: Thank you.

MR. GAGNON: And there are tremendous disparities in that reporting. And I want to be sure that everyone sees what's going on.

My name is Max Gagnon. I live in Point Pleasant Beach, and I'm a member of the Citizens' Action Committee to stop the closure of Point Pleasant Hospital. Unfortunately, we weren't successful in that endeavor. However, I think the time spent today, hopefully, will stop other communities from experiencing the same thing we have.

In trying to save some time-- I know there are a lot of people who want to speak here today, so I'm going to cut it short. The one thing that I do want to bring to your attention is that in December 1999, I sent a letter to Governor Whitman, and that letter was forwarded to the State Department of Health. On March 8, I got an answer to that letter. Two-and-a-half months later -- regarding the brochures I have given you today, which are reports of 9-1-1, Point Pleasant Beach Police Department. And the 9-1-1 calls-- If you look at the reports in 9-1-1 for both Brick and Point Hospital, you'll see that at a number of occasions -- starting right at the top on 12-5-99-- Brick ER called to advise Brick and Point Pleasant's ER on full critical care divert until further notice at 3:31 a.m. At 5:47, Brick ER advises additional two hours on critical care divert. This goes on and on. If you look and count the number of times through here -- 270 times from October to the 22nd of December, when I wrote to the Governor.

Now, after Point Pleasant Hospital was closed, on the first of May, we've got an additional 13 times that Brick Hospital reported on divert. And if you look at the times, they extend from two hours to twenty-four hours.

Consequently, the people in this area no longer have access to a facility -- a medical facility for emergency treatment. I think that's horrible.

The State Department of Health--

I have a couple of letters, and I'd like to read one of them to you real quick. It came from an anonymous person working at Meridian's hospital in Bricktown.

"I work for Meridian. And I, like the majority of employees, support your efforts in trying to stop the closing of Point Pleasant Hospital. I am prompted to finally write to you because some of the things I am learning are very frightening, and I feel that we're all being lied to.

I think it may be helpful to your cause to share them with you. Our staff in Brick Hospital has been told not to go on divert because of negative publicity this is causing the hospital. Now, too many patients are being brought to Brick -- more than they can handle. I was told there have been two cardiac patients who have died in the emergency room because they were unable to transfer them to the cardiac unit because all the beds were full.

Sometimes, they'll open up space in the emergency room. Patients are being admitted to floors that are ill-equipped or staffed to handle the patient's condition. Doctors and nurses are both becoming exasperated by this situation. One doctor told me that nursing is so understaffed, but no overtime is being approved.

I would not want to be admitted right now. I would recommend that anyone who has a relative who died or got worse during a recent admission to Brick Hospital request a copy of the medical record and have it audited by an expert."

An opinion in the *Ocean Observer* May 3, 2000, Hospital Closing Ill-advised-- Just a few moments ago, every hospital in Ocean County -- several days -- were put on full divert status. Their beds were so full they were discouraging rescue squads from bringing patients there.

Now, we're talking about all the hospitals in Ocean County. And yet, Meridian says we don't need Point Hospital. (laughter)

Certainly, you people have to look into this situation. It's a tremendous setback to the people in the area. And to be denied access to a medical facility is criminal.

Thank you for your time. (applause)

ASSEMBLYMAN GREGG: Thank you, Max.

Mayor Michael Hurley, Bay Head.

Mayor, welcome.

MICHAEL H. HURLEY: Does this one work? (referring to PA microphone)

ASSEMBLYMAN GREGG: No.

MR. HURLEY: Good morning, ladies and gentlemen. Thank you for attending.

I'd like to first thank our two Assemblymen for the wonderful presentation that they gave on our behalf.

Thank you.

I just want to tell you that the first I knew of the Meridian Hospital, I was the mayor, at the time, of Bay Head. And I received a letter from Meridian System asking that they have two representatives come to Bay

Head to address their council on what they had in mind for the Point Pleasant Hospital -- Mr. Jarvis and Mr. Gribbons.

And at that time, we were promised -- faithfully promised that the Point Pleasant Hospital would be never, never touched. Well, what a fallacy they did.

And so this is continuously with this Meridian System. I've attended the meeting. And it's a shame that -- what has happened. The last I knew, after some of these hearings, if nothing else, we would have a complete, full emergency room, which would satisfy a lot of our problems, but not the full hospital, which we need.

And what does it end up -- what they have now -- nothing more than a Band-Aid. And that surely can't do any good for anyone. The place is locked nights and everything. It's a disgrace. And I think you gentlemen should go into it thoroughly for the way we have been treated all along the shore here.

And if ever anyone wants to know about the Point Pleasant Hospital, you can speak to me because I even had an appendectomy in 1934 in the Point Pleasant Hospital. So I can give you first class about our hospital. And I've been there through later years with many broken bones. And I've had wonderful care in the orthopedic section and also in their rehab section there.

But otherwise, it's been a disgrace to the people -- the way we have been, plainly speaking, jerked around by this Meridian System. And it's about time the State should step in and do something because they have not. And hopefully you gentlemen can bring something about.

Thank you very much. (applause)

ASSEMBLYMAN GREGG: Thank you, Mayor.

Mayor John Winterstella, Borough of Manasquan.

Welcome.

MAYOR JOHN WINTERSTELLA: Thank you, Mr. Chairman and also Committee members.

I'd like to bring to your attention a couple different perspectives today. The first one is my 15 years of experience as an active first aider in the Manasquan first aid. I know the importance-- We talk in minutes, but an ambulance traveling at 40 miles an hour, if they're that lucky, going down highway 70 -- we're talking six to eight minutes of additional time. In that amount of time, if you're dealing with a, as I'm sure some of the first aiders will bring to your attention-- But I've had amputations that we've saved when -- we had to save lives. And that six minutes was critical. We've had submersions where we were doing CPR on a patient. But that six minutes could mean the difference between serious brain damage or death and life.

It's a critical issue. And I can't emphasize enough that I'm not sure the proper attention was given to that four miles from the emergency services standpoint. That's my initial perspective.

The second perspective is as the Mayor of a shore community. Manasquan is serviced -- or our first aid goes to both Jersey Shore Hospital and Brick Hospital. And they-- From what my first aid members tell me nowadays-- I have not been a member of the first aid for 10 years, but from what they tell me, it's about a 50/50 service depending upon where the paramedics come from and so forth. But the critical issue--

I have a scanner in my home. And I'm too often hearing where Jersey Shore, part of the Meridian System, and Brick are both on divert. I don't know where you go when you get a divert on both hospitals.

But from a public service standpoint, as an elected official, it's a big concern to make sure that our residents, particularly our summer visitors-- Our town, for example, triples or quadruples its population on a busy summer weekend. And we want to cater those people, and we have a responsibility to provide them with not only the proper services, clean water and trash removal and lifeguarding services and so forth, but also, some security in being able to get them medical services. And I'm not sure we've done that in this whole process.

And that takes me to the third comment or the third perspective. I sat on the committee that sort of reviewed this. I'm a retired business executive. And one of the things I used to frown upon was any of my staff held a meeting where the answers were already known. I mean, the Meridian people were very courteous to me, but it was obvious the writing was on the wall. This decision was pretty well accepted by the State before it was publicly announced, and it was pretty well driven by Meridian's financial concerns, I truly believe.

I asked a lot of questions about the-- What was the demand? Had they qualified or quantified the demand for emergency services, and what was the impact of this going to be on the hospital system? And I think you have to look at this as a hospital system because we're not talking about just -- Manasquan's perspective, at least -- we're not talking about the closing of Point Pleasant Hospital, we're talking about the availability of services in a three-

hospital area, Brick, Jersey Shore, and Point. And I'm not sure there was a real quantitative analysis done on the demand for these services. If it was done, it was not done correctly because, as you can hear on almost any weekend with a scanner, these hospitals are on full divert. That's telling me that somebody did not perceive the demand or the requirement for the level of services that are going to be out there.

And I thank you very much. (applause)

ASSEMBLYMAN GREGG: Thank you, Mayor.

Councilman Stephen Acropolis, Brick Township.

S T E P H E N A C R O P O L I S: Thank you, Mr. Chairman and members.

As you said, my name is Stephen Acropolis, from Brick Township -- a Councilman there. And I just wanted to thank you, first of all, for coming to Ocean County to listen to our concerns.

As Assemblyman Holzapfel said, when they first talked about a consolidation, they talked about no reduction of services. And obviously, that wasn't the case. And it's obvious, I think, to everybody, it's strictly a dollars-and-cents issue. And unfortunately, when you're talking about health care and the lives and safety of people, especially in the shore area when the population does increase dramatically, I don't think you can always look at those.

We are not happy at all. We're specifically-- I'm not happy in Brick Township because they come to us, and they want \$500,000 and a thank you for expanding the hospital. Well, I mean, not in my lifetime are they going to ever get anything from us at the Brick Township Council. I don't care who asks for it, as far as the administration goes.

The other thing is you look at-- *Money* magazine talks about Ocean and Monmouth being one of the best places to live, the growth is exploding down in this area. And what do we do to make it more advantageous for people to move here? We close a hospital. How absurd is that? That's absolutely ridiculous. I wonder if *Money* magazine took that into account when they talked about and named these places as some of the top places to live. Even though I do think it is, I think we need to look at this.

I think it's time that we need to send a message to private enterprise. If they're not going to take into account the needs of the citizens of the communities that they surround, I think that the government needs to step in and to make sure that those needs are taken care of.

And with that-- I just wanted to make it real short.

I feel bad because they keep calling it Brick Hospital. I'd like them to change the name to Meridian Hospital because it kind of gives Brick a bad name, and I'm not real happy with that. (applause)

Personally, I just want to let them know -- the people of Point Pleasant and surrounding areas know, when I grew up in Brick, I grew up on the Point Pleasant boarder. That was our -- obviously, the hospital that we went to. I've lived here since 1958. And everybody has a little personal tidbit--

About four days ago, my son, who is a 16-year-old, was in a boat and had something land on his foot -- cut it dramatically. He had to take the boat into a marina -- blood all over the place in the bottom of the boat. I thank God it wasn't more serious because he had to go from where he was to Brick Hospital, where they didn't X-ray it, didn't do some of the things they

maybe should have, maybe because they were on a divert or maybe because they just basically took him in because it was just a stitch-and-send-him-home type injury.

But we're not happy with it. We wanted to let you know that. And I think you'll find out from everybody else that they, I think, pretty much, feel the same way.

So thanks for coming, and I know you'll get a lot more information from a lot of the people out here.

Thank you very much. (applause)

ASSEMBLYMAN GREGG: Councilman.

ASSEMBLYMAN CARROLL: Councilman, tell your son to stick to hockey.

MR. ACROPOLIS: Stick to hockey, yes, sir.

ASSEMBLYMAN GREGG: Okay, we're at the point where we're going to be talking or listening to some first aiders at this point.

I have Carol Dempsey from Point Pleasant First Aid Squad.

Good morning, Carol.

C A R O L D E M P S E Y: Good morning.

Thank you for coming.

I've been on Point Pleasant First Aid Squad for 18 years. We're a volunteer organization. I teach for the American Red Cross, and I'm an EMT. I have a regular job, and I want you to know that it's located down in South Mantoloking, or what is also part of Bricktown. The other day, coming home, 1:00 Sunday afternoon, it took me over an hour and a half to get home,

and normally it should be a 10 minute drive. So that's to tell you the type of traffic.

One of the things that -- our concern with the first aid squad was -- is-- I realize we're just a little thing in the whole scope of life, or whatever, but nobody ever came to the first aid squad from the State. Nobody ever came to us from Meridian and said, "Look, these are our concerns. These are some of the problems we have."

I did go to all the meetings in Cherry Hill and everywhere else around the state. I went to talk to Assemblyman Wolfe and Holzapfel in Trenton, also, because I was so annoyed when we went to the Senate Subcommittee Meeting, I believe, that we were never even heard. I sat there for two-and-a-half hours, after I took off from work. I was so mad that I walked down to the Department of Health, and I asked to speak to Chairperson whatever her name is, and I don't even know her name. But I went in to see her.

Obviously, I was bounced around from secretary to secretary. Two days later she finally did call me. She assured me, on the phone, and I believe -- I don't know where he is in here -- but I believe that the other gentleman that was here was on a conference call-- I talked to two or three people. And one of the things she assured me was that the Health Department was going to look into it. She would get back to me. I never heard another word from her. That was over a year ago.

One of the things that Chairman Fishman assured everybody, when he changed the regulations and agreed to do everything was-- One of his conditions was that there was going to be a first aid hospital type of station

down on the boardwalk. Well, they just like dreamed that up out of the air. They never came and talked to anybody. After they proposed that, they came and they met with the people from the town of Point Pleasant Beach, like the town officials or whatever.

It's not realistic. If you're having a heart attack on the beach, you're going to drag yourself up to a first aid station on the boardwalk a mile away to get treated? I mean, some of the conditions that they set-- If they had just come and talked to somebody either on the first aid, in the town, someplace, they would have realized that it wasn't even possible to do.

One of the other conditions that was supposed to be looked into, which I think somebody here had talked about, was if you go to Point Pleasant Hospital, and they can't treat you, they take you by ambulance -- which they own a percentage of the ambulance company, and I won't mention the name-- So you're billed from the ambulance company, but then you turn around, and you're billed from the hospital for that service of being transported four miles. And I believe-- I'm not positive, but I believe the price was somewhere between \$1200 and \$1600 to be transported four miles in their own ambulance. And that was one of the things that the Chairwoman had said to me was going to be looked into -- that the people weren't supposed to be charged for that. And as far as I know, they still are.

