

PUBLIC HEARING

before

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS COMMITTEE

on

ASSEMBLY, No. 3225

*1. Glenn
2 B. Bill*

Held:

April 8, 1983

Jersey City State College

Jersey City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

New Jersey State Library

Assemblyman Robert C. Janiszewski, Chairman

ALSO SITTING IN WITH COMMITTEE:

Assemblyman Joseph Charles, Jr.
Senator Edward T. O'Connor, Jr.
Senator Nicholas LaRocca
Assemblyman Joseph V. Doria, Jr.

ALSO PRESENT:

William D. Zuzzio, Supervisor
Office of Legislative Services
Aide, Assembly Revenue, Finance and Appropriations Committee

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ASSEMBLY, No. 3225

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 28, 1983

By Assemblymen JANISZEWSKI, CHARLES, DOBIA and COWAN

AN ACT appropriating funds for the purpose of making a loan to the board of managers of the Jersey City Medical Center.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. There is appropriated from the General Fund to the board of
2 managers of the Jersey City Medical Center the sum of \$3,500,000.00
3 for the purpose of making a loan, or so much thereof as may be
4 required by the board, to be used for the current and future man-
5 agement and operations of the Jersey City Medical Center.

1 2. The loan shall be subject to the following conditions:

2 a. The board shall apply the proceeds of the loan to meet
3 operation and maintenance costs currently due or which may
4 become due during the term of the loan.

5 b. The board shall submit, within 90 days of the date the board
6 receives the proceeds of the loan, the results of the study regarding
7 the management, financing and governance of the hospital, which
8 the board is obligated to undertake pursuant to paragraph (4) of
9 subsection g. of R. S. 30:9-14.

10 c. Within 30 days of the date the board receives the proceeds of
11 the loan, all non-health care related uses of hospital facilities for
12 which the board does not receive full compensation shall cease.

13 d. The board shall not enter into any agreement with the city
14 of Jersey City or the county of Hudson that would obligate the
15 board to provide health care services at less than the full cost of
16 providing the services* *as determined by the Hospital Rate Setting*
16A *Commission.**

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter printed in italics *thus* is new matter.

Matter enclosed in asterisks or stars has been adopted as follows:

*—Assembly committee amendments adopted May 5, 1983.

* *—Assembly amendments adopted May 26, 1983.

17 e. The board shall review its roster of patients within 30 days
18 of the date the board receives the proceeds of the loan and shall
19 act expeditiously to transfer to other institutions or discharge
20 those patients who do not require acute hospital care.

21 f. Within 30 days of the date the board receives the proceeds of
22 the loan, the board shall submit to the Governor for approval a
23 proposed schedule of payments to fully amortize any outstanding
24 arrearages or obligations owed to the State, the United States or
25 any employee benefit plan in accordance with law.

26 g. The total amount of the loan shall be ***with*** interest
27 ***[free]*** ***as specified by the State Treasurer*** and shall be
27A repaid within two years of the date the board receives the pro-
28 ceeds of the loan*, *except that the loan shall become immediately*
28A *due and payable if any provision of this act is violated.*

29 h. If, on or before the date upon which the board receives the
30 proceeds of the loan, the board has filed a petition for reorganiza-
31 tion under the bankruptcy laws of the United States, or is subject
32 to the jurisdiction of any court with respect to its ability to meet
33 its debts as they become due, the board shall secure an order from
34 the court having jurisdiction over the board that this loan shall
35 have priority over all other debts or obligations of the board.

36 i. The repayment of the loan ***[may]*** ***shall*** be guaranteed by
37 the city of Jersey City and the county of Hudson.

38 ***j.*** *The board shall immediately engage an experienced account-*
39 *ing firm with no prior association with the center to conduct a full,*
40 *independent, financial audit of the center including a certification*
41 *of monies awarded to the center by the city of Jersey City and the*
42 *county of Hudson and an audit of the center's cash balances.*

43 ***k.*** *Within 90 days of the effective date of this act the board shall*
44 *engage a management team acceptable to the Department of Health*
45 *to conduct the operations of the center.**

46 ***l.*** *The loan agreement shall be subject to further conditions as*
47 *may be agreed upon by the Department of Health and the board of*
48 *managers of the medical center.***

1 3. This act shall take effect immediately.

ASSEMBLY REVENUE, FINANCE AND APPROPRIATIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3225

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 5, 1983

Recently enacted law expanded the powers of a municipal hospital's board of managers to include the power to borrow money for any of its purposes.

This bill appropriates \$3,500,000.00 for the purpose of making a loan to the board of managers of the Jersey City Medical Center to meet its operation and maintenance costs. Repayment of the loan shall be within two years of the date the board receives the proceeds of the loan. The loan is subject to various conditions, including a guarantee of repayment by the city of Jersey City and the county of Hudson.

COMMITTEE AMENDMENTS:

Committee amendments place further restrictions and requirements on the loan including:

- Hudson County and Jersey City are required to guarantee the loan.
- A full, independent audit of the Medical Center is required by a firm not previously associated with the Medical Center.
- Within 90 days the board is required to engage a management, acceptable to the Department of Health, to conduct the operations of the Medical Center.
- The loan becomes due and payable if any provisions of the act are violated.

ASSEMBLYMAN ROBERT C. JANISZEWSKI (Chairman): While we are waiting for the others to arrive, I would like to get this hearing underway.

A record is being taken by the stenographers on my left, and all comments are for the purpose of the record. A report of testimony during this hearing today will be made available to the Committee and to the public upon request.

As far as a public hearing is concerned, a quorum is not necessary, but we expect a quorum a little later on today. I expect the hearing to end somewhere around four o'clock this afternoon.

I would like to begin by announcing the purpose of the hearing and then by calling upon some people to testify.

The purpose of today's hearing is to gather information on Assembly Bill 3225. That bill is under my sponsorship and is cosponsored by Assemblymen Charles, Doria, and Cowan, and it pertains to a \$3.5 million loan from the State to the Medical Center Board of Managers. We will get into all of the details of that bill throughout the course of the hearing, I'm sure.

In addition, a set of amendments were proposed at the last Assembly Revenue, Finance and Appropriations Committee hearing on this bill by the current administration in Trenton. There were eight amendments suggested.

Copies of the bill and copies of the amendments which have been proposed are available at the staff table to my right. The amendments were not incorporated into the bill, and they exist as an aside to the bill at the moment, so we have both the bill and a set of proposed amendments, which have yet to be considered by the Committee.

It is for the purpose of gathering information on both the bill and the amendments that this hearing is being held today.

I would like to first call upon the President of Jersey City State College, Bill Maxwell, through whose good offices, this hearing is being conducted on this site.

W I L L I A M M A X W E L L: Thank you very much, Assemblyman Janiszewski. I would like to extend the College's greetings in welcoming all of the members of the public and the public officials who

are gathered here today. This is the Gothic Room in Hepburn Hall at Jersey City State College. This room is no stranger to Congressional and Legislative hearings. They are held here very often. In fact, at the risk of boring one or two people who were at the most recent Congressional hearings held here by Congressman Guarini, I would like to say to you, as I said to that group, and that is -- Congressman Guarini has held so many Legislative hearings here for the past several months, as you know, Robert, that someone was, I think, half serious in suggesting that we might want to think of changing the name of the Gothic Room to the Guarini Room. College faculties are fairly conservative groups, and I think it would take a lot of talking to do that, but I did say to Congressman Guarini that as soon as I received his check for the appropriate amount, which would be donated to the College Scholarship Fund, that we would begin to discuss that matter in the Senate. We're still waiting for Frank as far as that subject is concerned, and we all know that he can do that if he wants to do that.

I am very pleased to have everyone here, including the Appropriations Committee. Mr. Chairman, Assemblyman Janiszewski, this is the time of year when college presidents spend more time on the Turnpike between whatever college they are at and Trenton and the Appropriations Committee than they do in their offices. So, I am particularly grateful that the Chairman has taken the time to bring Trenton here to Jersey City today, instead of vice versa. This saved me that trip on the Turnpike.

I have particular greetings for the Chairman of the Appropriations Committee because he is one of our distinguished alumni. Assemblyman Janiszewski, as some of you may know, is a graduate of Jersey City State College, and there is no way he can come to our campus without me reminding everyone of that, including him. He needs no reminders because he spends a good deal of time at the College. He is a distinguished alumnus of the College, and he received that award several years ago. I had the good fortune as -- much younger, Bob -- Assistant Professor of History here at the College and teaching Bob his first American history course. I would like to think that maybe that gave him some boost towards his interest in both history and politics.

In any event, you are all very welcome here today, and I would like to say, as President of the College, that we at Jersey City State College take far more than a passing interest in the subject of this hearing, because the 8,000 students of this College and their families depend in large measure on the medical facilities that are available at the Jersey City Medical Center. We eagerly and anxiously await the outcome of this hearing.

Again, you're very welcome here at the College -- you, the Appropriations Committee, and of course, its Chairman. Bob, thank you.

ASSEMBLYMAN JANISZEWSKI: Thank you very much, President Maxwell.

There are a number of legislators who are here this morning to express their interests and concerns, as well, and to garner some information with regard to the Medical Center. I am going to call on one of them first -- Assemblyman Joseph Charles of the thirty-first district, who is seated up front. Joe, would you like to come up here? We would like to ask you for your input.

Joe has been involved with the Medical Center and has met with, as many of you know, a number of community groups with regard to this problem over the last six months or so. Joe, we would like to give you the microphone and get your input on this matter.

ASSEMBLYMAN JOSEPH CHARLES, JR.: Thank you, Assemblyman Janiszewski. I thank you for the opportunity to make some remarks at this public hearing. I would like to thank you also for allowing me to testify at the outset. As I indicated to you earlier, I am the Chairman of a Subcommittee that is presently conducting statewide hearings on the issue of public housing. We had our first Subcommittee meeting on the twenty-fifth of March, and we have our second one scheduled for April 8 at 10 A.M., which is today.

I think, however, that although I think that is an important issue, the subject matter of this hearing is just as important. It is so important, in fact, that I find no problems in being late for my Committee meeting, just to be here to give you my views on this bill.

As you have indicated, Mr. Chairman, I am the cosponsor of this legislation, which is primarily sponsored by yourself. I think

that it is a piece of legislation that is much needed. It is something, certainly, that I would ask everyone to embrace and to endorse.

I will not make any comments about the particular provisions of the bill of which I am a cosponsor. I do have some comments though about the proposed amendments of the Department of Health. I have some concern about proposed Amendment No. 4, proposed Amendment No. 6, and some other thoughts about proposed Amendment No. 7.

My comments with reference to proposed Amendment No. 4 is simply this, and I am sure that we will oversee this as it takes place so as to accommodate the concerns that I have -- I am concerned about the change in the form of the hospital from a municipal hospital to a nonprofit community volunteer hospital.

The concept in and of itself is not bad per se; my concern is that the hospital, if it is to be formed, will eventuate into a hospital that continues to satisfy the needs of the constituency which is presently being served by the present Medical Center.

My other concern with regard to that is that services continue at the present level or adequate levels. Under no circumstances, regardless of the form of the hospital, should there be a compromise of the services that are rendered to the citizens of Hudson County and the City of Jersey City.

There should also be a concern in the involvement process so that the hospital continues to be an affordable place for the residents and citizens whom it has served and which it will have to serve in the future.

With regard to proposed Amendment No. 6, that ties in with proposed Amendment No. 4 also. I have not seen the data which provides the basis for this proposal -- that the number of beds be reduced from the present number to 400. I will withhold my judgment of that until I have reviewed all the data to see whether or not that is consistent with the needs of the Jersey City and Hudson County community.

I have some general statements that I would like to make which deal with policy, the hospital itself, and the basic issues which are involved.

We know that the Jersey City Medical Center has its history from its beginning, and we know that it has a history of some financial difficulties which originated several years ago. We know that basically the issues that confront us now are financial ones, and we are here to discuss them publicly today.

We also know that one of the outgrowths of this financial distress that the hospital is presently experiencing is a question of management of the hospital -- the present Board of Managers and the composition of that Board.

In my discussions with various persons who are very much involved as patients, citizens, employees, doctors, local officials, and people who just have a vital interest in the Medical Center, it has come to my attention that there are some possible changes that can be made which might accommodate and be sensitive to interests which should be taken cognizance of. To that end, I have submitted a bill into the State Assembly, Assembly Bill No. 3277, of which Chairman Janiszewski is a cosponsor. I think it reflects one of the concerns that is involved.

Now, I don't know what the eventual structure of the hospital will be, whether it will evolve from the present municipal hospital into a nonprofit community hospital, but in any event, the concept which is embodied in my bill, I think, should be embraced without fail into whatever form the hospital takes, if there is a change.

That concept is this: The Board of Managers that presently exists consists of a financially distressed hospital of nonmembers. My bill would expand that number to eleven. That is not so important.

The most important feature, however, is the bill's mandate that certain types and certain concerns be reflected in the composition of that Board of Managers. The bill which I have introduced would require that at least one member of the Board of Managers be a representative from a union which represents nonprofessionals and hospital employees. That person should not be an employee of the hospital, but someone who simply has a union relationship with nonprofessional employees.

The thought there is that the interests of the nonprofessional employees should be reflected and should be voiced at

Board of Managers' meetings where decisions of overall hospital policy are made.

Also, the bill would require that on this Board of Managers -- whether it be a Board of Trustees, a Board of Directors, or whatever the composition is -- there be a physician included who has courtesy privileges at the hospital, rather than a physician who may also be an employee of the hospital.

In my discussions with involved persons, including physicians, it becomes clear that persons who are just courtesy doctors with courtesy privileges at the hospital have a real vital stake in the image of the hospital, the operation of the hospital, and the services of the hospital. If they are there as courtesy physicians, then their concern will be that the services are good so that they can induce their patients to be there. I think if their voice is heard on the Board of Managers, then that would effect many of the decisions that are made by the Board of Managers in a positive way.

That, in brief, is the substance of the bill that I have proposed. It also reflects my feelings about the present bill, of which Assemblyman Janiszewski is the primary sponsor.

I have some final comments about the health problem in general. Not too long ago, I was reading a newspaper, and I came across an article which, I think, really reflects what this Medical Center crisis is all about. It reflects a crisis in health care in the United States as a whole. It is not just a local issue. The problem of crisis in health care is nationwide.

It is interesting, too, that this problem of health care is related to the overall problem, which we are all afflicted with, and that is, the problem of high unemployment in this economy. I think John Jacob, who is the National Director of the National Urban League, in a recent newspaper editorial, put his finger on the real connection between unemployment and the health crisis that affects the United States, and the crisis which cries out and demands immediate, thoughtful, and comprehensive attention at this time.

So, the Medical Center is very symptomatic of a large-scale problem. I would like to read just briefly from that article, because I think it is important, and I think the record should reflect it because it is relevant to the situation we are involved with here.

I am quoting now from the article by John Jacob, which is entitled "The Hidden Health Emergency." I am not going to read the entire article, but for those who are interested, it is found in the April 2 edition of Afro American. In one portion of it, he says this:

"Unemployment, especially in a recession that makes finding a job next to impossible, is, itself, a health factor. The jobbers have been found to suffer a variety of serious illnesses directly related to the stress of the situation. They also must be economized by eating cheaper, less nutritious foods, and by not going to the doctor or the dentist. That means many millions are caught in a vicious cycle of losing their jobs and health insurance, suffering stress and stress-related illnesses, and not getting nutrition and health care that they need more than ever.

"The last resort of the poor is the hospital emergency room, but in some heavily impacted areas, that, too, is in danger. Some hospitals have reduced services because of the cost crunch caused by serving nonpaying patients.

"Over the long haul, these factors will cause serious deterioration in the nation's health."

So, what we are talking about now is not just the problem of the Jersey City Medical Center. We're talking about a danger which is eminent to the citizens of Jersey City in Hudson County, and all of the United States.

Thank you very much, Mr. Janiszewski.

ASSEMBLYMAN JANISZEWSKI: Thank you, Assemblyman Charles, for your comments today. Just for those present who are not familiar with the contents of the amendments you were referring to, the bill essentially provides for a \$3.5 million loan to the Medical Center -- not a grant -- but rather, a loan, which would be repayable within a two-year period of time, and it stipulates certain requirements, such as a few of the following. I am not going to mention them all.

Again, I say, the bill is available at the table to my right.

The proceeds of the loan will be utilized to meet the operation and maintenance costs of the hospital, which may become due. It is repayable in two years. Within ninety days, the Board of

Managers of the Medical Center shall remit to the State a study regarding the management, future management, and financial governance of the hospital, which is in compliance with the bill that was adopted a year ago. Also, the loan shall be interest free.

It also includes a stipulation that repayment of the loan may be guaranteed by the City and/or the County of Hudson.

The amendments, on the other hand, that Mr. Charles was referring to differ from the bill in the following fashion:

Firstly, that the repayment of the loan shall be guaranteed by the City and the County; that there will an audit; that the management team will be assembled within ninety days and will put forth a management plan which will be acceptable to the Department of Health -- and the one that Mr. Charles pointed to, Number 4 -- that the Board of Managers will prepare a plan to evolve the Medical Center to a nonprofit, general community hospital.

Number 6 forces the hospital, within a ninety-day period, to file a new Certificate of Need, which is the documentary basis upon which every hospital operates, reducing the licensed bed capacity of the Medical Center to 400 beds.

And, the loan shall be with interest. Additionally, it states that the Board of Managers shall not enter into any agreement with either the City or County which would obligate the Medical Center to provide health care services at less than full cost, providing the services that are presently being rendered, or potentially would be rendered, to the City and the County of Hudson.

Those are amendments that have not yet been incorporated, but they are laying on the desks of the Committee members at the moment as amendments to be considered for possible adoption.

With that clarified, Assemblyman Charles, thank you very much. We wish you well and God speed on your way to Trenton. Good luck with the Committee meeting on housing.

ASSEMBLYMAN CHARLES: Thank you.

ASSEMBLYMAN JANISZEWSKI: Next I would like to call upon Senator Ed O'Connor of the thirty-first district, and following him, Senator Nicholas LaRocca of the thirty-third district.

New Jersey State Library

I am going to ask each of these gentlemen, if they have time after their testimony, to join me at the front table to continue to listen to the concerns of those others who are going to testify.

Senator O'Connor?

SENATOR EDWARD T. O'CONNOR, JR.: Thank you, Chairman Janiszewski, for also affording me the opportunity to speak this morning, and for giving me a position in the front of the program.

I also have a commitment at twelve o'clock, so I will be forced to leave somewhere around twenty minutes to twelve. I will be happy to stay and participate until that time.

The comments that I have to make are very brief. I'll deliberately keep them that way because I would like to hear what some of the people who have come today have to say.

As you know, and I think many of the people who are interested in this matter know, I sponsored the underlying legislation in the Senate, which you were the sponsor of in the Assembly. My legislation makes possible the loan to the Jersey City Medical Center.

I have reviewed your bill, and I have also reviewed the amendments. As far as I know, there is no parallel legislation pending in the Senate at the present time. At the appropriate time, I offer now to be the sponsor of the parallel legislation.

A couple of concerns that I have were already stated by Assemblyman Charles. I don't think there is any quarreling with the fact that the management of the Jersey City Medical Center could certainly be improved. For that reason, I don't have any dispute with the bill as it was originally drafted, or with the amendments which are directed to the better management policies of the Medical Center.

I share the same concern though about the change of the status of the Medical Center to a nonprofit, general community hospital in the sense that I would like to hear today from the people who are going to be testifying after me -- what their impression is of what that means. I am concerned that the hospital cease to exist as we know it and as it has functioned over the years as the provider of medical services to people who without it would otherwise not have access to medical services.

With that, I think I will be happy to join you at the head table and hear what the members of the community have to say.

ASSEMBLYMAN JANISZEWSKI: Senator O'Connor, thank you very much. You can be assured that we will take you up on the offer of the Senate sponsorship of this particular piece of legislation.

I think that what we're really saying is that the point of question and concern pertaining to this issue is whether or not the inferred scale down contained within the amendments would materially affect the nature of the Medical Center and the mission, which has been its historical mission in the County of Hudson, not just in the City of Jersey City -- I think that is a critical issue, and one which many members of the public are here to address. I'm sure that will be well discussed throughout the day.

With that, I would like to call on Senator LaRocca from the thirty-third district. Senator, we appreciate you taking time from your schedule to attend today's meeting.

S E N A T O R N I C H O L A S L a R O C C A: Thank you, Mr. Chairman, for inviting me here to discuss my views and also to listen to the views of the others in this community on a very important problem.

There is no question that I agree with the statements that have been made by Assemblyman Charles. I, too, want to listen to more testimony before I make up my mind as to which is the best way to go.

You have several basic philosophical differences that must be resolved by the community, by the Committee, and then by the Legislature as a whole. As you know, the entire Hudson Delegation rallied behind you. All of my other colleagues in the Senate went to the Governor's Office, and we got one important point across. That was the right to borrow; that was a big hurdle.

Now that we have the right to borrow, you have your bill to implement that. Now comes the Department of Health and they proposed quite a few amendments here that really cause a lot of problems. They are basic philosophical problems. How to solve them is the purpose of this hearing.

The only comment I can make is that these philosophical differences must be resolved. Will it be a community hospital? Will it be a general hospital? How many beds will it contain? They are basic philosophies that must be decided before we jump.

I have had eighteen years of experience on the Board of Trustees at a local hospital in the North Hudson area. I am still involved. Whatever decision is made at this time will also affect other hospitals as to the type of service that will be rendered.

I have never seen anything that had so many problems as are attached to this bill. You have the bankruptcy court. What are they going to say about it? Whoever lends the money will want some kind of court order of priority.

The State has certain ideas. They say, "We are going to lend you this money." They are acting as business people, as bankers. "We are going to lend it to you, but we want interest. We want it to be repaid. You have got to have an audit. You have got to have this and that." That puts everyone in a pretty tough position, and it is that position that we will all have to resolve.

Many things will have to be stripped from this, and they are the emotional problems there. I realize that the community is involved, and they want the services to continue, but I'm afraid that the services will not be able to continue the way they were before, especially this last part of the proposed amendment about the charges of less than full cost. That is another big thing.

I am going to listen now to the input of the rest of the people who are here. Hopefully, they will present us and the Committee with more facts and input, which will help us all in the Legislature to decide which is the best way to go for our community.

ASSEMBLYMAN JANISZEWSKI: Senator, I think the point you make is a very valid one. That is, how do we approach a problem like this -- in a wider sense, the level of health care and access to health care within the County of Hudson? Do we approach it from a balance sheet? Which dollars add up to what dollar amount? How do we guarantee a loan and at what rate of interest? Or, do we instead direct ourselves to the health care needs of the community, irrespective of what the cost

may be, in terms of satisfying that as opposed to satisfying the balance sheet? I think that is one that will be explored throughout the process of the hearing.

Senator, I would like to invite you to come forward and join us at the table. In doing so, next I would like to ask Assemblyman Joseph Doria of the thirty-first district to come to the microphone.

Joseph, welcome.

A S S E M B L Y M A N J O S E P H V. D O R I A, J R.:
Welcome. I would like to begin by thanking you, Assemblyman Janiszewski, for having this hearing, because I think it is very important to give the people in Jersey City and Hudson County the opportunity to discuss this very important bill that you have sponsored, and we have had the opportunity of cosponsoring with you.

I think the question that you just presented to Senator LaRocca is a very important question, and I would like to begin with that. That is a crucial question -- the amount of health care available to the citizens of Hudson County, and the fact that Hudson County is probably one of the poorest counties in the State of New Jersey. The people in this county suffer from one of the highest unemployment rates, which is over 14%.

We need the Medical Center as a hospital to meet the needs of our people. These people cannot afford, in many instances, to pay or they do not have the insurance to pay the type of costs that would otherwise be assessed them if they went to a number of private hospitals.

So, I think that we have to provide quality health care to all of our citizens.

I think that bill, as it was originally drafted, was a very good bill. I think that the purpose was to provide the necessary funds to the Medical Center to allow it to continue to function as it has functioned in the past, and to allow it to provide services to the people. I do not like the amendments that are being proposed -- at least a number of the amendments -- not all of them. I don't find some of the amendments to be that odious, but I do not like a number of them. I will be specific about those.

Number one, I do not like the idea of the Medical Center becoming a nonprofit, general community hospital. I think the difficulty there is that it will not be able to serve the needs of the individuals in Jersey City and Hudson County. The people who have money and the people who have the necessary insurance will be taken care of very well, as they are always taken care of very well. But, unfortunately, the people at the lower level of the spectrum will not be able to be taken care of in the health area. I hate to say that what is happening in this country is that, again, quality health care is only going to those who can afford it, and those people who are unemployed and cannot afford it are going to suffer the brunt of the problem. They are going to get inferior health care if we allow something like this to take place.

I think that cutting back the number of beds to four hundred will impact negatively on the citizens of Hudson County and the citizens of Jersey City, because again, we will not have enough beds to service the needs of all the people who need the services of the Medical Center.

Again, we have to look at what the needs of the county are, and who can best serve the needs. We have to look at the quality of patient care that is given, and the Medical Center has a very good patient care program. It has some of the best facilities and some of the best doctors, not only within the County of Hudson, but in the entire State of New Jersey.

We have to say, "Why should we cut back on quality care in a hospital that is doing a good job when these people really need this type of care?"

I find the fact that the State is asking for interest to be paid on the loan somewhat ironical, because we know of many instances in the past where loans have been made, and interest has not been paid. I'm wondering why the Governor and the Department of Health have now required that the loan for the Medical Center be repaid with interest, and how much interest? Is it only going to be a modest interest charge of four percent or five percent, or will it be the current rate of interest running at nine percent, ten percent, or eleven percent, or will we be charging what the banks charge, which is

fifteen percent or sixteen percent? I think that is an important question, because obviously the higher the interest rate and the more the cost to the Medical Center, the less chance there will be of improving the financial situation of the Medical Center over the next few years.

I think, and everyone agrees, that there is a need for improved management, and I am not going to disagree with that. I think the idea of a management team is a good one, as long as we have some input into that process. I feel that one of the problems that has existed under the new form of management that -- of control, not necessarily management -- the Medical Center has, is that the Board of Managers does not necessarily represent the interest of the people in Hudson County completely. I think we should have representation from the employees who work there, as Assemblyman Charles said, and as we have sponsored that bill -- Assemblyman Charles has sponsored it, I cosponsored it, and I know you have too -- where we get some representation from employees, where we get some representation from the doctors who work there, and we have representation from the community which really needs the services. I think we have to do that. The Board of Managers does not represent the interests of the people who receive the services.

All I can say is, I was just in the Medical Center last week. My mother had to go in for some minor surgery. They did an excellent job and everyone was courteous and helpful. They did not know me from a hole in the wall, and yet everybody did what they were supposed to do, and they did it the right way. I think that says something for the quality services provided, and we have to maintain this for all of the people in Hudson County.

I think we have to work to try to change some of the proposed amendments so that they become more acceptable to the people of Hudson County and the people who will use the hospital.

I want to thank you again, and I look forward to hearing the comments from the other members of the audience.

ASSEMBLYMAN JANISZEWSKI: Thank you, Assemblyman Doria. I would like to invite you, as well, to the front table. I appreciate the concern you have expressed, and I know you have been intimately

involved with this issue once it reared its head several months back and from the point that you joined the Legislature, as well. So, for that interest and concern, I would like to offer you a seat up at this table.

ASSEMBLYMAN DORIA: Thank you very much.

ASSEMBLYMAN JANISZEWSKI: Thank you. I would like to also let you know, Assemblyman, that as you are coming up here, we do have representatives from the Treasurer's Office and the Department of Health, who will be called on shortly to come to the microphone. Perhaps some of the issues you have raised will also be raised by them.

In advance of their testimony and other busy gentlemen, I would like to call Ed Clark, the County Executive of Hudson County.

E D W A R D F. C L A R K, J R.: Assemblyman and Chairman of this Committee, Bob Janiszewski, your colleagues, ladies and gentlemen, I have a statement, and I'm not too much on reading statements, so I would like to be a bit more informal with it. I fully realize the dilemma we are all facing, and I would just like to make a few remarks pertaining to the County's and the Board of Freeholders' position on the Medical Center problem and the proposals that have been made under this Assembly bill, which incidentally, is an excellent one. I certainly would like to work with you in refining it in many senses, particularly on some of the financial mechanisms that are described in there and how calendar-wise they would be employed.

However, at the outset, let me just say this: We are not going to go into past history. It is not going to do any of us any good. However, the Freeholders and the public at large, when you are dealing with public monies, have rightly asked consistently, "What is the accountability provided to the County on monies already extended in terms of the Medical Center?"

Now, obviously, a new management team being brought in, and I am fully aware of the necessity of it -- and, please keep in mind that we have two hospitals in our own county -- and, with these two facilities, we're aware of the fact that you have to give health care. It is certainly essential in an area like this, and anybody who fools himself into thinking that we're going to be running things in the black is living in a world of allusion.

On the other hand, realistically, we have got to come up with some answers that make sense when we talk about the possibility of just where this hospital fits in -- the future, if we would describe it as such, and what it would encompass. We would also like to be part of that process.

