

[Newark coalition says it will back Saint Michael's sale, with conditions \(Politico.com\)](#)

By Katie Jennings

NEWARK — The leader of a community coalition indicated during a public hearing Tuesday evening that the group's support for the proposed sale of Saint Michael's Medical Center is contingent upon "at least two" of its members getting seats on the hospital's board of trustees.

The Save Saint Michael's Medical Center Coalition is led by three Newark clergymen and counts among its members Newark elected officials, union representatives, hospital staff and patients. The organization held several rallies over the summer and delivered a petition with close to 50,000 signatures to Gov. Chris Christie urging the state to approve the sale to California-based for-profit Prime Healthcare Services.

At a joint public hearing held by the state Attorney General's office and the Department of Health, Bishop Jethro James, president of the Newark/North Jersey Committee of Black Churchmen and co-chair of the coalition, requested that the Attorney General impose three conditions on the proposed sale.

Both agencies must review and approve the sale, which has been pending for close to three years.

"The hospital's existing board of trustees should be reconstructed with representation from at least two members of our coalition who should have full voting powers," James said at the hearing, which was held at the New Jersey Institute of Technology.

James also called for two members of the coalition to hold seats on the Saint Michael's Foundation board. The foundation is a nonprofit organization that raises money to support programs and services that benefit the communities served by the hospital. The foundation will likely have to be restructured since the proposed sale would convert Saint Michael's from nonprofit to for-profit status.

James asked that the Saint Michael's Foundation be "reorganized as a successor nonprofit corporation with the right of first refusal to acquire the hospital" should Prime decide to sell or close Saint Michael's.

He said the sale, which would keep the hospital operating as an acute care facility offering both inpatient and outpatient services "is in the best interest of the public and the people we serve."

It is the role of the Attorney General's office, in consultation with the state health department, to determine if the proposed transaction is indeed in the "public interest," per the Community Health Assets Protection Act.

The law, passed in 1999, stipulates that the Attorney General and health department must review the acquisition of a nonprofit hospital by a for-profit to ensure the "transaction is not likely to result in the deterioration of the quality, availability or accessibility of health care services in the affected communities."

Earlier this year, a state commissioned report on the greater Newark health care system recommended Saint Michael's be transformed into an ambulatory care facility, meaning it would only provide outpatient services.

The main issue is that there are too many inpatient beds among the Newark-area hospitals and not enough outpatient beds.

The looming question is whether, in light of the report's findings, the state will find that keeping the hospital in full operation is in the public interest.

The same report called for the transformation of East Orange General Hospital into an ambulatory care facility. However, earlier this year, the state health department released recommendations in support of the sale of East Orange General to Prospect Medical Holdings (a different California-based for-profit hospital chain) and to allow it to remain an acute care facility on the condition the hospital reduced the total number of licensed inpatient beds and realigned certain services.

It's possible the state could impose similar conditions on the Saint Michael's sale.

Under the current timeline, the health department has until the end of February to issue its recommendations to the State Health Planning Board regarding the sale. However, the agency could ask for an extension.

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