They took away 12 beds in the emergency room at Point Pleasant Hospital. Now granted, sometimes we took people in, but they were out in the hallway, they were in wheelchairs because it was a busy night, but they only added four beds to Bricktown. Now, 12 when they're overflowing to 4 beds now-- How they thought, in the very beginning, that was going to work is

beyond me. I mean, I'm not a mathematician or anything like that, but I can see that the numbers just aren't there.

And now, what they've gone so far to do is they have beds in the hallway of the emergency room, and those beds actually have numbers. They're bed 9.5, 10.5. And they're charging you the full services.

My aunt, last November, went into the emergency room. She stayed there over 24 hours because they did not have a bed upstairs for her. And because they don't have the beds upstairs, they can't move the people out of the emergency room to allow the other patients coming into the emergency room--

One of the things that they had talked about back when they were talking about closing the hospital was also to put more paramedic units in. I mean, we're volunteers, and we don't administer drugs. We can talk directly to the hospital, but we don't have IV's or anything like that. So for us to have the paramedics available was a great service. I mean, it certainly increased the odds of whether a person is going to live or what type of conditions they're going have en route to the hospital.

We cover all the way down to Mantoloking, which is just above where I work. So, I mean, time wise, it makes a difference. As far as I know, another paramedic unit was never put into our area to help us, even though now we're going another 15 miles past where we would have gone before.

So that was some of the concerns that we had.

And basically-- I mean, all in the beginning-- All I ever said to any of these people was, "Come and visit us. You can ride on our ambulance. You can go to the emergency room with us. You can find out we're on divert same

as anybody else can.” And nobody ever came down to see us. Nobody ever came down to talk to us. Nothing.

I mean, I said to them in Cherry Hill, on that advisory board thing that we went to-- One man had been to Toms River. They weren't even familiar with our community. And these are the people that are deciding our fate or the fate of our hospital that my parents and my relatives and other people have donated all this money too. Where did it suddenly go?

Point Pleasant Hospital was a very affluent hospital for many years. I don't know if you're familiar with Bay Head, Mantoloking, Manasquan, Brielle. All of those communities are rich communities. Not for nothing, they're not the slums of Newark and someplace like that that the people maybe can't afford some of the money. I mean, these people are very affluent.

And if Meridian ever came to anybody in our community and said, “You know, we're going to have to close the hospital because maybe we're \$500,000 short this year, and the only way we can stay open is if you donated us money,” I'll tell you, the people of this community would donate the money to have kept that hospital open. That's how strongly they believed about this hospital. And Meridian never came and said anything.

We would go on a calling 2:00 a.m. in the morning, and the nurses there would say, “Well, you can't park over here because they're moving the beds out of the emergency room.” They were sneaking the baromatic chamber out at night -- at 2:00 in the morning. And then we would find out two days later that they closed another wing in the hospital. And that's how we, as a first aid squad, would find out stuff wasn't there. I mean, this was the type of

communication that went on the entire time that Meridian was moving services.

And when they moved the maternity out of Point Hospital, obviously, as a first aid, we're not going to bring maternity patients there. So now you've moved all of the money that you would have got for a maternity unit at Point Hospital -- you're moving that to Bricktown.

So of course your statistics are going to go down. And that's how they manipulated every statistic they had. And we said that to the board of health. We said that to all these advisory panels. All we wanted was an independent study to come in, and nobody did. Nobody came in and studied it. Nobody came in and looked at the statistics. And that's what happened.

And that's one reason why all these people came here on a Monday morning. Many of them took off from work. They left jobs. They left their families. That's how important the issue is to us.

That's all I have to say. (applause)

ASSEMBLYMAN GREGG: Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: I do have a question.

Carol.

MS. DEMPSEY: Sure.

ASSEMBLYMAN GUSCIORA: How many paramedic units are there in Ocean County, and where are they stationed at?

S A B R I N A F I O R E T T I: There is a paramedic unit stationed at each of the--

MS. DEMPSEY: Sorry. This is our captain, Sabrina Fioretti, of the First Aid. She would know that stuff better than--

ASSEMBLYMAN GUSCIORA: These are the MICU--

MS. DEMPSEY: It's -- are the MICU units, yes.

MS. FIORETTI: --has an MICU unit that's positioned at each of the local hospitals in Ocean County. So therefore, there's a medic unit -- Kimble Medical Center, at Brick Hospital. There's one that comes out of Jersey Shore, which is in Monmouth County; one down in Community; and they have a summer unit that they put on that serves Seaside, Lavallette, and sometimes they do come up into Mantoloking.

ASSEMBLYMAN GUSCIORA: Now, was there a paramedic unit at Point Pleasant?

MS. FIORETTI: No, there is no paramedic unit out of Point Pleasant.

ASSEMBLYMAN GREGG: Did you say was or are?

ASSEMBLYMAN GUSCIORA: Was or are?

MS. FIORETTI: Never has been.

ASSEMBLYMAN GREGG: Assemblyman Guear.

ASSEMBLYMAN GUEAR: Just a comment. You started off saying you were a small part as a first aider, an EMT, a volunteer with the rescue squad. You're an integral part of the community and the health-care facility. You have firsthand knowledge of what goes on out there in the street, and your opinion is highly valued.

I'm a retired police officer with over 25 years experience, and without you guys, believe me, the community would be at a loss -- a significant loss, so we do value your opinion highly.

Thank you. (applause)

MS. DEMPSEY: Thank you.

MS. FIORETTI: Thank you.

ASSEMBLYMAN GREGG: No other questions.

Thank you, Carol.

Thank you, Sabrina.

And thank you for your service. All of us share that feeling. We all have communities we live in and represent, and there is no question our volunteers are the cornerstone of those communities. So thank you, personally.

Sabrina was just up, so--

Would you like to say some more comments, Sabrina? You're also on our list, formally, so we could have let you stay up here.

MS. FIORETTI: That's okay. I'll just get a little exercise.

Just to add to what Carol said, as far as adding an additional medic unit, we really do need one. The other day, we had a first aid call with the medics, and we went to Brick Hospital. In front of us, waiting at Brick Hospital for a bed, was another first aid squad with the medics. And coming in right behind us was another first aid squad with the paramedics. There were no beds available, so we had the patients on our stretchers lined up in the hallway with the medics still treating the patients, and we had to wait. And we waited for at least five minutes. And the person behind us-- I don't know how long they waited. Therefore, those medic units were out of service. And if someone else in Ocean County had a heart attack-- Well, they don't have the medics.

Typically, when we go out to Brick Hospital -- when we get there with our patient, we're confronted by the nurses, doctors, or whomever is working in the ER, telling us, "Don't you know we're on divert?" "Yes, we know you're on divert, but we still have to come here because most of the other hospitals in the county are also on divert." We can't be bouncing around from hospital to hospital with a patient trying to find one that's open. We'd probably have to go down Southern Ocean County Hospital to find an open bed.

And once we finally do get a bed, we're either putting our patient on one of these hallway beds, as Carol said, which is in the hallway, no privacy, no curtains, there's no access to any kind of monitors, oxygen in the hallway, or we're putting them in a wheelchair trying to balance a fractured knee with pillows and stuff up on the leg support and putting them in the waiting room, or if you have a critical patient-- Well, they'll throw another bed into one of the critical care rooms that's meant for one patient. They'll stick two patients in there with a rolling curtain divider. So they just can't handle the volume of patients we're bringing there.

And like Carol said, if anybody wants to come down, ride on our first aid squad and see firsthand what's going on, the invitation is open.

Thanks. (applause)

ASSEMBLYMAN GREGG: Thank you.

Charles Wills, Point Borough First Aid Squad.

Good morning and welcome.

C H A R L E S W I L L S: Thank you. Thank you for coming. We appreciate your coming here.

They were talking about the medics. We had a situation last week where somebody had lost three-quarters of their finger. We called for the medics as the blood pressure was dropping. We never got a medic out of Brick. Lakewood was busy. We asked Jersey Shore; they had none. They said, "Long Branch will meet you on the way." They never did meet us. And we've had problems with the medics before. They're tied up other places.

Talking about transportation from one hospital to another-- One of our member's father was in Brick Hospital and had to come to Point. They turned around and said, "No, you cannot transport him." We've always transported before. They wanted \$1400 to move him from Brick to Point. It finally ended up-- I think they charged him half price to bring him down, but we could not move him.

And what Carol said -- a lot of it is true. They moved a lot of stuff out of the hospital without us even knowing it. We go to Brick. They've been on divert. You have a list-- I have a list here of them being on divert. We used to go to Point. It took five or ten minutes. We were very lucky we were in Point Pleasant. Now, we go to Brick. It's over a half hour -- sometimes to an hour. If we go to Jersey Shore, it's a good two hours -- the time the round trip is. And like all squads, we're short of members. But it's got to be looked into.

One other thing. We had-- A woman had trouble breathing. We went to Brick Hospital. They looked at her. They said, "Put her in triage." That's a room like 25 by 25. You go in there-- All the people-- It's like a waiting room. They said, "Okay, put her in a wheelchair, and take the oxygen off." And there she sat. We had a baby we took in. The same thing happened

to the baby. When they're filled in the emergency room, they say, "Go to triage." That's where they put the people.

I'd just like to thank you for coming. (applause)

ASSEMBLYMAN GREGG: Charles, are you telling the Committee, and I want to be clear, and if you can't answer it, maybe someone else can, that you, as a first aid squad, were not notified of services that were ending at a specific hospital? In other words, you were going to a hospital with the expectation that a certain service could be given to one of your patients, and then, when you arrived at the hospital, you found that service had been moved or not there anymore.

MR. WILLS: The only way we found out was through rumors, that it was moved out.

ASSEMBLYMAN GREGG: Thank you, Charles.

Pat Jurew from Brick.

Welcome.

PAT JUREW: Yes, I'm here just as a citizen.

ASSEMBLYMAN GREGG: We like citizens.

MS. JUREW: I had a heart attack on Father's Day.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear you.

ASSEMBLYMAN GREGG: The microphone, ma'am. The one with two on it.

MS. JUREW: I had a heart attack on Father's Day, and I ended up at Brick in the ER about 12:00 Tuesday afternoon. I was there all that

night, all day Wednesday. They finally got me a bed about 12:30 into Thursday morning. Then I waited.

You know, they were taking care of me, and the nurses are wonderful, but they are so overworked -- 12-hour shifts.

And then I waited all day Thursday for my procedure. They couldn't do it Thursday. They finally did it Friday. And all the time I was lying in the bed, I was thinking of what a disgrace it was -- what people have to go through. Lying in that ER-- The one night there were drunks screaming, people were coming and going. I just kept thinking of all these letters that I was going to write to people.

And I just came today to tell people what is going on here. There are over six adult communities in this area, which is another thing. So I just wanted to say my piece today.

Thank you. (applause)

ASSEMBLYMAN GREGG: Thank you.

Christopher Colavito.

CHRISTOPHER J. COLAVITO: I'm reading a letter on behalf of Tim Ryan.

"Dear Assemblyman Gregg:

I very much thank you for the opportunity to have this letter read into the record on my behalf. Prior commitments make my attendance at the hearings today impossible, but I would like my concerns made part of the record.

The closing of Point Pleasant Hospital is a sad and potentially tragic occurrence for the taxpayers that used the facility and counted on its

presence for emergency care and other medical needs. While the closure of the facility is now a reality, more questions have been raised than answered in the twilight of this fiasco. It is these questions that I pose today, and I ask that you, through your Committee on Oversight, direct that my queries be responded to, in writing, by the appropriate entity involved.

These are my concerns. What is the process by which New Jerseyans are protected as health-care consumers from an action, such as the closing of Point Pleasant Hospital, which may have potentially damaging consequences to themselves and their families? Is there New Jersey State law that speaks to this issue? If so, what does that law say? Going forward, what will be done to improve the communication channels? For instance, were all affected residents given timely notice of what was planned? If so, how were they notified? And were all elected officials involved early by Meridian as the evaluation process leading to the closure unwound? Is it true that the information provided to the commission concerning the justification of the hospital closing was supplied directly and exclusively by Meridian? If this is true, what actions were taken to ensure the efficacy and balance of that information, and who conducted the investigation in that regard? What exactly does the Chairman expect to accomplish with the hearings today, and how do those expectations propose to deal with the community crisis the citizens of Point Pleasant and the surrounding communities now face?

I thank you once again for the opportunity to make my concerns known, and I ask that these pertinent questions be answered.

Respectfully submitted,

Timothy E. Ryan.” (applause)

ASSEMBLYMAN GREGG: Thank you.

William Fearon.

WILLIAM C. FEARON: Thank you very much.

I'm former mayor of the Borough of Point Pleasant, and I was involved in, I guess, the beginning of the end of Point Pleasant Hospital. I went to meetings in 1966 with Point Pleasant Hospital officials -- Medical Center of Ocean County officials -- Gibbons, Jarvis, and their attorney, Ciesla -- no relation to the good Senator. And they had asked if we would consider changing the emergency room to an urgent care room. And I didn't know what that meant. I asked him, "Well, what's the process?" And I was told, "It's a walk in the park. You have no choice." Well, I didn't really believe them, and they didn't know I resided in Point Pleasant.

So four years later, they finally ended their walk in the park, apparently. I always believed in them until a young lady told me I was wrong. "You can fight it." And we started to.

Point Pleasant Hospital started their closure back in the '80s when they took maternity -- OB/GYN out and put it in Brick. In 1991, they took pediatrics out and put it in Brick. And you can go from 1992 through 1997 and every certificate of need decreasing a bed in Point Pleasant was followed by a certificate of need to increase a bed in Brick.