When it comes to accountability in the future, we all have one prime accountability, and that is to the people who need health care the most. We feel very strongly that we have had to bear a disproportionate share of this in relation to costs with the State. However, I am not going to belabor that at this point. I would merely say that some of the things that we had better realistically address here, if we are going to find the common ground that we need, is that when this loan is forthcoming for the \$3.5 million -- and, I'm sure it will be, because we will certainly make every effort to help you make this a reality as quickly as possible -- and, when the management team is in there, we must have some time table, some realization to the public, to the patients, and to the employees as to where we are going to reconcile operating costs with revenues. If we are to continue to make this \$3.5 million a bigger Band-Aid than we have had at other times, it is not the real answer to that.

I think you have taken some excellent steps, and I want to congratulate you, Assemblyman, and your Committee. I also think there are a great deal of remarks that we should all adhere to that haven't even been heard this morning.

Certainly, there is an appeal that reaches so deeply into Hudson County that it cannot be denied, and that is, so many of our population-- It is kind of ironic -- the other day on one of the television broadcasts, they were talking about how technologically, our picture has changed and how we do not realize that it probably changed at least two decades ago. Instead of having the standardized industry that was available, which provided some of the rateables and which took a little bit of the burden off of the taxpayers, we are now dealing with a whole new rathe of service industries.

Do you know what one of them was? One of them was health care.

Well, I just want to close by saying this in conclusion: The problems are there; they are not easily solvable. Realistically, we have got to reconcile them. Nobody can turn his head on these things and come up with any easy solutions. We have had to deal with the complexities which are here in our hospitals, perhaps in a different sense, but we know that in dealing with hospitals, you have got to take all of these ingredients and come up with the common denominator. You have got to take care of people and provide the health care on one hand, and you have got to provide it at a cost that makes sense.

I certainly would hope that all of us here realize that whatever comes out of this in terms of tomorrow's hospital as far as the Medical Center is concerned -- it is not something where off the top comes tremendous costs and luxuries that we obviously don't need to the detriment of the patients and the public at large.

Thank you very much.

ASSEMBLYMAN JANISZEWSKI: Thank you, County Executive Clark. Ed, before you leave the table, first, let me ask if we can have a copy of your prepared statement for purposes of the record?

There are two specifics within in the bill which pertain to the county, which may be addressed in here. Not having seen it, I wouldn't know.

One is the loan being guaranteed by the City and the County, and the other is in the proposed amendments, which would impact the County, I would suspect, although I don't know for sure -- that is number 8, which essentially says that the Board of Managers shall not enter into any agreement with the City or County which would obligate the Board to provide health care services at less than full cost.

I know there has been a dispute between the hospital and the County with regard to the value of services being provided, although I don't know specifically what number of incidents, and perhaps you don't either--

MR. CLARK: Neither do I.

ASSEMBLYMAN JANISZEWSKI: Perhaps the Medical Center can't document that. I don't know if that is what the issue is.

MR. CLARK: We have never had any accountability. Millions of dollars later, and we have never had any accountability.

ASSEMBLYMAN JANISZEWSKI: All right, so that is yet forthcoming from the Medical Center.

MR. CLARK: That is right.

ASSEMBLYMAN JANISZEWSKI: All right. Thank you very much

MR. CLARK: Thank you.

ASSEMBLYMAN JANISZEWSKI: Is Mr. Blatzman or his representative present in the audience yet? (not present)

I would like to call upon Chester Kaminski, formerly the Director of the Department of Human Resources of Jersey City, and then after that, we will turn to the Department of Health and the State Treasurer's Office.

C H E S T E R K A M I N S K I: Good morning, Assemblyman and Senators. Basically I am concerned with two areas -- health care and expenditures. As the former Director of Human Resources to the City, we dealt quite a bit with the Medical Center, and we had quite few diagnostic centers and cooperative agreements where we could screen the senior citizens, do a lot of diagnostic work, and help out with third-party reimbursements at the Medical Center.

Since then, I've been trying to follow everything that is happening concerning the Medical Center through the newspapers. When you read in the newspaper that pension benefits haven't been paid, Social Security benefits haven't been paid, and millions of dollars just were used for other reasons, that leads me to a conclusion that definitely most of you will agree with me -- that there was some sort of mismanagement going on at the Medical Center.

I have to disagree in part with Mr. Clark. He mentioned, "How can you go back into the past with some of the old problems?" Well, that is basically where the problems stem from. I realize that you, at this point, are looking to appropriate \$3.5 million to the Medical Center, and I am in full agreement that it is needed for services that need to be rendered. But, why hasn't anyone in the past asked for an independent audit of the Medical Center? You know that during the Smith Administration, there was approximately \$6 million or more pumped into the Medical Center for the benefit of keeping it running for the indigent people of Hudson County. There was probably a

lot more money from the County and from the City. But, where is all of this money going? Nobody is asking any questions.

At this point, with this resolution regarding the amendments, you're asking to audit and follow the money that you are giving now -- the \$3.5 million that you are trying to get. That is all well and good, but I want to know where the money went in the past. Who is trying to cover up the situation at the Medical Center? I think the people of Jersey City have a right to know. I think an obligation of you, as Senators and Assemblymen, -- you have the right to ask for an independent audit, not involving anyone here from the City, but you know the things that go on in Jersey City. They will get somebody in there, and I don't know whether or not they will doctor the figures, but you won't get a true picture of what went on.

Ask the people who work there. Assemblyman Charles and the others have mentioned -- talk to the people there. Where has the money gone?

Yesterday, I took some time and called three hospitals -- I have the numbers if you need them. I called Christ Hospital, St. Francis Hospital, and Greenville Hospital, and I asked them what their policies were on admittance of indigents. It is sad to say that the policy is pretty much a standard procedure. They will only take you if you can pay. Where do they send you if you can't pay? They send you to the Medical Center, and that is sad, because if the Medical Center closes, where are the people of Hudson County going to go?

Our unemployment has skyrocketed. Those poor people out there who do not have Blue Cross/Blue Shield, Medicaid, Medicare, and all of those benefits that they had while they were working -- what are they going to do? The only way you can get into the Medical Center is if you have some kind of county welfare or something else so that the other hospitals can get you in and arrange a payment schedule. If you can't pay everything up front, you have got to throw in \$35.00 or \$45.00 right there in the emergency room.

I asked each of the hospitals, "Supposing it is a life or death situation?" They said, "Oh, yes, we must take you right then and there." They'll take you in a life or death situation, but life, and

the way we're doing it right now, we're talking about a life or death situation for the Medical Center.

Obviously, we can't keep paying from Jersey City or County taxes for every person who walks into that Medical Center. It is a tremendous burden, but something has to be done as far as finding out where all the money in the past has gone. That would be the only fair thing to do.

In all good conscience, if you can sit there and tell me that you are going to appropriate \$3.5 million, with little or no concern for what has happened in the past, well, then we're in a serious situation, not only here in the State, but in the country as well.

Thank you.

ASSEMBLYMAN JANISZEWSKI: Before you leave the chair, Chet, I don't think that any of us have any difficulty whatsoever with the recommendation you have made with regard to audit functions, whether it be for future monies or past monies.

You bring up an interesting point which relates more to the evolution of health care in the County of Hudson and the historical dependence of hospitals like Christ Hospital, St. Francis Hospital, and more recently, Palisades General, Riverside or the other component parts of the health care delivery system of the County. I would suspect that if you phone the hospitals, you would wind up getting the same response or a very similar one. That is reflective of their dependence as medical facility providers on the Medical Center institutionally as we talk of patients' dependence as patients. I think that is reflective of the great amount of support that the Medical Center has been getting. By support, I mean urgings by the other hospitals and towns in Hudson County, notably the town of Secaucus, whose council adopted a resolution along this line, in support of this bill, and frankly, any measure which assists the Medical Center. What they are all unanimous in saying is that the Medical Center performs a critical health care function for the County of Hudson, not just Jersey City and not just the poor and middle class of Hudson County either. It is the cog in the wheel of the health care delivery system in this county without which those services are not discoverable elsewhere. Patient load is not absorbable elsewhere in

the County. To have that hospital, as it presently operates, scale down -- that is a critical question, as Assemblyman Charles, Assemblyman Doria, Senator O'Connor, and Senator LaRocca pointed out. To have that hospital scale down to something other than what it is today in terms of providing the services it does today would be to say that those services are no longer available in the County of Hudson. It is not to say that you can get them elsewhere in the County, but they will simply no longer be available in the County of Hudson.

I think that is a sad commentary. To think that overnight or all of a sudden, that once the scale down occurs, that a growing up in another hospital will be a replacement clinic for this function, or a medical section to replace that function, is an unrealistic expectation. It would simply shift the burden over to those institutions, and I think -- and some of the hospitals have said this to me -- it would put them in a fiscal crisis, which they are not facing now. But, if they had to carry the kind of load that the Medical Center is carrying, on their behalf, frankly, they would find themselves in similar financial trouble, and we may, in fact, have a bill, or seven, eight or ten bills, to fund the hospitals in the County outside of the Medical Center.

MR. KAMINSKI: One of the people with whom I was talking yesterday said, "We're business insitutions." And, they are going to run their hospitals like businesses, not like an institution that has to deal with people on a daily basis. That is what is sad, because so many people go to the Medical Center who can't afford to pay every nickle and dime that they have.

Thank you.

ASSEMBLYMAN DORIA: Mr. Kaminski, before you leave, Assemblyman Doria would like to ask you a question.

ASSEMBLYMAN DORIA: Chet, I have one question. I think that the point you made about the hospitals and the fact that they don't take indigents is well taken -- and, also the importance of an audit.

In your knowledge, was any audit ever done of any funds ever given to the Medical Center? You mentioned \$6 million during the Smith Administration.

MR. KAMINSKI: None whatsoever to my knowledge, and that is why I am very concerned.

ASSEMBLYMAN JANISZEWSKI: I suspect there may have been, although I'm not certain of that, so I'll just have to make a note of that and follow up on it.

MR. KAMINSKI: I would appreciate that. I'm not just interested in the \$6 million--

ASSEMBLYMAN DORIA: I'm just saying that you mentioned that figure, so I was just wondering if any audit had ever been done.

MR. KAMINSKI: That was the money, I believe, that the Assemblyman fought for through Smith to more or less keep the Medical Center going then.

ASSEMBLYMAN DORIA: Right.

MR. KAMINSKI: But now, I'm talking about the new monies that you have in here, which is good. You know, it should be audited at the close of every fiscal year. Just open up the books and let an independent person go through them and find out where the discrepancies are.

ASSEMBLYMAN DORIA: I remember that money well, because that was fought for in Trenton. One of the things that we had to give up in the end, in fact, was the change in the Board of Managers to try to get things done.

MR. KAMINSKI: That was the cornerstone of Smith's Administration.

ASSEMBLYMAN DORIA: Right. Okay, thank you.

ASSEMBLYMAN JANISZEWSKI: Thank you, Mr. Kaminski. I would just like to mention, as Chet pointed out, that the Medical Center received \$6 million. That would have been in 1978. The Medical Center, as a matter of fact, through the Appropriations Committee, received \$6 million each year from 1978 through 1982, and in 1983 they received an appropriation of \$3.1 million. So, over that span of time, a considerable amount of money has been generated from the State for purposes of the Medical Center, as a grant, I might add -- not as a loan -- for the operation of that hospital. That, as a matter of policy, evidently has changed.

We are running a little behind schedule. For those of you who are here to speak, you will note that we have scheduled you during a certain hour. You'll be asked to bring your remarks to the

Committee. We're not that far behind -- only a couple behind -- but, it is ten minutes past eleven, and we will shortly reach those who we have scheduled to speak at eleven o'clock.

I would like to call upon Peter Pizzuto, who is the Assistant to the State Treasurer. Peter? Also, Garr Reed from the Department of Health is present, so will you please take this seat?

I also would like to say that we have heard a number of issues and concerns with regard to the bill, the operation of the Medical Center, the impact of a 400-bed facility, interest charges, and nonprofit general community hospitals. If you would refer to some of those, it would be appreciated.

First, Mr. Pizzuto?

P E T E R P I Z Z U T O: Assemblyman, let me also thank you for giving us the opportunity to be here at this hearing this morning.

The purpose of our being here is to attempt to focus attention on this bill, not as another Band-Aid, as Mr. Clark said earlier, but rather as a component in a long-term solution to the problems at the Medical Center. The conditions that have been proposed by the Health Department, and which the Treasury Department supports, are essentially conditions that are designed to make substantial progress towards a long-term solution.

I think your own bill views the issue in that context, and I congratulate you for preparing the bill in those terms.

Particularly, we are very grateful to you for recognizing the fact that there is a substantial outstanding obligation on the part of this institution to the State of New Jersey.

ASSEMBLYMAN JANISZEWSKI: Well, because I sit on the Joint Appropriations Committee, I simply can't ignore the obligations that the Medical Center does have to the State -- not only to the State, but to other creditors, if I might put it that way.

MR. PIZZUTO: I can tell you that Treasurer Biederman doesn't let a week go by without asking for a report from me, from the Pension Director, and from the Taxation Director as to the status of the collection efforts on that obligation.

Your bill includes a condition that within thirty days of the receipt of the proceeds of the loan, a plan shall be submitted for a proposed schedule of repayment of the existing obligation. We certainly have no disagreement with that, and we hope that that condition can be implemented in the context of the pending reorganization proceeding. We would hope that during the course of further consideration of this bill, if any technical changes are necessary, to take account of the existence of the reorganization proceeding, we can come to an acceptable understanding of the character of those technical changes.

ASSEMBLYMAN JANIZEWSKI: Mr. Pizzuto, does the Treasurer's Office have any position with regard to the reorganization action pending in the Federal court, or is that something you have not taken a position on, but rather within the confines of the position taken locally on it, want to protect the State's interests? Would you think that that is a proper response for the hospital to be doing?

MR. PIZZUTO: I can't really address the decision of the hospital's Board of Managers to take it into their reorganization proceeding. It is there, and the State certainly has an obligation to pursue its own claims in that reorganization proceeding, and it is doing so.

If I could address the issue which Assemblyman Doria raised earlier as to the interest to be included in the loan, I would suggest that interest accrue in the same fashion as it did in the loan which was included in the Appropriation Act last year for the town of Weehawken, which was at the discount rate of the Federal Reserve Bank of New York. That is the rate at which large commercial banks borrow from the Federal Reserve System, and it is about the most favorable interest rate available in the commercial market. It runs about 8% right now, and it is certainly less than private hospitals are able to borrow tax exempt through the Health Care Authority. It is a bit less than the State's own cost of funds on General Obligation Funds.

The Treasury Department does endorse the amendments that have been proposed by the Health Department as well, and with particular regard to the question of the implementation of a plan to convert the hospital on a long-term basis into a nonprofit, general community hospital. That is not to be understood, certainly from our point of

view, as indicating that there should be any substantial difference in the provision of health care from that facility to the general community in Jersey City. We understand a general community hospital would be exactly that -- one which continues to provide care to the community and in the interests of that community.

SENATOR O'CONNOR: How is that possible when you consider that particular provision, which is number 4 in the suggested amendments in tantem with number 8, which says that the Board shall not enter into any agreement with the City of Jersey City or the County of Hudson that would obligate the Board to provide health care services at less than full cost.

MR. PIZZUTO: I would like to yield to Mr. Reed on most of the technical questions concerning the provisions of health care, but let me say two things before doing that.

First, I believe that of all the major urban centers in New Jersey, Jersey City is the only one which has a municipally run hospital. The other major urban centers are able to accommodate the needs of their population other than through a municipally-operated hospital. In particular, I believe that the condition listed as number 8 of the Health Department relates primarily, if not exclusively, to agreements between public employers and the Medical Center with respect to the provision of health care to public employees. That is intended to mean that those public employers do not get bargain rates on the provision of health care to their employees. If I'm wrong on that, I am sure Mr. Reed will correct me.

G A R R R E E D: If I may speak about that issue, the intent of the provision to receive full-cost reimbursement for all public employees or anyone who is carried through some insurance mechanism, reflects the operation of the new DRG Chapter 83 reimbursement system on which all ninety-one acute care general hospitals in the State of New Jersey are reimbursed.

Without being too technical or complex, when a patient comes into a hospital, the system automatically counts that patient as reimburseable through some source -- either the insurance that that patient carries, the ability to pay that that patient has, or if none

of those, through what is called the "uncompensated care factor," which takes the costs that are unreimbursed, assuming that they are accountable for their verification documentation, and redistributes them among the existing insurers in paying patients. No one is intended to be denied care for lack of the ability to pay.

Condition number 8 is intended to mean, as Mr. Pizzuto pointed out, that no one pays less than the law intends if he is able to pay. Therefore, there is no additional cost from a public employee not paying the full loan, being put into the "uncompensated care factor," and then that amount being redistributed to Medicare, Medicaid, or even Jersey City Welfare, if they are paying full cost for their patients as they go in. That is the intent of it. There is coverage, and it does not restrict the Medical Center's ability to earn income as much as it does to redistribute the costs which either a public employees' union or a health care program is not paying or a private insurer is not paying. That is the intent of number 8.

ASSEMBLYMAN JANISZEWSKI: I should point out that there is a little bit more history, Mr. Pizzuto, to municipal general hospitals, and also a history of State response to municipal general hospitals.

Martland Hospital in Newark, as the largest city in the State, had a municipally-run general hospital, much for the same reasons that Jersey City is the second largest municipality in the State had -- that hospital got into the same trouble that this hospital has gotten into. They ran into virtually identical problems with uncompensated care, and the State's response in that case was an interesting one. The State took over the operation of that hospital.

As a matter of fact, in 1978, when I first joined the Legislature, I sponsored a bill to sell the Jersey City Medical Center to the State for a dollar, so that a similar response, as was the case in Newark, would be applicable here, and it might continue to provide, at State expense, through a wider tax base of people who are able to pay to provide the services that it has historically provided.

The State was not prepared to do so in the case of Jersey City, as it was in the case of Newark, for whatever the reasons were then, and it was at that juncture that we began to get State funding through grants again, I might add -- not loans.

While you are accurate that that is the only municipally-operated general hospital at the moment in the State, it is not the only one that existed. It is not the only one that faced problems. The response to this one, unfortunately, is quite different from the response that was the experience in Newark.

Also, the issue of the DRG rate has been brought up, and I'm sure we will discuss that a little bit further. Do you intend to put forward some explanation on amendments, because I would like to have Mr. Pizzuto finish, if he could, with regard to the financial aspect of it, and I would suspect that you would be better equipped to address the medical care aspect of it. Mr. Pizzuto?

MR. PIZZUTO: I have nothing further that I wish to bring to the Committee's attention in connection with the financial matters. Certainly, if there are questions though, I'll attempt to answer them.

ASSEMBLYMAN JANISZEWSKI: Okay, Senator LaRocca?

SENATOR LaROCCA: Mr. Chairman, while there are two representatives of the State government here, I just want to reiterate, if I may, my main point that I made before. I understand the problems of the administration. Not only myself, but my other colleagues have been brought into the Governor's Office many times, and we have dealt with many of the Commissioners on the Cabinet level, and the problem always is that there may be a lack of communication.

I would like this point to be taken to your superior.

There are serious philosophical problems. There are also fiscal problems. I understand the Commissioners' problems -- both Commissioners and the Governor's problem. We have to run this like a fiscal organization. You make a loan, you want to be repaid, you have interest, you have Board members, etc.. I think that a certain amount of sociological input should also be put in. The composition of the Board, as I said before-- I'm on hospital boards. There should also be a certain amount of social agencies involved besides the fiscal people. At our board meetings, we always look at the bottom line.

It has been said before, we've got to make the hospital run. Sadly to say, they all sluff it off. To run it fiscally, somebody has got to take up the slack. In this County, it is the Medical Center. That must be faced by the powers to be. What do you do with all of these people? You need more members on the Board.

Again, who is to bear these costs? Somebody has to bear them out and somebody has to pay for them. Who is that somebody? Maybe the State ought to start thinking along the lines of spreading that cost.

I know that the people of Saddle River may say, "Well, it is not our function to take up the slack of the big communities." But, that is a problem, and that problem must be addressed by the powers to be in Trenton, and we all should work together along those lines.

It is not unsolvable. We need the fiscal men, the business men, to tell us how to run the hospital. I think a certain amount of social consciousness should be involved at this particular point. The cost has to be spread. Who is to pay for it? The County says, "Well, I have problems." The City says, "I have problems."

It is true -- they have. Maybe it should be spread out on a State level. That is a big problem, and no one wants to face it.

I urge you to bring this message back to your respective superiors. Thank you.

ASSEMBLYMAN JANISZEWSKI: Thank you, Senator LaRocca. I think the point you make is one that is well taken. We have had problems in the past in Newark with regard to this issue, and essentially, it is providing health care for the poor. Why we face it and counties like Bergen or Hunterdon don't face it is simply because the poor don't live there. They live here. The reason they live here is because of the age of our community, the affordable housing, availability in our community as compared to other communities in the State. So, we open our arms, we take in the poor, and for that, we suffer the consequence of having to struggle from a lesser base, a lesser financial base, to be able to support those activities which are human needs. We really, it would seem to me at least, have been assigned the role by destiny of providing for people that other areas do not provide for, and while facing the fiscal dilemma of how do we pay for it, when others, frankly, go off scot-free.

We take their problems, and they refuse to share the costs. That is an unfortunate circumstance, as you pointed out.

I would like to ask Mr. Reed about the health issues we are concerned with here -- as a representative of the Department of Health, which has been intimately involved with the Medical Center -- not just

as of late, but rather for a good number of years, both as an accrediting agency and as a fiscal monitor, especially since the point in time when the Medical Center began to get State funding of a sizeable amount. I would like to ask Mr. Reed to address himself to some of the health care issues that are raised by the bill and the amendments.

MR. REED: Thank you. I'll go directly to the points that were raised by Assemblyman Doria about the potential change in the organization of the Center and the reduction of the number of beds.

The Department, as part of the funding, had committed itself to have a study done to present options that the Center would or could make available to itself in considering its long-range problems and potential solutions to those, keeping in mind what its role in the community is and its role in the health system.

The recommendations that are made in the proposed amendments from the Department of Health include first, the evolution of the Medical Center into a nonprofit, general community hospital. The care that is given is a function of the commitment of the Board and the staff towards carrying out the Medical Center's role.

The organization -- the structure, the legal structure -- does not necessarily dictate which way one operation will act or another operation will act in the delivery of health care services. The impact that we are concerned with, as Mr. Pizzuto stated earlier, is that we don't go through this every year -- that we make some type of lasting change or modification or solution to the Center's problems, so that the Center doesn't continually come back and seek additional funding or other types of assistance, if we can now do something to put the Center on a good footing, both in terms of the quality of care it delivers and its fiscal responsibility.

We don't feel that there is any necessary organization that benefits the hospital the most in terms of its flexibility to delivery care in a community as much as a nonprofit community hospital does. There have been indications that this condition, in conjunction with the last condition, will restrict the operations of the Center, will change or eliminate its teaching role, will create a less than adequate center giving care to the people of the surrounding community. That is

not the intention of this condition. It is to provide the hospital with the most flexible form of governance that will allow it to do what it perceives is its role. This is more the function of the commitment of the Board of Managers under any type of legal structure and a function of their bylaws or their charter as written.

So, we feel that the most flexible type of organization is a nonprofit community hospital. The study by the Department Commission came up with five options for the Board of Managers and the Department itself to consider as eventual governance structures for the hospital. The Executive Summary of that report and the full volumes are available. The Executive Summary is relatively brief. It runs through the material and gives a good outline. The other supporting is -- the best description is that it is about five pounds. There is a lot of material in there, and the summary is pretty well put into a synopsis.

We are concerned that the hospital go forward with its review of its own governance structure. We encourage the hospital to go to a nonprofit community hospital structure. We have been working directly with the hospital since it came on to the Chapter 83 system in October. We have attempted to find solutions that will deal with the long-run problems, as we see they have existed for some time.

As far as the condition on the number of beds is concerned, we have studied the utilization of the hospital, and we have studied the general response of hospitals to the new reimbursement system, which encourages hospitals to become more efficient in delivery -- the quality of care that they currently deliver. What we have found is that hospitals tend not to use as many patient days, even though they may keep the same number of a greater number of admissions. We believe that Jersey City is capable, also, of this type of pattern, and we believe we have seen it in some of the current statistics on its utilization.

The Department feels that the 400-bed figure is a target figure that we are looking for. There is a decrease census at the Medical Center. The Medical Center fluctuates around the 400 figure, not necessarily constantly below, but it is within that range. We are concerned that the Center, in being able to deliver effective and efficient care for that community, can operate at a level of around 400

beds. This is also part of the discussion in the study, which we had contracted to be done, so that the bed size, as well as the organization structure, is in there.

Those were the two basic points that Assemblyman Doria questioned. The important thing is to recognize that the DRG or the Chapter 83 system was passed to safeguard, especially in a case of a hospital like Jersey City, the hospitals that were suffering a great deal because they were not getting reimbursed for the full cost of their care to indigent patients who could pay only portions of their bills, and the other patients who were uninsured. The process of ascertaining an accurate level of uncompensated care is an important factor.

As the County Executive, Mr. Clark, indicated, the question of accountability that he had over the cost of services delivered to patients -- the Department is also concerned with an accountability factor on the part of the Medical Center to provide us with a figure that we believe can be verified as actually being the true figure of the uncompensated-care patients.

Our whole thrust has been towards attempting to maintain the types of services that are currently given by the Center, but at an efficient and effective level. These are the types of things that we have been moving towards in our continual work with the Center over the last six months since it came on the DRG system. There are many things we hope to see in the future. We believe that the conditions in the bill lead towards those -- towards an effective and efficient hospital delivering the same quality of care in dealing with the socioeconomic concerns that I believe everyone has.

ASSEMBLYMAN JANISZEWSKI: So, in your view then, or in the view of the Department of Health, the condition of a scale down to a bed capacity of 400-- Well, let me ask this: What is the present Certificate of Occupancy in the hospital? -- or Certificate of Need, I suppose?

MR. REED: I believe the hospital is licensed for about 600 beds.

ASSEMBLYMAN JANISZEWSKI: But, in your view, the 400-bed license level would not materially affect the health care service availability at the facility.

MR. REED: I believe that the Department has used the figure of 400 as a target. We consider two things as being important in that.

One is, the attempt on the part of the Medical Center to remove those patients who are not acute care -- in other words, those patients who are awaiting placement in long-term care beds -- to long-term care beds. That is another question, which through the Certificate of Need process, might be answered.

As I said, the 400 is a target figure. There are, I believe, times -- I believe currently -- the Medical Center is at a census of above 400. Our concern though is that above a level of 450, we do not believe with the efficiencies that can be brought in terms of shortening the length of stay through a removal of the long-term care patients, that a level of much greater than 450 is at all realistic. So, our target figure is 400, and we have considered that by looking at the utilization.

ASSEMBLYMAN JANISZEWSKI: Before I go on to other questions, I would just briefly like to go to the DRG system, which you have mentioned several times.

I think we are all aware, or at least many of us in the room are aware, that the Medical Center went on the DRG system, I believe, in October. Is that correct?

MR. REED: October 1, yes.

ASSEMBLYMAN JANISZEWSKI: Okay. At that point, as would be the case with any hospital, the Medical Center applied for certain rates before the Hospital Rate Setting Commission, which contained their numbers -- their workup and proposal as to what their incidence of uncompensated care or indigent care -- we use those terms interchangeably here -- would be. I believe that their application contained a percentage of uncompensated care of about 21% or something thereabouts.

The award of the Department of Health, on the other hand was 7%. While the Department of Health, as well as the Governor's Office and the Treasurer's Office, I might add, has admittedly said that it is likely to be much higher than that. It is still presently under review. They certainly don't say it is 21%, but they will admit that it is higher than 7%. Even counsel to the Governor, Cary Edwards, has stated that several times.

What role, if any, did that play in putting the Medical Center in the circumstance that it is today, or conversely, if the DRG rate were to be doubled to 14, what relief availability might that have in terms of the fiscal affairs of the Medical Center? A doubling of an indigent factor at the Medical Center would produce how much if that would be the case by the Hospital Rate Setting Commission?

MR. REED: Well, to give you a little update on the history of the indigent-care factor, the initial factor was set at 7%, and we felt by reviewing information that that had been a figure arbitrarily determined for the University of Medicine and Dentistry Hospital.

ASSEMBLYMAN JANISZEWSKI: Which, incidentally, caused virtually the identical problems out there that they are causing here.

MR. REED: We understand that there is a slightly different funding mechanism for the coverage of uncompensated care at the University Hospital. However, we did take into consideration an interim rate of 13%, and as of December, we raised their rate to 13%. Our difficulty in raising the rate beyond that is the ability of the Center to document what its rate of uncompensated care is. We are going through a process with the Center of identifying where we find weaknesses in their collections and billing procedures, and to see if the Center can respond to us in a way that allows us to have a verified figure.

As you know, we do not only deal with the individual hospitals or medical centers on any issue, especially when it comes to raising the rates. The insurers are also a party to this process, and they demand, as I expect anyone who would have some fiscal responsibility would do, accountability on the part of each institution. By that process, we are currently attempting to verify what an actual figure of uncompensated care is for the Center.

A raise in the factor from 7% to 13%, if my figures are correct, meant an additional \$5 million to the Medical Center. One of the difficulties that we have in responding to not only the Medical Center, but in responding to the ninety other hospitals, is that we have an attention to require a certain degree of efficient fiscal, as well as patient care, management, and we would like to see those types of procedures enforced, as well as accurate documentation of uncompensated care.

We are concerned that a solution by raising the uncompensated-care factor may not deal with some of the other management issues that we feel are problems with the hospital.

