

19. Establishment of or changes in the capacity of assisted living residences;

20. Establishment of or changes in the capacity of alternative family care programs;

21. Establishment of or changes in the capacity of assisted living programs;

22. Establishment of or increases in the capacity of hospital subacute care units, which shall be comprised of not more than seven percent of the hospital's licensed medical/surgical bed capacity or 12 beds, whichever is greater; and

23. Extension of time to an unimplemented certificate of need.

24. Establishment of an inner city cardiac satellite demonstration project as defined at N.J.A.C. 8:33-1.3 and consistent with the criteria set forth at N.J.A.C. 8:33-3.11.

25. Establishment of a hospital-based subacute care unit.

(b) The expedited review process may also be used in lieu of the full or direct review process, as noted in these rules, or in the following limited situations:

1. Emergency situations which demand rapid action; or
2. When the project has minimal impact on the health care system as a whole.

Amended by R.1998 d.303, effective June 15, 1998.  
See: 30 N.J.R. 303(a), 30 N.J.R. 2270(b).

In (a), inserted 1 through 23 and 25; and added (b).

### 8:33-5.2 Process

(a) The expedited review process shall include 12 review cycles. The beginning of each cycle shall be the first business day of each month and a decision shall be rendered by the Commissioner no later than 90 days thereafter. Applications received after the first business day of the month shall be processed in the next month's cycle.

(b) Applications shall be reviewed to determine whether they are acceptable for processing. All applications shall be signed and dated by the applicant; accompanied by the correct application fee, out-of-State track record reports with 10 xerox copies; and completely and accurately filled out. Applications not meeting these requirements shall not be accepted for processing. Applications that are not accepted for processing shall be returned to the applicant, along with the application fee.

(c) The determination of whether or not a project is acceptable for processing under the expedited review process shall be made by the Department.

(d) Certificate of need applications subject to expedited review shall be reviewed in accordance with the require-

ments of this chapter, the Department's licensing rules and applicable health planning rules.

(e) Interested parties, including the State Health Planning Board, the Health Care Administration Board, local advisory boards, shall be notified by the Department of the expedited review applications deemed acceptable for processing.

(f) Certificate of need application forms for expedited review may be obtained from the Department at the address listed below. Applicants should contact staff of the Certificate of Need and Acute Care Licensure Program before filing an application to be certain that they have a copy of the most recent version of the Department's application. Applications other than the Department's most recent version shall not be accepted for processing. An original and 10 copies of the application shall be filed with:

Certificate of Need and Acute Care Licensure Program  
New Jersey State Department of Health and Senior Services  
John Fitch Plaza  
PO Box 360, Room 604  
Trenton, New Jersey 08625  
(609) 292-6552 or 292-5960

(g) Applications shall be reviewed by appropriate Department staff for the purpose of providing information to assist the Commissioner in making the final decision.

### 8:33-5.3 General requirements

(a) Minimum information required for all expedited review projects shall consist of:

1. Project description, including changes in beds, total project cost, operating costs and revenues, square footage, services affected, equipment involved, source of funds, utilization statistics, both inpatient and outpatient, and justification for the proposed project;

2. The extent to which all residents of the area shall have access to services, particularly the medically underserved; and

3. Applicants for all services proposed for expedited review at N.J.A.C. 8:33-5.1(a), shall document that the following criteria shall be met:

- i. Appropriate licensing and construction standards;
- ii. Licensure track record requirements (N.J.A.C. 8:33-4.10(e)); and

- iii. Financial information that includes the impact of the proposed project on the provider's financial condition, as measured by financial statements, including balance sheets, income statements and cash flow statements.

4. Additionally, pilot cardiac catheterization program applicants shall comply with all relevant sections of N.J.A.C. 8:33E.

5. Applicants for a change in cost shall also comply with N.J.A.C. 8:33-5.4.

Amended by R.1996 d.101, effective February 20, 1996.  
See: 27 N.J.R. 4179(a), 28 N.J.R. 1228(a).

#### 8:33-5.4 Specific requirements

(a) In addition to the requirements of N.J.A.C. 8:33-5.3, the following information shall be provided, as appropriate, for the following types of expedited review projects:

1. For a change in cost or financing, a description of new capital costs and financing costs by category and new financing alignment; or

2. For an ambulatory surgery facility or additions to operating room capacity dedicated to same day surgical cases:

i. The proposed number of ambulatory/same day surgery operating rooms;

ii. Pro forma showing all capital and operating costs and revenues to one year beyond break even;

iii. The expected number of recovery beds and/or recliners;

iv. Documentation as to whether the physician(s) associated with the ambulatory surgical facility accepts Medicare and Medicaid assignment or has a contractual relationship with the managed care entity with whom the Medicaid Program has a contract;

v. Documentation as to the proportion of Medicaid-eligible and medically indigent persons residing in the proposed service area and a written statement from the applicant that the applicant will, in delivering the proposed service, provide care on a free or partial pay basis to Medicaid-eligible and medically indigent persons at least in proportion to their representation in the approved service area;

vi. Documentation that the applicant has initiated contacts with community organizations which serve low income populations; and

vii. Documentation that the ambulatory surgery facility shall comply with the State Uniform Construction Code, at N.J.A.C. 5:23-3, and the Department's licensing rules.

3. For a hospital-based subacute care unit:

i. Acknowledgment that the unit shall be comprised of not more than 7 percent of the hospital's licensed medical/surgical bed capacity or 12 beds, whichever is greater;

ii. Acknowledgment that the hospital's licensed medical/surgical bed capacity shall be reduced by the number of beds used to establish a hospital-based subacute care unit;

iii. Acknowledgment that long-term care beds in a hospital-based subacute care unit shall not be transferred to, or combined with, a hospital-based subacute care unit in another hospital or division. Bed limitations for a hospital shall include both conversions of existing acute care beds and any purchases or other acquisitions or rentals of beds to be used by a hospital for the provision of subacute care; and

iv. Acknowledgment that subacute care shall not be covered by the Medicaid program established pursuant to P.L. 1968, c.413 (N.J.S.A. 30:4D-1 et seq.).

(b) Applicants who receive certificate of need approval for ambulatory surgical services shall provide the following information on an annual basis to the Department's Certificate of Need and Acute Care Licensure Program. The report covering the previous calendar year shall be filed no later than April 1 of each year.

1. Characteristics of patients, including: age, sex, race, ethnicity, residence (county/municipality), payer, diagnosis and total number of surgical cases.

Amended by R.1993 d.442, effective September 7, 1993.  
See: 25 N.J.R. 2171(a), 25 N.J.R. 4129(a).  
Amended by R.1996 d.101, effective February 20, 1996.  
See: 27 N.J.R. 4179(a), 28 N.J.R. 1228(a).

## SUBCHAPTER 6. CERTIFICATE OF NEED EXEMPTIONS

### 8:33-6.1 Statement of purpose

(a) In accordance with the provisions of the Health Care Reform Act, P.L. 1992, c.160, the following specific health care services or projects are exempt from the certificate of need requirement:

1. Community-based primary care centers, as defined at N.J.A.C. 8:33-1.3, which provide preventive, diagnostic, treatment, management, and reassessment services exclusively on an outpatient basis to individuals with acute or chronic illnesses in a location and manner that is accessible to individuals;

2. Outpatient drug and alcohol services which include drug-free and methadone maintenance services and day treatment alcohol services;

3. Ambulance and invalid coach services, excluding mobile intensive care unit services;