So if I was in business, and I sold two products, steak and pork chops, and I wanted steak to be my biggest seller, I would run great sales on steaks. And then, two years later, I can say, "Look, 90 percent of my business is steaks. Let's do away with pork chops." Well, that's what they did. Great business plan-- They advertised it. They told their doctors to tell their

patients to, "Go to Brick. Point is understaffed, don't go there." They told the first aid squads, "Don't go to Point, go to Brick."

And what were the people going to believe? They were going to believe their doctor, No. 1. And of course, their doctor-- They were buying their practices. And as Mr. McGuckin said, they had their offices-- They were paying rent to Meridian, so what were they going to do? They were going to say, "Yes, sir -- the good soldier that I am." And they did that. And that's how everything went from Point to Brick.

Now, it wasn't the population because the population in Point grew, as well as in Brick, as in Mantoloking. And everybody is talking about the summer population.

The last big convention -- we had senior citizen housing here. And we have brand new ones going up. Now, I'm not worried about the 55-year-olds who are coming in right now, but in 15 years, when they're 70 and 75, they need more hospital care -- more health care. Is Brick going to be able to supply it? We all know it's easy to get rid of a hospital, apparently, because they just did it, but to get a new bed is a little harder.

My argument is, we never ever had a chance to ask Meridian officials why did this happen. Can you justify, like Councilman Morris said, 1500 visits down to 400 visits? They can't justify it by saying population. The only way they can justify it is by saying, "We told people to go elsewhere."

And we asked for the opportunity to do that. We asked for it in independent study. We tried-- As a citizen action committee, we tried to get a firm to come and do that. They were going to do it, and they found out it

was against Meridian, and they backed out. Somehow, somehow, someone got to them, and they weren't going to do the independent study.

We asked our good Assemblymen to try to get independent studies done. That's what we need -- an independent study to say, "Yes, you should close this hospital," "No, you shouldn't," not a local advisory board.

I mean, I went to Little Egg Harbor with Joe Coronato and Greg McGuckin, and we were allowed five minutes. I had a minute and 30 seconds to give my argument why we should keep Point Pleasant Hospital open. The other attorney had a minute and a half, and one attorney was lucky, he got two minutes. They kept us-- They had an egg timer on the table to be that precise that-- We were only allowed to speak so much.

But when we went to Cherry Hill with two busloads of people, I guess they gave into a little pressure, and they gave us all five minutes. But five minutes, when the Department of Health helps the hospital prepare a report which is three inches thick and then gives them review questions, have them answer the review questions, and then gives an executive recap to the local review board-- Come on.

Greg McGuckin, in Little Egg, submitted a 44-page -- or a 50-page document, and they said, "Well, you got here too late. Leave it here; we'll review it at our leisure." Well, as Mr. McGuckin also said, they threw a couple of people off the board for lack of attendance so they could have a quorum, which we had overturned.

A month later, they still did not review Mr. McGuckin's report. Why? They did not want to read it. They were taking only information from

the hospital. Nothing in factual finding from us was taken into consideration at all.

We would love to have our day in court with them -- have our attorneys ask them questions under oath. They never have, and I don't think they ever will, and this whole process-- The local review board, apparently -- the Department of Health and Senior Services realized it was useless. They did away with it.

Yes, the State came down. We had a meeting in Point Pleasant Hospital. We got five minutes each to speak again. But again, we could not-- And to this day, we still cannot ask any questions of the Meridian people under oath. And that's where we want to go.

It's not going to save Point Pleasant Hospital, but it might save a hospital in another community. And we don't want to see it happen again.

Thank you for your time, and thank you for coming. (applause)

ASSEMBLYMAN GREGG: Thank you.

James Olsson.

JAMES OLSSON: Good morning.

ASSEMBLYMAN GREGG: Good morning.

MR. OLSSON: Thank you all for giving me an opportunity to speak my piece, as well.

I would like to corroborate what several other people have said here today.

The Friday of Memorial Day weekend, I was on the Point Pleasant boardwalk, and I had dizzy spells. My wife took me to my physician, who recommended I go to the Brick Hospital emergency room.

I'm disabled. I don't see very well. I need to walk with a cane. When we got to the Brick Hospital, there were six -- count them -- parking spaces available for the emergency room, one of which was for a handicap vehicle. None of them were available. My wife had to drop me off at the curb and go to a distant parking lot, park the car, and come back.

The services in the hospital-- Understaffed would be putting it very, very, very mildly. I was there for four and a half hours. And I received a diagnosis of viral syndrome when I left. They couldn't find anything else.

We sat, as the one woman mentioned, in triage for an hour and a half. During this particular time, one woman, whose mother-in-law was ill, asked directions to the emergency room of the triage nurse, was given an unintelligible explanation, came back 15 minutes later lost, given another, or the same, by the same person, came back again 15 minutes later and was still lost. One of the women from the business office finally walked this poor woman around to where her mother-in-law was.

After two and a half hours, the patient-care representative told me there was no room in the emergency room. And as soon as they could free up a gurney, I would be brought in. And yes, I was in 10-A, one of the gurneys in the hallway of the emergency room.

They did an EKG on me -- just took my clothes -- top off right in the middle of the hallway. They had an elderly man on a gurney whom they stripped his pajamas off right in the middle of the hallway.

The place was in shambles. There was junk piled on top of the desks. You could not see across the nurses' station.

One -- I believe he was an orderly -- one cannot be sure because none of them were wearing badges -- was baby-sitting a toddler in the nurses' station.

People were there. Seven people were on gurneys in the emergency room waiting for rooms, as the other lady said, because there was no availability of beds on the floors.

Four-and-a-half hours, maybe 15 minutes of service, one emergency room doctor to handle an overpacked, overcrowded, overdriven room -- it was a disgrace.

Security was nonexistent. The door to the ambulance bay was open. People wandered in and out of that door to the emergency room. One woman walked in and asked for where the biology department was. After they all had a good laugh about it, they understood she was looking for radiology. And someone then, a nice young girl that had been working hard all day, walked this woman to where the radiology department was. None of the others made any attempt to assist this woman.

To me, it is unthinkable that during the summer, we're going to subject ourselves to this, plus traffic light city on Route 88, for somebody's bottom line.

How many people have to die before we realize that too many people have died?

Thank you. (applause)

ASSEMBLYMAN GREGG: Thank you, sir.

Jane and Pete Bockios.

UNIDENTIFIED SPEAKER FROM AUDIENCE: They left.

ASSEMBLYMAN GREGG: Bernie Smith.

BERNIE SMITH: Good morning, and welcome to Point Pleasant, the town without a hospital.

Don't get sick here because you can't get to Brick at this time of the day.

I'm a former member of the governing body of Point Pleasant. I sat on council for six years -- sitting in the seats that you guys and ladies are sitting in now, many years ago. And I saw Point Pleasant Hospital expand. And they came to us and said, "We want to buy these pieces of property." They wanted to use the hospital facility for the hospital, and they needed office space. And they bought homes -- residences. And they expanded because it was our hospital.

There are many service organizations in this town who have contributed to Point Pleasant Hospital: my own, Point Pleasant Oaks. We would send Santa Claus and Mrs. Claus and give presents to all the residents -- all the patients in the hospital. We did that because it was our hospital. It belonged to the people of Point Pleasant and the surrounding community.

When you think of the thousands of people who have given of their time as volunteers at that hospital -- my Elks organization gives hospital beds and wheelchairs to patients -- hundreds of thousands of hours by people volunteering their time -- as Dave mentioned, people putting millions of dollars in their wills to the Point Pleasant Hospital-- Point Pleasant Hospital belonged to the residents of this town. It's a multimillion dollar operation. And it was ours because we built it. We built it from nothing -- 80 years of building that hospital.

All of a sudden, it's gone because Meridian owns it and is changing it from a hospital to a profit-making organization. And this town will realize a profit from the tax base. That's not my point.

The name of the game is a multimillion dollar effort -- was put on by the people of this town -- thousands and thousands of people. Meridian now says it's not a hospital, it's theirs. How the hell did they get it? How did they buy it? What did it cost? Who sold it? And where is the money? If it was our hospital, and we owned it, how did they get it? Who took the money? And where did the money go? It would be nice if we could get it back.

Logically, it should have been a situation where that thing went out to bid, in the logical sense, and some other hospital would have come along and said, "This can make money. This can function as it should." It always has.

It was raised earlier that the people of the community would rally around that hospital. If there was an expense problem, we would take care of it because it was our hospital. Now, it's not. It's gone. People have died. We haven't documented it, yet. But to get from Point Pleasant to Brick, in the summer, on Route 70-- Many, many people are going to die. It's not our fault. It's Meridian's fault, and it's the fault of the State of New Jersey -- and I'll take it from the Governor on down -- that as the people in this community die because (applause) they're going on our goddamned road, it's on your backs, not ours. It's Meridian and the State. And it's not a question of, "Well, it's over and done. I appreciate that you're the overseer process, and you're hoping it won't happen somewhere else." I'm saying, nothing is ever over. People are going to die in our town, and it's the State's fault. (applause)

ASSEMBLYMAN GREGG: Thank you.

Deborah Williams and Joe Coronato, you can come up together.

DEBORAH WILLIAMS: My name is Deborah Williams, and I'm the Chairwoman to prevent the closure of Point Pleasant Hospital.

Our Citizen Action Committee was founded in, I guess, late 1986, and we've been walking, talking, and breathing this issue for four years.

I want to thank you for coming, but even more important than thanking you for coming -- I want to give the -- my undying debt of gratitude to Ciesla, Holzapfel, and Wolfe, for bringing you here. When we went to see them, we were about as dead in the water as you could be, and they have kept our cause alive.

I came to talk about things that I feel are very essential for you to know, but as a result of the testimony that you've heard so far, there are just two key elements that I'd like you to understand. There's always been two issues. There's the issue of emergency services, and there's the issue of closing the hospital.

When I first got involved in this, and I spoke with people at the Department of Health, they said to me, "Deborah, if we close hospitals in the State of New Jersey, it would be a good thing." But emergency services are a different situation.

As legislators, if you're going to examine how we're going to access health care given managed care and the cost of services, I respect the fact that you have to do that, but I also would like to suggest that you have to look at the delivery of emergency services using a completely different criteria.

When you look at the fact that we have said, over and over again, that our tourist population swells in the summer-- And anyone can imagine, with a system of bridges, that you're in the back of an ambulance trying to get to Bricktown-- It's like trying to do four miles in Manhattan.

However, there is also another situation here, and that is that we have the largest population of senior citizens of anywhere in the state. During the four years we have been fighting this, there has been an additional 885 units of new construction, which have been added to the population within four miles. And I have learned, when I went out to bid to try and get consultants to do an independent study, that our concerns are far more serious.

In January, February, and March, when our senior citizen population deals with the cold, they get the flu, they get upper respiratory infections, they have heart attacks, and they die. So yes, we have to deal with the tourists, but even more, we have to deal with our year-round population of senior citizens.

Now, I appreciate the fact that you're here. And a lot of people would say that as Chairwoman of this Committee that we have failed. And I'd like to say that we have just begun to fight. And the fact that you're here is proof positive of that.

I have been told over and over by an attorney, who is constantly frustrated by me, that we have to exhaust the process, Deborah, before we can do anything. Well, the process has been exhausted, and the process is a joke. It's a joke. We're not talking about an appearance of improprieties. We're talking about outright arrogance, and an appearance of corruption, and a

Department of Health that is supposed to serve as a watchdog for the public, which is a disgrace.

If I had an opportunity to file a lawsuit against them and bring them forward and make them answer for their actions for the past four years, I would hope that that is the least that we could accomplish. Don't bring Meridian to testimony. I've heard their testimony. It's nothing but lies, and I've got proof of their lies. Bring the Department of Health forward. Make the Department of Health answer for their actions. That's the-- You are the Committee that has oversight over them. That's where you can make the difference. And therein lies our problem.

I'm going to get back to my script because I'm losing my temper.

I started this when Bill Fearon was mayor, and I'm the young lady that called to his attention the fact that he was being lied to because an article appeared in the newspaper that said that our mayor had entered into negotiations with Meridian and that they were offering us a 16-hour urgent care center. When I called Bill and I said, "What are you doing? Why is an elected official negotiating emergency services on behalf of the public?" He said, "Debbie, it's take it or leave it."

I called the Department of Health. I was told that that's not true. I can produce a letter here dated January 7, 1997 -- directed to me, which clearly states that I could rely on the law. I came before mayor and council with this letter, and I said, "You don't have to listen to this. You don't have to take your 16-hour urgent care center. We're going to have an opportunity to go through a process." I started weekly Citizen Action Committee meetings because we then found out that they had started to dismantle our hospital.

Now, the testimony that you've heard here, which has been the most compelling, is the testimony that's been provided by our emergency workers and by the people who have gone to Bricktown. And it is a nightmare in Bricktown. Again, this is emergency services.

I brought for you, and I only have three copies--

These are the minutes to Citizen Action Committee meetings which were held in January and February of 1997. And there is one story right after another of everything that you've heard here. And I've read in the newspaper and I've heard people say that we need to be heard. And I say to you, we have been heard. We've been in the papers. We've been before the local advisory board. We've done all of this. We've been heard, but we've been ignored. It has been-- The arrogance of it has been absolutely unbelievable.

Getting back to my script.

Just by way of the process, I'd like to just call out to you some of the -- some of the contradictions. I believe it was 1998 when they got the CN to close the hospital. This is a memo. This was sent to the Department of Health, so they can't claim that they've never seen it. This is dated February 19, 1999. It was sent by Charles Jarvis to his employees. And it says, "I know I don't have to tell you that January was a very busy month at the Medical Center of Ocean County. We experienced a patient volume unlike what we have seen in the last several years. Total emergency room visits between Brick and Point Pleasant were the highest ever. Total admissions were higher than the last two previous years. And at one point, we approached 300 inpatients, not to mention the numerous patients in our emergent department, same-day

surgery and outpatient testing. The dedication and commitment to our patients and community that you demonstrated have not gone unnoticed. So please accept the two complimentary movie tickets as a token of our appreciation.”