ASSEMBLYMAN JANISZEWSKI: Okay. Assemblyman Doria has a question.

ASSEMBLYMAN DORIA: My first question relates specifically to the number of beds in the hospital. What you are basically saying is that 450 beds are sufficient to take care of the needs of the people in Hudson County. Is that what you are saying?

MR. REED: We would say that based on the history at the Jersey City Medical Center and the length of stay, figures and what we see as problems that keep it at a high census and at a higher occupancy rate in terms of length of stay -- our target is 400, because we believe that efficiencies can be put in to bring it close to 400.

ASSEMBLYMAN DORIA: What type of efficiencies?

MR. REED: First, the movement of the long-term care patients to a more adequate facility for them, rather than having them take up beds at the Center. Continually throughout the Medical Center, there are delays in receiving tests and procedures, delays in receiving information -- things which the Center, because of its history, really hasn't had the time to put the type of controls in that we would like to see. One of the reasons that we are looking for contract management--

ASSEMBLYMAN DORIA: (interrupting) So, what you are saying is that this doesn't exist at other hospitals, and you want this too--

MR. REED: (interrupting) Well, this type of problem does not exist to the intensity that it exists at Jersey City Medical Center.

ASSEMBLYMAN DORIA: But, the problem does exist.

MR. REED: On a certain level. Because the system, as it looks at a hospital, is based on the average experience of New Jersey hospitals. There is a factor -- if you want an average efficiency or inefficiency -- of the New Jersey hospitals as a whole built into the way that their system accounts for the money and time.

ASSEMBLYMAN DORIA: There are problems with the DRG, as you know. Most of the hospitals feel that is is a very unfair system. I'm

not going to get involved in that because we don't want to talk about the DRG now. But, I think that that whole question has to be dealt with at another time.

The next question I have relates specifically to number 8 here. I would like to know instances of where the County or the City set up contracts with the Medical Center for employees to receive health care at less than cost.

MR. REED: We don't believe the Center has negotiated fee contracts with the City or the County for all of the services it gives. We would like to see something on the nature of--

ASSEMBLYMAN DORIA: (interrupting) For employees?

MR. REED: For the employees of the County and the City, I believe it is usually due to the appropriation amounts. Let me be very clear on my point here.

I do not believe that there is a fixed fee for services rendered for a public employees' contract. I believe that there are general contracts which do not stipulate what it costs to serve an individual patient for an individual procedure. We are hoping that by improving the billing and collection reporting process and with the DRG system, that they can get an accurate account of what is costs.

ASSEMBLYMAN DORIA: So, what you are saying is, we need an accountability system.

MR. REED: Yes.

ASSEMBLYMAN DORIA: Okay.

MR. REED: That is very much our concern.

ASSEMBLYMAN DORIA: (interrupting) Which has never been in existence at the Medical Center.

MR. REED: Yes, I believe that Mr. Clark, the County Executive, and many people who have had dealings with the Center, would agree with that. We feel that that is a greater focus than many of the quality care issues, which seem to--

ASSEMBLYMAN DORIA: One of the previous speakers brought up the question of the money that the Medical Center had received from 1978 on -- the \$6 million that were grants and not loans, and the fact that there was no accounting of that. Was there any accounting done of that money during that period from 1978 to present?

MR. REED: There was a preliminary audit done, I believe, in 1979, which led to some subsequent amendments in the Public General Hospital Assistance Act, leading to the reconstitution of the new Board. I believe this was done under the conditions whereby there had been, in the original legislation, a figure ascertained through a procedure of documentation. When they initially went through the documentation at the Center in 1979, they found, as we have done in sampling and other surveys, that the documentation was inadequate to verify an accurate figure.

I believe that there was one year subsequent to 1978 where the Center did not actually receive \$6.2 million.

ASSEMBLYMAN DORIA: Okay, so what you are saying is, there have been some preliminary audits at least of the money that was received in 1978.

MR. REED: The money was not necessarily audited. The procedures accounting for the patients were, and there has, as far as we know, outside of the general year-end audits, there have been no audits done.

ASSEMBLYMAN DORIA: But, have those problems been corrected since 1979?

MR. REED: We don't believe so. We believe that the same documentation problems exist, and that is why we are working with the Senator on that.

ASSEMBLYMAN DORIA: So, you're saying that the documentation problems are continual problems that have been going on since at least 1978.

MR. REED: Yes.

ASSEMBLYMAN JANISZEWSKI: Thank you very much. Are there any other questions? (no response)

Gentlemen, thank you very much for appearing here today. Oh, let me ask one final question, Mr. Reed. On the 400-bed figure, does that envision the continuation of all of the clinics over at the Medical Center?

MR. REED: Yes, we don't believe that the clinics are an issue. As a matter of fact, we are moving on a separate level to investigate the normal types of alternative funding in Federal programs

available for the support of it. We're not at all concerned with trying to limit through this bill anything that has to do with outpatient or emergency room clinic services.

ASSEMBLYMAN JANISZEWSKI: Okay, thank you very much. Next on the Committee's agenda, and we're now entering the eleven o'clock to twelve o'clock phase -- we're a little bit behind schedule, as you can see. I would like to mention the people who will be speaking in that phase and the order in which they will speak, so you will know when you are about to be called: Thomas F. X. Smith will be first; Councilman Thomas Fricchione of the City of Jersey City; Mr. Dave Leff, Chairman of the Chamber of Commerce; and, Reverend Walter L. Hankerson of the Welcome Baptist Church.

I will first call upon Thomas Smith. While he is doing that, I would like to let you know that we have received communication from United States Senator Bill Bradley, who has given us the following message -- that he would not be able to attend the public hearing today regarding the Medical Center due to hearings being held in Washington by the Committee on Aging on which he serves. He does, however, make an offer, and he will follow this up in writing. Senator Bradley related the following message, as well: If we need any help at the Federal level or we believe that he can be of assistance through Federal legislation or through lobbying on behalf of the Medical Center, he offers his full cooperation and support to resolve the present crisis that we are facing.

For those who are present, let me say that we fully intend to follow-up on Senator Bradley's kind offer and make sure that he, as well, carries our message to the halls of the United States Senate and Congress so that we might resolve this problem.

Assemblyman Thomas Cowan of the thirty-second district has arrived. I would like to invite Tom to join us at the front table. Welcome, Tom.

I would like to turn the microphone over now to someone who was the Mayor of Jersey City from 1975 to 1981. When I was intimately familiar with the Medical Center and its problems, he carried the battle to Trenton on behalf of the Medical Center. That started a cycle of State funding which the Medical Center has enjoyed up to this

point. With that, the former Mayor of Jersey City and the present City Clerk, Thomas F. X. Smith.

T H O M A S F. X. S M I T H: Thank you very much, Assemblyman. Good morning to the other members of the Committee.

My position is a very simple one, and that is, we should keep the Jersey City Medical Center as a public hospital. We should not be concerned with some of the extraneous information and testimony that has been given. I think that we ought to point out at the outset that Jersey City, in terms of the Medical Center, has done something that no other municipality in the State of New Jersey has done, and that is, to meet the needs of the poor of the community. I believe our problem started twenty-five or thirty years ago when we recognized at that time that the State and Federal governments were not meeting their particular commitments to the community, and Jersey City and Hudson County, with all of its legislative strength, was unable to do anything about getting the assistance we needed.

I think our problem started when the State failed to recognize the commitment that we made and changed Martland Hospital to a State hospital and to a teaching institution, and they let the people who pioneered public health at the public hospitals just simply wander by themselves. During the course of those years, it was obvious that Jersey City had built up a great obligation -- a financial obligation -- because of this. When we were successful in getting, as you pointed out, Mr. Chairman, the first cycle of State funding in 1977, one of the major problems that we ran into was that we were, for the most part, paying off State obligations that had built up throughout the years. They were obligations, incidentally, which I submit, the State never met.

I would also like to point out that instead of talking about a \$3.5 million loan -- and now the Governor, and I think it is ludicrous and insensitive of him to now require that this City which has met this obligation to save citizens incidentally-- One of the big problems that we run into that I have found as Mayor is that we draw these artificial lines, and arbitrarily say that somehow this obligation belongs to these people living within these boundaries -- the problems of Jersey City, Newark, and Camden -- when, in fact, we're

talking about State citizens who have a right and an obligation to have their health needs met. The point I am making, again, is because of the overflow of the poor into the communities of Jersey City and Newark, for the most part, we've been the ones who have had to meet the financial commitment, and obviously, it is too much to handle. The fact that we were able to get the assistance that we did in 1976, 1977, and thereon, I think, with full recognition on the part of the State, that they were not meeting their commitment.

My point is, instead of talking about a \$3.5 million loan, we should be talking about a \$3.5 million grant to the City, simply because of the fact that for sixty years, we were doing what no one else in this State has done -- meeting the needs of poor citizens who live in Jersey City, but are State citizens. Instead of talking about a \$3.5 million loan to be paid back with interest, if the Governor knew the historical mission of Jersey City and the nobility of Jersey City in providing the care that we have, he would be talking about an out and out grant. I submit to you that we should be talking about an out and out grant.

Essentially that is my thesis, and if there are any questions, I would be very happy to try to address them.

ASSEMBLYMAN JANISZEWSKI: I recall with great vividness the first allotment of money from the State at a level of \$6.2 million in that year. I also recall with great vividness the way in which that was secured.

MR. SMITH: Mr. Chairman, if I could interject for a moment, and you have been so extremely helpful in this matter, but there is something else I have to say.

In 1977, when that commitment was made, because it was an obligation on the State's part to finally recognize, after decades of not meeting a commitment, that they did have an obligation to these citizens. All right? Originally, and this is probably not known, but I submit here, and I would be fully willing to swear to it, that we were originally talking about \$9 million -- \$9 million a year -- in order to catch up with the financial difficulties. A funny thing happened on the way to the Legislature. Bergen County insisted, and this is the sad part about politics, and perhaps it is an indictment of

political legislators, if you would -- Bergen County insisted that before they were to provide their votes, Bergen parks would have to receive \$3 million of that \$9 million. If there was ever anything that was immoral in terms of dealing with human beings, that was it. I am sorry to say that some of the legislators, including Al Burstein, among others, quite frankly, who were former residents of Jersey City, failed to recognize that our financial situation in our area was totally different than Bergen County, which is one of the richest counties in the country. Yet, this poor community that was serving a need that no one else has served -- of the 567 municipalities -- was discriminated against when they took and turned Martland Hospital into a State hospital instead of the Jersey City Medical Center. These people, in their insensitive approach, took \$3 million away from us.

So, I think we have to put that into proper focus, and I think we have to bring that message back to the Legislature. When Governor Byrne and the Legislature recognized their need to help us meet our commitment, we were talking about \$9 million, and the richest county in the State took \$3 million of that \$9 million -- one-third of it.

Now, I submit to you, if Bergen County needed \$3 million, what do you think the poor County of Hudson needed? Do you think they needed twice as much -- \$6 million as opposed to \$3 million. I wanted to put that into historical prospective -- that the Legislature understand that when this problem was fully studied, and it has been a problem for forty years -- it has been a problem, as I stated before, and I hope I am not being repetitive -- we understood the need to meet the commitment of the poor. No one else did. We were meeting that type of commitment.

So, Mr. Chairman, I hope that perhaps when we bring the message back to the Legislature, who fully understand that Bergen County needed \$3 million, I would ask, how much money do they think Hudson County needed?

ASSEMBLYMAN JANISZEWSKI: I think it is a good question, and probably the answer lies in a number much greater than \$6 million.

AUDIENCE: (Applause)

MR. SMITH: Well, there is no question about that. In addition to that, Mr. Chairman, and I want to put it, again, into proper perspective, when I came into office, the hospital then was bankrupt. When I came into office, they were talking about -- and they closed the very first week, and they couldn't blame it on me -- the maternity ward. Do you know why? Because they owed \$75,000 in bills, and the charge on the part of the State was that some of the doctors didn't have gowns. The gowns were in the laundry in Newark with a \$75,000 bill.

I had to personally commit my own personal commitment for that money in order to get them to release those gowns. So, we were in the position-- you know the record -- where we couldn't get sutures. We could get all forms of medication.

Now, what happened was, when we got the \$6 million instead of the \$9 million, and Governor Byrne and his administration knew how desperately we needed \$9 million, not \$6 million -- but we had to share it because of political machinations -- and, I keep repeating this, because I want to reinforce it -- but, were one of the richest counties in the country-- Our problems were only exacerbated. As a matter of fact, they were requiring us to pay back the money that the Medical Center had owed for two decades to the State before we got a nickle.

So, what I am saying is, if Governor Kean really wants to help us, it shouldn't be in some kind of a charade or a sham. He should talk about giving us the \$3.5 million for what we have done for all these years. He should be talking about helping us to perhaps pay our necessary bills before requiring State bills to be paid. I think you have to look at the total picture instead of looking at some isolated problem. Sure, we've had problems, and public hospitals traditionally have problems, because their needs, as you well know, are far more difficult than those in private hospitals under private conditions.

You're talking about doing away with clinics. Fifty thousand people use our clinics. They are the family doctors. How can we, with 16% unemployment here and 14% in the county-- The big problem that we go back to constantly -- we go back to the obligation of the State to meet the needs of the citizens in the State -- and just capriciously

say, because someone drew some lines 200 years ago, that you people in here have to meet the needs of those particular people. If they happen to be all poor, as opposed to all rich, like in Deal, Allamuchy, or Ridgewood -- obviously, we have problems. As far as I'm concerned, I think it is time that the State recognizes that they have the obligation, not Jersey City.

In 1974, Jack Finn talked about it. There was a statement in the Jersey Journal. He said, "There has to be a State takeover." And, we're talking about a State takeover. We're talking about them giving us the equity and the justice that they gave Newark.

Why can't we do it? We can do an awful lot of other things. I submit that we can meet that commitment, but we have to do it in a partnership. We have to recognize that instead of coming here, as many of them do, and denigrate that great hospital, we have to remember one thing: That that hospital is unique, that that hospital has done what no other hospital in the State of New Jersey has done. We are very, very proud of what they have done. Now, they have to suffer because they have served the needs of the poor. I submit to you that that is what the Governor is all about.

AUDIENCE: (Applause)

MR. SMITH: When we talk about audits -- there were auditors in the Medical Center as far back as anyone knows. Fred Thompkins, the business manager, can tell you. I can show you scores and scores of State audits. Frankly, if there are problems, then somebody has to be held accountable for those audits, even in terms of the State. So, we have met our commitment. Let's start talking about the State meeting its commitment to our people -- their people -- the people of the State.

ASSEMBLYMAN JANISZEWSKI: Thank you very much, Mr. Smith, for your commentary.

That amount of money, which you spoke about -- the \$6 million -- I just want to get it across to the people who are here -- was not a one-time commitment on behalf of the State, but rather, it was an annual commitment. During the last year and a half, the State has backed away from that. It was \$6.2 million as a consequence of the

1978 Act, each year, up until last year, when it was cut in half to \$3.1 million. These were all grants to the Medical Center.

But, as you rightfully and accurately point out, they were monies that, for the most part, went from one ledger book into another, and not into the operating accounts of the Medical Center. It was merely a transfer on paper from the State Treasury to the State Treasury for bills owed the State. So, very little of it filtered into the Medical Center, as you and I both know.

At this juncture, however, we're not even talking about a \$3.1 grant or a \$10,000 grant, but rather a \$3.5 million loan.

MR. SMITH: Yes, that is what I am worried about. You know, it seems that we are taking this so matter of factly. With our legislative strength, the Governor seems to be able to find us when he needs us. Frankly, all governors do this. The present Republican Governor has needed our assistance to put through some very critical measures.

I think it is time that we really speak up and say, "We're not going to vote for anything that he needs unless the State recognizes their obligation to the citizens of the State who per accident live in Hudson County.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Are there any questions from any other members of the Committee? (no response)

Be assured, Mr. Smith, that the record is being taken on this. This record will become a public document subsequent to this hearing, and it will be spread upon the desks of the Legislature. It will be available to the Governor's Office, as well.

Thank you very much for your appearance here today.

MR. SMITH: Thank you very much, Mr. Chairman, Joe, Nick and Tom. I appreciate it.

ASSEMBLYMAN JANISZEWSKI: I would like to call upon Councilman Thomas Fricchione of Ward B, Jersey City. I would also like to let you know that while Councilman Fricchione is on his way to the microphone that many officials have been invited to appear here today. The Legislative Delegation has responded by its presence. We have invited representatives from each city within the County of

Hudson. We invited the members of the Council, and the members of the Board of Freeholders -- all of those people, who by virtue of election, represent, in a public fashion, people of the County.

In addition to that, we've contacted Congressman Guarini's office, Senators Bradley and Lautenberg, and the Governor. We received, as I mentioned earlier, a message from Senator Bradley. I have in my hand a message received from Governor Tom Kean, which I would like to share with you. It is a brief one, and I would like it also to appear in the record. I have had it up here for awhile, but some of the comments of Mr. Smith have prompted me now to read this into the record. It reads as follows:

"Dear Bob,

"Thank you for your notice and invitation to the public hearing on Assembly Bill 3225, which I received this afternoon." That is dated last week.

"Please be advised that I have turned the notice over to my Chief Counsel, Cary Edwards, and any further information needed by him or needed by the Committee should be directed to him."

Just a brief editorial comment, if you will allow me: It would seem to me that I was elected to represent this area. The Governor was elected to represent the State, which includes this area, as Mr. Smith pointed out. Cary Edwards was not elected to represent anyone, and I would prefer, in the future, if elected representatives would deal with each other, not through surrogates selected by no one, but rather through people elected by the people of the State who they represent.

So, with that comment, Councilman Fricchione, insofar as you, in fact, represent the group of people in the City of Jersey City and also are intimately familiar with the problems of the Medical Center, we appreciate your appearance here today. The microphone is yours.

T H O M A S F R I C C H I O N E: Thank you very much, Assemblyman. Today, instead of making a presentation, I just want to give you some documentation and some ideas.

The first thing I would like to do is, I would like to welcome the Assemblymen and the Senators, and also the Chairman. I want to thank you for having this worthwhile public hearing and for seeing the need.

Before me, I have Assembly Bill 3225. As I look at numbers one through eight, I have a serious problem with numbers four, six and seven.

First of all, regarding number four, it has to remain a public hospital. Another issue that we have is that the public school children, when they are injured, use the Medical Center. When the Board of Education personnel are injured, they use the Medical Center. We're talking about over 30,000 people right there alone.

As you know, with the athletic programs that we have in Jersey City, we do use this extensively, so this would hurt us.

Another problem we have is, the other hospitals in the County will not accept indigent patients, except for emergencies. Some of the problems that we do have are because the Medical Center is the only hospital in the County that has ambulance service.

One night in November, I was at a wedding. A lady passed out, and there was only one place I could call for an ambulance. That was the Jersey City Medical Center.

I look at number six -- number six deals with a bed capacity of 400 beds. Now, if we were to reduce it to 400 beds, which I am totally against, where would that reduction come from? What departments will that come from? Can anyone on the Committee or the Health Department answer that?

ASSEMBLYMAN JANISZEWSKI: I'm sorry, Councilman, I was distracted for a moment.

MR. FRICCHIONE: All right. If we are to reduce it to 400 beds, which I am totally against, where would that reduction come from? What category? If we went from 600 beds to 400 beds -- if we reduce it 33% -- where would that come from? What area?

ASSEMBLYMAN JANISZEWSKI: I have no such information as to what the design is, or if, in fact, there is even a design. I think Mr. Reed of the Department of Health mentioned earlier -- I don't know if he is still here -- that they had 400 as a target, and they felt

that historically the Medical Center operated at an average daily census of between 400 and 450. Part of that component was long-term -- I should say, what might be construed or might be defined as nursing-home care. To my knowledge, however, the Medical Center has transferred those patients who would be defined under nursing-home care categories already, as opposed to intensive hospital supervision categories. Yet, the census still remains well above the 400 target figure.

So, I can't answer your question, but I recognize it to be a concern, and I have no idea which third of the population would be ejected from the front door if that were to be done.

MR. FRICCHIONE: All right. In all fairness to Mr. Reed, when Councilman Lopez and I met with the Health Department in Trenton, the Board of Managers of the Medical Center were told in October of 1982 that this was going to happen to them. They didn't want to realize or didn't believe, or if they knew it, tried to cover it up. They were told by the Health Department in October of 1982.

Regarding the 400 beds, the reason why I am totally against it is, as you know, we have a large population of senior citizens. If we were to have a tragedy -- God forbid, if a fire were to break out in one of our buildings -- we would need as many beds as possible to handle this medical care. If we had an emergency at a school, -- if a school ever caught on fire -- who could handle that, except the Medical Center? Who has the equipment? Who has one of the best pediatric units around? The Medical Center does. Who could handle an emergency crisis?

We have never done a mock emergency crisis, but I would like to see us sometime in the near future take the hospitals in Hudson County and see which ones could handle an emergency crisis best. There is only one hospital that could do that, and that is our own Medical Center. It is equipped to handle that, and it has the facilities and the personnel.

The other problem I see is that by reducing it to 400 beds, we all know of simple economics of fixed costs. Fixed costs deal with heating bills, phone bills, payroll, etc. After fixed costs, you then start making profit. By reducing the Medical Center to 400 beds, you

are only going to run in the red. You are never going to get it off the ground.

Number seven deals with "the total amount of the loan shall be with interest." First of all, let's be realistic. I don't believe that there should be a loan. This should be a grant. I believe that Trenton is one of the brothers or the sisters of the Medical Center -- however you want to look at it. The City gave money and the County gave money. The City and County have been reducing their share over the years, and the State has given monies since 1977. Therefore, the State is involved. So, in simple language, if the police department needed money, and we had a special hearing today, we would have a budget appropriation -- an emergency appropriation -- of those monies. We would transfer the monies.

To me, this is the same principle here. Once the State gave money to the Medical Center -- if you want to use the word "adopted" -- they adopted the Medical Center as part of their family, along with the County and the City.

The other thing that we don't have is, we don't have documentation of the services that we gave the County. I believe that the State, once they gave monies, adopted part of the Medical Center.

As far as the quarter of a million dollar study is concerned, I think that was a waste of money. The study only told some people what they wanted to hear.

I notice that the two previous mayors were very concerned about keeping the hospital open, and the present Mayor is concerned about closing it down. To me, this is a disgrace.

I think Dr. Max Gomez's special on Channel 5 a few Sundays ago told it like it was. I think the special was great, and I think, if I may recommend it to the legislators before me, maybe that special should be rerun in the Assembly and in the Senate. Maybe your colleagues from Bergen County should have been here today. I know all of you are aware of the problems we are having. Maybe your colleagues have never used a public hospital. They can always take their checkbooks out or their American Express and do what they have to do. But, I think that that special that was on a few Sundays ago should be again presented before the total Assembly and the Senate. It tells of Jersey City like it is -- what we are doing for our people.

I read in the paper that the Governor was here for two days last week. That was very nice. But, I think that the Mayor and the Governor were negligent because they never stopped at the Medical Center.

Now, if we have a crisis going on, we are all for jobs. But, if our people are dying, jobs are not going to help them.

We talk about casino gambling and the lottery money, which is for new senior citizen care. Well, the new care can be reached once we increase above the 400 beds.

Also, the space that we have-- We could have a nursing home. Some of our nursing homes in the State of New Jersey go for between \$400 and \$600 per week. It just a matter of how we rate them, and what classification we put our patients in. We could have a nursing home in that building.

Why not have a special lottery -- a Jersey City Medical Center lottery? I see that in the Legislature, you passed a special bill for Hoboken for the P.A.L..

ASSEMBLYMAN DORIA: It is not a special bill. Anyone can hold a fifty-fifty off premises.

MR. FRICCHIONE: Oh, but how about a special bill for a lottery for the Jersey City Medical Center?

ASSEMBLYMAN DORIA: It can be done now as Hoboken as done it.

MR. FRICCHIONE: This is something we could do once we get the monies. It would be something to keep it going. There are other ideas.

There are rooms. Someone who is very concerned could put a room in memory of his mother or father -- a donation of \$500 or more.

I think that a committee should be established. A lottery to me would be ideal, because I would rather give my money to the Jersey City Medical Center than to the State of New Jersey, because this is where I live.

Another problem is that, of course, you know, if we had a nursing school, it would help. If we had a medical school, it would help -- midwives. All of these programs are essential.

I talked with Father Riley back in November of 1982, and I spoke with a few on the Board of Managers, and also, I spoke with Mr.

Whitely. There are two proposals that possibly, if the Medical Center could work them into their program, would bring in a quarter of a million dollars.

I have made over twenty phone calls. If these people, along with the Chairman of the Appropriations Committee, would just sit down for two hours and have this neighborhood hospital come in with their proposal-- To me it is a disgrace. The meeting has never taken place. To me, it shows that they want the hospital to close. But, I'll tell you -- the community is not going to permit it. We are having a march tomorrow. The groups and citizens who have been concerned will not let it close.

I think that someone should force the Board of Managers to have this meeting, which will bring in a quarter of a million dollars for the hospital. It is a shared program with another hospital.

The problem with some of the staff at the Medical Center is that some of them have big egos.

Another thing I've noticed is we'll have a doctor on staff for \$75,000. His contract is from nine to five. After five o'clock, he can admit private patients. Now, he is again making additional revenue. When someone is on a staff, like other hospitals have, you have a computer operating, and because of any additional patients who that doctor brings in, at the end of the year, you negotiate the new contract. If the doctor was making \$75,000 this year, and then brought in additional revenue of \$25,000 to the hospital, then you negotiate a new salary. To me, it is ridiculous that someone is getting paid from nine to five, and then from 5:00 P.M. until 9:00 A.M., he is bringing in private patients and getting paid for them.

They are also using our secretaries there. I want to thank the workers at the hospital for turning over to Councilman Lopez and me the information that eventually led to what we read in the paper, which the S.I.U. got credit for. It was the workers and the union members there who gave us the information, and I think that the credit should be given to those people.

I think a lottery somewhere along those lines would not be difficult, and I think that the community would respond. I would be willing to serve on a committee to keep the Medical Center open and to bring it back the way it once was.

Thank you.

ASSEMBLYMAN JANISZEWSKI: Thank you, Councilman Fricchione. I think your suggestion is a constructive one and one that needs to be explored for the potential of raising some money.

I have received, and I would like to put this in the record now -- it was handed over to me a few moments ago -- before you leave your seat, I have a couple of questions for you -- a communication from the Medical Center Board of Managers, which was signed by Zulima Farber, the Chairperson of the Board of Managers. Copies of this have gone today to the Governor, the Commissioner of Health, Garr Reed, who will probably find this on his desk when he arrives back in Trenton, local newspapers, and to Cary Edwards, the Chief Counsel to the Governor. It reads as follows. I'll make it part of the record in total, and I'll just excerpt from it for our purposes here so as not to belabor it. The most important part, I think, is this:

"The Board of Managers of the Jersey City Medical Center has been aware of the terms and conditions of Assembly Bill 3225, as well as the additional proposed amendments of the Kean Administration prior to receipt of your correspondence," which would be mine, "of March 30. After careful review and consideration, the Board of Managers has concluded that the dollar amount is insufficient to ensure anything, but very short-term survival. Remaining mindful of our responsibility for the long-term future of the institution find the conditions contained in the amendments unacceptable."

This is the first news that the Medical Center Board of Managers has taken a position contrary to the amendments that had been put forth by the Kean Administration, so I wanted to share that with those present and also for purposes of the record. I'll supply staff with a copy of this letter.

Councilman, regarding A-3225 as it applied to the City Council and Jersey City, I would like to commend you and several of your colleagues who spoke earlier -- namely on February 10 or February 11 -- at a Council meeting with regard to City support for the Medical

Center. It wasn't a financial area, but it had to do with the question of not only financing, but guarantees of loans and what have you.

One of the proposals within the bill is that the repayment of the loan, whether it be \$3.5 million, more or less, may be guaranteed by the City and the County. One of the suggested amendments is that it must be guaranteed by the City and the County. I wonder, Councilman, what your attitude is with regard to the City guaranteeing any loan which may be forthcoming from the State?

MR. FRICCHIONE: Assemblyman, if I may, of the \$3.5 million, what share would the City have to guarantee?

ASSEMBLYMAN JANISZEWSKI: That question is an interesting one and one that is open. As a matter of fact, the legislation reads that there be appropriated from the General Fund to the Board of Managers at the Medical Center the sum of \$3.5 million of so much thereof as may be required. That was designed in that fashion, which anticipated loan lending institutions' participation in the loan process.

MR. FRICCHIONE: I think in all fairness, we should discuss the \$3.5 million today, and I think in all fairness, if we did it by population -- take each municipality, because we do serve the whole County -- and a percentage of the population based on the \$3.5 million. The community has my commitment that the loan would be guaranteed. The thing is, we did receive \$5 million from the railroads, and as all of us know, when the Medical Center was rolling, basically the railroads were responsible. The monies from the railroads are what kept the Center, whether it be for those who couldn't pay, or paid whatever they could afford. I felt that the \$5 million was not taking from the taxpayers. It was money from the railroads, and that money was always used to fund the Medical Center.

But, you have my commitment up to the \$3.5 million, because you said additional, and sometimes--

ASSEMBLYMAN JANISZEWSKI: (interrupting) It could be a lesser number or perhaps--

MR. FRICCHIONE: (interrupting) Right, but up to \$3.5 million. My recommendation would be that it be distributed in proportion to the percentage of the population of each community. I think that is a fair way, because we are serving all the communities in the County.

