



## NEW JERSEY SENATE

RONALD L. RICE  
SENATOR, 28TH DISTRICT  
1044 SOUTH ORANGE AVENUE  
NEWARK, NEW JERSEY 07106  
(973) 371-5665  
FAX: (973) 371-6738

July 13, 2020

COMMITTEES  
VICE-CHAIRMAN  
COMMUNITY AND URBAN AFFAIRS  
CO-CHAIRMAN  
JOINT COMMITTEE ON  
THE PUBLIC SCHOOLS  
MEMBER  
HEALTH, HUMAN SERVICES AND  
SENIOR SERVICES

Mr. Johnathan Holloway- President  
Rutgers, The State University of New Jersey  
7 College Avenue – 2<sup>nd</sup> Floor  
New Brunswick, New Jersey 08901

Dear President Holloway:

Thank you for meeting with some of the members of the New Jersey Legislative Black Caucus via teleconference. Unfortunately, or fortunately you have entered New Jersey at a very critical time to lead the state's university.

The history of the leadership in the President's office at Rutgers University-New Brunswick over the years has not been a good one for Black people, other ethnic minorities and the urban Rutgers' campuses located in Newark and Camden to say the least.

As you well know, Rutgers University is a state entity that is ultimately accountable to laws and regulations enacted by New Jersey's government. The campus shared by University Hospital and Rutgers New Jersey Medical School falls under that purview, as both are state entities. In addition, the Newark Agreements, the grand bargain between the State and the Black community of Newark that ensured the hospital will continue to serve the community it once displaced, were codified at a point where both the medical school and the hospital were part of the same entity (The University of Medicine and Dentistry of New Jersey, or UMDNJ).

I therefore, along with many other New Jersey elected officials, residents, taxpayers and voters, believe that Rutgers NJ Medical School cannot simply declare itself "exempt" from the Agreement's provisions regarding the hospital, simply because they are now separate entities from a technical standpoint.

In addition, the Restructuring Act that established the current iteration of both entities, passed by the legislature and signed by Governor Christie in 2013, stated that University Hospital is to be the principal academic teaching hospital for Rutgers NJ Medical School, precisely because we aimed to continue having both organizations honor the Newark Agreements.

Both University Hospital and Rutgers NJ Medical School are therefore obligated to support a successful campus for the City of Newark. I view that obligation to be equal from the side of Rutgers University.

Rutgers Biomedical and Health Sciences (RBHS) Chancellor Strom's plans for medical school consolidation would work directly against that goal. As it stands, Rutgers University seems to think it has autonomy to direct trainees, including residents, fellows, nursing trainees, and other professionals in training, to any hospital it wants. The Newark community knows that these trainees are a vital part of the workforce, and that medical school consolidation would only open the door for reallocation of trainees without input from the hospital. Taken into context with all of the other pending actions that Chancellor Strom has proposed, including a possible merger with RWJ Barnabas, there will only be an incentive to move those trainees to institutions where practicing physicians are treating patients with commercial insurance.

We know and it is a fact that University Hospital exists, in part, to care for the city's most vulnerable. University Hospital cannot lose its current complement of residents and fellows, and we will ensure, by statute if necessary, that the hospital's leadership will have veto power over any of decisions to do so, should RBHS attempt such moves. RBHS has already done with the pediatrics residency program at the hospital. We will not let that happen again.

We are also very much concerned about the pending master affiliation agreement (MAA) between RBHS and RWJ-Barnabas Health.

Chancellor Strom's remarks in a recent article:

(<https://www.njspotlight.com/2020/07/partnership-between-njs-state-university-system-large-private-health-network-almost-complete/>) makes his intentions with Rutgers faculty quite clear. If Rutgers NJ Medical School has all of its faculty now managed by RWJ-Barnabas Health, this would present a setup that essentially forces the hospital to negotiate with, in Chancellor Strom's words, a "competing" health system for all of its physicians.

As I mentioned above, the Restructuring Act and the Newark Agreements both tether Rutgers NJ Medical School to University Hospital, two state entities that must support the campus. It does not tether University Hospital to a private health care system, which has every incentive to make services at University Hospital complementary to other hospitals they own in the region. We know what this means in Newark. It means physicians, employees, and services being downsized at University Hospital, or services closing.

We know that this is Rutgers' intention because they attempted to do this alongside a complicit University Hospital administration back in 2018. That CEO has since left, largely because of this attempt.

Particularly concerning is this statement from Chancellor Strom: "The money from Barnabas isn't going to be usable to subsidize what amounts to a competitor (referring to University Hospital)... hopefully over time, because they're both our facilities, we will help grow the partnership together between University Hospital and Barnabas," Strom added.

We are concerned that this is a clear attempt to pressure a merger between University Hospital and RWJ Barnabas, driven primarily by decisions that RBHS leadership has made without consultation with University Hospital's leadership. That amounts to market pressure, driven by *one state institution against another*. As the state Senator, and Chair of the New Jersey

Legislative Black Caucus, working with the Essex County Legislative delegation members, we will not stand for that. Any public-private partnership between University Hospital has to be driven by the interests of the hospital on its own accord. To force the hospital to negotiate with a "competitor" pushes it toward a decision that its leadership may not feel is in the best interest of the community that it serves at this time.

One could argue that University Hospital should be managed skilfully enough to compete with private sector hospitals. But to have Rutgers itself facilitate market pressure against the hospital is simply something that we cannot and will not allow for, one way or the other.

Our state, county and municipal elected officials, civil rights leaders and community residents in general will work collectively to make sure that University Hospital is not forced into a broader plan that was concocted by Rutgers leadership, which has obligations to Newark's central ward campus.

Therefore, we will do everything we can to protect University Hospital's interests, including calling for public hearings, enacting legislation, and engaging regulatory agencies, and other forms of advocacy, until either one of two outcomes occurs:

- 1) University Hospital continues to negotiate exclusively with Rutgers for its Clinical Services Agreement, and the faculty practice in Newark is not folded into RWJ-Barnabas medical group management, or
- 2) University Hospital is entered into any negotiations with RWJ-Barnabas that involve State University's faculty on its campus *upfront*, before any such MAA is signed that includes those faculty.

Once again, welcome to New Jersey. I and the members of the New Jersey Legislative Black Caucus are looking forward to working with you.

Sincerely,

  
Senator Ron Rice

28th Legislative District

Cc: Governor Phil Murphy, Senate President Steve Sweeney, Assembly Speaker Craig Coughlin, Legislative Black Caucus Members, Essex County Delegation Members, Honorable Ras Baraka-Mayor City of Newark, City of Newark Municipal Council Members, Rutgers Biomedical and Health Sciences Chancellor Brian Strom, Rutgers NJ Medical School Dean Robert Johnson, and University Hospital President and CEO Shereef Elnahal, Ms. Deborah Smith-Gregory, President Newark NAACP