How can he generate a letter with those kinds of -- with that kind of information after telling the Department of Health that this facility over here is unnecessary and underutilized? A little bit of a conflict, I'd say.

Here I have -- February 24, 1997. This is a letter that says I'm contacting Joe Coronato, telling him that I need help with a matter of great concern to the emergency workers. They're being told that if they transport a patient to Point Hospital, and the patient dies, they could be held personally liable. It was said that Point ER lacks equipment, staffing, and services -- February, 1997 -- and that everyone should be taken to Brick to assure adequate care.

I gave them a copy of Mr. Frank Ciesla's letter, dated February 7 -- this is from Meridian's attorney -- which outlines protocol and reassures that they are -- go to Point -- as far as -- that everything that they need is there. That's another little conflict that they have.

I also want to mention the presentation that was given by Jim Holzapfel and David Wolfe to Charlotte -- to the Assembly Committee, and the letter that was written by Charlotte Vandervalk to the Assistant Commissioner. Our elected officials so clearly represented the concerns of this community and presented our concerns and had that letter sent. And to this day, I haven't seen an answer to three of the items on it. It was ignored.

One other item, and then I'm going to let the attorney say his piece.

There is-- I found this to be extremely humorous. This was submitted by Meridian as part of the completeness questions for the local advisory board there. And here it says, input has included overwhelming support, support with reservations, as well as some objections. This was after they received 10,000 signatures on a petition. This is after they had received a poster contest at Nellie Bennett for the fifth-graders that was posted all over town that we were afraid the hospital was going to close.

And in response to this, Greg McGuckin, the attorney, created a summary of comments for this board. And he was speaking about the fact that there were some 35 letters that were submitted as support to the application. And he says that notably absent from the inclusion in the form letters provided by Meridian in support of its application is a single resolution or letter of support from any single elected official of any adjoining or host community for these two facilities.

No first aid squads or fire companies have supported this application. No planning boards, zoning boards, health departments, or other public officials have indicated their support. In fact, the Borough of Point Pleasant is absolutely convinced that if presented the opportunity, with respect to the individuals who have provided letters, it will be able to show a direct link between that individual and Meridian Health Systems.

In closing, I'll just say that what the Citizens' Action Committee has cried for from the day it was started was an independent study. It seemed obvious to us that the Department of Health should not rely on information

provided by the applicant. They are obviously in conflict. If you look at this area and you see a corporation, which is -- where their agenda is clearly geared to assisted living--

We receive notices in our home that they're getting ready to open their fourth assisted living facility in Bridgewater in November. We've got a jewel sitting out on the river. Anybody could imagine that the public -- there's a market for somebody to buy into assisted livings in that facility in that location. And rest assured, gentlemen, that is the agenda. That created the underutilization.

Now, when you look at the bridges, you look at the seniors, you look at the tourists, you look at a corporation that clearly has an agenda that does not benefit the public -- then I say, who is the watchdog for the public? Who is going to do the independent study to try and verify that these people aren't off just satisfying their own needs? Who? Who? It's going to, I think, eventually come down to us doing it for ourselves with your help.

And I thank you very much for hearing me out. (applause)

JOSEPH D. CORONATO, ESQ.: Again I'd like to thank the Committee for giving me the opportunity to speak before it.

And I'm going to start with the solution. And I think the solution is the independent study. How the independent study should be funded should be that if a system wants to close down a hospital, it should be able to contribute either \$40,000, \$50,000, or \$75,000 to a fund, in which the Department of Health, if it did its job, could give it out to an independent firm that would decide whether or not that hospital is justified in closing.

What you really have now is a system where what you have is accountants making the determination that, financially, it's not in the best interest for the system to have that hospital.

If you go to the Department of Health and ask for any health professionals -- any kind of study that they did -- whether Point Pleasant should be closed or not, you're not going to find it. It's just done by accountants saying that it's financially not within the wherewithal. And again, it's dollar driven.

But if they're losing so much money, the hospital system would have no problem contributing to a fund and picking an independent study that the Commissioner of Health could apply. And therefore, at least you can get an independent party that would come in to say whether or not this hospital should be closed.

Now, the next question is, how did this happen so it doesn't happen in other communities. Well, it happens because there is a merger. What happens is, they have this scare that takes place. They say, wait a minute, a hospital can't stand alone, so let's just join together with another system.

And as the mayor said before, where did all the money go? What happens is, is that the hospital-- Meridian didn't buy Point Pleasant Hospital, it just merged with this other hospital that has. Now, all of a sudden it becomes part of their assets -- becomes part of their property. They never paid a dime for it. And then, once what happens-- Once they get it, what do they do? They then take all the people of this community--

If you ask Meridian -- just ask them -- how many on their hospital board came from Mantoloking, Seaside Park, Seaside Heights, Lavalette, Bay Head, Point Pleasant Beach, Point Pleasant Borough-- Ask if there was one citizen that was on that hospital board -- board of trustees. And the answer is no. They eliminated them all. They put people from all over, but nobody from any of those communities got on the hospital board. So when the board decided to close the hospital, there was nobody from the community to object. So what the system does is they merge together, then they decide which hospital they're going to cut off. And they eliminate those people from the board.

Mergers have to be looked at. This Committee needs to see what systems do when they merge together. The good side of mergers is the fact that they come in and say, "Wait a minute. If we merge together, it's better services -- to consolidate our services." It could be more profitable. You're now seeing the ugly side of mergers. And this is what happens. So this board needs to (a) see what the solution is, (b) needs to see how it happens, and next, we need to see where did the money go.

For 75 years, people have donated millions. There are people up and down the Barrier -- tens of millions of dollars have went in. Meridian now owns the facility. These people-- It's a bait and switch. They have nothing for their money. They're left holding the bag. The court system doesn't want to hear it. The Department of Health doesn't want to hear it. Who's going to listen to the fact that these people, for 75 years, have done everything from cookie bakes to donations to money that's been left in the wills to service organizations who have left millions of dollars? And now Meridian, who now

owns that property without paying a dime for it, is going to put a profit-making venture in there. Shouldn't there be a giveback? Shouldn't the State come in and say, "Wait a minute, Meridian, you've got something. Give something back to the community?" Shouldn't there be some sort of trickle back? That's only going to come from you, gentlemen, from nowhere else.

And now let's look at the Department of Health. How has the Department of Health serviced us? Well, just from what the people said, they allowed the closure of the hospital on May 8. I mean, come on. Give me a break. I mean, that's the summer season. If you were going to do it, wouldn't you do it in the fall, after the height of the season? The Department of Health never cares about the people. That's a prime example of it. They closed a hospital when you need the hospital the most. If there was any justification for closing the hospital -- any -- wouldn't you wait until the fall, or wouldn't you wait until the early winter? Why would you close it just when you needed the hospital? That's because the Department of Health has done nothing.

They have not listened to the people. It's a disgrace. They don't even-- What they do is they listen to you, they just don't respond. They never answer any questions, and they never delve into the heavy issues because they're afraid to do it. It's not their job. The people here have been shortchanged. And they've been shortchanged from the State as much as they have been shortchanged from Meridian.

And if you have anything to do-- What you must do is go back and look at what motivates the Department of Health, and who do they service, because certainly, from what happened in Point Pleasant, it wasn't the people.

Thank you. (applause)

ASSEMBLYMAN GREGG: Thank you.

Robert Leach.

Good afternoon.

ROBERT LEACH: Good afternoon.

Thank you, gentlemen, for coming here today.

It's great that we're able to finally get some attention down from the State to come down here and have you hear us out.

I was in attendance at the Senate Committee that Carol Dempsey had pointed out earlier today. And it was very disappointing. We sat there. It was a big hearing that day, and they moved us -- they canceled us out. And since then, we haven't been heard.

A couple matters that I wanted to talk about is the routing of the traffic that's occurred as a result of the closing of Brick Hospital -- Point Pleasant Hospital; Meridian's approach to the whole thing, which you've heard a lot about today; and also, the basis of why we should keep a hospital on that site.

First off, with the routing-- What's happened since the closing of Point Pleasant Hospital is that a lot of the traffic, especially now in the summer, is actually being pushed over the Manasquan Bridge. The ambulances are forced to go over the Manasquan Bridge to get to Brick because there is no way down 88 you can get that traffic through.

This, in essence, is saying, "We're going over Manasquan Bridge, we're going into Monmouth County, crossing over the 70 bridge, and shooting all the way down there to get into Brick Hospital, which is an incredible length.

I'm from Point Pleasant Beach, by the way.

And in addition, with Meridian's approach that they've taken in this whole thing--

When Point Pleasant Hospital was closed down -- before it was closed down, they closed down the beds, they lowered down personnel.

And in December of 1998, my grandfather was overcome by a stroke. He was brought to Point Pleasant Hospital -- brought to the emergency room there. He was in the emergency room from 8:00 in the evening until 2:00 in the morning. They couldn't get a bed for him. They were tremendously overwhelmed by sucking all their resources out like they did. And it turned out, by noon the next day, when he was supposed to get the frozen blood that they use to treat the stroke patients in many cases -- it was noontime, and it was too late. He had passed away.

Now, with Brick Hospital -- Point Hospital being shut down, it's even worse, and Brick Hospital is not able to fulfill the needs of our residents. We should have been able to put that hospital up for bid -- put a nice piece of -- you know, another care facility come in and take over that piece of property that, I believe, can be a tremendous profit for the community, for the hospital itself, and for anybody that comes down -- the hundreds of thousands of visitors that come down from all over the state and from other states, as well, to this lovely area.

And I thank you, again, for coming. (applause)

ASSEMBLYMAN GREGG: Thank you.

At this time, I've completed the list of all people testifying, other than the Department of Health. No one else has signed up.

So with that, Mr. McGarry and any of your staff you'd like to bring up with you.

Good afternoon. Thank you for being patient.

JAMES MCGARRY: Good afternoon, Mr. Chairman and members of the Committee.

My name is Jim McGarry. I'm the Director for Governmental Relations for the Department of Health and Senior Services.

With me is John Sunkiskis, an Administrative Analyst for the Department.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear you.

ASSEMBLYMAN GREGG: I think it's the middle microphone.

MR. MCGARRY: Would that (indicating) be the one?

ASSEMBLYMAN GREGG: You have to be a little closer.

MR. MCGARRY: Sorry about that, Chairman.

Mr. Chairman, we appreciate the opportunity to appear before you today and to learn of constituent concerns regarding the closure of Point Pleasant Hospital. I hope that we may be able to-- (alarm begins to go off)

I hope I should I stop talking for a moment and allow the whistle to go.

ASSEMBLYMAN GREGG: We'll hope that's not going to a hospital.

Go ahead.

MR. MCGARRY: Thank you, Mr. Chairman.

Mr. Chairman, with respect to the constituent concerns that we've heard raised today, we would like to have an opportunity to work with Mr. Sallach to coordinate an investigation of those concerns regarding Brick Hospital, and again, we appreciate the chance to address ourselves to that.

Mr. Chairman, responsibility for the decision, whether to merge hospitals or close a facility, rests solely with the board of trustees of the hospital. As you know, the board of trustees for institutions like Point Pleasant typically are comprised of local elected officials, representatives from the religious communities, business communities, organized labor groups. And again, the decision whether to merge facilities or to close a facility is vested with the board of trustees.

Mr. Chairman, when such a decision is made, it's a responsibility of the Commissioner of the Department of Health and Senior Services, and the staff, to ensure that the plan to close the facility is in accordance with State law, our law, and with State regulation.

Mr. Chairman, the Commissioner is not under our law. The Commissioner is not free to substitute his or her judgement for an applicant's decision to file a certificate of need application to close a hospital. Rather, the Commissioner must determine whether the application meets the applicable statutory and regulatory requirements, and if it does, to approve it.

With respect, Mr. Chairman, to the closure of Point Pleasant Hospital, that closure requires a certificate of need, which we've heard referenced here today. And it has to follow a full review process. This process involves a completeness determination; a public hearing, which was conducted here in Point Pleasant; a review and recommendation by the State Health

Planning Board; and a determination by the Commissioner of the Department of Health and Senior Services, as to whether the application for the certificate of need to close the facility meets applicable statutory and regulatory requirements. That's the framework of law and regulation that the Commissioner, and the staff at the Department, have to work with.

With your approval, Mr. Chairman, I'd like to take a moment and just walk us through the time line that was deployed with respect to the decision whether to close Point Pleasant Hospital. I ask for that indulgence because we've heard concerns raised today with respect to when this decision was made or when that communication was received.

Mr. Chairman, in January of 1998, and I believe the members of the Committee have this information before them--

ASSEMBLYMAN GREGG: Yes, we do.

MR. McGARRY: In January of 1998, the Meridian Hospital Corporation submitted two certificate of need applications. One was to expand the plant and services of the Medical Center of Ocean County, the Brick Division, and the other was to transfer all inpatient acute care facilities from the Medical Center of Ocean County, Point Pleasant Division, to Brick Hospital, effectively closing the Point Pleasant Division.

On April 7 and May 26 of 1998, the local advisory board held two open meetings to consider the applications. It's notable that the local advisory boards were eliminated from the certificate of need process by the certificate of need reform law, voted by the Legislature, which was enacted by the Governor on June 30, 1998.

On June 29, 1998, three months before the Commissioner reached a decision regarding the closure of the facility -- three months-- On June 29, 1998, the State Health Planning Board held a public hearing on the matter in Point Pleasant on that application to close the facility.