ASSEMBLYMAN JANISZEWSKI: I would like to commend you also, Councilman, for-- The article that I have before me reports the Council meeting which took place about February 10 or February 11. You, along with Councilman Lopez and Councilman Cunningham, did, in fact, vote to place \$3 million of the money of Jersey City in the bank as a guarantee for any loan that might be forthcoming to the Medical Center.

While your other Council colleagues did not support you in that, I think you, Councilman Cunningham and Councilman Lopez should be complimented for your commitment, not only in terms of being here today, but also in terms of votes cast in the past on behalf of the Medical Center.

I would like to further note that there were votes taken that day having to do with the transfer of money from Jersey City to the Medical Center, which you were also in support of.

So, your support of the Medical Center as an institution, whether it be by grant or loan or loan guarantee is well documented on the record, and I congratulate you for that. However, three votes does not constitute a majority on the City Council -- neither does three votes, nor the four of us make a majority of the State Legislature, and none of us is the Governor. So, we have a little bit more convincing on every front to do before we get through this problem.

We appreciate your concern and your appearance. Are there any questions from anyone present? Hearing none, thank you, Councilman Fricchione.

MR. FRICCHIONE: Thank you.

ASSEMBLYMAN JANISZEWSKI: I would like to continue along the schedule previously announced and call Dave Leff, the Chairman of the Hudson County Chamber of Commerce and Industry. Thank you, Mr. Leff, for your patience. I would like to remind Walter Hankerson that he will be called immediately after Mr. Leff.

D A V I D L E F F: Good morning, Mr. Chairman, Assemblyman Doria, Assemblyman Cowan, and Senator LaRocca.

I am appearing on behalf of the Hudson County Chamber of Commerce and Industry, which is the organization representing the local

business community. I wish to express on their behalf a strong support for the necessary financial assistance from the State of New Jersey to permit the Medical Center to remain in operation pending reorganization of its fiscal situation.

We would recommend, Mr. Chairman, enactment of your bill, Assembly Bill 3225, to appropriate \$3.5 million for the purpose of making a loan of that amount, or a lesser sum, as needed, to be used for the Medical Center's operations.

As I am sure you are aware, the Chamber is not an organization with any special expertise in medical and health care problems. You have heard, I know, and will undoubtedly hear later today from highly qualified sources concerning some of the services provided by the Center. However, the Chamber does have a strong interest in the hospital, and we have some knowledge and understanding of its facilities.

We believe that it is important that some of the special units, which have distinguished the Medical Center's operations, be retained. In this case, I refer to the premature medical care and the dialysis units. The elimination of these special services would cause the Medical Center to forfeit an important part of the role that it has played in the delivery of health care services in our County.

The proposals in the legislation are very positive from our point of view. We believe that strengthening the hospital's management, which will result, is certainly critically important in the future welfare of that institution. Future management may wish to reduce the hospital's bed capacity, but they should do so only on the basis of the hospital's occupied bed figures during recent years.

Certainly the community, and in particular, the business community, should be assured of the continuance of the specialized units which I referred to, as well as the important emergency room service, which has certainly also been referred to by other speakers, and which the hospital has been very effective in providing to our community.

Not only has our emergency service received wide acclaim from every professional source, but it represents virtually the most significant service of that kind in our County.

In endorsing your bill, Mr. Chairman, we point out as a purely practical matter that if the Medical Center were to close, the other hospitals in this area would be presented with an intolerable burden. I believe others today have and will continue to point to financial assistance for the Medical Center from various segments of the community, such as labor unions, elected officials, resident organizations, the medical profession, and the like. We are able to add with authority the voice of the business community.

Thank you.

ASSEMBLYMAN JANISZEWSKI: Mr. Leff, thank you very much. I wonder if you and the Chamber would be willing to not only have your remarks as part of the record here today, but also would communicate a like message to the Governor and to the Department of Health.

MR. LEFF: We certainly would.

ASSEMBLYMAN JANISZEWSKI: Thank you very much. Are there any questions from any members of the Committee? (no response)

We appreciate your appearance here today, your patience, and your support. Thank you very much.

MR. LEFF: Thank you, Mr. Chairman.

ASSEMBLYMAN JANISZEWSKI: Reverend Walter Hankerson of the Welcome Baptist Church? I'm going to continue right through the lunch hour. If anyone has been wondering when I'm going to go to lunch, I'm not. We have more important things to discuss here than to have a sandwich elsewhere, so we're going to continue right through lunch.

Reverend Hankerson is the last speaker for the eleven o'clock to twelve o'clock schedule, so we are a little bit behind as I mentioned before. We'll be in the twelve o'clock to one o'clock schedule right after Reverend Hankerson.

Also, you should know that former City Councilman Louis Vacarro is here. He'll be speaking a little bit later on, on his own behalf, as well as on behalf of Congressman Frank 'Guarini, who has supplied the chair with a prepared statement.

Reverend Hankerson?

REVEREND WALTER L. HANKERSON: Assemblymen, Mr. Janiszewski, Senators, we would like to say first that \$3.5 million

is only a Band-Aid on the wounds of a man who needs general surgery. The Medical Center has been going downhill ever since they moved the College of Medicine and Dentistry from Jersey City. We, the people of Jersey City, cannot do without the services of the Jersey City Medical Center.

I, myself, cannot sit idly by and say that the law is the law, especially knowing what the impact of the loss of the Medical Center will have on the community.

We have three other hospitals in Jersey City that are not capable of absorbing the impact that the loss of the Jersey City Medical Center will have on this community and all of Hudson County.

We really question a state that is in a country which is capable of doing most anything. We can do everything for the whole world, but we cannot do anything our own people. We, senior citizens, were made mention of today, but we can go to any hospital because we have Medicare. The only thing that creates a problem at those hospitals though is the money that they want from the patient who has Medicare. If you don't give that to them on the day of entrance, you get a notice from the hospital that you owe them "x" amount of dollars. That is for senior citizens.

I was in St. Francis Hospital during this same week last year -- the third of March until the fifth of April. I received a letter every three days regarding my bill that said, "What about the \$200 you owe us?" I was laying there at the point of death, bleeding from the nose, mouth, and everywhere possible, even through the skin. The doctors don't know even now what was wrong with me, but thanks to God, I am here today. They kept sending me letters regarding my bill while I was in intensive care. This was very appalling.

I was in the Medical Center in 1979 for an operation. They didn't send me any letters for the money I owed them. It wasn't \$200 then, but they didn't send me a letter for what I owed until I was out of the hospital. Not only that, but the community cannot afford to lose the services of the hospital.

First of all, we can't afford to lose the hospital because of the medical/surgical services, the emergency services, and the paramedics who have saved the lives of people who had cardiac arrests.

Without these services at Jersey City Medical Center, we would have to call upon private ambulances.

Never mind the senior citizens; what about those borderline senior citizens who can get a job because of their age? They lose their jobs at maybe age 59 or 60, and they can't get a job. Once they say that they are age 59 or 60, they can't get a job. They lose their insurance thirty days after their jobs are terminated. What about them? Most of them have to get on Social Security without the benefits of Medicare. You can't get Medicare until you reach age 65. What about those who are unemployed? Many of the people have collected unemployment until it has run out. What about them?

We just cannot do without the Medical Center. We can play our part in the space program, which is good, and we can play our part in helping other countries. But, I am strictly going by the Bible. A man who doesn't take care of his own home is not much of a man. We need to take care of our own people.

We know that we have had a depression. Some people say we are in a recession, but I would not say a recession, because I am seventy-one years old, and I happen to have been around for quite awhile. I know that the Depression started in 1929, and we had the C.C.C. and the W.P.A. and P.W.A. and the A.R.A. and the E.R.A. and all the others. The only reprieve we had was when Hitler started killing 6,000 Jews, which started World War II. After World War II, all we have had are taxes -- taxes on top of taxes. They are talking about taxing our taxes. Now, we can't call this taxation without representation because it is not a black and white issue. This is a people issue. This is a life issue, and I don't think that the people can stand idly by and let this hospital be taken away from us.

The hospital is a legacy to Hudson County. It was built by a man who loved every inch of Jersey City. But, the hospital belongs to us. We know that we have many people who are on unemployment. We know that times are hard, and we know that the Medical Center has been mismanaged -- very much so.

I would suggest that we put new management in the Medical Center, a Board of Managers made up of concerned citizens of Jersey City -- made up of doctors -- and above all, by some of the people who

work at the Medical Center. I think we should have a Director who is capable of putting the Medical Center on its feet again -- one who cares about humanity, because this is really a humanitarian problem.

Next, we would like the Director to have a staff who is capable of keeping books. The bookkeeping at the Medical Center is no good. We need these things.

I am sure that if everybody plays their part-- The Jersey City Medical Center has been shortchanged. It has been shortchanged first by the State of New Jersey, second by Hudson County, and third by the City. We think that everybody should help. Never mind talking what other counties say. We don't want our Medical Center to be a political football anymore.

More politics are played in the Medical Center between the people in the Center and the people in office. There are more politics played by the people in office and the people at the Medical Center than there are in a smoke filled room. We're tired of being played politics with.

Give us what we deserve. Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Reverend Hankerson, thank you very much for bringing your commentary before the Committee. It was certainly a persuasive commentary, and I would just like to add to it a bit.

The difficulty that we face in Trenton at the moment with regard to securing money on behalf of the Medical Center is a serious one, and perhaps it is impacted by politics. There are times when it is difficult to separate government from politics and politics from government. If the vehicle through which we hope to achieve -- whether it be \$3.5 million, \$6 million, or a quarter of a million dollars -- whether it be for the hospital or for police or for any number of programs which are reflected through the State budget -- is government, and government is part and parcel of the political process. I don't think we should shrink from it or be afraid of it in terms of securing for the continuation of that hospital or any other needy programs. Whatever we, as legislators, need to do on the floor to secure it-- I don't like to see the thing becoming, which I think it is, a Republican

issue versus a Democratic issue, with one on one side and one on the other. It should be rather the simplest of questions: What ought government be about? If one would shave away and pare down government to its least activity, what should that least activity be? If that is what we want to do with government, it would seem to me that the first and primary activity of any government should be, at the first instance, to make available and continue to have available health care services for those people who, by their own unfortunate circumstances, cannot gain access to it -- whether it be for a socioeconomic condition or by virtue of distance from a sight.

If we think in terms of what government is, as a provider of social services, then those principal social services certainly must be to provide for health care for the people, whether it be for the State of New Jersey, the County of Hudson, or the City of Jersey City -- to make sure that those people have access to health care, to have access to food in order to keep themselves healthy, and to make sure that they have housing in order to keep a roof over their heads.

If for nothing else, it seems to me that the mission of government is to form those three principal, critical functions. Unfortunately, with regard to the issue of health care, we find ourselves now -- the primary directive, if you will -- with the issue of health care, we are on the brink of what I perceive and believe firmly, a health care disaster in this county -- not only in this county, but in this region. It is unfortunate that all of us have to come on a rainy day to a room at Jersey City State College to attempt to raise our voices to convince those, who as a matter of morality, should be convinced without us having to tell them that it is their responsibility and duty to provide this money. It is their duty and responsibility to keep the Medical Center open and operating. We have to come here to say it, and the fact that they don't realize it is the saddest commentary that can be made about government at any level.

So, Reverend, thank you very much for appearing here today. We appreciate your input.

REVEREND HANKERSON: I would just like to say that I am not a violent man, but I would like to quote something that Thomas Jefferson said. He said, "When the country fails to be a country for the people

and by the people, then people need to revolt." I don't believe that, but I want to say that we are up against issues now that are affecting all segments. You see, I don't care what you do. If you hurt me, as poor as I am, you are still hurting a rich man. If you help me, you are helping a rich man.

ASSEMBLYMAN JANISZEWSKI: Thank you again, Reverend.

I would like to thank Assemblyman Doria for his presence and participation this morning. He has to leave to attend another meeting. Thank you, Joe, for being here today.

ASSEMBLYMAN DORIA: Thank you.

ASSEMBLYMAN JANISZEWSKI: We are now in the twelve o'clock to one o'clock cycle, and I would like to call upon Milton Filker, President of Council 52, AFSCME. He is also intimately familiar with the operation at the Medical Center. Milton, will you come to the microphone?

You know, Milton, while the Reverend was speaking, I was thinking about his commentary with regard to the space program and the reports just yesterday, as a matter of fact, and even this morning on the radio -- of the successful spacewalk, which occurred for about three hours -- three and one-half hours perhaps. In thinking about that, we can envision the millions and billions of dollars that have been spent in order to allow several astronauts to float about in a weightless state for several hours attached, if you will, to their space vehicle by a life support tube. I would like to think that there are other life support tubes that perhaps are not being paid attention to -- more of an intravenous nature than of a life-support nature as a spacesuit. If we were spending the billions of dollars on those kinds of tubes as opposed to the tubes that were successfully used yesterday, we might be better spending our taxpayers dollars.

With that, Milton, I would like to welcome you. You and I have met on several occasions before regarding this subject, and the Committee is anxious to hear your input.

M I L T O N F I L K E R: I think that is an excellent metaphor. I'll go just one step further. We're prepared to spend a trillion and

one-half dollars -- I say a trillion and one-half so casually -- you know, that is one thousand five hundred billion dollars--

SENATOR LaROCCA: How many zeros?

MR. FILKER: I don't know how many zeros, but that is such an enormous sum of money that it doesn't really mean anything in a sense. And yet, we're prepared to spend that on armaments -- all kinds of armaments, including nuclear armaments, even though we have enough nuclear weapons to destroy our entire world -- to destroy every living thing in the world. In spite of that, we're still insecure. We still feel that it is not enough, and still want to drain a very substantial part of our country's resources and waste it -- actually waste it.

ASSEMBLYMAN JANISZEWSKI: Milton, I think that is a very valuable point. We seem to be a society, when you think about it-- It just crossed my mind -- a bill that Senator Kennedy of Massachusetts has long been a sponsor of in the United States Senate, but unfortunately, he has not been able to get it passed -- relating to the issue of health care. It is such a sharp contrast, that we seem as a society, through our representatives, to be more than willing to spend absolutely incredible amounts of money in an effort to destroy people and kill people, than in an effort to save and heal people. That is a sad commentary in and of itself.

MR. FILKER: There is no question about that. As a matter of fact, if we had a visit from the celebrated man from Mars, and if he just looked at us for awhile, and watched the Democratic process, he would be sure that he came to a lunatic planet. Well, everything is upside down. All of our priorities are upside down.

In any event, first of all, I wanted to put myself on record in regards to the legislation -- Assembly Bill 3225 -- that I agreed with Tommy Smith when he said that instead of a loan, we should be getting a grant, a direct grant of money from the State. But, this involves, of course, the philosophy of government that Senator LaRocca mentioned when he testified. Tommy Smith is so sure that government should provide for the general welfare -- that government should be socially responsible for the needs of the people -- that he crusted the heart of the issue. He gets beyond the chiseling of the financial business that we heard all morning. What he is saying is that the

New Jersey State Library

State and the County and the City owe a political obligation to the people of Jersey City and Hudson County in regards to the Medical Center.

The Medical Center is an indispensable hospital. It is an indispensable part of the whole health care system in the County. Anyone who interviews the head administrators of the other hospitals in Jersey City and Hudson County will be told point blank that the health system would be imperiled if the Medical Center was cut down to the size advocated by Commissioner Goldstein of the State Department of Health or by the gentleman from the State who testified before you this morning.

I want you to know that the amendments to A-3225 are not amendments that basically are concerned with the question of fiscal accountability. These amendments are designed to put in existence a plan that has been on the drawing board for a long time -- a plan that was drawn up by people in the State, in the Health Department, in the Attorney General's Office, and a plan which has been shared with the political leadership of Jersey City. The plan was and still is to cut out all of the clinics that operate at the Medical Center -- fifty-six of them -- to stop the teaching facilities, and to cut the hospital down to 400 beds or less.

This was a plan. I use the word "conspiracy," but maybe that is not right. This was a plan that was engineered by the people in Governor Kean's Office, by the people in Mayor McCann's office, and they haven't given up on it. They haven't stopped for a moment. They are still doing everything in their power to put this plan into effect.

The fact of the matter is, even the attempt to get a bankruptcy filing through was part of the plan. You see, it is difficult for a mayor, even a county executive, or a governor, to admit that they want to cut the heart out of a vital institution, which serves one of the largest cities in New Jersey and one of the largest counties in New Jersey. This requires political courage -- to take accountability and responsibility for an act like that. The political leadership would much rather hide behind a bankruptcy procedure. They would much rather have a bankruptcy judge order all these things to take place than to stand up front and take the responsibility.

I want to read to you from an editorial that appeared in the Jersey Journal, Hudson County's leading newspaper. It appeared on March 31, 1983, and the heading reads, "Responsibility." It says,

"Political careers in Hudson County have been founded and have flourished on constant repetition of the accusation 'The State isn't giving us their fair share.'"

This has been particularly true of the Jersey City Medical Center. Paul Jordan, Thomas F. X. Smith, and now Gerald McCann have made a big deal about "forcing the State to come to the rescue of the Medical Center." In turn, each of them has been especially vocal about the State not kicking in the amount it had promised to contribute.

By the way, let me say parenthetically, that I agree that the State has a tremendous responsibility in this situation -- that the State is responsible for the funding of the Medical Center to a large extent. But, I agree with the point in the editorial. Then it says,

"All along the City and the County have been paring down their contribution to the Medical Center budget. The figures tell the story. In 1972, Jersey City paid 14.2% of the Medical Center's operating budget. Last year, the City paid 1.7%. The County contribution was 1% of the Medical Center's budget in 1972, rose to 6% in 1974, and decreased gradually to 1.9% last year."

I guess that is what Mr. Clark was referring to when he said that the County paid a disproportionate share of the expenses of the Medical Center.

ASSEMBLYMAN JANISZEWSKI: Disproportionate on the positive side or the negative side?

MR. FILKER: I would say negative, of course. Judge A. Finn, former Chairman of the Medical Center Board of Trustees and a Board member for more than ten years said, "The single biggest reason by far for the Medical Center's difficulties would be the lack of appropriate government funding and the failure of government to live up to its responsibilities."

The article goes on. It says,

"Until now the City and County spokesmen have managed to focus attention on the State's failure to come up with its share of fiscal support."

Obviously, the City and the County are equally guilty. That is the point I want to make.

I listened all morning, and I was really stunned. Speaker after speaker came to this microphone and told us how important the Medical Center is -- how they realized what kind of contribution the Medical Center is making, and it continues to make it to all of the people of our City and County. They all said they would do everything possible to support the Medical Center, and yet, the figures show that somebody is bullshitting. Do you know what I mean? I'll put it as plainly as I have to. Somebody isn't telling the truth.

The fact of the matter is that the Medical Center has had bad management. There is no question about that -- no question about it. And, the fact of the matter is, the time is long overdue for a serious audit of the Center. The audit should be performed by an independent, outside accounting firm that could tell us what is wrong -- what went wrong -- and what to do to change the situation. There is no question about that.

That is not the major problem that we are facing now or have faced in the past. The Medical Center takes care -- we have all said this over and over again until it almost sickens us to repeat it -- of an indigent population. If they are unemployed, they have no medical coverage. If they reach a certain age without Social Security, they have no medical coverage.

There are many reasons why people don't have medical coverage, and whether we believe it or not, an awful lot of people in America and in Hudson County are poor and they can't afford medical care. The fact of the matter is that even if they adjust the DRG rate, even if they really give the Medical Center top-notch efficient management, you are still going to have the responsibility of funding that institution if you want to continue to provide the kind of medical care that the Medical Center has given for the past fifty years. You will have to do that.

You know, contrary to what President Reagan is saying, that the purpose of government is not merely to build the mightiest war machine that the world has ever seen. The purpose of government is not to guarantee the security of the richest of the rich in our country. The purpose of government is not to use our resources to merely take care of those who already have more than enough at the deprivation of those who don't have enough.

I don't understand how President Reagan gets away with it -- seriously. He seems to be such a nice guy. Right? He smiles, he talks calmly, he's got that actor's voice. You know, he can really project all kinds of emotion, attitudes, sincerity, and yet, the fact of the matter is, he will go down in history as one of the most cruel Presidents that this country has ever had -- as a man who is actually blind to the needs of masses of American people. He is a mean man. He is a man who defends the greedy -- I know it is a slogan, but it is true -- at the expense of the needy. He has got a horse ranch -- you know, psychology -- that doesn't allow him to see the misery of people who live, for example, in the inner cities. That is his philosophy. That is not our philosophy.

But, I want you to know something. I met with representatives of the Governor. I met with Charlie Pierce, who is the Deputy Commissioner of Health for the State, and I met with a fellow who was the Governor's Assistant Counsel, and they laid it out for me. They laid it out clearly for me. I said that I thought that the people of Jersey City were entitled to medical care, even if they didn't have any money. I said that they were entitled to medical care. And, they said to me, "You're wrong." I mean this now. They said to me that the Medical Center will either be able to function as a viable economic institution or else it will go down. That is exactly how they feel about it.

These people who were here this morning -- Pizzuto -- and what is the other fellow's name?

ASSEMBLYMAN JANISZEWSKI: Garr Reed from the Department of Health.

MR. FILKER: They weren't as honest and open as their bosses.

I mean, they try to pretend that they are interested in having the Medical Center continue to function the way it has in the past, even with 400 beds, that is impossible. The truth of the matter is, Charlie Pierce told me that he thinks it will be necessary to close those clinics, and he thinks it will be necessary to end the teaching facilities, which means no free medical care for the poor. He said that. They weren't even that candid to you at this hearing.

I just want to recapitulate. It is a question of responsibility here. It really is. The Medical Center shouldn't be moved; it belongs where it is.

When you approach Jersey City, you see the Medical Center. You can't help but see it. It is the crowning glory architecturally of this City. Tommy Smith called it the heart of the City, and it probably is. It gives care to close to 100,000 people each year, and it has got to continue to do so. It is the responsibility of government to make sure that it does. That responsibility falls on the State, it falls on the County, and it falls on the City.

I really wish there was some way of unmasking some of these political leaders. Maybe Mayor McCann believes that the Medical Center has outlived its youthfulness, or maybe he believes that the Medical Center should not function as a place where the poor can go for medical care. But, if he really believes that, he should say so. He should have the political courage to say so, and say that he is part of a plan to either cut down that institution or close it. Then let him take whatever is coming to him at the next election.

If Governor Kean believes the same, he should say so. Come out in the open and take full responsibility for that attitude.

You see, the hearing today is about a bill to get a \$3.5 loan. That bill has been saddled with impossible amendments by the Governor's Office -- impossible amendments. If you accept those amendments, then you have accepted the idea that the Medical Center should no longer function the way that it has in the past. It becomes just another community hospital. We have to reject that. We have to reject the whole philosophy behind it. Somehow or another, we have got to get the juices going. We have got to get our political leaders and our whole community to care. We've got to do that before it is too late.

ASSEMBLYMAN JANISZEWSKI: Milton, thank you very much for your comments. Just on the subject of the grant versus the loan, as the members of the Hudson Delegation know, and who accompanied me -- as Senator LaRocca described earlier today -- to the Governor's Office some months back, when we first involved the State, again -- I should not say first involved, but involving them at this juncture -- our first approach was for a grant, as had been our traditional approach under Governor Byrne. That was rejected totally, and represented to us by Cary Edwards, Counsel to the Governor, that that was totally out of the question. It wouldn't be considered no matter what. It was only in the face of that resistance that we then turned to the loan route, which was reflected in two bills -- one allowing the Medical Center to receive loans, which was signed by the Governor only about six weeks ago, and this second bill, which provides the amount of the loan that the Medical Center at that time had estimated that it needed. I should tell you though, Milton, that although these requirements by amendment have been put forward by the administration, it has been put forward in a fashion which indicates that with them, they are are not guaranteeing that the Governor will sign it. Even with amendments, the Governor has yet to take a posture on it. That was something that the Governor was queried on yesterday, as a matter of fact, and that was his response. It would seem unusual to me, however, for the administration -- and I have the original up here -- the original communication containing the proposed amendments, which were brought up at the last Assembly Revenue, Finance and Appropriations Committee meeting. The piece of paper that it exists on shows its source. It reads, "Executive Office Intercommunication," from Jean Bogel, Assistant Counsel to the Governor.

It would seem unusual and very strange to me why Counsel to the Governor would be putting forth amendments to the bill, which the Governor did not intend to sign. Whether that is part of a plan, as you described it, to make them impossible amendments and to use that as an excuse in the final analysis -- not even to sign a loan, never mind a grant -- I can't really say. But, I certainly can understand the degree of your suspicion, and from your perspective especially. What would seem to add up in terms of the overall plan amongst a

Republican Governor, a Republican Health Commissioner-- You'll have to excuse me, please, for using the term "Republican," only because I know that the Democrats have voted for this grant in the past -- Governor Byrne, as a Democratic Governor, had signed them each year for the last six years, we've gotten them the same way through the Appropriations Act each year for the last six years -- and, only since the advent of the new Governor have we now had to face the rollback of a grant and now put it forth as a loan. Even at that, he may not sign it.

So, Milton, I understand what you are saying with regard to that.

MR. FILKER: I just want to add a few things.

Number one, we're going to go to court, and we're going to oppose the Chapter 9 filing. Basically, for the reasons that I gave before, this is a political decision -- this is a political decision. Either the leaders recognize their obligations to the people who live in this community, or they don't. They have got to stand up and be accountable for their behavior.

Number two, I don't know whether you know it or not, but we've done everything possible to cooperate in this situation -- everything possible, and Lord knows, there have been enough provocations. We have had people come to us who have worked in that hospital for twenty or thirty years, are now retired, and are having trouble collecting on their pensions because the hospital hasn't kept their payments to the State Pension Plan up to date. That is only one item.

There are many, many other items that are involved. The hospital has been chiseling on the benefits, arguing that they are financially restrained. We have kept our tempers. We have tried to understand, and we have tried to make accommodations, but I want to say before this hearing today that those bankruptcy lawyers and the people who run that hospital should understand that cooperation works both ways.

Don't push too hard, you know? Just don't push our members too hard, and don't try to strip them of benefits that took them twenty years to develop.

Thank you very much.

ASSEMBLYMAN JANISZEWSKI: Thank you, Milton.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Also, within the twelve o'clock to one o'clock time frame, we have the following individuals who will be called:

John Ronches, Committee of Interns and Residents

Anthony Cucci, Former Councilmen and Candidate for the State Senate

Al Evonoff, Secretary/Treasurer for Hospital Workers

Is John Ronches in the audience? John? John represents the Committee of Interns and Residents at the Jersey City Medical Center.

J O H N R O N C H E S: I am the New Jersey Administrator for the union. We represent about 4,500 doctors and dentists in the metropolitan area. We have been real active in the defense of the public general hospitals both in New York and in New Jersey.

Our members at the Medical Center work in different specialties -- surgery, internal medicine, pediatrics, etc.

On behalf of the union, Mr. Chairman, I would like to thank you for bringing the hearing to Jersey City today, and for giving everyone an opportunity to appear. Particularly, I want to thank you for your sponsorship of Assembly Bill 3225 and your aggressive defense of the Medical Center. A-3225 is one step in the right direction to correct the deficiencies that exist at the Medical Center.

I think the members here today already know the role that the hospital plays in the community -- 17,000 admissions, 75,000 emergency room visits, 60,000 clinic visits, and 3,000 births in 1982 alone. It is one of the largest employers in an area that has been ravaged by unemployment. Its physical plant is deteriorating; it has been victimized by various degrees of mismanagement for years. Twenty percent of the patients who use its services can't pay for them. The institution is in severe financial distress.

The City says it can't afford the tab. In short, it is the typical public general hospital. It is not much different than the hospitals in Boston, Chicago, or Los Angeles.

There are no shortages of proposals to deal with the problems, but all of them cost money. Not surprisingly, most of them involve sending the bill to somebody else.

The Medical Center faces some real hard choices in the near future, but it is not possible to make rational choices or consider sound health care strategies when you don't know if you'll have enough funds to meet the payroll next week or to purchase critical supplies.

A-3225 provides some very badly needed breathing space for the Medical Center to weigh the available options in a manner consistent with the gravity of the issue and the far-reaching consequences of the ultimate decision.

In speaking of options, there were some references earlier in the day -- and I refer particularly to those made by Mr. Reed -- to a report which was commissioned by the State Health Department to identify options. Mr. Reed said that there was an Executive Summary and a five-pound report. I guess that makes five and one-half pounds of garbage.

For \$250,000, we had someone come in -- someone not from Jersey City -- and tell the Medical Center what it knew all along -- that there were problems and options, but that the real problem was inadequate funding of the Medical Center.

There are those, some of whom have repeatedly claimed to be guardians of public health and supporters of the Medical Center, who see the current crisis, and particularly this bill as their best chance to escape their responsibility of providing citizens with access to quality care. They say we will be better off if we permit conversion of the Medical Center to a private facility.

One City official, in discussing the concept of the City and the County providing care to its citizens, advised the County to convert the public hospital to a private facility. He said, "The patients would get better care. The hospital would run more efficiently, and the County could sell the building and make a profit." Of the three, I suspect the last one was the most significant to the speaker.

The statements evidence either a childlike naivete or indicate that the speaker holds a private agenda which he intends to keep well obscured from view. I think Milt Filker made some reference to that.

