

Ahearn: Too much care can be bad

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The situation at Pascack Valley is harder to understand.

NEW JERSEY has too many hospitals. They compete wastefully. Two years ago, Governor Corzine appointed a commission to study the problem. He chose as chairman a nationally recognized expert on health economics, a Princeton professor, Uwe Reinhardt.

In January the panel submitted its report. It said that rather than trying to keep every struggling hospital going, the state should support those that are essential. An essential hospital was defined as one that serves poor patients, provides key services like trauma care, and treats a significant portion of the local population.

Institutions that fail to meet these standards should get help to close down in orderly fashion. The report confirmed that there was a substantial statewide surplus of hospital beds, and concluded that nowhere was the surplus bigger than in Bergen and Passaic counties.

The imbalance was so large in the Hackensack-Ridgewood-Paterson market area that it was equivalent to two or three of the mid-sized hospitals that serve the area. The panel said it was not proposing that two or three of them close, but that if one or two did, the remaining hospitals could take up the slack with no reduction in patient care.

As if in anticipation of the report, two heavily indebted hospitals, Barnert in Paterson and Pascack Valley in Westwood, had previously declared bankruptcy and were closing.

Barnert served an inner-city population. Many of its patients lacked medical insurance. All were transferred without incident to the larger St. Joseph's Regional Medical Center across town, and life went on.

The situation at Pascack Valley was harder to understand. The communities it served were solidly middle-class. Most residents were insured. The hospital had recently opened a glossy, \$50-million, four-story wing with marble baths and garden views for maternity patients. The administration hoped the addition would attract patients who could choose where to receive care.

Didn't happen. The new wing turned out to be a money pit. From 1996 to 2006, when admissions at every other hospital in Bergen were rising, those at Pascack Valley declined by nearly a third.

Operating near capacity

Hackensack University Medical Center was operating at near capacity, with occupancy rates averaging 90 percent. Valley Hospital in Ridgewood was close behind, at 87 percent. Pascack Valley lagged badly, at less than 50 percent of its 291 licensed beds.

There were several causes. One was that Blue Cross and Blue Shield of New Jersey left Pascack Valley out of its network. Why it did that is unclear. A Horizon executive said the two sides could not agree on rates.

Doctors complained of an autocratic hospital president who wouldn't listen to them. They sent their patients to other hospitals. They formally voted "no confidence" in his leadership. The president resigned and was replaced, but it was too late. The hospital closed.

Next, Hackensack University Medical Center, having bought the property in a bankruptcy sale, announced a partnership with a medical university, Touro. They would reopen Pascack Valley under new auspices, part hospital, part school. The old sign at the entrance to the hospital was replaced with one heralding the new team.

Oops, a few weeks later Touro was out of the picture, having decided to locate its New Jersey school in an office building miles away. The Hackensack hospital plowed ahead. It reopened the emergency room for non-life threatening cases. It found a new partner, a for-profit hospital operator based in Texas, which offered to invest \$80 million to reopen the old hospital as a full-service, 128-bed institution.

There would be no need for charitable fund raising, and the new hospital would pay property taxes to Westwood and Bergen County.

Last week, the new team staged a rally outside the old Pascack Valley, with a crowd bolstered by construction workers hoping for employment and by medical center staffers bused up from Hackensack. It was rah, rah, rah for Hackensack North.

A good argument

Well, hold on a minute, say two hospitals that would have to compete with Hackensack North. They are Englewood Hospital and The Valley Hospital in Ridgewood, and they have a good argument.

They say they have filled the gap in services created when Pascack Valley closed. This is true. They say that they have no objection to the Hackensack hospital's continuing to operate the Westwood emergency room but that there is just no need for a sixth, full-service, acute-care hospital in Bergen. On the basis of the experience to date, this also appears to be true.

In fact, the closing of Pascack Valley seems to have been providential. It was exactly the sort of outcome that the Reinhardt Commission anticipated and supported. Most of Pascack Valley Hospital has been closed for nearly a year now, and nobody has gone without care. The state would have to approve reopening it. The application should be denied.

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