On June 30, 1998, passage of the certificate of need reform law exempted expansions of hospital services, such as those proposed by the Brick application, from the CN process itself. However, Meridian Health Corporation's application to close Point Pleasant remained. It was grandfathered under the CN process.

On July 8, 1998, the State Health Planning Board reviewed the Point Pleasant application and recommended its approval. That is to say, the State Health Planning Board determined to approve that application for closure.

On October 9, 1998, again, three months after the public hearing in Point Pleasant -- not one day, not one week, three months-- On October 9, 1998, the Commissioner of the Department of Health and Senior Services, then Commissioner Len Fishman, approved the Meridian Hospital Corporation Point Pleasant certificate of need application to close with six conditions.

No. 1, there had to be provision for 24-hour coverage at an urgent care facility located on the Point Pleasant site. There had to be licensure of these urgent care services as ambulatory care services, pending adoption of new rules.

Again, this is the structure, this is the framework of law and regulation that we have to work with.

The so-called satellite limited emergency department rules were proposed in May of this year -- May of 2000. And Point Pleasant's facility, right now, complies with the proposed rules. Currently, the Point Pleasant facility is open 24 hours a day, 7 days a week.

The Meridian Hospital Corporation is required to work with local Point Pleasant officials to reach a mutually acceptable arrangement for providing appropriate boardwalk first aid services.

Now, Mr. Chairman, many of you-- I'm a volunteer local elected official. And I understand how difficult it can be for local elected officials to work with corporations like Meridian or any other corporation. In my town, the cause right now is a shopping mall that's going up in a neighboring community. Now, those negotiations are difficult. The Commissioner's rule was that all the parties had to work together in good faith to address those needs. And those efforts are ongoing right now. And we have great respect for the work that local officials, and the representatives from those corporations, are investing in this process.

To continue, the development by Meridian Health Corporation of an emergency services transport plan for its entire service area-- Additionally, provision by Meridian of emergency transportation to a full-service department from the Point Pleasant site.

Now, we've heard the concerns with respect to not just mileage -- we understand it's only four miles and change -- but the need to address the issue of timeliness. We're very concerned about it, and we understand those. And we understand that a way to meet those needs will be forthcoming.

Submission by Meridian to the Department of written quarterly progress reports on conditions one through five -- this is the final condition -- as well as transitioning of acute care services--

To move on-- Staff review of the application and comments in the various public meetings identified access to emergency and transportation issues as the community's primary concerns.

I remember joining our Commissioner at a meeting at the local district office. And that was a principal concern that we heard. And we're doing our best to address those issues.

We believe that Meridian has complied with all the conditions, except that it has been unable, to date, to reach a mutually acceptable agreement with Point Pleasant officials on boardwalk first aid.

We believe that Meridian has shown good faith efforts to discuss these issues with local officials.

On April 28, 2000, Meridian was given approval to transfer all remaining inpatients to Brick and return the Point Pleasant license to the Department.

The Department has advised Meridian that the Point Pleasant limited service emergency department has passed initial licensure, inspection, and could begin treating patients immediately.

The Department has considered Meridian Point Pleasant closed as an acute care hospital effective April 29, 2000.

With that, Mr. Chairman, I'd be happy to attempt, in any event, to answer any questions that the members of the Committee may have.

Again, we appreciate this opportunity.

ASSEMBLYMAN GREGG: Thank you very much, Jim.

I'm going to take the prerogative, as Chair, to start with some questions. And I would imagine each of the members will have questions. You are the show.

There's been compelling testimony today. I think all the members will agree that dealing with health-care delivery systems in the 21st century is going to be difficult for the State of New Jersey, as well as it is for the rest of the country. As Assemblyman Carroll said, it's where the facilities are. And we can't necessarily move them. And as the demographics change, we get caught in a lot of challenges, but I think those challenges can also be answered with technology and with prudent thought.

I'd like to start the questioning today. A number of questions today came to talk about the issue of show me the money. Where is it? Where did it go? And perhaps you can shed some light on the concept for the Committee, as well as maybe some of the people that are still here.

How did Meridian get where it is, as it deals with this hospital system? And what can you tell us about the financial situation on how they got there because I'm going to assume that they were separate at one point?

MR. MCGARRY: Correct.

Mr. Chairman, as you know-- I believe I'm correct in that the Meridian Health System is an independent, not-for-profit entity. I don't believe New Jersey, yet, has a for-profit hospital, now--

ASSEMBLYMAN GREGG: We do not.

MR. MCGARRY: --in the state. Not yet.

ASSEMBLYMAN GREGG: And we have no public hospitals either.

MR. McGARRY: Correct.

I would-- With respect to transfer of assets and things like that-- Certainly, Point Pleasant was also an independent, not-for-profit entity. With respect to transfer of assets and things like that, I'm afraid I can't give you, myself, very much information. Perhaps Mr. Sunkiskis could.

JOHN A. SUNKISKIS: It was alluded to previously that there was a certificate of need involved in the transfer of ownership of Point Pleasant to Meridian. If indeed it was a certificate of need, that would have meant, by definition, that there was a transfer of assets.

There is a provision in the law right now that does allow mergers between nonprofit entities, such as Meridian and the previous Point Pleasant Hospital. When there is no exchange of assets, that does not require certificate of need action, just notification. So it could have happened by either of those two routes. I believe this might have been a certificate of need.

ASSEMBLYMAN GREGG: So in essence, you're saying that this hospital gave up all of its assets to Meridian?

MR. SUNKISKIS: It may have. I'd have to check the record.

ASSEMBLYMAN GREGG: Now, who can answer that? Is it the Department of Health that can answer that?

MR. SUNKISKIS: Well, it's the Department of Health, yes.

MR. McGARRY: We'll be happy to get back to you on that, Mr. Chairman.

ASSEMBLYMAN GREGG: We would like an answer to that because it is an asset. And I know a number of individuals kind of believe it is owned by the town, but we all know it isn't owned by the town -- that these are really private entities. All of our hospitals are private entities with assets that ultimately do get public support in order to maintain, but I think that is a valid question that needs to be answered to this Committee.

MR. McGARRY: We'll be happy to do that, Mr. Chairman.

I'd just like to point out that we were-- The Department was caught a little off balance with the announcement on this meeting. We didn't learn of the -- that this meeting was going to be convened until late last week. So we'll be more than happy to get that information for you.

ASSEMBLYMAN GREGG: As per the time line that you went over for us, and thank you for that-- Just a commonsense question. I'm a hospital company, Meridian or Fred or whatever it may be, and I happen to have three operating hospitals in my organization servicing a number of communities.

Without getting specific on the regulations, if I was operating at 95 percent occupancy at all three of my hospitals, would the Commissioner of Health authorize a certificate of need to close one of those hospitals? Would there be any rule or regulation that would compel them to do that at the will of the hospital company?

MR. McGARRY: Mr. Chairman, there are a number of factors that go into the Commissioner's decision whether to go forward with such an application.

You raised the-- I would think that an institution that was running at 95 percent occupancy in all units would probably be described as a pretty healthy operation from a fiscal standpoint. It may be noteworthy--

The last figures that I have, which were for 1997 for Point Pleasant, show that it had a 37.8 percent occupancy--

UNIDENTIFIED SPEAKERS FROM AUDIENCE: (indiscernible)

ASSEMBLYMAN GREGG: Excuse me, ladies and gentlemen. With all due respect to the individuals up here, they're representing the information that they have. And they were kind enough to listen to you. And we'd like to get their information.

Thank you.

MR. McGARRY: Thank you, Chairman.

Regarding the concerns, and I understand that-- Those figures were in 1997 -- 37.8 percent occupancy in the med-surg floors, 39.8 percent occupancy in the intensive care unit. So, certainly, if a hospital was running at 95 percent, then perhaps it would be a different story. But the figures I just gave you for 1997 are consistent with national trends -- actually a little more than consistent. They actually are worse than the national trend and suggest that some type of reassessment of the facility's needs were probably in order.

ASSEMBLYMAN GREGG: Do we know how many facilities Meridian operates and where they are? Is that a question you can answer?

MR. SUNKISKIS: There remain three divisions -- three hospital divisions in Meridian's system: Brick, Riverview, and Jersey Shore Medical Center.

ASSEMBLYMAN GREGG: That's their complete system.

MR. SUNKISKIS: That's their complete hospital system.

ASSEMBLYMAN GREGG: On the same type of question, do you think that when the Commissioner makes a decision like this, that it would be appropriate for the Commissioner to notify the local officials as to the reasoning and the logic and the economic problems that Meridian was having? Would that have made sense? I see nothing in the pile of paperwork that I see -- and I don't mean to call it a pile of paperwork, all these folks were working pretty hard at it -- that gives any information to this Committee technically why the decision was made, other than the 37 percent occupancy, which may be--

MR. McGARRY: Well, that's a factor, Chairman, certainly. I don't think that that's the sum and total of a complex decision to go forward with the application by Meridian.

ASSEMBLYMAN GREGG: Do they give information to the Department of Health? Did the Commissioner and/or his staff get paperwork from Meridian to say, "This is why I want the certificate of need. I'm at huge economic losses. My occupancy is horrible. We've done demographic studies, and we see no need for this hospital. We can show you specifically that there is no tourism in this town, and there is no extra people who come in. There are no new senior citizens moving in. The population is stagnant. And that's why we want to close that hospital." Does that document exist someplace?

MR. SUNKISKIS: Well, on those last two points, they weren't covered, but they did submit a certificate of need application, as required. And again, it was subject to a completeness review by Department staff. And

follow-up questions were asked, seeking clarification and more complete answers.

ASSEMBLYMAN GREGG: But they did do that.

MR. SUNKISKIS: They did do that. And all that documentation is shared with the State Health Planning Board.

ASSEMBLYMAN GREGG: Is that documentation that your Assemblymen could get on request?

MR. SUNKISKIS: Yes, sir. It's all public information.

MR. McGARRY: Mr. Chairman, if I may, you raised an issue just a moment ago with respect to communications between the Department and members of the Legislature. I don't think that an agency like the Department of Health and Senior Services can ever do as much as we would like. You can never do-- You can never consider that you've gone the limit. We do the best job that we can. If we've been remiss in communicating important information with any member of the Legislature, then I accept responsibility for that. And I promise you that we will be doing our best to do a better job in the future.

ASSEMBLYMAN GREGG: I thank you for that, and I certainly believe that I know that bureaucracy is complex. And I'm a capitalist, as you know, but I care deeply in this process. And I think that this Committee is here. And I think a number of people asked what can be done and where you go. And you are here.

This is the regulatory oversight of the State of New Jersey. At least that's the way this Chairman has determined this Committee to be. This Committee has been around for many years, but it has not taken the active

role that it has. We are the watchdog of the citizens, and that's the way it will be.

I will defer my questions to my colleagues.

It looks like, Michael, you're prepared, and--

ASSEMBLYMAN CARROLL: It just sounds to me like this, and to use my own personal note, this is Dover General -- St. Claire's all over again. We have two hospitals relatively close together where the powers that be in one have consolidated most of the services in the other and then have looked to shut down the first -- the aforementioned hospital. And we're going through the same stuff up in North Jersey that they're going through down here.

My question, I guess, is if this is an either/or situation, is there any checking, as to which one of the -- assuming -- just assuming that you have two hospitals that are four miles apart-- And between the two of them, for whatever reason, they can't provide-- They don't have the population base to necessitate or to fill up the acute care beds, which I assume is what the -- had been from the person or entity that's running this.

Is there any check as to why one particular facility was chosen as opposed to another?

MR. McGARRY: Through the Chair.

Assemblyman, again, as I mentioned earlier, the Commissioner is not free to solicit applications for a certificate to close this facility or that facility or anything like that. The Commissioner has to wait to receive applications for a certificate of need to close a facility or similar type plans.

If the--

ASSEMBLYMAN CARROLL: But if I may--

MR. McGARRY: I'll use the expression, parent company.

ASSEMBLYMAN CARROLL: But if I may, the Commissioner is not a potted plant and has the ability-- If the Commissioner looks out at a particular facility -- let's say a four- -- five- -- six-unit facility -- let's say it was St. Barnabas -- let's say it's Atlantic. It doesn't matter which one it is. And they come in, and they say, "We want to close X hospital." The Commissioner, I suppose, is faced with-- And there's going to be community opposition, no matter which hospital is picked.

MR. McGARRY: Correct, including mine.

ASSEMBLYMAN CARROLL: Well, I don't doubt that.

My point is that whether it's Dover General or whether it's St. Claire's, there would be people in Denville complaining if it were St. Claire's -- the people in Dover complaining if it's Dover. The people here in Point Pleasant are complaining because it's Point Pleasant. I assume there are people in Brick that would be complaining there if it were Brick. I don't know that, but I'm going to make that assumption.

Is there any oversight to see the rationale for why a particular site is chosen? Is that part of the statutory ambit that the Commissioner has to work with?

MR. McGARRY: Certainly, I think it's reasonable for the Commissioner to be concerned for issues like those. Again, I would remind you that, and as you well know, that's presumptuous on my part. But the framework of law that we work in vests responsibility for decisions like that with the trustees of that private institution. These are not public hospitals, as was pointed out.

ASSEMBLYMAN CARROLL: Which does bring us back to another point. DOH is usually not the only entity that gets involved when a charity is involved. Often, the Attorney General will pass upon whether or not an entity's deed of trust or whether the charitable gifts that have been made to it over the course of the years have, in fact, been substantially changed when the mission of an entity is changed. So, I guess -- would be the doctrine legally.