If there are officials in this City or in this State who want to close the Medical Center, don't tell us that by converting it to a

private facility that it will continue to perform the same services. It is not true. Tell us you want to close the Medical Center. Tell us that you want to get out of the health care business. If you can justify that position, then tell us. Then if we don't agree with you, you can face the consequences.

The fact is that residents of Jersey City and Hudson County will not be served by the conversion of the Medical Center, and as usual, those most adversely affected by the plan will be those least able to help themselves -- the elderly, the poor, and the unemployed. It is not true that patients would get better care from a private hospital. The Medical Center provides numerous services, as you know, which no other hospital can or would provide, because they lack the necessary expertise or the services are not profitable.

The reason the Medical Center has so many clinics is because no one else will run them. The entire system of health care reimbursement, including the DRG system, is set up to reimburse inpatient care, not outpatient care. Running clinics for people who can't pay for the services is not a profitable service, and that is why you can't find them in private hospitals.

One of the first things that will happen when you permit the conversion of public facilities to private facilities is that they cut those services they consider to be unprofitable. When Mr. Reed tells you that the administration's amendments have nothing to do with the clinics, that is not true. It has everything to do with the clinics.

ASSEMBLYMAN JANISZEWSKI: That was the very reason I asked that question. My information was that it would greatly impact on the clinic operation, which, therefore, as a spin-off, would impact next on the teaching component at the hospital in the residency program. Without the residents, as we all well know, the service availability would, at that point, as a matter of necessity, be eliminated. You simply would not be able to run the clinics without the residents or the residents without the clinics, and those are the key components of the health care delivery system.

MR. RONCHES: That is exactly the case, Mr. Chairman. You can get a fancier physical plant, and maybe you can even get fancier food at one of the local private hospitals, but that has less to do

with the level of care at that facility than it does with the economic status of the patients who use it.

Whatever the problems are that the Medical Center has and will have in the future, it provides quality care and a full range of services and specialties. You don't have to display your Blue Cross card or make a cash deposit to use them. That is the historic condition of the Medical Center, and we must preserve that.

Can the Medical Center be run more efficiently? Of course it can. What private or public agency can't be? You gentlemen at the table might even agree that there are some functions in the Legislature that could be run more efficiently.

I want to talk for a minute about what the amendments mean and what all of the maneuvering behind the scenes by the State Health Department mean when they talk about a new management team. They don't mean a new Board of Managers who include representatives from the employee groups and from the community. They don't mean an elected Board of Managers. They mean a hospital management corporation. They mean a "for profit" management corporation. They mean subcontracting the operations of the Medical Center -- the management of the Medical Center -- to a corporation that is in the business of making money from hospitals.

So, when people talk to you about new management, they may not understand that that is what is being talked about. They may think that it means replacement of the current administrative staff, or that it means replacement of the Board of Managers. That is not what the State Health Department means, and that is not what they are insisting upon. We're not talking about contracting out for trash collection or janitorial services, with the contract going to the lowest bidder. Even if that were the case, we have done considerable research on the question of private hospital management. There is more than enough evidence to show that private managers don't save money and don't increase efficiency.

I would like to give you an example. The State Health Department recommended four companies -- four hospital management companies -- to the Medical Center. I want you to know that most of these discussions and recommendations do not take place at the public

sessions of the Board of Managers, and most of the people who have an interest and a stake in the outcome of those talks aren't privy to them. But, one of the companies that has been recommended, and they are apparently now the leading company under consideration, is called Hyatt Medical Management Services, Incorporated. It is a "for profit" hospital management company.

Well, they were hired by Cook County Hospital in Chicago in 1980, and Cook County Hospital, except for the fact that it is about twice the size of the Medical Center, shares a lot of common problems and serves the same kind of population that the Medical Center does. The contract costs the hospital and the County \$6 million. It is not going to be renewed when it expires at the end of this month. That is not surprising.

Did the Hyatt Medical Management Services increase efficiency at Cook County Hospital? I've talked with the Executive Director; I've talked with the former Chief of Medicine at the hospital; I've talked with members of the attending physicians' staff; and, I've talked with members of the community. If there has been any increase in efficiency or savings there, you can't prove it by them.

I'll give you a couple of examples. For almost two and one-half years under Hyatt's \$10,000 a day expertise, patients who needed a CAT scan at Cook County Hospital -- this is a hospital that sees more head trauma than any hospital in the city -- had to be sent by ambulance down the street to a private hospital, and Cook County Hospital had to pay the private hospital \$800 per scan. The private management company, which was being paid \$10,000 per day, did nothing to correct this. In eighteen months, they paid more to the private hospital than it would have cost to buy their own CAT scan.

At the end of 1980, which was about eight months into the hospital's management contract, there were worsening shortages of routine supplies in the hospital -- I mean, things like specimen containers, aspirin, syringes. It got to the point where they had to send members of the administrative staff around the hospital and around the town to pick up supplies, because they couldn't properly manage the reorder system.

Hyatt claimed to have saved Cook County Hospital -- I think the last figure I saw -- \$53 million over the last three years. I should add that the reason I am going into such detail about the Cook County experience is not only because Hyatt is the leading candidate, but because you are going to hear these same claims here with regard to the Medical Center, and you are going to hear that Hyatt will do all of these things for the Medical Center. Of course, none of them will appear in the written contract.

They claim to have saved \$53 million over the last three years, but there hasn't been any independent audit of that, of course. Even when you look at their own figures, you find out that the largest proportion of what they claim to be savings is actually increased revenues from the State and Federal governments. A large part of it had to do with the changeover in the bookkeeping procedure, which was really a paper-only savings.

At any rate, this record is now what they are citing as evidence of their ability to manage the Medical Center. Whatever changes have been made at Cook County did not result from any increase of activity or efficiency. In fact, the Hyatt staff itself had a turnover rate of 30% for the first two years of the contract when they were supposed to be learning the local conditions and the operation of the hospital.

There was a study done by the UCLA School of Public Health, and they studied seven county hospitals in California that were managed by contract. In one case, the study concluded that the management firm's sole contribution to bettering the hospital's financial position was that it recommended hiring a second firm for \$100,000 a year to handle the billing.

In another case, the outside company got a one-time gain in the financial improvement from picking up some past third-party underpayments, but the County Administrator says that they didn't live up to the expectations of improving the hospital's financial and management capabilities.

The UCLA study concluded, and I would like to quote: "Private management of public hospitals sometimes provides specific technical services that are useful in particular circumstances,

especially in small rural hospitals, but fail to solve fundamental problems. Contracting does not save significant funds for local government on a continuing basis."

I mentioned earlier that hospital management companies are in the business to earn profits, not to serve the needs of Jersey City or any other community. The staffs of those organizations are accountable to the corporate home office, and not to anyone locally.

The going rate for these hospital management contracts is between \$1,500 and \$2,000 per licensed bed. If we use the current census figures for the hospital, not the improved bed, but the census figures, which are much lower, as you know, this comes out to between \$645,000 and \$860,000 per year. If we use the number of licensed beds, the range increases by 50%. It could be \$1.2 million per year.

These figures don't include salaries, benefits, expenses -- even relocation expenses -- of the administrator or other key staff who are on the contractor's payroll. These are considered "add-ons" that are billed to the hospital separately.

I guess what I am saying is this: For promises which never appear in the contract, and which may or not be performed, there is a large payment to this private company that pays dividends to stockholders and the risk of whether or not that works out and whether or not there is actually any benefit. It is borne entirely by the public, not in any way by the private company.

So, we're opposed, and we ask, Mr. Chairman, that you and the Committee oppose that amendment which would force the Medical Center to retain a private management firm.

I ought to mention that there is an alternative, and one of the areas that the hospital has had a particular problem with has been the billing area in documenting its charges and expenses for indigent care. You can retain an outside company with expertise in that area at a rate of about five percent of what it would cost to have someone come in and manage the hospital -- someone who is not a member of the staff. That expertise is available to the hospital if they need it.

Another amendment to A-3225 would require the loan be repaid with interest, and that has been the subject of some discussion this morning. I'm not sure that is the worst thing in the world, although I

would rather see the loan interest free. It seems at least ironic that while the State is offering low-interest loans and tax abatements and other concessions of public funds to private industry, it wants to tax the health care of the citizens of Hudson County.

Another amendment is that the full amount of the loan become due and payable if any provision of the loan deal is violated. I think that is an attempt to just increase the power of the State Health Department to impose its will on the Medical Center.

Father Riley of the Board of Managers, I think, summed it up real well in a newspaper interview not too long ago. I'll quote him. He said, "The bottom line is the Medical Center; in whatever form it takes, it must guarantee that the poor of this City and community get proper and adequate health care."

Mr. Chairman, we can't guarantee this basic right by abandoning the Medical Center to private interests, however well intentioned they may appear to be, nor can we afford the political newspeak which purports to support the Medical Center while seeking to convert our tax dollars to dividends for stockholders of private hospital management companies.

The single most important cause of the Center's financial problems has been the failure of government to fund the hospital at appropriate levels. Has there been mismanagement? Sure, but pointing fingers and fixing blame doesn't help the patients.

The percentage of Medical Center revenue from the City, as you know, has actually declined during the period of the worst inflation that we have ever seen. We think the answer is to fund the hospital at a reasonable level while identifying and implementing sensible economies, which will not reduce the quantity or quality of care. We think that is the City's legal and moral obligation.

On that note, I would tell you that we are joining with the United Nurses Organization, which represents the nursing staff of the hospital, in a lawsuit against the City to compel the City to comply with the funding provisions of the General Public Hospital Assistance Act. The City has failed to do that -- thus far -- to properly fund the Medical Center, as we believe it is required to do under the statute, and we think the successful completion of that suit will bring

added resources to the Medical Center, as will ultimately the DRG Reimbursement System and the economies already affected by the hospital.

What we need from the Legislature is time. Time is what A-3225 gives us. What we don't need or want is for the bill to provide a vehicle for those who seek to control access to health services according to one's ability to pay. So, we urge you to reject the amendments which have been offered by the administration, and to report the bill favorably in its original form.

I want to comment on a couple of notes I jotted down while the speakers were talking earlier, and then I'll finish -- particularly about the University in Newark. A former speaker made mention of the State taking over Martland Hospital. It is even more than that, because the State not only took over Martland Hospital, which only opened in 1959, not 1936, but they built a new hospital right across the street -- a spanking brand-new facility that cost untold millions of dollars.

In addition, and you might have a more current figure than I do, Mr. Chairman, since you are on the Appropriations Committee, but I understand that the State is funding the University of Medicine and Dentistry Hospital to the tune of about \$22 million a year. It seems to me that \$3.5 million as a loan is a very small amount for the residents of Jersey City to ask for.

The State Health Department talked about using the amendments to encourage the hospital to be more efficient. It is not encouraging it; it is blackmail. They're saying, "We won't give you any money to survive unless you operate the hospital the way we tell you to operate it." The State Health Department has long wanted the Medical Center out of the public sphere. They don't want to have to subsidize the Medical Center in any way, and I think the amendments make that clear. Mr. Chairman, we were surprised, as you were, when the amendments surfaced at the last hearing, having had some indication that the administration might support the loan. It is an extremely modest address to the problem. Apparently, that is not the case, and we will have to rely on those educated and progressive legislators who can recognize the problem in order to get A-3225 passed. We ask you to do that.

ASSEMBLYMAN JANISZEWSKI: John, we certainly intend to do that. The only thing we can't guarantee is which pen the Governor will pick up when it hits his desk -- whether it will be the blue one or the red one. That, I think, is part of what this hearing today serves, and hopefully it will encourage the Governor to pick up the blue pen.

I guess, John, what you're really saying, in addition to some of the other information, is a very simple thing -- that the hospital, in serving the population which it serves, can never, no matter what is done, or by whom, operate in the black. We really can't expect it to if we intend for it to provide services to those who cannot pay. Every service that is provided and every patient who is treated by the number of days he is at the hospital, or whatever service he receives, is a deficit. Therefore, we have to expect to incur deficit, and we have to expect to have a social responsibility to pay for those who cannot otherwise pay for themselves.

Once we give up the delirium that the Medical Center or any hospital like it across the country is going to operate in the black, or at a profit, -- once we give up that rather unrealistic thinking, then perhaps we can get to the serious business of accurately determining how much of a deficit we will operate at in order to treat the people we need to treat and what proportion of responsibility by the City, County, State and Federal governments is needed to make up that deficit insofar as the people it serves -- the residents and citizens of all of those levels of government.

MR. RONCHES: Mr. Chairman, we support your sensible view of the situation, and we hope it prevails. We'll make ourselves available to do anything we can to see that it does.

ASSEMBLYMAN JANISZEWSKI: Well, all of those who have come today to testify and who have been actively involved in the process certainly are helping along that line, just by their presence and their degree of activity and interest.

Are there any questions? Senator LaRocca?

SENATOR LaROCCA: Mr. Chairman, I am intrigued with this concept in the proposed amendment by the State to engage a management team. That would be some corporation like H.M.C. That is a private corporation. They have stockholders. Is that right?

ASSEMBLYMAN JANISZEWSKI: Right.

SENATOR LaROCCA: Their idea is that they must make profit for their stockholders. In that concept, why would you need a Board of Managers of the hospital?

MR. RONCHES: That depends on who you ask.

SENATOR LaROCCA: Well, I'm asking you.

MR. RONCHES: If you ask the private management firm, they'll tell you, "Well, it is because we don't make policy. We take our direction from the governing board of the institution."

In fact, even though that may be the case on paper, it hardly ever works out that way. The fact of the matter is that you wouldn't need a Board of Managers, because the management company would operate the hospital as it saw fit.

SENATOR LaROCCA: It would seem you wouldn't need a Board of Managers at all. They are not allowed to make a profit, so as long as they make profit-- Okay, I get the--

ASSEMBLYMAN JANISZEWSKI: Assemblyman Cowan?

ASSEMBLYMAN COWAN: Yes, John, you seem to be quite knowledgeable with broad-based input. You're all the way out in Chicago. I was wondering -- in your presentation, and you seem quite knowledgeable -- with this study that has been conducted and I believe has been completed by the State -- I believe the draft is ready now -- it was issued in February by the Health Research and Education Trust of New Jersey-- Were you familiar with that study?

MR. RONCHES: Yes.

ASSEMBLYMAN COWAN: Were you interviewed at all during that period of time?

MR. RONCHES: No.

ASSEMBLYMAN COWAN: You were never interviewed?

MR. RONCHES: Not at all.

ASSEMBLYMAN COWAN: About six or eight months ago, they came in and interviewed me. They were looking to get various community leaders involved and so forth. Have you seen the report since they came out with it in February?

MR. RONCHES: Yes, that is the report I referred to earlier as trash.

ASSEMBLYMAN COWAN: You consider the report trash.

MR. RONCHES: Yes.

ASSEMBLYMAN COWAN: Is there anything mentioned insofar as the DRG is concerned with the State?

MR. RONCHES: There were general references, Mr. Cowan, to the fact that the hospital served an indigent population. There was some question about what rate was appropriate to establish for uncompensated care, and it was necessary to have adequate documentation. There wasn't anything specific in the way that you're asking it.

ASSEMBLYMAN COWAN: What is that percentage now?

MR. RONCHES: The interim rate that has now been approved by the Hospital Rate Setting Commission is 13%. I can tell you that there are private hospitals in New Jersey that get a higher rate than that -- Hackensack, for example, I believe is getting a higher rate.

ASSEMBLYMAN COWAN: It rose from 6% or 7% just in the past three months.

MR. RONCHES: Well, at some point, I think someone said that 7% was so ridiculous that they had better do something about it quickly, and they increased it as an interim rate to 13%. We think it ought to be around 20% or 21%.

ASSEMBLYMAN COWAN: Well, that is the point -- that it was increased to 13% within the last three months. The point here that I am trying to bring out, is just as you mentioned yourself -- it is the matter of getting something that is concrete where we can get this DRG up to something like it is in the City of Newark. They're getting somewhere in the neighborhood of 21% or 22% on the DRG. This would be one source. I don't have figures, but it would be quite an accumulative amount that the hospital would receive. If we could get that one section resolved-- Do you agree?

MR. RONCHES: Yes. One of the problems there is that the DRG reimbursements are always retroactive. First you provide the service, then you document it, and then you use that as a way of getting your rate increased.

ASSEMBLYMAN COWAN: Yes, but the point is, whether it be retroactive or not, to get the money and to get that figure up to where it should be.

MR. RONCHES: Yes, absolutely. That must be done.

ASSEMBLYMAN JANISZEWSKI: John, just in response to Assemblyman Cowan's remarks, earlier when Garr Reed spoke, he talked about the increase of 7% to 13%, which would be comparable to an annualized funding of about \$5 million. So for each percentage point, one would assume it would be roughly akin to about \$900,000 in reimbursements to the Medical Center. A jump from 13% to, let's say, 21% would represent somewhere in the vicinity of over \$7 million on an annual basis.

ASSEMBLYMAN COWAN: If you will recall, Mr. Chairman, I think we negotiated that.

ASSEMBLYMAN JANISZEWSKI: Yes, we did.

John, thank you very much for your appearance here today.

MR. RONCHES: Thank you.

ASSEMBLYMAN JANISZEWSKI: Next, I would like to call upon Anthony Cucci, the former Councilman, who has been very patiently waiting.

I would like to read a list of names, while Tony is coming up here, of those who are in the one o'clock to two o'clock spot. By virtue of their numbers, I would suspect that they are together, although I may be wrong. I'll ask them if they could help me in expediting this process by perhaps selecting, if they are together, several representatives fewer in number than the list I am about to read. They are as follows: Richard Duell, Marsha Fields, Sarah Flounders, Joe Kulvicki, Earle Lewis, Joanne Lewis, Malcolm Lewis -- that is what tipped me off -- Monica Moorehead, Carmine Martinez, Helen Megget -- sorry for mispronunciations -- Angel Parker, Lester Robinson, Bill Sullivan, Jorge Valentine.

If those people are together, I would appreciate it if they would select amongst themselves several people to speak on their behalf.

In the meantime, former Councilman from Jersey City, Anthony Cucci, presently a candidate for the State Senate in New Jersey.

ANTHONY CUCCI: Thank you very much, Mr. Janiszewski and Senator LaRocca. You have my praise for holding this meeting and giving the public the rightful input.

I am going to be brief in view of how many people are patiently waiting and how popular your forum is.

I am not talking on a legal basis; I am a lay person. I support Assembly Bill 3225 in its original form. I have problems with the amendments, and I think they are nothing but an impass to the help that is needed. Particularly, I am questioning the legality of the \$3.5 million loan since one of the amendments also calls for the debt capacity to be greatly reduced. Since that will affect--

ASSEMBLYMAN JANISZEWSKI: Dr. Wilkerson? Excuse me for a second. Dr. Wilkerson, who has spent the morning with us, has to leave, and I would like to allow Assemblyman Cowan, for the benefit of those people who are present, to introduce him before he has to leave.

ASSEMBLYMAN COWAN: I saw Dr. Wilkerson sitting in the audience. Since I arrived late, I didn't know if he had testified. But, as a former Assemblyman and quite a notable legislator from our City, I would just like to recognize him. Thanks for coming.

ASSEMBLYMAN JANISZEWSKI: Thank you very much, Doctor.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Mr. Cucci, please continue.

MR. CUCCI: Since one or two of the amendments would call for the reduction of the bed capacity, it would be quite evident that those who would suffer would be the indigent or people who are not covered by the insurance that it requires.

I wonder if it is legal to use the public funds of the State to discriminate against those people who would be deprived. I raise that question from a lay person's view.

The State may say that they will allow for a number of indigent cases. That may be tokenism, and if that is just tokenism, very few in number, if any, then I do have to ask you to inquire into the legality of using State public funds where it would only address those who are covered by insurance or who can pay or who can collect from third parties.

Also, one of the amendments calls for the City and the County to be responsible, to guarantee this debt. Theoretically, if the debt could not be paid by the cash flow of those who would be administered to in the hospital, then we are using City and County funds, which are,

once again, public funds, to pay off a debt. We may compound that illegality of discriminating against the entire citizenry, regardless of whether one can or cannot afford the services.

I realize, Mr. Janiszewski, Senator, and Mr. Cowan, as you explained, why the Governor is so adamant -- when he would not listen, or in any way grant a total grant, and that you had to resort to the loan. I have to question the part about the loan with interest when some good, constructive things have happened for progress such as bricks and mortar -- when Jersey City can receive a \$40 million UDAG grant -- when they can receive another \$9 million grant for construction and progress, which I am for -- when we in Jersey City can swear away \$26 million of the next three years' CVBG money, which will deprive community development as we have enjoyed in the past. I bring this out to show you that this is constructive, but it is opposed to the needs of health requirements -- the ill, who you do not compare to bricks and mortar. Where is the energy there to force the Governor into an outright grant?

We give away tax abatements to companies to induce them to come here. The latest one is as much as \$400,000. I can see economically where that may be valuable in increasing our revenues. When we talk about a \$400,000 tax abatement on top of so many others that have been given -- when we talk about outright CVBG grants in the past to owner-investment multiple dwellings -- when we talk about outright grants in other areas -- yet, we cannot talk in terms of an outright grant for health purposes. The idea of interest is almost confiscatory in a moral sense.

One of the amendments calls for a complete audit by a company that is not formally associated with the Medical Center, but it doesn't say how far back they will audit. I think before we do anything, there is a gray area over Jersey City due to certain allegations that were made -- that people may have mixed feelings about the Medical Center. That is unfortunate for those who do. But, the audit should be very specific. The audit should also include the State monies that were appropriated in the past. It should go back to the very beginning four or five years ago. This is not casting any aspersions on anyone -- managers or employees -- there.

But, we cannot leave the door partially closed before we step forward. I, myself, during my four years as Councilman, had always voted for emergency appropriations and those which were required in the regular fiscal budget. I didn't always vote with an open heart and a closed mind, but I never took any exception once the necessity of the monies needed to keep the Medical Center going were explained to me.

I feel an extensive responsibility and obligation now. I voted for those monies, and I feel a sense of obligation that the audit should go back to the past five or six years, if that is at all possible. I make that recommendation to you -- an audit that is isolated. An audit that gives balances is not going to be satisfactory to some people.

As far as the voluntary hospital that the State recommends is concerned, all those economic principals look very stable economically, but somehow, I feel that that kind of economic stability may be a disguise for running out on the moral obligations that are due the officials from the State to the City level. I hope this is not a masquerade. We know that we cannot have a giveaway program in the Medical Center. No city can afford that. But, we must be certain that we are not running out on those moral obligations.

That is all I have to say. I do wish you would take it up - unless you have knowledge within yourselves -- Mr. LaRocca is a counselor-at-law and others are available to you. Unless the State can spell out specifically -- if this is passed against our will-- Let the State spell out just what it means by 400 beds. How many of those beds would be for indigent people? Let's see if they are guaranteeing, and it is not just tokenism.

I raise again, the question of the legality of using public funds to polarize poor, needy, and indigent cases against only those who have coverage and can afford the care. If my tax dollars and other peoples' tax dollars are going to be used for polarization, I have great objections and great reservations about it.

Thank you very much. If there is any way in my small, humble way that I can support or to make this thing a reality without an exploitation of politics, please call upon me, particularly since I spent four years appropriating money to the Medical Center while I was Councilman. Thank you very much for your time.

ASSEMBLYMAN JANISZEWSKI: Councilman, thank you very much for appearing today. Rest assured that we will take your suggestions into consideration. I will explore the question of getting a precise answer from the Department of Health with regard to their intent of the recommendation of a 400-bed capacity -- what it would include or exclude. We'll have them respond in writing, so that will be in the record, and so that there will be no confusion, as was the case today.

MR. CUCCI: Thank you very much, Mr. Janiszewski, Mr. Cowan, and Senator LaRocca.

ASSEMBLYMAN JANISZEWSKI: Thank you. Next on the Committee's agenda is Al Evonoff, Secretary/Treasurer of the Hospital Workers, District 1199J. Al, am I reading that correctly?

A L E V O N O F F: That is correct. It is the National Union of Hospital and Health Care Employees, and it is part of the AFL-CIO.

I would like to thank you for giving me the opportunity to speak today and to present some of our views. Our union represents employees in the Center, in the professional field, in the dietary department, and also, department heads. However, we are not limited to that scope of membership in Hudson County. We represent the 1,500 Hudson County employees, 1,000 of which are hospital workers.

We represent St. Francis Hospital and St. Mary's Hospital, St. Ann's and St. Joseph's Nursing Homes. Therefore, we have about 2,000 other hospital workers who are members of our union in this County. I would like to speak on behalf of those workers and those residents of Hudson County.

Basically, I would like to speak about who needs the Center, but before that, I would like to say that we support the bill and every effort you are making with this bill in providing the money to be able to keep this Center open.

It is surprising, and maybe it is that I am growing old and lack the patience that I might have had before, but it is disturbing to hear the representative of the City, the representative of the County -- in a sense, not even a representative, but the Executive Director himself, Mr. Clark -- and someone representing the Governor -- talk about accountability. You know, you could say, "Where the hell have they been?"

If you lend money, if you give money, if you advance money, then it is your duty and your responsibility to see where that money goes. Those people who have come here and have talked about that are just sort of shunting the issue, and they are not dealing with the real issue that is before us.

It is not a question of the accountability of the last five or six years; it is a question of what we are going to do with the Center now. I think when former Mayor Smith spoke, he talked about the fact that we need the Center. I think that is where it is.

I think that when you put forth this bill, the amendments ought to be completely rejected, because accountability provisions are already in the bill. Those that deal with a nonprofit, general community hospital -- fancy words-- They are almost as fancy as the words that Garr Reed used about socioeconomic concerns, and the question about the commitment of the Board of Managers. Those are all fancy words.

He also used another one about patient stay and decreasing the patient stay. That is not only a fancy word; that is plain bullshit -- unadulterated -- and, I would like to deal with that one in particular for a moment.

When the Health Department says that they want to reduce the bed capacity, to decrease the amount of people who need care, but who do not require the critical care that could be provided at the Medical Center, and that same care could be provided elsewhere -- that man is lying -- out and out lying. If he were here, as I am, without all the facts available, you could say that he might be ignorant to the facts. But, that man is here with all the facts at his fingertips, and he knows that every day of the week, there are more than 2,000 or 3,000 elderly people waiting to be placed in nursing homes, and there is no care available for them.

Now, if the Health Department is saying that because he is a resident of Hudson County, and he is ninety years old, and he has no wife or family to take care of him, that he ought to be discharged to die on the streets, then they ought to say it right up front -- "We ought to create a few ovens to burn them." That is how vicious that kind of a statement is. It has nothing to do with reality. It is

merely saying that when you grow old, we have got to find a way to hide you, to kill you, to dispense with you, and I don't think that is what this whole country is about.

We're prolonging life, and I think that when we prolong it, we ought to take care of the person so that he can enjoy his life. In a sense, it is just a distortion of the facts.

When we talk about the DRG and the safeguards that were provided -- well, the man sits here also and talks about how, "Well, it is being picked up, and it is being shared." But, St. Mary's has a factor of five percent. St. Mary's is just down the way a bit. It means that they are rejecting people who cannot pay, and who don't have a third-party payer. That can only mean that persons who come to St. Mary's are being rejected.

When someone from the State comes here and says to us that there is a DRG program that will handle the indigent, then I think you ought to state the facts. For the Health Department to put forth a figure of seven percent, you've got to also conclude -- and I am not going to repeat some of the things that others have said -- that there must be a hidden agenda someplace to destroy this institution.

The question of having some corporate structure come in -- well, I don't think you have to go too far. Just check with the New York Times during the beginning of the year or the reports that come from the various hospital corporation structures, whether it is the Hospital Corporation of America or some other management structure. You'll read in their reports that their thrust is for profit. Their thrust is to deal with the persons who have the money to pay or have the third-party backer to pay. I believe that that is such a distortion, and those amendments ought to be discarded.

We are now confronted with a study group. They are studying the problem and concluding that we are going to have a backwards American population because of the lack of nutrition. I say to you here, let's do something so that we don't have to have a study group to find that we made a terrible error and left a lot of people out on the street without care. Let's do it right up front and make it possible for this Center to continue.

We have been using the word "indigent." That doesn't in any way describe this Medical Center. That population may create the fiscal problem, but this Center provides the kind of care-- And, some of the members of our union and other unions who work in the Center prepared the very quick little document, which I will give you at the end of this testimony, which talks about the services at the Center. Sometimes we hear figures and statistics, and I think you only relate to it when it hits you or you know somebody who is getting the service. I think you have to feel for the problem, rather than deal with statistics.

Indigents are not the only problem. For example, regarding the emergency services that this Center provides: a fireman who is critically injured while rescuing a family trapped in a burning building -- that is an emergency entrance into our hospital. Other examples are: a seventeen-year-old student who is stabbed several times by an unknown attacker on her way home from school; a father who is suddenly stricken with a heart attack while driving the car. Now, these people are immediately transported to the Medical Center. The Medical Center is the only one, as I believe some of the other speakers have said, that provides the ambulance services. They provide the vehicles with all the facilities to handle those kinds of emergencies. The Jersey City Medical Center is where they go. They provide all of these facilities in the emergency--

ASSEMBLYMAN COWAN: (interrupting) with skilled, professional people.

MR. EVONOFF: That is right. The point is, it is only the Medical Center that has surgical doctors who work around the clock.

I don't want to be the person who falls down in the street and is transported to a hospital in this area where the doctor is on call and who is forty minutes away. Think about that for a moment. That means that you are another statistic who has died in Hudson County. That is a service that is provided only by the Center.

