

Health chief: Some hospitals must close to strengthen others

TRENTON — The state may need to let some hospitals close to strengthen others, the state health commissioner told lawmakers yesterday.

As senators worried about the effects of the governor's 14 percent cut in state aid for hospitals, Heather Howard, the state health chief, cited a recent report that found some New Jersey hospitals must close to improve the industry's financial woes.

"Unfortunately, because we have too many beds, some hospitals may need to close and when a hospital closes it may make other hospitals stronger in that area," Howard said during a Senate budget hearing.

Of the state's 78 hospitals, four hospitals closed in the last 18 months, four others

announced plans to close and five filed for bankruptcy protection, with about half the others losing money. By comparison, the state had 112 hospitals 20 years ago.

"In some cases we may need to let market forces take effect, which may mean hospitals will close, and what our job is to make sure that we're saving the safety nets and preserving access," Howard said.

Corzine's proposed cut for hospitals is part of \$2.7 billion in cuts to try to fix state finances plagued by deficits, high debt and taxes.

Much of the cut would come from money provided by the state to help treat the state's 1.5 million uninsured residents.

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