If you want to look at it and say, "You donated \$10 million to a hospital 10 years ago, under the assumption it would stay a hospital, now it's no longer a hospital--" What is the obligation of the entity to attend to making sure that the purpose of that gift is followed through upon?

MR. McGARRY: Community assets.

ASSEMBLYMAN CARROLL: Has the Attorney General passed upon that aspect of this application?

MR. McGARRY: I'm going to hand that off to John. I don't-- I believe so, but I don't recall it offhand, so--

MR. SUNKISKIS: Could you please repeat-- The Attorney General?

ASSEMBLYMAN CARROLL: Certainly. My understanding is that when a charity -- when a charitable entity wishes to dissolve or wishes to devote assets from one purpose to another purpose, that it is within the ambit of the Attorney General to pass upon whether or not that change is legitimate. Has the Attorney General passed upon that in this particular case?

MR. SUNKISKIS: I can't say for a fact when or if they reviewed it.

But I would like to follow up on your previous question, if I might.

The review process does require the applicant to address alternatives and provide justification for the proposal. And in this particular case, they were talking about expanding the Brick site, which is the newest hospital in the entire state. It's only 20 years old. And that was part of the rationale.

ASSEMBLYMAN CARROLL: Well, you have to define new, I guess, because parts of Morristown Memorial, for example, were built yesterday.

MR. SUNKISKIS: Well, Brick Hospital didn't come in to being until 1981 or 1982.

ASSEMBLYMAN CARROLL: How soon after the merger did they decide to close Point Pleasant?

MR. SUNKISKIS: That, I don't recall.

MR. MCGARRY: Mr. Chairman, Assemblyman Carroll--

ASSEMBLYMAN GREGG: Excuse me.

MR. MCGARRY: Assemblyman Carroll raised an important question here, and I'd be happy to get that information for you, posthaste.

ASSEMBLYMAN CARROLL: I wish you would. I'm just sort of curious about that because, again, at the end of the day, it seems to me that if you change the purpose for which an entity receives money, that there may be some obligation to ensure that the intent of the donor, whether it's deed of gift or a will or what have you, is, in fact, complied with.

MR. MCGARRY: Sure. I believe the Attorney General's Office was involved, but I'll be happy to confirm that.

ASSEMBLYMAN CARROLL: Thank you.

Mr. Chairman, I have no further questions at this moment.

ASSEMBLYMAN GREGG: Do we know the date of the merger?

That was a good question.

MR. McGARRY: Point Pleasant and Meridian, Chairman?

ASSEMBLYMAN GREGG: Yes.

MR. McGARRY: That I don't have.

ASSEMBLYMAN HOLZAPFEL: December 20, 1996, Fishman approved the consolidation. Two weeks later -- and I have it here-- Two weeks later, Meridian applied to close the emergency room on January 2, 1997.

Two weeks after Fishman approves the consolidation, they go back in, Meridian, and say, "We want to close the emergency room," which they then backed off for a year. And then on January 2, 1998, they applied to close the entire hospital. And I have that here in case anybody counts the application.

ASSEMBLYMAN GREGG: Assemblyman Holzapfel, since you have that information, do you-- On that document, do you have the name of the ownership of the hospital prior to the merger?

ASSEMBLYMAN HOLZAPFEL: Yeah. Jersey Shore-- This is New Jersey State Department of Health application -- certificate of need -- name of hospital, Jersey Shore Medical Center of Ocean County, Riverview Medical; street address -- Neptune; counties -- Monmouth, Ocean -- and Monmouth. Lloyd, Gribbons, Merlis (phonetic spelling) are the executive officers. And then at the bottom, it says, which is of interest to me--

Jersey Shore Medical, the Medical Center of Ocean County, Riverview Medical proposed to consolidate -- keep in mind now that the Medical Center of Ocean County is Brick and Point Pleasant at that time -- proposed to consolidate the former new integrated regional health-care system for the greater Monmouth/Ocean area. The purpose is, and I emphasize this, to maintain access, improve quality, control costs, and ensure choice.

The integration will result in the initial reduction/conversion of 150 licensed, acute care beds with no reduction access or range of services. The commitment to medically needy and low-income persons will remain in place. There will be significant future system savings, including an estimated \$25 -- \$26.2 million in operational savings and \$17 million in capital costs -- avoidance in the first two years.

This is what Commissioner Fishman signs off on in December of 1996. Two weeks later, in January, 1997, they, meaning Meridian, the new operator of the four hospitals, puts in an application to terminate the emergency room. That is withdrawn after the town objects. A year later, in January of 1998, they put in to close the entire hospital.

Now, who's kidding who? You put in an application and say there's going to be no reduction of services, and Fishman signs off on this in December of 1996. And two weeks later they're in there asking to close the same emergency room.

ASSEMBLYMAN GREGG: I find that pretty compelling, Assemblyman.

ASSEMBLYMAN CARROLL: Mr. Chair, could I ask one more question, if I may? It's on the line of that, again.

We're here today discussing whether or not a particular application to close the hospital is in order. Perhaps, I think, maybe Assemblyman Holzapfel's question is, should they ever have really permitted the merger. It seems to be, at the end of the day-- Again, I can't speak to the particular facts in this particular case-- But isn't there some incentive? For example, if you run Brick to buy out Point Pleasant to get rid of the competition, there may be a time when a hospital, because of its circumstances, will have to close. We're seeing that up North Jersey to Camden and to other places right now.

I'm just concerned, maybe, perhaps, about the regionalism of this stuff. Is there not an incentive, at the end of the day, to off one's competition by gobbling it up rather than outcompeting it?

MR. MCGARRY: Assemblyman, through the Chair, these-- The decision whether to merge -- whether to close a facility is exceedingly complex. I believe that. I've been involved on the hospital management side of things. I know what those kinds of decisions entail. Again, these are independent, not-for-profit organizations. The board of trustees plays a critical role in any kind of a decision like that.

Is the new competitive nature of health care-- Does that play a factor here? Perhaps it does. Is it the most important factor? Well, I would probably question that.

ASSEMBLYMAN CARROLL: Well, maybe, but shouldn't-- I'm asking this side of this.

The Chair had mentioned a minute ago that he's a capitalist. And one of the foremost points of capitalism is competition. May the strong survive.

Now, it's possible that Point Pleasant might have bit the dust anyway if it had been an independent entity because, at the end of the day, it might have gotten outcompeted. But isn't there an inherent possibility in a situation like this that you find yourself in a situation whereby it wasn't a fair fight, in effect, because their ability to compete was undercut?

MR. MCGARRY: Well, certainly, with occupancy rates of less than 40 percent, it places them in a difficult position.

ASSEMBLYMAN CARROLL: What were their occupancy rates the year before?

MR. MCGARRY: I don't have that, Assemblyman. I'd be happy to get it for you. Again, that was 1997, so that was before some of this evolved.

ASSEMBLYMAN GREGG: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Yes, I'd just like to follow up on that question. And that is that there have been a number of accusations, basically, that there was -- say, skewed data submitted to back up the application to close. And I would ask Jim or other people on the staff if they could provide the Committee an indication of what process or procedure does the Department utilize to verify data that is submitted to it by an entity that wishes to close or merge. I mean, how do you verify the accuracy of information that is submitted to your Department?

MR. SUNKISKIS: Well, in terms of--

ASSEMBLYMAN WOLFE: The reason I'm saying that-- You're saying 37 percent and 39 percent. We just-- We already had people from the first aid squads testifying to something that I know, and most people living out there know, that there's going to be an inordinate amount of demand for hospital space in the winter months because of the high senior citizen population. So if you're coming in in January, February, and March, you're going to get a very high occupancy rate. If you're coming in, maybe, other parts of the year--

So if you're saying for the entire year there is a 37 percent vacancy -- or occupancy rate, that seems very unrealistic.

MR. SUNKISKIS: The influenza epidemic in the winter was unusual, and it affected not just the hospitals here, but throughout the state. There were quite a few hospitals that had to go on divert because of that. The occupancy rates, as you noted, are an average over the entire year.

And to get back up on Assemblyman Carroll's question as to what they were the year before-- As Mr. McGarry noted, in 1997, it was 37.8 percent for med-surg and 39.8 percent for ICU/CCU. The previous year, it was 46.1 for med-surg and 53.3 for ICU/CCU. And back in 1995, it was just over 50 percent for med-surg and 64 percent for ICU/CCU. So it was a downward trend for quite a few years.

ASSEMBLYMAN WOLFE: Okay, but again, I think the Committee-- I'm not a member of the Committee. I thank them for allowing both the Assemblyman and myself to sit in. But what process does the Department utilize to verify the accuracy of the information?

And the second thing I just want to say has not been brought up yet. But I'm quite aware that other health-care entities have entered into negotiations with Meridian Health System to utilize the Point facility, and Meridian has rebuffed those efforts.

So I think they basically have their minds made up.

MR. SUNKISKIS: Well, in terms of verifying the information, the utilization data is something that we have in the Department of Health. Hospitals are required to submit quarterly utilization reports to the Department. And we use our own data to verify what it is they're saying in the application.

The financial data is reviewed by a financial person within the Department. So we do do our own independent documentation of the numbers.

ASSEMBLYMAN WOLFE: But I think a lot of these -- Mr. Coronato and Ms. Williams have both said. And I know that's been one of our concerns as legislators -- that there is -- and other people said it-- There's no way-- No one has ever seen or been able to question the data that's provided by Meridian. They just say it snowed December 25 last year. That's it. You just take what they say.

MR. SUNKISKIS: It's a public process from the beginning. That's the whole impetus behind certificate of need review. And at this time-- When this application was in, there was actually two other layers of local review because of the local advisory boards.

ASSEMBLYMAN WOLFE: Okay, thank you.

ASSEMBLYMAN GREGG: Thank you, Assemblyman.

Assemblyman Gusciora-- Assemblyman Guear first.

ASSEMBLYMAN GUEAR: I have a follow-up.

Testimony has been given today regarding the accuracy, the downright truthfulness of Meridian during this whole procedure. And we're talking about statutory, regulatory criteria, a certificate of need. And my question would be, wouldn't the folks at Meridian be treated somewhat like an affiant, where they would have to give sworn testimony to support what they're telling you? You're making decisions based on what they're telling you. Wouldn't they have to give some sort of sworn testimony somewhere down the line? If not, how do you verify their authenticity of their statements, the issues, their reasons for closure? What are their proofs?

MR. McGARRY: Assemblyman, through the Chair, as John Sunkiskis just mentioned, the Department does maintain its own databases. And that's pursuant to State regulation -- that the hospitals must provide us with verifiable information in which to assist us in making just such a determination.

ASSEMBLYMAN GUEAR: You don't get any sworn testimony as in a form of an affidavit as to anything other than what you maintain, also?

MR. McGARRY: We have application materials that are received from the applicant. Those become a matter of record. The applicant is attesting that this information is correct and accurate. If that information seems to accord with the independent information that the Department maintains, then I think it's reasonable to infer that the information provided by the applicant is reliable.

ASSEMBLYMAN GUEAR: Okay.

ASSEMBLYMAN GREGG: Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

Well, to follow up on that--

Now, when they submit a certificate of need, do they attest on the bottom of it -- does it have to be notarized, or-- Do they attest that it's fair and accurate?

MR. SUNKISKIS: The application doesn't have to be notarized, but there is a statement where they're attesting to the fact that the information is correct, and they sign it. And we consider that, basically, a legal document.

ASSEMBLYMAN GUSCIORA: I guess this is a follow-up to all the public statements that have been given today. I think there's been some pretty compelling testimony that, perhaps, Meridian's application was less than forthright. And I was wondering--

We have two concerns, I guess, today, that why we're here is-- What do we do to help to get medical -- good medical care for the community of Point Pleasant Beach and the surrounding area? And secondly, what can we do to prevent this in other areas of the state?

With regard to helping Point Pleasant-- Based on some of the testimony today, does the Department of Health have concern about whether we did the right thing in approving the certificate of need?

MR. McGARRY: Through the Chair--

Assemblyman, I think with the advantage of that 20/20 hindsight, we can all go back and look at any given decision in all of our lives, individually or collectively, and question whether we did the right thing. The

Department has a responsibility, and takes that responsibility seriously, to periodically assess the needs of the people.

ASSEMBLYMAN GUSCIORA: Does that include the power to revoke the certificate of need? Can you do that if new information is shed that an application was less than candid? That's my question?

MR. McGARRY: I'll leave it to learned counsel like yourself. I believe that any material misrepresentation is always actionable at law. The ability to move after the fact to address honest problems that have arisen is, I think, a collective responsibility, and certainly we -- the Department looks to work with the Legislature on crafting the appropriate response.

Again, I just reiterate, the Department has a set of rules, laws, regulations, that we have to work with. We're glad to have the opportunity to work with the Legislature to fine-tune those laws.

ASSEMBLYMAN GUSCIORA: Is the Department aware of the occupancy rate, today, of Brick Hospital?

MR. McGARRY: I don't know of it, Assemblyman.
John?

MR. SUNKISKIS: Not offhand.

ASSEMBLYMAN GUSCIORA: Could that be provided to us?

MR. SUNKISKIS: Absolutely.

MR. McGARRY: Happy to do that, Assemblyman.

Through the Chair, would that be the appropriate thing?

ASSEMBLYMAN GREGG: Yes.

ASSEMBLYMAN GUSCIORA: Now, the other thing is, we talked about the certificate of need reform law that was passed, and perhaps we do go

too far. Does the Department of Health have any hindsight or otherwise of whether we need to relook at that reform law to see if it needs to be fine-tuned?