In 1982, the total emergency room visits were 57,552. That is an average of 4,000 to 5,000 per month. Those are people in this community who-- You know, they are citizens of this community and also of this State, so therefore, the State ought to provide for them.

There were 18,000 ambulance calls during that same year. That averages 1,500 calls per month.

We're talking about a life-support system that makes it possible in an emergency situation to be picked up and be transported, and to have some assurance that when you get to the hospital, you will still be alive. That is an important service which this hospital provides.

The three people who I talked about could have been people who had Blue Cross/Blue Shield or were able to afford the coverage. It has nothing to do with the indigent. The person who had a heart attack may have been looking for work -- a person who had been working for twenty years, is unemployed today, and has lost his third-party coverage.

There is another service which we provide, and that service is not provided anywhere else. We have a Harry B. who is thirty-six years old. Of course, he has never been sick like most of us have. He has a wife and three children, so he can't afford to be sick. However, many times he was too tired to eat dinner or watch television. He never thought he had a medical problem until one night when he had trouble breathing and his legs swelled up. In the morning, he went to the Jersey City Medical Center emergency room, and the doctor admitted him. Within an hour, he was attached to a kidney machine. His kidneys had gradually stopped working, and he was close to death. A highly skilled team of doctors, nurses, a social worker, and a dietician were there to help Harry with his medical problem and his whole new way of life that he was confronted with. A team stayed night and day with him, including his family, to help him plan for the time when he would be able to go home. Harry was glad that the hospital was in his community so that he could continue to get the care and support he needed.

Now, that is an important aspect -- we have that service. Even if he had Medicaid coverage, it would not cover transportation. So, if that service was not part of the Jersey City Medical Center and he had to go somewhere else, he would have to put out money for that transportation.

There are 150 men and women there, and it is the only hospital in Hudson County with kidney machines and a dialysis team.

Harry never thought he would need the Medical Center; now he can't live without it.

Our acute dialysis unit is the only one in Hudson County, and they give 300 treatments per month, or 3,600 treatments per year. They are given to both indigents and persons who can pay. If you take that out or destroy this Center, there will be any number of roaches who will pick it up and make money from it. We provide it on third-party payments, and if the person can't pay, it is still provided. We seek the money later. I think that is the way that health care ought to be provided at all times -- first put you on your feet, and then deal with the money.

We also have another service at this Center, and that is for the little babies. I have another example. There was a couple who was waiting for their first child in April. However, one day in early February Mary's water broke. She phoned the doctor, was admitted to the hospital, and delivered a son the same day. The baby was ten weeks early. He weighed three pounds, five ounces, with undeveloped lungs. He was admitted to the Neonatal Intensive Care Unit at Jersey City Medical Center. They have a team which consists of a pediatrician, a respiratory therapist, and nurses. They devised and implemented an around-the-clock care plan for the baby. The infant responded to the treatment and developed normally, despite his premature birth -- thanks to this kind of unit at Jersey City Medical Center.

Now, this is the only such service in Hudson County -- the only unit available, and there are 650 newborns who are treated. There are 150 newborns who were transferred from other hospitals because Jersey City Medical Center is the only unit that provides this service.

You are dealing with human beings. We are not talking about dollars and cents. You can talk all you want about dollars and cents, but I think the most important commodity we have in the entire world is the human being.

We can talk about teenagers. We have a sixteen year old female who was admitted for sexual assault. She became extremely depressed and expressed suicidal tendencies. We also had a fourteen year old young man who was admitted by his parents last year. His marks in school dropped, and he began to hit his classmates. His

behavior became uncontrollable. These two youths were accepted at the Medical Center. This Center has the only inpatient psychiatric service for adolescents in the County. It provides immediate safety and ongoing therapeutic services.

The Medical Center also evaluates and treats every reported sexual abuse case, including rape, in all of Hudson County. We're not talking about sticks of wood; we're talking about human beings -- services that are not provided elsewhere.

I'm taking this time to speak so that when the Governor goes to sign, he is going to sign the death warrant if he doesn't sign your particular piece of legislation, and we're going to tell him so.

We say that some drinkers need this Medical Center. It would be unfair to say "alcoholics" because we have a fifteen year old who has a history of truancy. He failed in his classwork, and delinquent behavior started at the age of twelve -- or a forty year old college graduate who had a white-collar job -- married, father of two, a homeowner. Both of these people are alcoholics who attend the alcoholism treatment program for adults and adolescents at the Jersey City Medical Center. The alcohol education program at Lincoln High School, which is conducted by the Medical Center's adolescent counselors, gave this fifteen year old the realization that he had a problem, and they gave him the incentive to seek help. Otherwise, he would have ended up with a ruined life. The older person was referred by the courts to the Medical Center -- not to St. Francis, St. Mary's, or Christ Hospital, but to the Medical Center, for treatment. Three hundred persons -- adults and adolescents -- are seen yearly by alcohol counselors in an outpatient clinic.

In this case, a State grant provides most of the money. But, as you know, no State grant provides all of the money. Some of it has to be supported by the hospital budget. There, again, we are dealing with human beings.

Let's talk about the elderly. We have a case where Mary R., who is seventy-eight years old, and lives alone, became light-headed and fell in her apartment. Her neighbors brought her to the Medical Center where she was examined and x-rayed. The doctor determined that she suffered a fractured hip. Mrs. R. was admitted to the orthopedic

unit, stabilized, and taken to surgery for hip repair. Mrs. R. recuperated in the orthopedic unit, receiving bedside physical therapy until she was strong enough to go to the physical therapy department for more intensive care. When she is ready to go, if she is unable to take care of herself at home, the doctor, the hospital, and the social worker make arrangements for her. Again, this is at the Medical Center. While other hospitals in this community have cut down on their social workers, we maintain, as a major aspect of the Center, a social service department, which is staffed by skilled social workers.

There are 4,700 cases seen by the social service department at Jersey City Medical Center each year. Not all of these people come in as patients; they may be walk-ins who need help. They come into the hospital, and they know that is their institution. You can't hang up a label saying "nonprofit" and have people feel that it is their institution.

There were 106 persons transferred last year to extended care facilities. To Mr. Reed: That could possibly be 126 or 136 if there was more room to place these old folks.

There are 582 cases of planned home health care. That is, when the patient is discharged, the Center doesn't send him off alone. The social service department follows it up, and some home care is provided. When home care is provided, the cost to the State and Federal governments is reduced. The social service department at the Center provides that kind of care.

ASSEMBLYMAN JANISZEWSKI: I wonder, Al, if you could provide a copy of that for purposes of the record.

MR. EVONOFF: I will provide a copy. I would just like to say that there is an aspect of childrens' care and there is an aspect of psychiatric care. When you talk about psychiatric care, you are talking about what could be 3,500 people in this County. Between you and I, there is no discrimination in that kind of attack. It hits both rich and poor, black and white, and either sex.

These are the kinds of things that this Center provides. We heard before about clinics. There are approximately 41,000 visits to clinics at the hospital. Now, these are the kinds of things that I believe the legislators ought to keep in mind. Most of this does not necessarily have to deal with people who cannot afford to pay.

I support your bill, and I would like to join with you in improving this Center. In the meantime, I think the underlying thing is that the Center must continue to function and serve the community as it has in the past in the same kind of open-fashioned way -- that it is the feeling of the community that this is their hospital, and they can come in and get good skilled care.

Thank you.

ASSEMBLYMAN COWAN: I hope you will excuse me. I have to leave, Bob. Mr. Chairman, Senator, and general public, I have testimony, but I have been making notes. So, if you'll leave the minutes open, I'll submit that later.

ASSEMBLYMAN JANISZEWSKI: Thank you, Assemblyman Cowan. The record will remain open to receive written testimony.

Next on the Committee's agenda is former Councilman of Jersey City, Lou Vacarro, who is here representing Congressman Guarini and who is also the Congressman's aide.

L O U I S V A C A R R O: I am here as the Surrogate to Congressman Frank J. Guarini. I would like to read his statement.

"I am pleased to have received an invitation from Assemblyman Robert C. Janiszewski, Chairman of your Committee, regarding his bill A-3225, which is aimed at assisting and taking corrective action regarding the Jersey City Medical Center.

"The current status of the Jersey City Medical Center is painful to all of us, especially to our older residents, who remember the building of this complex forty years ago, bringing to our area needed and modern medical technology and treatment services.

"In the minds of many, it was the very first Medicare program in the nation, as it was the policy of the City officials to provide the needed care without remuneration, in many cases, or based on the person's ability to pay.

"No doubt this policy has had a domino effect, reflecting over a forty-year period, a decreasing income, which it partially is responsible for the filing in January for reorganization under Federal bankruptcy laws.

"There is, of course, a problem of management, which has been reported in the local press, which has caused an unusual turnover in the past eight or nine years in the administrators of the hospital.

"It has been the policy at the Federal level in the United States Department of Health to provide no direct funding for medical care purposes to institutions such as the Jersey City Medical Center.

"There was only one such exception two years ago in the hospital in Harlem, New York, where a one-shot several million dollar grant was made.

"I recall acting as an advisor to the City of Jersey City, negotiating the \$6.2 million grant provided several years ago. I worked very closely with New Jersey Attorney General John Degnan on the contract at this time.

"In the House of Representatives, Congresswoman Cardis Collins of Illinois has reintroduced as H.R. 20-10, an amendment to part A of Title 18 of the United States Social Security Act.

"This legislation calls for participation of the Social Security program to financially assist hospitals enabling them to continue to provide vital medical and health services. This was referred on March 9 to the Ways and Means Committee, of which I am a member.

"I shall back this legislation which calls for assistance in emergency service, nonelective service, prenatal, obstetric and pediatric care.

"Being discussed on Capitol Hill of late is health insurance for the unemployed. I back such legislation and look forward to this type of program which, indeed, will be an intelligent way of America avoiding the bankruptcy not only of hospital institutions, but families in trouble as well.

"My philosophy also calls for the involvement of the Federal government to assist facilities such as the Medical Center working very closely with the State of New Jersey because of the varied ethnic makeup of our population.

"Last year, my office conducted a survey and found that we have more than ninety-two ethnic groups residing in Hudson County. This group of individuals provides many problems in the health field,

including the financial aspects, as many of them work in areas which do not provide health care insurance. Many of the individuals also come to our nation with health problems which need correction, and while it has been our philosophy to extend a helping hand in giving this service, I do not believe Jersey City should be singled out to provide these services without Federal and State assistance.

"Perhaps more than any community of its size in the nation, we have been forced to provide this service and suffer under the tremendous financial handicap of staggering costs. Handicaps are provided in the sports field with horse races, golf tournaments and other events. Should we not also be assisted with the handicap of astronomical medical costs?

"The Federal government assists with education costs in areas where children of their military personnel are stationed. I am recommending to Governor Kean that he ask for the same assistance here in New Jersey to assist us and possibly any other similar facility which may be affected with the problem of newcomers to our nation who have come to Jersey City to live.

"I intend to pursue this with the United States health officials and the administration, plus the New Jersey Health Department to determine whether or not the Jersey City Medical Center can be reimbursed in this most disadvantaged situation.

"I will give Bob Janiszewski reports of my findings in order for our community to have the benefit of a close interrelationship at State, national, and local levels for this important problem.

"In conclusion, it is paradoxical that the private hospitals in our area appear to be efficiently run, are expanding, are providing services, and are financially self-sufficient. The Medical Center story appears to be just the opposite. All concerned must be reminded that the hospital administration and the providing of necessary care is a science which calls for extremely well qualified professional leadership. We must all work to bring that goal to this troubled facility."

That is the statement of Congressman Guarini.

ASSEMBLYMAN JANISZEWSKI: Thank you, Mr. Vacarro. I think two areas within that are of particular interest. They are the reintroduction by Congresswoman Collins of an amendment to the United States Social Security Act, which would seem to be a vehicle through which some Federal dollars might be made available for the first time, although generally the Federal policy is no direct funding, and the second one is reimbursement for health care which is being provided for either recently arrived immigrants and/or military facilities. I don't frankly know whether or not military personnel are serviced at the Medical Center, but that might be an avenue that could be explored as well.

MR. VACARRO: I think another thing that should be mentioned is that there was a one-time exception with the hospitals in Harlem, New York. If they could do it for them, why can't they do it for Jersey City?

ASSEMBLYMAN JANISZEWSKI: Needless to say, we would encourage Congressman Guarini to introduce or take such action on the outside chance that we might potentially be given negotiations on the Federal budget -- perhaps by amendment, they could include such an exception for the Jersey City Medical Center. That would be of tremendous help and it would have a great impact on our community.

I should mention also that former Councilman Vacarro was also a member of the Medical Center Board of Managers, and he is intimately familiar with the hospital as a consequence of his involvement.

Councilman, I know you wanted to offer some commentary on your own behalf, and we would be happy to hear that.

MR. VACARRO: If I may, and I speak just for myself as an individual here in Jersey City -- I am Louis J. Vacarro, and I reside at 78-A Jordan Avenue in the City of Jersey City.

I didn't anticipate speaking here today even though I anxiously wanted to. I just don't want to confuse my statements with those made by the Congressman. Basically though, I think we are in agreement as far as doing something for the Medical Center is concerned. There are many things that can be done.

First, I would like to refer to the negative aspect of this. I am very, very hurt that I don't see anyone from the Governor's Office

to listen to the comments of the public -- the feelings that we have. I don't think the Governor's Office is going to get the true report, even though there may be some representatives of his staff here. They are not going to take the time to listen to the tape recording.

Our problem is not just the present; it has been a problem in the past. I remember when I was on the Board of Managers and we went to Trenton. We spoke to the then Assemblyman Charles May who was trying to help us, along with Assemblyman Doria, Assemblyman Cowan, and you, Mr. Janiszewski. You tried to help us to obtain money, but we really never got it. They also promised us at that time that they would give us a representative from the local Municipal Council. We still don't have that.

They promised us when that bill was passed that they would give us a representative from the County of Hudson, namely one of their Freeholders. They, too, should have an interest in being a member of the Board of Managers, because they too, supply necessary monies just as the State does. Until this moment, there is no representative from the Council who sits on the Board, and there is no representative from the Board of Freeholders.

I want to bring out the minuses. For the record, I am against the way the present -- and I repeat, present -- and past administrators of the Jersey City Medical Center operate, because I don't think they have the City of Jersey City and its constituents at heart.

One of the main troubled spots at the Jersey City Medical Center has been the services of the elevators -- where it takes you at least twenty or thirty minutes to go up and down. God knows, we have had many emergencies that turned out well. I want you to understand that I am saying "well" because of the fact that they were fortunate to have the elevator there at the time of the problem. But, the operation of those elevators even today are not in good working order. There are four of them on the first floor at the Medical Center, and there are four in the "C" building.

ASSEMBLYMAN JANISZEWSKI: So, because the elevators are slow or inoperable, they could really pose a life-threatening situation in an emergency case.

MR. VACARRO: Right. Say you ring the seventh floor elevator to go up or down. All four will stop at the seventh floor. This is after at least twenty minutes. They don't have any bypass system where if one elevator picks up on the seventh floor, the other three go up or down. Yet, we took time to give priority to the clinic building where those elevators are not used as much as the elevators in the "C" building are used. That is a very, very important factor, although it may not sound like it.

I'm glad you are trying to get us a loan, although I think it should be a grant.

ASSEMBLYMAN JANISZEWSKI: So do I.

MR. VACARRO: The maintenance of the cornices at the building -- two years ago -- was over \$5 million. If you looked at those cornices right now, you'll see that they are protected, but they are not finished. Water can still seep in and cause a lot of damage. That is a very important factor -- \$5 million just to repair the cornices in that complex.

I think the lack of security is a shame. Our security is nil.

I think the lack of administrators from 5:00 P.M. until the morning -- whatever time that may be -- I don't know if it is eight o'clock, ten o'clock or eleven o'clock -- there is a lack of supervision by the administrators. I am not talking about the services provided by the nurses in charge. They do the best that they can, and if they need further instructions, they must get on the phone and call Rivervale, New York or Hastings-On-The-Hudson where our personnel come from.

Years ago we did away with the Penthouse in Jersey City. Maybe that was a mistake. It may have really and truly been a mistake. It may have been one of those necessary evils to have the Penthouse there, because if you look at it, the then Executive Director was on the premises. God forbid that anything happen, he or she was able -- and it was mostly "he" then -- to give directions. As it stands now, the lack of supervision from the administration is bad -- very bad.

I must also include that during 1977 to 1981, the Board of Managers were able to have a parking facility built after the demolition of a power house and some laundry buildings. You'll have to excuse me if I get excited. We provided parking, but what hurts me is now, they have a big cyclone fence around the parking facility for the specially privileged -- the doctors -- where they pay "x" amount of dollars in order to take advantage of the guarded security in the parking facility. The poor patients and nurses who are being mugged-- That is why this parking facility was built-- It was because the majority of the nurses were being mugged to and from work.

The collection agencies from the Medical Center for the period from 1977 to 1981 saw the way that we were being ripped off -- and I say that with all capital letters -- because we saw it, and it should have been seen, as far as I'm concerned, by the administrators of the hospital long before we came aboard.

I want to go into a plus part now and then I'll add just a little negative part. Around March of 1980, my grandson became ill. My daughter took the baby to the doctor and the doctor sent him to Bayonne Hospital. Bayonne Hospital said, "Don't bring him here. He belongs in the Medical Center." I thank God, and I thank those people for sending him to the Medical Center. After two and one-half hours, they found that my grandson had leukemia. I mentioned two and one-half hours because the Board of Managers just prior to that had gone out and bought equipment -- much needed equipment -- for testing purposes. Because of that equipment, we found out that my grandson had leukemia. Otherwise, the testing process would have taken maybe ten days in order to get the results because they would have to be sent out. I thank God that we did do that. If nothing else, I'm glad that I was part of the Jersey City Council, which put me on the Board of Managers.

The part that hurts me and that should be looked into is the billing by some of these doctors, even though the doctors don't go in to see the patients. In my particular case, it was my grandson, and yet, I was charged for two days by the doctor, even though he never even saw my grandson. This is not an isolated case; this is widely spread.

This is one of the reasons why I didn't want to come here today -- I knew I would get emotionally involved.

I also know that the neonatal care at Jersey City Medical Center is the best around -- so much so that -- I lost my grandson in May of 1982. My daughter at that time had given birth to twins at Riverside Hospital. A friend of mine whose daughter gave birth at the same time needed that emergency care, and they had to ship the baby to the Medical Center. If it weren't for the Medical Center, that baby would not be alive today. Thank God, the baby is alive, and it is only because of the Medical Center. These are the things that Governor Kean and even Governor Byrne don't know about because they don't see them.

I deplore the action that was taken by the then Department of Health. Joanne Finley, who never once came to Jersey City to see the conditions of the Medical Center, allowed us to spend millions of dollars and didn't care what happened to it. They, too, under the direction of Dave Wagner, who was her assistant, allowed changes to be made just by the signature on a piece of paper. They spent millions of dollars, not caring, and that money could have been put to better use if they came to Jersey City and saw what was being done.

Again, I have to say that the Board of Managers between 1977 and 1981 saved the taxpayers of the State of New Jersey millions of dollars because we saw something that the Department of Health failed to see, and we made the corrections.

I don't know if you gentlemen know it, but we have the trauma capital right here at Jersey City Medical Center. Riverside, West Hudson, South Hudson, Bayonne, Greenville, St. Francis, and Christ Hospitals have to send all of their patients to us because we have the equipment. We have the best equipment, and we've got the best doctors around.

You talk about microsurgery in New York; we have it right here in Jersey City. We have Dr. Marco Fernando, a Phillippino boy -- all American at heart. He is the one who has been able to attach a foot back to the leg and restitch an arm. He did that at Jersey City Medical Center. Trenton doesn't know that, but we have it here.

We have one of the best nuclear medicine departments around, if not the best. I may not know how to put this because I am not in

the professional field, but we have Dr. Greiss and all of the degrees he has. He is one of only three doctors in the United States who has the ability and professionalism-- What I am trying to say is, we have that man right here in Jersey City, giving us his expertise. We have him; we don't have to go anywhere else.

They mentioned ambulances before, and you may get the wrong impression that those ambulances just pick up those people and bring them to the Jersey City Medical Center. That is not so. Those ambulances from Jersey City Medical Center will take the patients to any hospital of their choosing. If they want to go to Christ Hospital or St. Francis Hospital, that ambulance will take them there. That hasn't been brought up before, but I want the State to know that this is what they do.

I can see going to a 400-bed hospital, and I may go along with that, but what I can't see is doing this at the present Center. I can see building a new hospital on new terrain somewhere else.

I am against the proposal for the new Board of Managers or a new management team. One of the management teams being used at the University of Medicine and Dentistry is hiring a fellow that we just discharged -- Joseph Toomey. If he couldn't run the Jersey City Medical Center, how is he going to do it on another management team? The University of Medicine and Dentistry built a new addition with a lot of new equipment, and that building today is sitting empty. I can't understand why it was built there when we had it all right here in Jersey City.

ASSEMBLYMAN JANISZEWSKI: I was unaware of that.

MR. VACARRO: That was politics. Politics is government, and I agree with you -- government is politics.

I mentioned to you before -- I believe it should be a grant, not a loan, because we deserve it. I really believe that our State officials really treat the City of Jersey City and its constituents as second-class citizens. We deserve more for what we do and what we give the State in regards to gasoline and cigarette taxes and things like that.

We are the second largest city with the densest population of senior citizens, and this isn't even being considered. Why don't they give us what we deserve? Why don't they take care of the Jersey City Medical Center? All I know is that the people who work there are hard, dedicated workers. They love their jobs. I want that to be known because they are all good people. They look for direction from the Board of Managers, but they don't get it. In the four years that I served on that Board, I never once saw any top administrator do what I did, and that was to walk around the Medical Center in its entirety to see what was needed and to see what the little guy had to say. You don't see it anymore.

I am for home rule. How can you serve as an administrator if you live in Hastings-On-The-Hudson or in Rivervale and you work down here? What happens if an emergency occurs? There is nobody to direct.

Mr. Assemblyman, we have a very serious problem with those elevators in the hospital, and a correction has yet to be made. The problem has been there for the last ten years that I know of, and nothing is being done about it.

I want to thank you for giving me this opportunity to talk. I hope I didn't bore you too much. Believe me, I wrote down a lot of things, but I don't think it is fair for me to take anymore time.

ASSEMBLYMAN JANISZEWSKI: Councilman Vacarro, thank you very much on behalf of those who will, in fact, read the record. For those who don't, I think it is a sad commentary as to whether or not they are performing their duties as members of the Committee and the Legislature.

I think what you have outlined is really a tragic story about the lack of attention that the State has given to the hospital.

MR. VACARRO: Mr. Assemblyman, one other thing -- If you just take that second paragraph of the Congressman's remarks, this was the first medical facility around. Their first concern was taking care of the sick. They didn't look at his financial condition.

ASSEMBLYMAN JANISZEWSKI: Councilman, thank you very much for your comments.

There was a list of people who I mentioned earlier. As you know, we're running well behind schedule at this point. I should also

point out that that is not uncommon at legislative hearings. There are two people who I would like to call on quickly, and I would appreciate it if the rest would condense their remarks if possible. I don't mean to say that you must limit your time, but it is getting late. In just looking at this list, I would say that we probably have thirty people on it between now and four o'clock. I know that many of you have been here for a long time, and you have been very patient.

I would like to call upon John Lubowsky, who was involved with the Medical Center. He has been with us since this morning incidentally -- Dorothy Long, as well. Dorothy has come a long way to be with us. Because of health reasons, she cannot be here with us for a long-extended period of time. I hope you can be reasonably short, John and Dorothy. I don't know if the others that I called off earlier have gotten together to select representatives, but I would appreciate it if you would notify staff as to who is going to speak for that group. If you haven't, I'll will proceed by calling on each person individually. John?

JOHN LUBOWSKY: My name is John Lubowsky. I am a resident and taxpayer of this municipality. I have monitored the antics -- and I use that word correctly -- of the Medical Center Board of Managers from the day that the Sunshine Law was passed.

During the course of my watching this Board, I found it necessary to get a court order from the Assignment Judge of Hudson County, permitting me to look at the records of the Jersey City Medical Center under the Sunshine Law -- I'm sorry, the New Jersey Right to Know Law.

The Chairman of the Board of Managers at that time, John Finn, along with his counsel, Frank Hayes, appeared before the Judge to oppose my motion to look at the records. I did get the Judge's order, and I still hold it. There is no cutoff date.

As a consequence, I have examined many, many, many administrative records regarding the running of the hospital over the years. I can say without fear of contradiction that up until the beginning of 1983, I had the best attendance record of any member of the Board of Managers, including night and day meetings. I made it my

business to attend every meeting, and I tried to learn as much as I could, given the scope of my limited ability to absorb medical knowledge. I do know a little bit about running a business, and I can tell you this without fear of contradiction: As good as the medical care is in the hospital, that is how bad the administrative care is of that institution. It has been horrendous, and it continues to be so. That, to a great degree -- not entirely, but to a great degree -- has been one of the reasons why the hospital is in its present condition.

As an example, and I believe it has been brought out here today, and it has been a well known fact throughout the hospital, that public funds -- let me rephrase that -- trust funds, funds which are supposed to be turned over to the United States Government -- basically withholding taxes and Social Security monies -- have been used for operating expenses. This is a direct violation of a trust fund, it is a criminal action, and why the United States Attorney General's Office has not investigated this thing to determine whether members of the Board of Managers were guilty, whether such a criminal act took place, and whether members of the Board of Managers were guilty of being accessories before and after the fact, is beyond my comprehension. These people, as you have heard, have been denied their pension rights. People who have filed for unemployment have been told that unemployment funds were not available. Again, there has been mismanagement throughout the entire institution.

Unfortunately -- thank God, I should say -- I shouldn't say unfortunately -- thank God, that in spite of mismanagement on an administrative level, the hospital has continued to provide good medical care. To change the concept of this hospital from anything but what it is would be horrendous, because only a public hospital can serve the public of this City, which is composed so much of people who cannot afford to pay for their medical care. It is unfortunate that that is the situation.

I'd like to digress for a moment and give you some input, if you don't already know it. So much has been said about the Public Hospital Assistance Act. I was in the State Legislature the day that act was passed. Assemblyman Tom Kean, who is now Governor Tom Kean,

was one of the people who voted "yes" on the Public Hospital Assistance Act that day. There was some question as to whether the act would pass that day. If it was not for Al Burstein's impassioned plea -- and he is a wonderful man, believe me, and he has swayed many a vote. That act, as Mayor Smith correctly stated, was originally intended just for the Jersey City Medical Center to the tune of \$9 million. Mr. Burstein succeeded in getting one-third of it for Bergen County. At any rate, we were to get -- when I say we, I mean the Jersey City Medical Center -- \$6.2 million. They never, in any given year from the beginning, received \$6.2 million, because the State came in -- I'm referring to the State Department of Health -- and audited the books because the \$6.2 million dollars was supposed to compensate the Medical Center for the indigent care that they were providing. Their audit showed that only \$4.8 million of care was provided, so that is all they gave that one year.

Over the years, the amount of money has gone down and down and down, until currently, it is nil. The reason for that is, according to the State Department of Health, there is an rate built into the DRG reimbursement rate. They no longer need a Public Hospital Assistance Act per se.

Unfortunately, our finance department has been unable to demonstrate conclusively, because of poor billing procedures, what percentage of patients are indigents. The billing is horrendous. The documentation is horrendous. The hospital suffers because of that.

The quality of care is kept up, thank God, although we have lost a lot of private patients. One of the reasons is the miserable elevator service. Private attending doctors have said that they don't want to come here. They have to wait twenty minutes for an elevator to take them from the first floor to the fifth floor, and then they have to come down again and go into another building to see another patient. Their time is money. I would say to you without fear of contradiction, and I challenge anybody to tell me that I am incorrect -- there is a million dollars worth of lost time in the Jersey City Medical Center because of poor elevator service for the physicians and personnel who work there. You would have to come there between the hours of noon and 2:30 P.M. and see the people waiting around for an elevator to take

them back upstairs after having their lunch in the lunchroom. There are sometimes fifty people waiting for an elevator. Those people get anywhere from \$7.00 to \$15.00 per hour.

GENTLEMAN FROM AUDIENCE: No, I won't be quiet. What I would like to know is, if this is a public hearing, why did that man go ahead of thirteen other people -- people who called before he did? Why does he get to speak before us? Some of us have been here since ten o'clock this morning. That is not fair. We are people from the community, and we have seen politician after politician come in here, talk, and leave. No one here has been a representative of the community except for a couple of our union leaders and Reverend Hankerson, the only black person who has been able to address this. Is this a public hearing or not? Why does this man have a right to go ahead of us and we have to sit here? He has been talking for eight minutes already. Lou Cacarro came in and he talked for almost a half hour. This isn't right. Why aren't you going by the agenda?

ASSEMBLYMAN JANISZEWSKI: The answer to your question, sir, is that as Chairman of the Committee, I am at liberty to call those people who I choose and in the order that I choose.

GENTLEMEN FROM AUDIENCE: This is supposed to be a public hearing.

ASSEMBLYMAN JANISZEWSKI: Yes, it is.

GENTLEMAN FROM AUDIENCE: That is how public hearings are conducted? What about the agenda?

ASSEMBLYMAN JANISZEWSKI: I set the agenda.

GENTLEMAN FROM AUDIENCE: Oh, you have your own agenda.

ASSEMBLYMAN JANISZEWSKI: No, I don't have my own agenda.

GENTLEMAN FROM AUDIENCE: (inaudible)

ASSEMBLYMAN JANISZEWSKI: If you feel that way, sir, you are as free as anyone to come as go as you please. But, there is another person who has been in this room, with the exception of three minutes, since ten o'clock this morning, and that is myself. There is a reason that this hearing has been called today--

GENTLEMAN FROM AUDIENCE: (interrupting) You get paid to listen to us. You're our representative.

ASSEMBLYMAN JANISZEWSKI: I certainly get paid to listen to the public, that is true. However, I get paid whether I am in this room today from ten o'clock on or not. I chose to be here, I chose to hold this hearing, and I chose to call the hearing. I chose to call these people here today, including this staff, who do not get paid for being here and could very well be comfortable in Trenton where they all live. I brought them here today at my request and at no one else's request, I might add, to air this problem. I think it is of less consequence to us to debate back and forth and in what order than it is to complete the record.

LADY FROM AUDIENCE: You're supposed to be listening to the people who are using this hospital, and you have not been doing that. You have not been doing that. What kind of a public hearing is this? Only one black person has spoken. What about the Latin community? What about the white working people of the City who have a stake in this hospital? You haven't listened to anybody, except for one black person.

ASSEMBLYMAN JANISZEWSKI: I think you have the list of speakers in your hand. If you look through that--

LADY FROM AUDIENCE: I don't have that.

ASSEMBLYMAN JANISZEWSKI: You don't? Well, I can read you the entire list in order, which would be of no help to the Medical Center. I have people listed in time blocks, and I've mentioned that throughout the hearing. The first time I violated that time block was right now, as you have pointed out. I think, given the age of the gentleman who is presently sitting before me, that is reason enough. Given the medical reasons--

LADY FROM AUDIENCE: No.

ASSEMBLYMAN JANISZEWSKI: Well, if you want to deny some dialysis patients the opportunity to come and go rapidly--

LADY IN AUDIENCE: I'm not talking about dialysis patients. I'm talking about this man right here, and the speaker before him.

ASSEMBLYMAN JANISZEWSKI: I think had we not had this--

LADY FROM AUDIENCE: (interrupting) Not one woman has spoken -- not one woman has spoken.

ASSEMBLYMAN JANISZEWSKI: Frankly, I cannot help the sequence of people.

LADY FROM AUDIENCE: Yes, you can. If you were a little more sensitive, you could.

ASSEMBLYMAN JANISZEWSKI: I cannot help the sequence of people, and if you want me to read the litany, I will. For the first fifteen speakers who had requested time, in order of request--

LADY FROM AUDIENCE: That is a farce.

ASSEMBLYMAN JANISZEWSKI: (continuing) They are all males. Well, if you feel that way, of course, as with anyone else, you are free--

GENTLEMAN FROM AUDIENCE: If our names are on the list before these people, why didn't we get called before them?

ASSEMBLYMAN JANISZEWSKI: Because I said to you, there are two exceptions.

GENTLEMAN FROM AUDIENCE: Lou Vacarro's name is not on here. Is he an exception too?

ASSEMBLYMAN JANISZEWSKI: He was representing Congressman Guarini.

GENTLEMAN FROM AUDIENCE: He represented himself afterwards.

ASSEMBLYMAN JANISZEWSKI: Yes, he did.

LADY FROM AUDIENCE: In other words, you're telling us that these politicians come before the people, who actually, this public hearing is supposed to be about--

ASSEMBLYMAN JANISZEWSKI: No, representative people of a constituency are, in fact, elected and not self-appointed. In that instance, those people who were elected and appeared on the list were given that deference. They represented not only their own voice, but the voices of those who elected them.

LADY FROM AUDIENCE: Why did we have to call Trenton to be a part of this hearing? This is supposed to be a public hearing in Jersey City. Why do we have to call all the way to Trenton to arrange to get on this agenda? Why didn't you supply transportation for people to come here?

ASSEMBLYMAN JANISZEWSKI: All I can do in response to that is to say that the Legislative staff resides in Trenton. I would submit that we should progress and--

GENTLEMAN FROM AUDIENCE: (interrupting) by starting with someone new.

ASSEMBLYMAN JANISZEWSKI: Oh, we're going to do that as soon as we finish with the present speaker. As I said earlier, I could have limited everyone to three minutes. I could have limited everyone to five minutes.

GENTLEMAN FROM AUDIENCE: We're going to be limited to three minutes.

ASSEMBLYMAN JANISZEWSKI: I didn't say that, did I? I only said a minute ago to suggest to people that they try to be concise insofar as we have taken a lot of testimony. However, if you chose not to be, that is your business, and I will not limit you, just as I have not limited others.

MR. LUBOWSKY: May I continue?

ASSEMBLYMAN JANISZEWSKI: Please conclude your remarks, sir.

MR. LUBOWSKY: I would like to read two things from the Times. This is dated February 26, and it is from Mobile, Alabama.

"To keep out people who cannot pay their bills, all but one of the six hospitals in Mobile closed their emergency rooms this weekend. State Attorney General Charles Radick unsuccessfully tried to prevent the University of South Alabama Medical Center from closing its emergency room. The State Supreme Court permitted the first closing on February 11, and a legal battle appears at an end. The Medical Center says the rising cost of caring for indigent patients has threatened its financial stability."

I would like to point out, Mr. Chairman, that this could very well apply to all the voluntary or nonprofit hospitals in this County. If the Medical Center's activities are curtailed, and if proper funding is not obtained so that it can continue to serve the community, which needs it, this might very well happen here. The emergency room at the Medical Center could conceivably close at certain times because there is not enough money to keep it going.

I would like to read one more thing for two minutes, and then I will leave you with a comment. This is from the New York Times from last Sunday, and the heading is, "Who's Obligation is Health Care:"

"A Presidential Commission on Medical Ethics last week stopped short of declaring health care a citizen's constitutional right, but not by much. 'Equitable access,' the panel said, 'is the ethical obligation and the ultimate responsibility of the Federal government, even in austere times.' As for austerity of the Commission, eight members of which were appointed by President Reagan and three, including the Chairman, by President Carter, called health care cross-control measures unacceptable, even if they widen the gap between those who get adequate care and those who don't."

I would like to point out, Mr. Chairman, that I personally am a physician, and I live here. I pay taxes to the tune of \$3,400 a year for a one-family home. I carry the plastic cards in my wallet that show that I have Medicare, Medicaid, Blue Cross/Blue Shield -- anything you want, I've got it. And I have a checkbook that will back up what I don't have in plastic cards. I don't need the Medical Center as a patient because I have access to Mt. Sinai, Columbia Presbyterian -- you name it. But, I know that there are people in this community who do need the Medical Center, and it is for those people whom I speak -- as a concerned individual, as a person who feels that the people who do not have the financial ability to pay, deserve medical care just as much as those who can pay. I urgently point out to the Committee -- do not abandon the Medical Center. It is absolutely vitally needed in this community. Without it, the community will not have the right to life. They will die.

Thank you.

ASSEMBLYMAN JANISZEWSKI: Thank you, Mr. Lubowsky. Dorothy Long, whose name I mentioned earlier. Is Dorothy here?

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Dorothy, thank you for coming out of your way. Obviously, it was a considerable effort for you to come here today to testify. Thank you.

D O R O T H Y L O N G: My name is Dorothy Long. I am a patient at the Medical Center, and I have been a dialysis patient for eleven years. I have been on the kidney machine for eleven years. Without the Medical Center, I don't know what I would do -- if they got rid of

the dialysis. It is very important. If I had to go someplace else, my husband wouldn't be able to take me. He is seventy-four years old, and he takes me three times a week for treatment. If I had to go someplace else, he wouldn't be able to drive me there.

Anytime I get sick -- anytime, day or night -- I go to the emergency room and I am well taken care of. So, the dialysis is very, very important. The nurses, the doctors, and everyone have been very, very good. We have got to have this treatment. I have to have it, I know, if I want to live. I don't have much to say, but I can say that it is very important that the Medical Center stays open.

ASSEMBLYMAN JANISZEWSKI: Dorothy, thank you. I just noticed in the material that was provided for the Committee a little bit earlier by Al Evonoff that you are certainly not the only one who avails himself of the dialysis treatment that is available at the Medical Center. I would like to share, for the record, a section of the report that was given, which notes that 150 men and women make use of the dialysis team. It also further notes that it is the only hospital in Hudson County which has kidney machines.

MS. LONG: It is.

ASSEMBLYMAN JANISZEWSKI: One, therefore, can infer that the 300 treatments per month that that unit provides, or 3,600 treatments per year, that is provided through that facility--

MS. LONG: That is 300 treatments per week.

ASSEMBLYMAN JANISZEWSKI: Yes, a week -- I'm sorry. They would no longer be available if the clinic operation of that unit was no longer properly funded. Nowhere else in Hudson County would that be available.

Do you live in Hudson, Dorothy?

MS. LONG: Yes.

ASSEMBLYMAN JANISZEWSKI: You do. Well, I think that probably one of the most eloquent testimony is just your presence here.

MS. LONG: I have been on it eleven years now. Without it, I would have been gone long ago.

ASSEMBLYMAN JANISZEWSKI: That has been more than just a desire to keep that hospital open; for you it has been has been a lifeblood. It has been most critical.

MS. LONG: That is right.

ASSEMBLYMAN JANISZEWSKI: Dorothy, thank you very much. I certainly don't want to hold you up. There is someone else who you probably know and who visits that same unit, Carolynne Overby. Carolynne? Carolynne, I should compliment you, as well, for taking the time to come here today.

C A R O L Y N N E O V E R B Y: Well, I am only a five-year patient, and I am not a very good patient. You can explain to my doctor why I am late today; it is because I am here. I was due for treatment at three o'clock.

I am a nobody, so I won't take too much of your time. I am not a politician, so I don't have too much to say. I am simply a patient who has to avail herself of the services at the Medical Center.

Since January 5 to March 23, I have had six admissions -- six. That is this year. All of them were through the emergency room, except for one which was planned for by my surgeon.

My last admission was just two weeks ago when I was taken from this campus where I am a full-time student. I was taken directly to the Medical Center emergency room. I thought I was having a severe asthma attack, knowing that there is a history of asthma in my family. What it turned out to be was heart failure.

Without the Medical Center, what would I have done? You know, you don't walk off the streets into a doctor's office today. Even if you are a known patient, you usually have to wait a day or so for an appointment.

I can't give the Medical Center all "A's" or all praise because they make lots of mistakes -- lots of them. However, there is no place better. There are all types of services there which I have availed myself of. I've gone from surgery, through dialysis, even to psychiatric care. That was an error, but however, I was caught into it. I walked into the emergency room seeking help for a problem that was getting out of control with me. I no sooner announced my name when I was grabbed, thrown into a crib, and shackled to it. I said, "What in the world is all of this?" This was in the emergency room at the Jersey City Medical Center.

ASSEMBLYMAN JANISZEWSKI: It was the psychiatric clinic.

MS. OVERBY: No, it was downstairs in the emergency room. You know, the emergency room is a unit in itself. It is a small hospital contained within the hospital. All the services you get upstairs, you can get right there in the emergency room, including psychiatric care. Well, it seems that the unit where I received dialysis commercially before had told them to be on the lookout for me because I had been skipping my treatments. Knowing that I knew the consequences of this, they said that I was self-destructive. So, they are really on the ball. If you throw them a ball, they can catch it, no matter how wide the curve.

Of course, that was straightened out. I was never a patient in the psychiatric ward.

You talk about closing the Medical Center so casually -- as though it is the thing to do. What about all of us who can't afford these private hospitals? I am very fortunate. I have been ill for forty years. Of course, I am only forty-one years old, but for forty of those years, I have been ill. I have never once been without coverage. Not only do I have Medicare now, I have Blue Cross/Blue Shield, as well.

What about those of us who can't afford this? I'm free to go to some other facility, but I don't care to. I am anything but a good patient at the Medical Center. I have been there so often that most people think I am an employee there. I have had many people ask me, "What floor do you work on? Did they call you today?" I didn't even know what they were talking about. Now I do. No one can sit there and casually mention what they are going to do about making that a private facility. There are lots of private facilities around here.

My surgeon -- I also have a surgical problem -- is a private doctor. I have four private doctors. My surgeon had me admitted to the hospital for surgery. Now, for all the fifteen years that he has been attending me, it was always at the Medical Center. He told me frankly that he could not stand the waste of time with those elevators and the parking situation there. I'm not aware of that because I usually have lots of time and I am accustomed to the wait.

Well, he put me in Greenville. Do you know what that entailed? Three times a week while in Greenville Hospital, I had to go

by private ambulance to the Medical Center to be dialyzed-- Like Dorothy said, without dialysis, we can't live. We are on hemodialyzation. We have complete kidney shutdown. That may not mean anything to you, but it does to us; it means the end stage. It is not terminal if cared for, but it is degenerating.

When you talk about shutting down the Medical Center and making it a private institution, we're not going to get the same services, because we are not going to be able to pay for them. Yes, I have coverage, but it doesn't cover the entire thing. I would not be able to afford four private physicians. Don't do this; think about it. Look around somewhere, someplace, and get some money, if that is all it amounts to -- money--

ASSEMBLYMAN JANISZEWSKI: That is true. That is very true. We, as a matter of fact, Carolynne-- The purpose of this bill, 3225, is to give the Medical Center \$3.5 million so that it might continue operating. We are finding some resistance in doing that because of reliance and explanations and rationalizations surrounding the DRG rate, surrounding the report that was recently issued to the State, or at least by the State on the future of the Medical Center. It is as a consequence of that resistance that I have asked that this hearing be held here -- so as to build the record, which is being taken to my left, of the need for the Medical Center to continue to operate -- not only to operate, but to operate and to provide the services it presently provides, so as to get around and over the hurdle of those who are resisting voting for this bill, which would cost the State \$3.5 million. I couldn't agree with you more that we need to keep this Medical Center open. That need will continue to exist.

By giving it \$3.5 million, it is not the end of the story by any stretch of the imagination, but rather, it should represent a continuing commitment by the State to the health care of the people in Hudson County. It is as simple as that, so I don't want you to think that I have any desire to in anyway shape or form close the Medical Center. The purpose of today's hearing is to engage you and other members of the public in a cooperative effort to make sure that that does not happen.

MS. OVERBY: We understand that, but I wanted you to know from a patient's point of view just how important that facility is. If you make it a private facility, then it won't be as available to us as it is now.

I also understand that it takes funds to keep it going, and without some means of better management, it will not be available.

ASSEMBLYMAN JANISZEWSKI: Well, certainly the management that has been there-- Or, let me put it this way: Once monies are available, under the circumstances that we are presently facing -- frankly, in any circumstance -- it ought to be managed in such a way so that not a nickle slips through the crack and is wasted when it comes to dollars that are otherwise being spent for health care purposes. That is what the design and intent of the money is, and any waste is really a shameful circumstance. If the managers are at fault, if management is at fault, or if the administrators are at fault for losing money that should be in the health care delivery system, then those people ought to be held accountable for their actions.

MS. OVERBY: On my last two visits to the hospital-- I said I was going to be brief, but I get a little warmed up-- On my last two visits to the hospital, the medication that the doctor ordered for me was not available. I brought my own. I had purchased it in a public drug store, and I brought it to the hospital. You know, I think that is going pretty far.

ASSEMBLYMAN JANISZEWSKI: That is a very sad statement.

MS. OVERBY: All right, thanks for listening to me.

ASSEMBLYMAN JANISZEWSKI: Carolynne, thank you very much for being here today.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Richard Duell?

MONICA MOOREHEAD: My name isn't Richard Duell, but I'm representing the list of twelve people from the All Peoples' Congress, and because people had to leave because of the time, we only have three speakers. The other two will be Bill Sullivan and Reeda Baker.

Before I read an official statement of the All Peoples' Congress of Jersey City, I just want to go on record by saying that, again, this so-called public hearing is no public hearing at all. It is a farce. The fact that a public hearing was called at ten o'clock in the morning, when majority of the people who work in this City cannot attend -- they cannot afford to take off -- the fact that the various housing projects that use the Medical Center were unable to come today because of lack of transportation, which should have been provided for them, and the fact these politicians were allowed to speak before the community, shows to our organization that this was not a public hearing. It was not what it was supposed to be. We want to go on record formally to protest this public hearing. In fact, the real public hearing will be held when there is going to be a citywide demonstration in which the community will come out and speak about the impact of the Jersey City Medical. People will be coming out to show that we are willing to fight to keep that hospital open and public. So, that is when the real public hearing will be taking place.

At this point, I would like to read a statement from the All Peoples' Congress:

"The All Peoples' Congress adds its voice to the thousands of people and many, many organizations that demand an end to the sinister conspiracy on the part of the government on every level to rob the Medical Center from the people -- take it out of the public domain and hand it over like a Christmas package to private profiteers. Anybody with two cents worth of smarts knows exactly what this means. If we allow the Medical Center to be given away, whether tomorrow, two years from now, gradually or abruptly, its doors will be closed in the faces of the poor people of this City and Hudson County.

"You can renovate the old hospital building and bring in the latest equipment, but if the Jersey City Medical Center goes private, as far as a great people who desperately need health care in this area are concerned, it will be as if the hospital were dynamited and bury in its own rubble

"Out of all the declarations, the threats, plans, counterplans, hearings, meetings, and legal proceedings from bankruptcy

court to Trenton over the last few months to determine the future of the Medical Center, at least one irresistible truth has pushed its way through all the stench, concocted to bewilder and betray the people. The Governor, Mayor, Board of Managers, State Health Commissioners, City Council, and State Legislature have shown themselves to be ethically unqualified to determine the fate of the Medical Center, or otherwise, mess in the affairs of this hospital.

"We are not charging incompetence for these forces have known exactly what they are doing -- it is gentrification of the Jersey City Medical Center -- forcing the common people away and making way for the more affluent and wealthy people who would like to replace the black and Latin with unemployed white families in Jersey City. Instead of taking Jersey City Medical Center to court, these officials should be there, because they are morally bankrupt.

"We are all waiting with exhausted patience the resignation of the hospital Board of Managers.

"The time has come for the community that really depends on the Jersey City Medical Center and cares about it to take charge of its own affairs. What we are suggesting here is not a new concept.

"Over the past two decades, communities across the country in major cities, and small ones too, have demanded and acquired their rights to community control over public facilities, including hospitals, schools, day-care centers, libraries, and other social service agencies. We say it is time for Jersey City to have some community control over our hospital. The community can certainly do no worse than the Board of Managers who might as well live on the moon as far as they are concerned.

"There are any number of ways that community control can be implemented. A new managing body could be constituted, based on representation of viable community organizations, churches, tenant associations, and of the unions that represent those who not only serve the community and their jobs at the hospital, but depend upon it for a living, as well.

"There are many formulas that could be applied in an honest effort to achieve legitimate grass-roots community control over the Jersey City Medical Center.

"The All Peoples' Congress strongly favors a conference of community groups to plan how community control can be accomplished. Those who have control of the hospital have had years to make it right, at the expense of the people it is supposed to serve. Now, it is our turn.

"Virtually every public official from the Governor down to Mayor McCann has desparately been trying to con the public into believing that Jersey City Medical Center is in a 'financial crisis,' and, therefore, must be abandoned. This is a lie. They know it and so do we. The reverse of this is true. The Medical Center has been abandoned and, therefore, it is in a financial crisis. There is no crisis outside of one -- that government has created itself.

"We can appreciate the fact that government has no regard for the future of health care in Jersey City, but do they take us as fools, as well? Do they think for one moment that the people believe that government really doesn't have the money to assure free, quality, comprehensive health care to all? We dare any public official to say that this government can afford so many bombs at the cost of billions, yet has no money to provide for the health care of the people. If any official has the nerve to stand before the public and utter such a ludicrous plea, then that official should be impeached and tried for criminal negligence, because any official, either elected or appointed, who willfully neglects taking any and all measures to ensure something so basic as the right to be healthy, should be in jail.

"Jersey City Medical Center must remain a public hospital, and fully funded by the tax dollars that are supposed to provide for this essential service. If there is any doubt in Governor Kean's mind as to whether the people think that some other expense should take priority over hospitals, schools, and the things that people need to live and thrive, then he should hold a referendum on the matter if he has the courage."

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Thank you for your statement. I would like to, for what it is worth, take acception to at least one comment that you made. I know that you still have two other speakers

who may rebut what I've got to say. What disturbs me from time to time is the fact that the Legislature gets painted with one brush -- the Legislature. The Governor, obviously, is one person, the Mayor is one person, the County Executive is one person, and the President is one person. But, the Legislature gets painted with one brush. That is the thing I take exception to -- that every member of the Legislature is painted in a comment like that with one brush.

It was through the vehicle of the Legislature -- as a matter of fact, through my Committee -- that the Medical Center achieved \$6 million each year for the last five years. It only began to get resistance to that grant, which has traditionally over each of the last six years been under my sponsorship-- last year, and now this year. It was the Legislature which restored the money that the Governor did not recommend for day-care purposes, and it was the Legislature-- I could go on and on. But, just lastly, it was the Legislature that painted with a different brush and restored educational funding in the State of New Jersey. This also was not recommended by the Governor. So, many, many times the Legislature, as a whole, is as you have pointed out -- perhaps guilty of being less than sensitive or as sensitive to certain things that other people are sensitive to. But, certainly, that is not all legislators, and not all the time.

I don't mean that as a critical comment of your statement, but rather to differentiate the many individuals who compositely make up the legislature.

With that, I would like to ask -- is Bill Sullivan next on the list? Mr. Sullivan?

B I L L S U L L I V A N: My name is Bill Sullivan, and I am a member of the All Peoples' Congress. I am also a steward for AFSCME Local 2254. I am a shop steward in the ambulance department -- the paramedics -- who were talked about here before.

Most of us didn't come here to attack your role as far as this bill is concerned, but when you conduct the procedures the way you have done today, we can't remain silent. We sincerely hope the next time you have a public hearing, you take into consideration what has been raised here.

ASSEMBLYMAN JANISZEWSKI: Bill, let me assure you that I will do that, and for anyone who has been offended by the conduct at the hearing, I sincerely apologize. I'll be sure to have greater sensitivity the next time.

Bill, I'm sorry, go on.

MR. SULLIVAN: I would also like to add that a public hearing should be held at night or on a weekend so that working people can attend. The All Peoples' Congress held a public hearing a few weeks ago regarding the Medical Center, and 300 people attended. About thirty of these people testified about the need for the Medical Center. Most of those who testified were people who were most in need of the Medical Center care. That was our contribution to an impact study of what it would mean if the Medical Center was closed. If you like, we have tapes of that hearing, and we would be happy to send them to you.

ASSEMBLYMAN JANISZEWSKI: I was just about to ask you if you had tapes of that.

MR. SULLIVAN: Yes, we do. It is testimony from workers, doctors, community people, City Council people, etc. -- people very representative of the City of Jersey City.

I would like to talk about the amendments to this bill. This change to a voluntary hospital is probably the most crucial one. It is really an attempt to break up the unions at the hospital and to deny health care for the jobless. A change to voluntary really means a change to a private hospital. We all know that by now. It means an end to Civil Service, an end to our union contract, and a new private employer who would only hire those of us who he wanted to hire. No one would have seniority. They will pay the rates that they want to pay, and they would dictate the working conditions they wanted, after the years that we have struggled to get decent wages and working conditions.

It also means a smaller hospital with less workers.

A good example is what happened in Detroit -- when the hospital there was closed and made a private hospital -- when everyone was laid off-- Of course, those who were rehired were hired by another corporation. Most of the black and Latin workers weren't rehired; it

was mostly the whites who were hired. This displaced a lot of people who have a much harder time finding a job.

The State study itself is a guide on how to break the unions -- how to legally get around negotiating with the unions. This study, unlike what Garr Reed from the Department of Health stated, -- he tried to imply that the study encouraged a change to a voluntary hospital-- That is not so. What it really says, and it says it in black and white, is that the only way to guarantee health care to the poor is by keeping it a public hospital. That is the study that they paid \$100,000 for -- that we paid \$100,000 for.

As others have raised today, health care is a national crisis. The Reagan Administration is cutting back on Medicare and Medicaid. There is a record number of joblessness in the entire country. It is not a black issue, nor a white issue; it is a people issue, as Reverend Hankerson mentioned. It affects the black, Latin, Asian, and white communities alike. There is joblessness in Hudson County, as everyone here knows. It is the highest it has ever been in forty years.

One of these amendments calls for a management team. The Hospital Corporation of America is one of those management teams -- one of the five -- that has been brought up as a possibility to take over the Medical Center. I would like to say that the Hospital Corporation of America specializes in this management field, and they have been suggested, along with four others, as a possibility of taking over the Medical Center.

Joseph Toomey is a Vice President of the Hospital Corporation of America. He is a former Executive Director who is now under indictment. I would like to quote a little bit of a union newspaper, the General Service Employees, Local 200, of the SIU. They have dealt a lot with HCU, as many unions around the country have. They describe it as: "one of the most anti-union and profit-motivated hospital corporations in the country." That is from their February 1983 issue. Hospital Corporation of America has also pleaded guilty in Federal court more than once on charges brought against them by the Federal Trade Commission and others of trying to monopolize the health care industry. HCU isn't alone in that respect, because these other firms

that are also listed as possibilities that are fighting to get their share of what really is becoming a monopoly of health care in this country.

They are just like the oil companies and the utility corporations. There are a number of them now, and they are trying to cut each other's throat so that they can control all of them and monopolize the health care industry, which would certainly drive the prices up even higher, as any monopolization of an industry does.

We think the only way to manage the Medical Center correctly, and one that would care for the community, is community control. As Councilman Fricchione raised, they were the workers in the hospital who exposed what was going on when this big investigation started. That is right; we were there. We met with the Councilman. We see waste and corruption everyday. There are supervisors on top of administrators who make all of this money, and you know, they are all sent from this politician to that politician. It has been that way for a long time. Continuing that type of management is going to just bring more waste and corruption.

When they had a layoff, they laid off 200 workers. In my own department, there are seven supervisors and less than thirty workers. Two or three years ago, we had one supervisor in the department. But that wasn't big enough. They have just added on and on and on. We have less workers. There used to be about thirty-six workers; now there are about twenty-nine workers. That is one point about a management team.

The other point I would like to make is that this is one way that they are trying to take health care away from the people -- to put it on as a business. Health care is not like a steel mill. A hospital isn't a factory. A hospital is for peoples' health, and it can't be run-- If Bergen County can afford to have a private hospital, fine. But, Jersey City needs a public hospital. The only way it can be run effectively is by community control -- by workers and members of the community, whether it be churches, tenant groups, other community organizations -- where people can sit down and-- We, as workers in the hospital, answer to our neighbors everyday that we go home. If somebody messes up in the Medical Center, believe me, I hear about it

from my neighbors and my friends. We're responsible to the community for providing health care.

The people who are on the Board now, and certainly, a new management team, wouldn't be responsible. In our responsibilities, we feel the necessity to give this care to the people. A politician is supposed to feel the same way, but we're closer because we live in the community everyday.

I would also like to say, as was raised before, that this is a special hospital. It has the best trauma unit in the County, and it has the best pediatric unit in the County. It has the biggest obstetric and gynecology unit in the State, and by and far the most advanced neonatal unit in the County. These aren't just for poor people; they are for everyone -- for anyone who gets injured.

Someone raised the point that people with coverage can go to Greenville or Christ Hospital. As an ambulance worker, we're sent to other hospitals to pick up emergency cases because they can't provide the care in their emergency rooms. We have to take these cases to the Medical Center where those services are provided. That is for everyone, not just people who can't afford it.

They are talking about cutting the bed capacity. Why are there only 400 beds that are occupied? What I have seen and a lot of others have seen -- nurses, some of the doctors, and other workers in the hospital -- are many doctors who used to be there all the time. They are no longer here. It was said that they don't like the Medical Center. Well, some of them just don't like the fact that they have to deal with a hospital that treats poor people. Some of them have helped in Governor Kean's and Mayor McCann's efforts to sabotage the Medical Center by not admitting patients. By cutting the beds, you look around and say, "Well, gee, there is no need for it." There is a need; they just pulled the patients out. A cut in beds is going to mean a cut in the residency programs, which is going to mean a cut in the money that comes in for a teaching hospital. Eventually, it is going to cut clinics too. The clinics and the emergency room are really the family doctor for tens of thousands of people in this County.

It is too bad that the other members of your Committee aren't here today, because if they wanted to see if there was a need for a

public hospital here, they could come to the Medical Center. They could come to the community and ask them. They could ride in an ambulance. They could come out tomorrow and participate in the march to save the Medical Center, and they could see how the community feels about the hospital.

The whole situation isn't a matter of showing need. We all know what is really going on here. It is the Governor, the Mayor, and most of the City Council members, who are taking up the Reaganite banner for the rich, whether it is through budget cuts, higher taxes for the poor working class, rent decontrol, or closing the only City hospital in this State. By going voluntary, it means closing it to the poor and the jobless.

It is a war, and the rich are attacking us everyday -- everyday -- Reagan and his friends. They are taking everything they can away from us that we have gained since the 1930s. But, we have kept the Medical Center open because the workers and the community are fighting back. We've kept it open because we need the hospital, and there is only so much that the people are going to take. We're not going to let them take the Medical Center away from us.