MR. McGARRY: Assemblyman, through the Chair, I believe the CN reform law's fairly recent enactment-- I think, as a matter of good common sense, that it's generally a good idea to give that kind of important legislation a chance to work -- to see the direction that we're going in. As I recall, there was very strong legislative support for that legislation. Is it appropriate to consistently reassess the legislative framework? Well, of course. And we certainly look forward to doing that with you.

ASSEMBLYMAN GUSCIORA: Do you have any opinion as to whether it worked in this instance? Are you satisfied with the outcome of the closure of Point Pleasant Beach Hospital?

MR. McGARRY: Assemblyman, through the Chair, it's-- I don't think it's the job of someone in my position to express an opinion in that regard. We did our best with the conditions that were presented to us with the framework of law and regulation.

ASSEMBLYMAN GUSCIORA: But are the books closed. I mean, we're just trying to find out-- If the Department is satisfied, then that's fine. Then we have to do something different. Is the Department monitoring this situation to see if we did the right thing, or are you satisfied that everything was done and then someone else has to take over?

MR. McGARRY: I believe-- Through the Chair, I believe the-- I think the answer to that, Assemblyman, is that we're satisfied that the agency

-- the Department of Health and Senior and Services did everything appropriate within the existing framework of law and regulation.

ASSEMBLYMAN GUSCIORA: Okay.

MR. McGARRY: That's what we've got to deal with. And we did our best.

ASSEMBLYMAN GUSCIORA: Now, did that--

MR. McGARRY: Are we ever satisfied-- To continue-- Are we ever satisfied? Well, certainly not. We're constantly having to be concerned with respect to the welfare of the people.

And again, we look forward to working with you on that.

ASSEMBLYMAN GUSCIORA: Now, when the Department approved the certificate of need, did it take into account the growing population density of the area? Was that a factor?

MR. SUNKISKIS: That was one of the issues made -- raised. And it was pointed out that the population is growing at a greater rate in the Brick area than in the Point Pleasant area, including among the elderly.

ASSEMBLYMAN GUSCIORA: Was a factor the traffic concerns?

MR. SUNKISKIS: That was certainly an issue, and it was raised in a lot of the public hearings, which is why we opted for keeping some emergency services in the Point Pleasant area.

ASSEMBLYMAN GUSCIORA: And what are those emergency services that are kept behind?

MR. SUNKISKIS: It actually led to the evolution of this satellite limited emergency department regulations, which were proposed back in May, and might become effective some time this fall.

Actually, Point is the first facility of its kind to be licensed as what we call a sled. And it's not just a private doctor's office. It's not a full-service emergency room, and it couldn't be because, obviously, a lot of people who enter an emergency room with more serious trauma have to be admitted to a bed, and there are no beds, but again, treat the majority of the types of cases that the previous Point emergency room was seeing and was servicing.

ASSEMBLYMAN GUSCIORA: Would that include putting a paramedic unit at Point Pleasant?

MR. SUNKISKIS: They have to provide ambulance services for anybody who presents at the Point sled and needs more treatment to be transferred to Brick.

ASSEMBLYMAN GUSCIORA: But specifically a paramedic unit -- MICU.

MR. SUNKISKIS: No, I don't believe that would-- No, not an MICU. Anything-- It's only basic life support. Advanced life support is not appropriate for treatment at a sled. So anyone unconscious, a women who is more than 20 weeks pregnant, all of those cases would have to go to the full services ER.

ASSEMBLYMAN GUSCIORA: And where would be the nearest paramedic unit then that would service someone from Point Pleasant Beach.

MR. SUNKISKIS: I really don't know the locations of the MICUs.

ASSEMBLYMAN GUSCIORA: Would that be taken into consideration as a factor for granting or denying the certificate of need -- availability of MICU units?

MR. SUNKISKIS: It was probably one of the issues raised in the application. I don't have the specifics as to exactly what they said in their defense for the alternatives available.

ASSEMBLYMAN GUSCIORA: And what about the general health of the population -- the aging population? Is that taken into consideration in the certificate of need?

MR. SUNKISKIS: They talk about the demographics of the population.

ASSEMBLYMAN GUSCIORA: And given all that, that still didn't dissuade you from granting the application -- the certificate of need.

MR. SUNKISKIS: Well, it didn't dissuade Commissioner Fishman from granting the certificate of need.

ASSEMBLYMAN GUSCIORA: Thank you, Mr. Chair.

ASSEMBLYMAN GREGG: Assemblyman Holzapfel.

ASSEMBLYMAN HOLZAPFEL: We're operating, I suspect, under 26:2H-1? Is that still the Health Care Facilities Planning Act now?

MR. SUNKISKIS: Correct.

ASSEMBLYMAN HOLZAPFEL: Under that provision, it says -- I'm now reading from 26:2H-1. And towards the end of it it says -- this is now on the issue of a certificate of need -- we are asking for a closing, as well as an opening or whatever.

It says, in making such determination, as shall be taken into consideration (a) -- this, I assume, is to dictate to the Commissioner--

In making such determination -- (a) the availability of facilities or services, which serve as alternatives or substitutes, (b) the need for special

equipment and services in the area, (c) the possible economies and improvements in services to be anticipated from the operation of joint central services, (d) the adequacy of financial resources and the sources of present and future revenues, manpower, etc. It goes on from there.

Now, that's the standard, as I understand it, the Commissioner is supposed to be working with when he reviews a request for a closure under the independent review process of the Act. Is that right?

MR. SUNKISKIS: Correct.

ASSEMBLYMAN HOLZAPFEL: Okay.

Now, on May 12, 1999, there is a news article which reports, then executive director of the Medical Center of Ocean County, Charley Jarvis, says the following.

He's in front of the township committee in Bricktown, and this is where basically I lose it because I cannot believe that this kind of stuff is going on. And if someone is doing their job in Trenton, they're not cognizant of that and aware of the fact that a chief executive officer of the Brick Hospital is standing up in front of the township committee in Bricktown on May 12, 1999 and says the following:

"The proposed expansion and growth does not come without a price, and the price is often capital needed for the brick and mortar," Jarvis said before asking the council to consider making a \$500,000 donation to Meridian's capital campaign. "Being very candid, our emergency room is undersized, and I'm sure that either you or someone you know has waited too long in the emergency room."

Now, we've already gone through all this other technical stuff. My question becomes, how can anyone, quite candidly, who's doing their job, sit in the year 2000, as we're approaching the summer season, when less than a year before, in May of 1999, the people who run Brick Hospital are standing up in front of the township committee saying, "We can't handle the emergency room people we got now. So you know what we're going to do? This time next year, we're going to close the Point Pleasant emergency room so that what we can't handle -- what was going on in '99, now is going to have to handle what's coming out of Point Pleasant."

Now, if someone can explain to me how anyone with any type of business acumen or, quite honestly, any intelligence, would agree to permitting an emergency room to close prior to a summer season, when, within six months before these people were standing up and saying, "You know what, folks? You were waiting in line in '99. So what are we going to do? We're going to close the other emergency room." (applause)

MR. MCGARRY: Through the Chair.

Assemblyman, I assume you're soliciting a response on that.

ASSEMBLYMAN HOLZAPFEL: Yes.

ASSEMBLYMAN GREGG: If there is one.

MR. MCGARRY: Well, the problem is, I didn't write that news article. I don't believe John Sunkiskis did.

ASSEMBLYMAN HOLZAPFEL: No, I didn't say he did.

MR. MCGARRY: Well, I'm just-- Let me continue.

ASSEMBLYMAN HOLZAPFEL: Go ahead.

MR. McGARRY: We were not there when Mr. Jarvis made some comments to that effect.

The truth be told, it's difficult to respond to an item like that. I'm not personally familiar with it.

ASSEMBLYMAN HOLZAPFEL: Okay, but you--

MR. McGARRY: I can't account for the accuracy of anything that he may have said.

ASSEMBLYMAN HOLZAPFEL: Right, but Jim, this whole article then goes into the growth that they're asking about -- constructing 300 additional parking spots, etc.

My only question is this. I have to assume-- You're right, this guy is only the executive officer -- director of the Medical Center of Ocean County. But if someone is in charge, as I've read under the Act, of reviewing what should or shouldn't happen-- If that's-- Fine, these are the rules we've got to work with. This is the parameter of what our charge is -- what our watch is supposed to be taking care of. And if that's your standard-- And at the same time, these people are showing up at public meetings and saying, "We can't handle what we got."

How does someone then say, even in hindsight, "Well, we legitimately looked at it, reviewed what our charge is under the statute or under the code, I should say. And in reviewing under the code, we find that -- gee whiz, the fact that Route 88 is backed up because the bridge is closed or Princeton Avenue, the fact that the summer season is coming, the fact that in 1999, these people said they couldn't handle what they had then -- all these things in place, how can someone make a conscious decision to say, "Okay.

You know what? You can close the emergency room.” I know you didn’t say what Jarvis said. I assume Jarvis was speaking for the hospital. That’s why he was there with his hand out for \$500,000.

But at the same time, we’re making decisions. I mean, decisions are being made that-- And it goes back to what we discussed before. And I guess I’m not giving you a chance to answer, but -- if there is an answer to that. How can you convince the people here that there was an intelligent, conscious review of what was going on most recently when everything around us tells us they can’t handle the business they got? And if someone can explain-- And that, to me, I think, is the name of the game.

We all know hospitals have to close in some instances. I don’t think anybody here doesn’t appreciate that fact. What went wrong here was that there has never been an independent-- And I’ll ask you that question. Don’t you think, for your own protection, as a part of the operation that has to review this, that it would be nice to be able to point to XYZ company and say, “They came in and told us this hospital is a loser. No one should be able to operate this hospital. No one should take it over. It should close.” Don’t you think that that would give these people out here a sense that there was a fair and level playing field -- that someone, other than the Commissioner of Health’s office, the hospital itself-- I mean, you talk about a self-fulfilling prophecy -- “We don’t have any business, so we’re going to let the world know--”

I read an editorial today in the newspaper. It told me that the emergency room is closed in Point Pleasant. What a surprise. I feel sorry for the people who read that and believe it because there is some resemblance of

an emergency room over there. But my question is, how can-- Without independent people coming in and saying-- This isn't just a case of it's going to make a bigger profit or more money to go around a nonprofit, but this is really a case of a hospital that doesn't work when there is no independent review.

What do you think of that?

MR. MCGARRY: Assemblyman, through the Chair, the first case, I think, would be presumptuous for someone like myself to answer for the Legislature on something like that because I think that's an important issue for the Legislature to take up.

ASSEMBLYMAN HOLZAPFEL: But I'm asking you, as a member of the executive branch of the bureaucracy -- and I don't say that in a derogatory manner -- the bureaucracy -- the people who make things work at the State level--

Wouldn't you want someone else to make or give input as to whether or not a hospital should be closed, other than the hospital?

MR. MCGARRY: Assemblyman, I think if the issue here is the need to provide objective information on which to make decisions, I can tell you that the Department -- the staff at the Department take that responsibility seriously. We do our best to maintain, collectively, a body of objective information -- things like occupancy rates and things like that. These are a small snapshot of the information that's maintained by the Department as an aid to that process. The staff of the Department does the best job possible, under the existing framework, to make a decision on a given date and a given time with the information that's presented.

ASSEMBLYMAN HOLZAPFEL: Okay. Well, we proposed a bill to allow two things to occur. One was to have an independent -- if someone wants to sell or close -- that first of all, an independent study has to be done. And the Department testified against our bill. They were opposed to that bill.

Secondly, we proposed that if you're going -- if it is such a loser -- 90 days -- give some other operation -- some other hospital an opportunity of a right of first refusal to step in and say, "You know what? You may not be able to run it, but we think we can. And we're going to pay you the fair market value, by independent appraiser." And the Department testified against that bill -- that portion of the bill.

MR. McGARRY: If I may, Assemblyman, through the Chair.

ASSEMBLYMAN HOLZAPFEL: Yes.

MR. McGARRY: I'd like to suggest that decisions like that, which is, I think, a retrospective sense of things -- are -- the proper role of the board of trustees -- whether to affiliate with a given organization is the role of the board of trustees and the management of the corporation.

For the Department to look back and say it was a good idea or not a good idea to go ahead and affiliate -- again, with the benefit of 20/20 hindsight, is a difficult thing to ask.

ASSEMBLYMAN HOLZAPFEL: Yeah, but you know-- Again, through the Chair -- and I'll finish with this.

If you are taking on the responsibility under the code, and you have the ultimate say as to whether or not something should or should not open or stay open or close, then I think you have to take-- You're either in for a pound or for a dollar. You have to be responsible entirely. In other words,

you are going to make a decision. How can you say, on one hand, it's the independent decision by the board, yet, "We're going to give our imprimatur and say, yes, from what we've acquired -- information we've obtained -- information we have, we think it's the right thing to do?" I don't think you can have it both ways. I think either (a) the board is going to make the decision and they close or they don't close, and you're out of it, or (b) if you're in it, you should be in it to the point that you're in a position to say to the people who are concerned that, "You know what? We've done all the digging, we've done all the checking, we're satisfied that this hospital should close, no one else can buy it." All these things are happening, yet at the same time you want to say it's the board of trustees. I agree with you. The board of trustees is as responsible as anyone to what's happened here.

But when you have people standing up in public saying, "The hospital we have four miles away isn't big enough," yet at the same time we're to believe that there's been an in-depth study to find out whether or not this one could or couldn't have made it, makes it very difficult, I would suggest, to the average person to believe that there has been an in-depth study to determine whether or not the Point Pleasant Hospital was feasible, when in fact they're out begging and saying, "You know what? We're so crowded, we can't handle what we got." And I think it stretches their imaginations, as well as mine, to believe that we're doing our job when that kind of an occurrence can take place.

And with that, I'll shut up.

ASSEMBLYMAN GREGG: Thank you, Assemblyman.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Yes, I'll try to be very brief.