We want the money with no strings attached. It is our tax money, and we want a say in how it is spent. We want a grant, not a loan. We want to keep it a public hospital with community control, because that is the only real guarantee of health care for the uninsured people. We want an extension of the debt moratorium on the Medical Center debts, because we fully intend to get the Chapter 9 bankruptcy proceedings thrown out of court. It can be done. You see, they keep saying, "Well, if Chapter 9 is thrown out, we're going to go bankrupt immediately." That is not true. We can get another extension on the moratorium. That can be done -- until the Medical Center can get on its feet financially. We're going to get that thrown out of court -- not by the graces of the court, but by the way we have kept the Medical Center open up until now -- by the community workers' involvement.

The Committee who met in Trenton wrote their own laws, and the law says that you need a two-thirds vote of the City Council or of the elected governing body, which is the City Council, before they can

apply for bankruptcy. Of course, Governor Kean's Office and the Attorney General's Office just waives that, but it is really the law in this State. They should be enforcing their own laws, but we're going to have to make them enforce them.

We intend to win this struggle, no matter what it takes. Tomorrow's march is going to be another step forward in that direction.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Bill, I would like to be in touch with you. Can you provide those tapes of the hearing that was conducted by your group? I want to broaden the scope and size of "What happens if?" That is the record that I am attempting to build -- to really build a mountain of evidence against which no irresistible force could be put forward so as to derail the efforts that are going on at the moment.

MR. SULLIVAN: Well, you can reach the All Peoples' Congress at 317 Grove Street in Jersey City, 07302. The phone number is 433-2332.

ASSEMBLYMAN JANISZEWSKI: Bill, thank you very much.

The next speaker from the All Peoples' Congress? While we're waiting for the speaker to come to the microphone, I note also that there are several people who are from one organization, ACORN. Although they represent various sections, and I know that they have also been waiting patiently, I want to let them know that they will be next on the agenda.

Welcome, Reeda.

R E E D A B A C O N: Hello, Bob, ladies and gentlemen. My name is Reeda Bacon. I am not with the All Peoples' Congress. I work with them. I am the President of Ashman, Local 2254. I have been President since since July 1976.

Unfortunately at that time, we had Mr. Cacarro as one of the members of the Board of Managers. When we went to him with the problems that we had at the Medical Center, if the Board of Managers had taken a stand then, the Medical Center wouldn't be in the position that it is is now as far as money is concerned. But, they didn't do anything about it.

The former Mayor was also a member of the Board of Managers, and he did nothing then -- and he is doing nothing now, but creating problems.

I don't agree that we should have a Board of Managers appointed by the Governor. I think we need people from Jersey City to serve on the Board of Managers. I think all of the administrators who work in the Medical Center should come from Jersey City.

We had a demonstration at City Hall recently. One gentleman from the City Council stated to me that we didn't even have anybody from Jersey City who had the smarts to be an administrator in Jersey City. I got very angry when he said that, because we have colleges, and we have college graduates from Jersey City. I asked him, "Do you mean to say that we ought to have dummies in Jersey City?" I say that anyone who voted for that man should do something. Don't ever vote for anybody who belittles you.

Our Mayor is a total disgrace to the people who voted for him. After all the promises he made to the people, he turned around and stabbed them in the backs. He doesn't care about the Medical Center. He didn't care when he was on the Board of Managers, and now that he is Mayor, he still doesn't care. He knows that the Medical Center serves many, many poor people. We work very hard in the Medical Center. I worked there for ten years as a nurse's aide. Now, I am an administrator -- a senior clerk.

I know that the nurses take care of their patients. We don't go for color; we go for people, because we are all God's children. So you don't look at color; you look at sickness.

The only things that the Mayor is worried about are the fuel projects that he wanted. He brought all of these New Yorkers over here. He wants the Medical Center to close down so that he can rebuild it on the waterfront. We know he is going to get it, but we're waiting patiently for 1985. He'll never run for anything else in Jersey City.

We're asking the people to help us. We need this hospital, and we need someone within the community to serve on the Board of Managers -- someone from the community to be an administrator at the Medical Center. We've got someone from as far away as Atlantic City sitting on the Board of Managers. What they hell does he care about the Medical Center? They've got their own hospital in Atlantic City.

We've got a Republican President, a Republican Governor, and we've got a Republican Mayor who are hiding behind a Democratic flag. Open up your eyes. Reagan, the Governor, and the Mayor are out to bust unions. When he got in, he threw 3,500 people out of work. Where can you get a job? Now, he has closed down the housing. These people have paid taxes in Jersey City for many years, and I don't think he has the right to tell these people to go back to where they were born. The people are tired of Mayor McCann, they are tired of Governor Kean, and they are tired of President Reagan.

So, if you call on us, we'll be right behind you 100%. Just help us with this Medical Center, and we will help you too.

Thank you.

AUDIENCE: (Applause)

ASSEMBLYMAN JANISZEWSKI: Thank you, Reeda. As always, you make your point very forcefully.

I know it is late, and we are out of sequence. The next group is from the ACORN organization. Are the representatives from ACORN present? I'll defer to you in terms of who you choose to speak and in what order.

T O N Y M A S I: First, I would like to take this opportunity to thank everyone who is here, including the Assemblyman, for their deep concern.

I want it on record that I am representing ACORN in Jersey City. I also have a few things to say personally.

First of all, I would like to introduce myself. My name is Tony Masi. I live in South Greenville, and I have lived there for fifteen years. I have lived in Jersey City for twenty-five years.

I own a house in Jersey City, and my taxes are approximately \$1600. I am an electrician and I work in Jersey City. I want to bring out these figures: I pay \$100 to Uncle Sam every week; I pay \$15 to the State income tax every week. What I am trying to bring out is that all of these taxes really and truly pay for the Medical Center -- indirectly or directly. They pay for all the salaries of our Assemblymen and the different politicians who supposedly represent us.

New Jersey State Library

The GAP, the Greenville Action People, is a chapter of ACORN in Jersey City. We also have other chapters. What I am saying is, we have seven chapters in Jersey City representing the Heights, downtown Jersey City, the Journal Square area, North Greenville, South Greenville, and Bergen/Lafayette. We have a good cross-section, I would say, of people in Jersey City. There are approximately 1,000 families in ACORN in Jersey City.

We would like everyone here to know that we are willing to work with the politicians to get issues resolved. Okay? The Medical Center issue is one of the issues that we are currently working on. We have taken this issue to our different local chapters, discussed it, read what was in the newspapers, and got involved in the statistics. We made a decision that this hospital should be a general, public hospital.

We had a meeting with Mayor McCann that proved to be very fruitless. He came in yelling and screaming. Assemblyman Janiszewski was addressed in a certain way before, and I want to compliment him on the way he handled that particular incident. If Mayor McCann was presented with the same thing, he would be in an uproar, and he would cause more confusion over a particular issue than it would be worth.

The Mayor seems to have his own ideas, which he is entitled to have, but what it amounts to is that he just goes about it in the wrong way. We have found out that we are in a dilemma with the administration of the City to go on with this issue any further. What we did last night was, we went to the Board of Directors meeting. We tried to get on the agenda, but we couldn't. The meeting was supposed to be from six o'clock to seven o'clock, and it was supposed to be open to the public at seven o'clock. Well, it seems that they started early. The public was invited to come around 6:20 P.M. What we were going to do was walk in just before the meeting and ask the chair to give us a little time. All we wanted was a few minutes to speak and to ask one question. But, since the meeting had already started, we went in and without being disruptive, we waited for the last speaker to finish. We asked for a little time, but we were denied that time.

When the next speaker finished, we insisted that we should be given some time on the agenda. We were told flat out that we could not speak because we were not on the agenda.

I have chaired many meetings. I have had Senator Lautenberg at a meeting. Never once, while I was chairman of a meeting, did anyone ask to speak when they were not on the agenda that I did not allow him to speak. I'm sure that should be allowed.

Last night, we were representing the community of Jersey City -- 1,000 families -- and we weren't even given a little consideration to ask one question. The question was whether they preferred the hospital be a general hospital or a private hospital, and also about the amendments that were attached to the bill. I have been told that they are definitely for your original bill, and that the amendments should not be attached. Is that correct?

ASSEMBLYMAN JANISZEWSKI: That is correct.

MR. MASI: That is all we wanted to ask them. We had gone to the Mayor, and we wanted to go before the Board, and then come to this hearing today in order to follow the chain that should be followed. Okay?

Now, we're here, and I want it on record that the ACORN group will work with you 100%, and if you need us in Trenton at any time whatsoever, we will march to Trenton. We will try to take our 1,000 families to Trenton. We want the bill to go through the way it was originally presented by you. I think it is about time that all politicians -- the Governor, the Mayor, whomever -- realize that the people have something to say about things that they directly pay for. If anybody can show me where we do not pay for this Medical Center, I'll-- Like I stated, we pay the bills. There is no doubt about it.

I also feel that the money should be given to the Medical Center -- not as a loan -- but it should just be given to the Medical Center, because the money from the State or different subsidies throughout the County is tax money. It is money from taxes or from people indirectly or directly. That is where that money is coming from. Why should we borrow money for something that we own? I don't understand how somebody can declare bankruptcy -- the Board of Directors or the hospital -- when they don't own the hospital? The people own the hospital. I pay for that hospital -- we pay for the hospital. We own the hospital. How can they say they are going to change it into a private hospital when they don't own it? The people own the hospital, and we pay for it.

I want it to be put on record that it is the people who pay taxes who own the hospital. There is no way that they can do that -- the judge or anybody else. As far as I'm concerned, they are having hallucinations. When he says that we can declare bankruptcy, not pay the bills, and then go into a private hospital -- that is a cop-out. The people own the hospital. If we have bills, let's get the money, let's pay the bills, and let's get this hospital back the way it is supposed to be.

Furthermore, if a person last night was on the Board of Directors-- Let's say I was on that Board. Okay? If somebody from the community wanted to speak, even if the chair wouldn't allow him to do that, being a member of that Board, I would ask the chair to make that allowance to let that person speak. It seems as though there are people on the Board who really do not represent the community, and they could care less. That is what they showed me last night. I am outraged that I couldn't have five minutes to ask one simple question. I wasn't trying to interrupt the meeting in any way whatsoever. I didn't even want any particular time on the agenda. All I wanted was a little spot on the agenda.

If I walked into this hearing right now and asked you to give me five minutes to ask you a question, would you or wouldn't you grant me that time?

ASSEMBLYMAN JANISZEWSKI: You may have had to wait until the very end of the agenda, but I would certainly give you the opportunity.

MR. MASI: That is what we did last night. After the second time, when we insisted, we were told that we had to leave the meeting because we were disrupting the meeting. We were escorted out of the Board of Directors meeting last night.

There is one other point that I would like to make. It is okay to have daytime meetings. Now, I didn't take off from my job today to come here. I did take a little time off towards the end of the afternoon to make sure I was here. I would prefer nighttime meetings or at least late afternoon meetings. You cannot get the people out if they are working, trying to make a living in order to pay these taxes. That is one thing that I think is crucial. If it is not

a nighttime meeting, then it should be a Saturday meeting -- or even a Sunday meeting, if it has to be. In this way, the public can be here to say what they want to say.

I think I've covered every aspect that I wanted to, except that there was an issue that we covered not too long ago. That was the day-care center issue. We got involved in that, and we did go to Trenton. It did mean a lot because the day-care centers are open. If this is what we have to do to keep this hospital open, we'll do it. I feel the only way it is going to be done is on the State level. That includes the Governor.

I want to make one more statement about the Governor. The Governor said in his inaugural address that he is for a clean environment in the State and that our children have the right to a clean environment in our State. But, I also feel that we have the right to have good health care too. It is up to him. All it will take is for him to eliminate the amendments from the original bill. Let's get this bill passed. Not only that, but maybe we can add another amendment for another \$3 million or \$4 million will be granted to the hospital to get it back on its feet.

ASSEMBLYMAN JANISZEWSKI: Tony, thank you very much for your commentary. I know that you and your group have been intimately involved throughout this process, and I can only hope to work with you so that the outcome in this instance is the same as the outcome of the day-care struggle, which was a successful one.

MR. MASI: I'm glad to meet people who can sit down and discuss this thing, or discuss any issue, without flying off the handle.

I also want you to know that I don't get paid by ACORN to do anything whatsoever. I'm just a concerned person, and that is where I feel you are coming from. That is why I am here today. I'm with you 100% -- not because you are a politician, but because you are representing something that my group and I feel is necessary and has to come about.

ASSEMBLYMAN JANISZEWSKI: Tony, thanks again.

Who will be the next speaker on the agenda? Again, if both of you are going to speak, please understand that only one microphone amplifies. The other two are for recording purposes. Please state your name first for the record.

H E L E N B A K E R: My name is Helen Baker, and I am a member of the Bergen ACTION group of ACORN. For those who don't know what ACORN is, or have never heard of ACORN, the letters stand for Association of Community Organization for Reform Now.

I am here today to try to help to make sure that the Jersey City Medical Center stays open for the people of Hudson County. We all understand that the need for a public hospital is great. The figures are astronomical when talking about the unemployment situation in Hudson County, and they are steadily growing every week. Because of the economic condition of our country, no one is assured of a job next week, next month, or even next year.

It is the basic right of all people, including the poor, to have adequate health care in this country.

If the Medical Center becomes private, we, the low and moderate income people of Hudson County, will have nowhere to go for medical help. We, the community, urge the State of New Jersey to pass Assemblyman Janiszewski's bill as it was original proposed, without the eight amendments.

Do you realize that if some politicians have their way, there will be more layoffs and also the loss of clinics that are presently serving the people of our community? The Jersey City Medical Center has the best equipment in the State of New Jersey, but we won't have it if some of these politicians have their way. They are playing a political ball game with the lives of the people. They would rather build up the waterfront and put up expensive condominiums than to take interest in the needs of the community which put them in office.

Don't be misled. Not all of our elected officials are against us, but it has been publicly stated by some of our local officials that they want the poor out of Jersey City. Is this the way they plan on doing it -- by taking our health care, education, housing and jobs away from us?

The community wants to know, "Who made them God, with the right to determine who shall live or die?" We want the State government to know that we will not be brushed under the rug. We will fight to get what is constitutionally ours and God-given, whether they be rich or poor.

With the proposed reduction in service and with reductions in bed size, we, the people, will have nowhere to go. We would like to ask the Governor and other politicians, do they want to be responsible for the murders of untold thousands of people? Could they sleep at night with that on their consciences?

We feel it is time that government realized what the people want and need, instead of giving us what they think is good for us. As a community, we intend for our voices to be heard on the issue of the our hospital, the Jersey City Medical Center.

ASSEMBLYMAN JANISZEWSKI: Helen, thank you very much. Are you also from the same unit? Please identify yourself for the record.

PATRICIA MALCOLM: My name is Patricia Malcolm. I am a native of Jersey City and an active ACORN member.

My family and I have depended upon the Jersey City Medical Center for the past fifty years or more. I, myself, have been a patient at the Jersey City Medical for the past twenty-five years.

In January of last year, I gave birth to a baby who was three months premature. The baby weighed one pound, nine ounces. Because of the staff of the newborn intensive care unit at the Jersey City Medical Center, my daughter is now a healthy fourteen-month-old child.

If the Jersey City Medical Center goes private, I will be fearful of having another child due to the previous medical problems I faced. Also, the medical bills would be outrageous due to today's economy, which means that poor people would be excluded.

I feel that I have just as many rights as the rich man does. I am supposed to have the same privileges as far as health care is concerned.

If the Jersey City Medical Center goes private, I will be denied those privileges, and I will have to seek another place to go. But, there is no place else. I might be turned down at other hospitals, or I might not get the attention I need.

In conclusion, I am personally asking the government officials not to turn the Jersey City Medical Center into a private hospital. Keep it public so that the poor people will have the kind of medical attention they need.

ASSEMBLYMAN JANISZEWSKI: Thank you very much. Again, I think it points to the extreme need that exists for the continuation of the Jersey City Medical Center. I, for the life of me, cannot comprehend or believe that there are those who cannot see that need, or through their own choice, choose to ignore it. It is something that is totally incomprehensible to me.

As I said earlier today, frankly, the reason I wanted all of this to get on an official record was so that it would be available as a reference tool for those who have an interest or a question relative to the need for the Medical Center to continue to operate. For that purpose, each person today has performed an invaluable service as a permanent reference of information as to the need. For that, we thank you.

Are there others from ACORN who wish to testify? Yes?

E S Z L A A N D R I O L A: (sic) I live at 84 Highland Avenue in Jersey City.

Sometimes life plays tricks on us. Something just happened to me that I think was destined to happen. I had to make a call to the Mayor about another matter, and I walked into the next room to use the phone. As I was waiting for him to call me back, I looked on the wall of his office, and I would like to read to you what I saw. It is very appropriate, not only to this situation, but to you yourselves. It says:

"Before he died, Adlai Stevenson wanted to send this quote from a work done by Max Erman as his Christmas card."

We thought you might like to read it. Here it is:

"Go placidly amid the noise and the haste, and remember what peace there may be in silence. As far as possible, without surrender,

be on good terms with all persons. Speak your truth quietly and clearly, and listen to others, even to the dull and ignorant. They, too, have their story.

"With all of its charm, drudgery, and broken dreams, it is still a beautiful world."

My heart listens to these words. As I said, it is just by chance that I happened to see them, and I made a copy because of this situation today.

ASSEMBLYMAN JANISZEWSKI: I think you're right; it is quite appropriate.

MS. ANDRIOLA: It is really touching. I come here this afternoon wearing three hats: one, as the Chairperson of one of the chapters of ACORN; two, as a foreigner residing in this beautiful country; and, three, as a patient of the Medical Center.

I am not going to speak too much as a Chairperson of ACORN. I think the others have done a beautiful job, and I am with them 100%. Everything they have said, I echo and reecho. We are with you to the end. We will go to Trenton, and we will do whatever is necessary, as long as we can get this hospital to remain a public hospital.

Number two, as a foreigner, I teach at this college. I teach English as a second language; therefore, all of my students are foreigners. Just last semester, I had eight Russians in a group of fifteen. These are refugees; these are human beings. They, too, need the Medical Center. I speak to these students, and I know what they think of the health care which is allowed them here in Jersey City. They need the Medical Center.

I, as a foreigner, feel that need just as strongly as they do.

My third hat, as a patient, and this may be a sad story in a way -- I remember one of your speakers talking about the Medical Center being open to the poor and indigent. Somehow I kind of resent the fact that I can be looked upon as poor and indigent. I was an Assistant Professor at the Hudson County Community College up until one semester ago, and because of Reaganomics, my department was cut, and I lost my job.

At the present time, I am employed here at the college, but that is not enough for me to live. We do not have any fringe benefits.

When I lost my job at Hudson County Community College, I lost all of my medical benefits. Unfortunately, as it always happens in this world, a few weeks after that, I became desperately ill with a hyperthyroidism. I was very touched when that gentleman mentioned Dr. Greece. I went to a private doctor. I could not afford to pay his fee, so he said, "Go to the Medical Center. There is a new department there, and they can take care of your condition." I went there.

Again, there is a negative and a positive. We do want this hospital for the public. We need it, but changes have to be made. I must say that I was made to feel-- (witness pauses) -- I'm sorry -- (witness pauses again -- crying)-- The first day I went there, I had to go to be -- (witness pauses again -- crying)--

ASSEMBLYMAN JANISZEWSKI: Would you like a glass of water?

MS. ANDRIOLA: I'm sorry. I had to go register as a patient there, and the treatment, the disdain, and the way that the people were treated there -- it was as though they were begging for favors. I think that is something that has to be changed there, because we are not begging. Just because of some circumstance, my luck in life has been changed, and for a temporary moment, I am forced to fall back on the Medical Center, which has one of the best services around here. I should not be made to feel that I am begging or accepting charity. I was not accepting charity. The way I was treated did bother me.

Next, because of my situation, I was evaluated. I was given a certain amount of money that I had to pay because I did not have coverage. Do you know that I have -- and I wished I had brought them today-- For the last three months, I have been billed by the Medical Center for the full amount -- hundreds of dollars -- which I was told that because of my situation, I should not have paid.

I got a bill yesterday that I haven't even opened. My point is, this is taxpayers' money that has been lost. This correspondence costs money. If they took the time to evaluate me, there must have been a reason for that. All right? Then, why do they continue to send me bills for something they know I couldn't possibly pay? In other words, things have to be looked into. As one gentleman said, there are the negative aspects.

The elevators -- that was no lie. Those elevators do not function properly, and something should be done about them.

My condition was serious, and because of the way I went in there, I could only be seen by a doctor the first Monday of every month. If I died inbetween, they would have to keep me on ice until I could see the doctor at the beginning of the following month. They know that there are certain ailments that should have priority.

Part of the hyperthyroidism is -- I can't even pronounce the word -- your eyes begin to bulge. That is irreversible. It comes to the point that you can't even get them back in.

As I said, those are some of the negative aspects of the Medical Center. With it all, we are human beings, and we deserve the right to be treated. Private hospitals are good. They have their place in society, but just as well, a public hospital must be -- I make no bones about this -- I emphasize the word "must" be available to people who, for any reason, are not able to avail themselves of the private hospitals.

I thank you, and I apologize for having broken down.

ASSEMBLYMAN JANISZEWSKI: Ms. Andriola, thank you very much for sharing your commentary and experience with us for the record. Thank you.

Is there another speaker here from ACORN? I would also like to know if Dr. Caprio is in the audience? (no response) Dr. Caprio is not in the audience. Is there any other speaker from ACORN? (no response)

Reeda Bacon has already spoken. Pat Kryzak, Ladies Garment Union, Bergen-Hudson District?

P A T K R Y Z A K: Good afternoon. My name is Pat Kryzak. I am a social worker at the Ladies Garment Union. I work in the Union City office, which represents Bergen and Hudson Counties, and we represent over 7,000 members and their families.

The garment industry has always been a seasonable one. Members have always been considered low-income people, but in these bad economic times, the garment industry is especially hard hit. Shops which are usually closed for a month or two are now closed for a longer

period time. Many shops are going out of business altogether because of the lack of work and the high interest rates. Many of our members are becoming permanently unemployed.

The union can cover our members for six months of unemployment, but after that, we have to drop them from the benefit program. They then don't have any health insurance. They can pay directly if they have the money, but many of them are existing on their unemployment in order to keep their families together, to pay rent. There is just no money left to pay for Blue Cross and Blue Shield.

Where else can an unemployed person go who has no health insurance and no money to pay for these high medical bills, but the Medical Center? Health care has become a business -- no money, no care. The poor and the unemployed are paying with their lives.

To give you an example, we had a member who bumped her leg, and the sore turned into an open, ugly ulcer. It wouldn't heal. She was in constant pain and unable to work. Before her health insurance ran out, she was operated on, but it didn't completely cure her. She still could not work. Her six months were up, and we couldn't continue her benefits. She went back to her doctor and he told her, "Don't come back here without money." He was charging \$50.00 per visit, after he had collected thousands of dollars from her insurance when she had it.

She is still unemployed, and the sore still won't heal. I am not a doctor, but this lady looks like she is going to lose her leg if she doesn't get continued care. The only place she can go is the Medical Center.

I am testifying on behalf of this woman and the thousands of others in our union who are finding themselves structurally unemployed as the garment industry jobs are being eliminated. They don't know how to do anything else.

In all of the low-skilled -- well, garment workers are not unskilled-- other jobs, where you don't need English or where you don't need a specific skill, are becoming either automated or the shops are leaving this area. These people don't know what they are going to do for work.

Health care should be a right. It shouldn't be a privilege of the fortunate. Health care should be a right, as it is, in most of

the industrialized countries of the world. Medical services at the Medical Center cannot be cut. We can't leave a growing portion of Hudson County's citizens without medical care.

Thank you.

ASSEMBLYMAN JANISZEWSKI: I would just like add to that. A little bit earlier -- I don't know if you were here -- I mentioned the bill sponsored by Senator Kennedy on national health care, which has yet really wound its way to the halls of the Congress -- either the Senate or the House. I think this bill recognizes some of the points that you made with regard to a right, if we could put it in those terms, to health care.

It is even more unfortunate that we find now that the Medical Center, and other hospitals like it across the country, are facing similar problems and similar choices, which are very hard and difficult ones.

Right at this very moment in time, when this recession is at its height, where people are unemployed in very large numbers -- larger than we have seen in decades -- and, whether they are on unemployment or have exhausted their unemployment benefits, they have lost medical insurance -- and at the time of greatest need, it just seems that the supreme irony is that it is that very time during which health care is being threatened, if not eroded.

Thank you for coming here today, and perhaps as the nation's elected representatives gain a greater sensitivity to this issue, we'll find the day when health care is treated the way it should be, and that is, available to every citizen, whether they be rich or poor, young or old, black or white, employed or not. So, thanks again on behalf of the Committee.

Next on the Committee agenda is Virginia Stephens. Is Virginia in the room? (no response)

There are two others who are also nurses from the Medical Center -- Mariyln Sarnatora and Maryanne Olsen. (not present) Judith Hood? (not present) David Nuss? Dave has the misfortune of arriving a little bit after Councilman Zielaznicki's time has been bypassed. Dave, let me ask you this: Are you speaking on behalf of the Councilman?

DAVID NUSS: Yes, I am.

ASSEMBLYMAN JANISZEWSKI: You are. Okay, this is Dave Nuss, who is the aide to Councilman Harold Zielaznicki, Councilman-At-Large, City of Jersey City.

MR. NUSS: Thank you, Mr. Chairman. I would just like to say that you are a very good listener. I feel sort of like the guy who comes in and asks for a raise right before the boss' lunch hour.

I would like to make a few comments which are related to Harold's concern. If Harold were here, I am sure he would tell that he grew up in downtown Jersey City. He was one of nine children from a poor family. Their health needs were served by the Medical Center. Sometimes they were unable to pay, just as many other people were unable to pay at that time. That situation is still pretty much the case today.

There is a theory floating around that probably came in with the Reagan Administration, although it has predated it -- the benefit theory of taxation -- that you have to pay your own way. If you can't pay, then that is your own problem.

Councilman Zielaznicki's thinks that is not the way to go about health care. One of the functions of government is to step in when the private sector fails, and then for the public sector to provide that service. Health is very important to society. It has very large spill-over effects, and it is something that the Jersey City Medical Center has been doing -- providing this care when the private sector failed.

With regard to the present bill that is under consideration today, it has short-term and long-term effects. The short-term effect -- the loan to the Medical Center -- is a positive step. While a grant would be much more desirable, the loan is a positive step in the right direction. Councilman Zielaznicki pledges his support to you in that.

The long-term effect -- that is, pertaining to one of the amendments -- is the scale-down of the Medical Center. We feel this is dubious, unless a guarantee can be worked into that legislation which would provide for the health care of the poor after a switchover to a nonprofit hospital. We think that that should not be considered.

I just want to make mention of a proposal that one other Councilman mentioned regarding a special lottery for the Medical Center. Councilman Zielaznicki, in fact, was the person who proposed this awhile back. He did it tongue in cheek. While it might have some merit as an aid in funding the Medical Center in the long run, he did it mostly in order to dramatize the need for a long-term solution to funding the health care of the poor and the population at large in Jersey City.

That is the critical question, I think. Unfortunately, it is not addressed in enough detail in this legislation. Jersey City cannot afford to do it alone. We are looking to the State, to the County, and to the Federal government to help us in whatever way they can. That is basically what I had to say.

Councilman Zielaznicki pledges his assistance in whatever way he might make it available to you as the Chairman of the Appropriations Committee. He is backing you on the positive aspects of the present legislation.

Thank you very much.

ASSEMBLYMAN JANISZEWSKI: Dave, thank you. I was aware, although I didn't raise it at the time, that it was Councilman Zielaznicki who had suggested the lottery. In my folder, you'll recognize the clipping from the Jersey Journal, which reported that suggestion about two weeks ago -- when he mentioned that as an option.

MR. NUSS: Granted, it is a rather unorthodox option, but perhaps it might, in some way, aid the financial plight of the Medical Center.

ASSEMBLYMAN JANISZEWSKI: Well, it may be an unorthodox option, but given the field of options that we are exploring, the option which some had suggested -- that is, a scale down and close out of the Medical Center, -- I would rather be unorthodox and go for a lottery than be ridiculous and go for the closing of the Medical Center.

MR. NUSS: We agree 100%. Thank you very much.

ASSEMBLYMAN JANISZEWSKI: Dave, thank you very much for your patience. I know you have been here with us most of the day.

MR. NUSS: Unless your staff, though, I'm getting paid.

ASSEMBLYMAN JANISZEWSKI: Dave, thanks again.

That, according to my list, concludes the scheduled speakers on the bill. Again, it is Assembly Bill 3225, and setting -- not part of the bill, but alongside of it -- are a series of amendments proposed by the State Administration and the Governor's Office. We have taken a great amount of testimony today.

I would like to close today by thanking the officials of the Jersey City State College: President Bill Maxwell, who opened the session this morning; John Nevan, Ellen Wayman, and Carl Robbins, who are all assistants to the President of the institution. I would like to thank them for their hospitality in providing not only the meeting room and setting up for this meeting today, but also for making arrangements for the coffee that I have consumed much of throughout the day. I hope others have taken the opportunity to have some.

With that, I would like to call a recess of this hearing on Assembly Bill 3225, and I would like to mention that the record of this meeting will be kept open until Monday to receive any additional written or printed testimony that anyone may desire to have placed in the record.

Today's meeting is concluded. Thank you for your attendance.

(Hearing concluded)