Thank you, Jim, for coming down.

The first thing that Jim said was about the article and the editorial -- I don't know which paper it was in today, but I'm sure it was a local paper -- about the emergency room being closed.

About a year ago, my wife was seriously ill, and I had to take her to the emergency room. I called Point Pleasant emergency room to see if they were open, and they said, "Yes, come right on over." And I came over. And I didn't say I was Assemblyman Wolfe, I just came in. And the woman was very upset when I came in. She said, "Are you the one who called," and I said yes. She said, "Why do people call? Nobody comes here anymore. Nobody comes here. I'm glad that you called." So this is over a year ago. The message was out that they were closed. It was not closed.

The other thing is, I have a letter, which I believe you should have. I know-- If you don't, I'll give you my copy. If the Committee has it--

Immediately after the hearing Assemblyman Holzapfel talked about last year where we introduced this legislation, Charlotte Vandervalk, Chairman of the Education Committee -- I'm sorry, the Health Committee, sent a letter to Commissioner Grant talking about the presentation that we made on June 7. And she talked about five things we've talked about for the last three hours here.

She said that-- We brought up the fact that the decision was made to join acute care hospitals, and two days later it was announced that the emergency room was going to close. We already talked about that. She said the emergency room at Brick is apparently inadequate to service the needs of

combined -- catchment area for the two facilities, as reflected by the request made by the local governing body of Brick for a \$500,000 donation for the emergency room.

Third, charitable donations made to Point Pleasant Hospital, which, among other things, include a hyperbaric chamber that have been moved.

Third, there's concern in the affected communities that emergency room services in Brick will not be adequate to accommodate the needs of combined population, especially during the summer tour season.

Lastly, it says there's also major concern that additional traveling time to the hospital in Brick and tourists -- especially due to road congestion, it will be severe and will have an adverse impact on timely access to emergency rooms.

And finally, Chairman Vandervalk says to Commissioner Grant, the Committee, therefore, is asking the Department to review the record for any discrepancies between the documentation which was presented in connection with any change in status of the hospital in Point Pleasant, which is what we've been talking about for the last three hours, and the reality of existing circumstances, as has been presented to this Committee.

We look forward to a prompt response.

As far as I know, there's never been a response. And that's what we've had this hearing for for three hours.

I'll give you a copy of the letter.

MR. McGARRY: Thank you, Assemblyman.

I believe I'm familiar with that letter.

If I may, I'll ask the Chair to distribute copy of a letter from Commissioner Christine Grant to Assemblywoman Charlotte Vandervalk. The date is August 24, 1999, which I believe is on point.

I'd ask for that to be distributed.

ASSEMBLYMAN GREGG: Have you seen this letter?

ASSEMBLYMAN HOLZAPFEL: Oh, I've never seen it.

ASSEMBLYMAN WOLFE: I don't think I've seen it either.

Well, can I just say-- It's the first time I've seen this letter. I think I say the same for Assemblyman Holzapfel. This went from the -- to the Chairman of the Committee, to Anne Weiss, Senior Assistant Commissioner, James McGarry, and that was it. So I've never seen this letter.

MR. McGARRY: I apologize, Assemblyman.

As I recall, the letter from Assemblywoman Charlotte Vandervalk was to the Commissioner. I don't recall that -- whether her letter indicated copies to yourself or Assemblyman Holzapfel or Senator Ciesla.

ASSEMBLYMAN HOLZAPFEL: She copied us.

MR. McGARRY: I stand corrected. I apologize.

ASSEMBLYMAN WOLFE: It's okay.

ASSEMBLYMAN GREGG: Thank you.

MS. WILLIAMS: Mr. Chairman, may I please say something to you?

ASSEMBLYMAN GREGG: Yes, of course.

MR. McGARRY: Should I yield the microphone? I'd be happy to yield the microphone.

ASSEMBLYMAN GREGG: I have a closing comment before we leave.

MS. WILLIAMS: Thank you very much, Mr. Chairman. And I do apologize.

ASSEMBLYMAN GREGG: You have to move over by the microphone.

MR. McGARRY: Why don't I just step over here.

MS. WILLIAMS: No, that's quite all right. I can talk loud.

ASSEMBLYMAN GREGG: Well, we'll leave that to the experts.

MS. WILLIAMS: Twice, these gentlemen have said that there was proposed regulations for an emergency satellite department here in Point Pleasant that were given in May.

I would like to give the Chairman the faxed copy, dated January 29, 1997, to what appears to be almost identical regulations. I could take you point by point. I did it last night. But I won't.

Those regulations were drafted in 1997 by Meridian, and now we have Christine Grant sending a letter to Ciesla, Wolfe, and Holzapfel saying that Meridian has agreed to comply with these proposed rules. Meridian created those proposed rules. And those rules are precisely what they attempted to negotiate with our mayor before the Citizens' Action Committee was involved.

I have a letter from Frank Ciesla, who is the attorney, saying that, as a result of their negotiations, they gave up on the 16 hours and they went to 24, and they're right back to the 16 hours on those regulations.

One other point I would just like to make was what Assemblyman Holzapfel said. He calls attention to the fact that they made application in January to close the emergency room. It was in January, February, March. The Citizens' Action Committee was most aggressive in the information.

And this is a fax, dated April 10, 1997, from me to David Willis. It starts out, I have been advised by John Sunkiskis of the Department of Health that all efforts to close Point Pleasant ER have been put on hold by Jarvis because the census has grown.

Sunkiskis explained that this means that more beds are in use than expected. He also advised that he expects the hospital to come back to this issue by year end.

In addition, Jarvis met with the captains of the emergency workers and stated that he never had any intention of closing the ER. He doesn't know where we got the idea. He also said he was planning the public relations campaign to assure the public that the ER is opened in Point Pleasant, and they have to start using it because Brick is overworked.

Sunkiskis stated the ER is fully operational. We disagree. It's useless.

The Citizens' Action Committee will use this time to hire a consulting firm to conduct the study to evaluate the impact of the closing of the ER on the area. We will also continue to gather our signatures in petitions. We will be ready when the hospital returns to their plan to close the ER in December of 1997. And Assemblyman Holzapfel just pointed out that it was in January of 1998 that they made application to close the entire hospital.

As far as this response from Christine Grant to the Charlotte Vandervalk letter, I think if you examine it, you'll see that she doesn't answer any of the things that are put in here.

One of the items that is just notable and worth calling to your attention is that it says, while it appears there was an attempt by Meridian to decertify the emergency room at Point Pleasant two weeks after approval of the merger, it was not an action taken by Meridian, but rather by Charles Jarvis, Executive Director on behalf of Point Pleasant. And that is actually information that is put out by our Commissioner.

Last time I had a conversation with John Sunkiskis, and I have had countless conversations with him, he told me, on the phone, that it was his job to provide advice and guidance to Meridian. And that's the last time I spoke to him.

Thank you for allowing me to do this. (applause)

MR. McGARRY: Mr. Chairman, it's a little difficult to -- for any member of the staff -- any employee of any agency as big as the Department of Health and Senior Services, to respond to selective quotes and things like that -- comments taken out of context.

And I don't want to call into question any assertions that have been made today. I can tell you that the provision for urgent care services -- the so-called sled rules -- an operation going on 24 hours a day, 7 days a week, regardless of what we're hearing -- 12 hours -- 18 hours, whatever. It's 24 hours a day, 7 days a week.

With respect to comments taken out of context with respect to anyone's job to respond to inquiries from an organization like Meridian, it is

our job to respond to your concerns, the concerns of the community, as well as Meridian. Meridian makes up the community. They are part of the community. So to suggest that somehow we should shut them out of the process, I think, is probably ill-advised.

ASSEMBLYMAN GREGG: Well, we didn't shut them out of this Committee. They were invited and chose not to come.

And I will assume there are no other questions by the Committee.

I will close with some comments of thanks to the community for taking your time. It has been over three hours. I have failed, as a Chairman, to keep good time. I couldn't do it on Appropriations, and I can't even do it when I'm Chairman of my own Committee. So I thank you for taking the time.

I do want to close this hearing today with a purpose because I think government is too often noted to talk about things and do nothing. Sometimes that works for you, sometimes it works against you. I don't think it works for you today.

I don't know if anything will change in Point Pleasant. I can't promise you that something will change. And I am pleased that part of the purpose that you came here today was to ensure it didn't happen in other communities the same way. What I am sure of is that I don't understand this process. And I'm glad I came because I'm hearing -- and I'm just a simple restaurateur when I'm not a legislator. I see that we have a governmental process that says if you want to open a facility, we want to control you. If you want to close a facility, we want to control you. But when we goof up, we

don't want to talk about it. And quite frankly, that's why I ran for office about seven years ago because I got tired of it affecting my life.

I would like to know, as Chairman -- and this Committee would like to know and get a picture of what occurred from the beginning to the end. I would like to know what happened when Meridian said, "I want to merge." And I would like to know, from the Department of Health, why, if Point Pleasant was such a loser -- why one would want to merge with them.

I've run restaurants for 25 years, and I've never bought or opened a loser. It's not what I want to do. So I'm not so sure I can understand why I would run to this facility to say I want to merge and why I would document that when I do it, that I'm going to do it, that I'm going to keep all the services there. And I'm not just going to keep my drive-in window open, I'm going to keep the whole place open because that's what I said. And if that document isn't true, than I'm misspeaking. But I've had it read to me a number of times -- that when they asked to merge, that they said they would keep it open. If they weren't making money, why would they want to be there.

I'd like to know their financial condition prior. I'd like to know their financial condition of expectations, which I would assume would have been asked by the Department of Health.

And then from there, it becomes a process of everything going downhill because I can't understand the beginning of how we even got to this. Why would the Department of Health -- and I think Assemblyman Carroll alluded to this-- Why would they approve it? And then, ultimately, after approving the merger with guaranteed services, to then approve anything that would close those services. If you were going to close it, close it. If it was

going to go out of business, let it go out of business because we also have a question of those assets. And I am concerned about that, too, as Assemblyman Carroll is and the rest of the Committee, I'm sure.

So I'm requesting, as the Chairman of this Committee, to have a picture of before today, meaning prior to the merger. I'd like to see all the documents that were given by Meridian to the Department of Health to reasons why they wish to merge, the commitments they made to the Department of Health at that point, if they made any, other than the document that we've seen; and ultimately, why, at that point, were they then compelled -- and I hear today, from the Department of Health, that they felt compelled by regulation and by statute to allow the hospital to close.

If they had not, a number of years prior, approved the merger, I could almost understand that. But with the history we have here, it seems to be a little different than some of the mergers and acquisitions that are occurring in the health-care industry -- that this clearly was a picture everybody could see.

And not knowing as much as I would like to know about health care, it is hard for me, as a layman, to understand that in a growing community and an aging community and in a tourist-driven community, that we would end an emergency service there and if you had a heart attack on the beach that there wouldn't be a service for you there. Even though you may not be able to fill your rooms--

I think it was both of the Assemblymen's request, in a letter that I see to the editor, to say, "Listen, if you're going to close the hospital, if it is the appropriate thing to do, if you've done your studies and you've done your

homework and you've dotted your *I*'s and crossed your *T*'s, then at least leave us with emergency service because, ultimately, that's the kind of crisis we're going to have if anything happens at the beach, if there's a -- and the type of traffic that you have at beaches and the type of events that occur -- an emergency room might be very important."

So I think that's the direction the Committee is going to go at this point. We need to have more information about this. I think it does bode a beginning of problems we're going to have with health care and with hospitals because no one on this Committee, and they've all alluded to it, doesn't realize that we may have more hospitals than we need in the State of New Jersey, but we just might not have them in the right place.

This seems to be a very unique situation where we have population, we have growth, we have tourism, and quite frankly, I assume you want more of it because it's good for your tax base. But you have to service those people. And that is critical. And I believe it is the responsibility of the Department of Health, even if we have a privatized system, which we do, that it is the responsibility of the Department of Health, ultimately, to determine the best situation to deliver health care.

And if-- And I can't have any problems with either of your bills.

And I would also like to know, from the Department of Health, why they took positions against those bills. I don't know if having an independent authority is as important as having the right decision made the first time.

I trust the Department of Health, and I trust our individuals in Trenton. However, there are times, in our times, when, even with best

intentions, that things go the wrong way. And the unfortunate cost, though, sometimes ends up being human life. And this is not an issue of the Department of Motor Vehicles, this isn't Parsons, this isn't getting your car inspected, this is having your grandmother or your grandfather or a loved one be at risk.

So I would-- I am requesting, from the Department of Health, a very explicit, detailed documentation -- information from Meridian and any documentation that they have given you in not an overly complex manner. I don't want to appear to be overly governmental here. We're interested in finding out what happened. Who knew what, where, and when and whether or not, perhaps, through a change in leadership, which you've had in your Department, that perhaps some things fell through the cracks and perhaps, after review, that perhaps there should be an emergency room at that hospital.

And that is something that I can't command as a Chairman, but perhaps, after all the information becomes public, that everyone will go back and revisit the issue here and then, certainly, what we're doing every time another group of hospitals determines to merge with another group of hospitals.

With that, if there are no other further comments-- I don't normally take--

MR. SMITH: When and how will we know the results of your review?

ASSEMBLYMAN GREGG: You have two very attractive Assemblymen to my left, and they are always to my left, philosophically, as well. (laughter)

With that said, your Assemblymen and your Senators--

ASSEMBLYMAN HOLZAPFEL: We'll keep everyone posted as the process goes forward.

ASSEMBLYMAN GREGG: With that-- We have kept you from lunch long enough. I thank you.

The meeting is closed.

(HEARING CONCLUDED)