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Attorneys for Plaintiffs

CarePoint Health Management Associates, LLC; Hudson Hospital OPCO, LLC, d/b/a CarePoint Health—Christ Hospital; IJKG, LLC, IJKG PROPCO, LLC and IJKG OPCO, LLC, d/b/a CarePoint Health—Bayonne Medical Center; and HUMC OPCO, LLC, d/b/a CarePoint Health—Hoboken University Medical Center

UNITED STATES DISTRICT COURT DISTRICT OF NEW JERSEY

CAREPOINT HEALTH
MANAGEMENT ASSOCIATES LLC,
HUDSON HOSPITAL OPCO LLC
d/b/a CAREPOINT HEALTH –
CHRIST HOSPITAL, IJGK, LLC,
IJGK PROPCO LLC and IJGK OPCO
LLC d/b/a CAREPOINT HEALTH –
BAYONNE MEDICAL CENTER, and
HUMC OPCO LLC d/b/a CAREPOINT
HEALTH – HOBOKEN UNIVERSITY
MEDICAL CENTER

Hon. ______, U.S.M.J.

Hon. , U.S.D.J

Civil Action No.

Plaintiffs,

v.

RWJ BARNABAS HEALTH, INC.

Defendant.

COMPLAINT AND JURY DEMAND

For their Complaint against Defendant RWJ Barnabas Health, Inc. ("RWJ"), Plaintiffs CarePoint Health Management Associates, LLC d/b/a CarePoint Health ("CarePoint Health"); Hudson Hospital OPCO, LLC d/b/a CarePoint Health –



Christ Hospital ("Christ Hospital"); IJGK, LLC, IJKG PROPCO, LLC and IJGK OPCO, LLC d/b/a CarePoint Health – Bayonne Medical Center ("Bayonne Medical") and HUMC OPCO, LLC d/b/a CarePoint Health – Hoboken University Medical Center ("HUMC") (together "Plaintiffs" or "CarePoint"), by and through their attorneys, Dilworth Paxson LLP hereby allege as follows:

PRELIMINARY STATEMENT

- 1. This case involves a years-long systematic effort by RWJ, in conspiracy with others, to destroy competition and to monopolize the provision of general acute care hospital services and related health care services in northern New Jersey. This effort particularly targeted Hudson County, New Jersey, to the detriment of CarePoint and the public by aiming to destroy the three hospitals operated by CarePoint as independent competitors.
- 2. RWJ's goal was to force CarePoint into insolvency and, through this:

 (i) force a shutdown of Christ Hospital the preeminent hospital in Hudson County, (ii) force a shutdown of Bayonne Medical and (iii) acquire HUMC because of its demographics and better payor mix. RWJ's goal explicitly disregarded the needs of the poor, underinsured and charity care patients which CarePoint serves in its role as the safety net hospital system in Jersey City and surrounding areas.



- 3. The facts of this case reveal an intertwined web of schemes by RWJ and its conspirators to stifle marketplace competition that would otherwise benefit the consuming public by destroying CarePoint, which has been creating centers of medical excellence which benefit the Hudson County community.
- 4. This conduct is only part of the long history of RWJ's monopolistic conduct to tighten its control on general acute care hospital services ("GAC") and related health care services in New Jersey generally, and specifically in Hudson County.
- 5. RWJ's conspirators include real estate players Avery Eisenreich ("Eisenreich") and Yan Moshe ("Moshe") whose sole goals are profit and greed and who have little interest in safety net hospitals. These conspirators have faced numerous legal challenges including RICO complaints against Moshe and Nizar Kifaieh ("Kifaieh") and a recent weapons-related federal investigation within Moshe-controlled and Kifaieh-run Hudson Regional Hospital ("HRH").
- 6. Eisenreich is the subject of longstanding litigation brought by CarePoint in the Delaware Chancery Court for tortious interference with CarePoint's business dealings and has been involved in several actions adverse to CarePoint over the past few years.
- 7. He has transacted in property under the hospitals in Hoboken and Bayonne with conspirators Medical Properties Trust ("MPT") and HRH without



review by the New Jersey Department of Health ("NJDOH"). These dubious land transactions have been used to undermine CarePoint and create uncertainty among its employees.

- 8. President and soon-to-be CEO of RWJ, Mark Manigan has been the strategist for RWJ working to drive CarePoint to insolvency. His background in healthcare, and specifically as a healthcare attorney, makes him familiar with some of the actors conspiring against CarePoint. He also has a close relationship with Eisenreich and influence with the Governor's office, which he has used along with RWJ's vast political, administrative and real estate lobby to undermine competition with a specific goal of eliminating CarePoint as a competitor of RWJ.
- 9. RWJ's pattern of serial acquisitions of competing hospitals and health care providers, as well as of the real estate necessary to operate competing hospitals, has gone unchecked by the state and NJDOH and has been tailored to destroy competition. Indeed, the recent attempted acquisition by RWJ of St. Peter's Hospital in New Brunswick was blessed by the state but later prevented by antitrust enforcement action taken by the Federal Trade Commission.
- 10. In pursuing its plan to achieve and extend its dominance in Hudson County, RWJ recognized the critical importance of maintaining a preferred relationship with the state's largest health insurer, Horizon Blue Cross-Blue Shield ("Horizon"), as a factor in attracting insured patients. It also recognized the



significance of emergency room traffic as a significant driver of inpatient volume, particularly among the uninsured and those covered by government programs, such as Medicare, Medicaid and TriCare. Thus RWJ engaged, in coordination with Horizon, in the establishment of a Satellite Emergency Department ("SED") in Bayonne (in an area adjoining Jersey City), specifically targeting the CarePoint Hospitals.

- 11. RWJ engaged in improper efforts to increase its emergency room traffic at CarePoint's expense both through the SED, which was constructed and began operation without having received the legally required approval of the NJDOH, and by the flagrant disregard of a 2016 agreement settling earlier litigation regarding ambulance service in Jersey City and its environs whereby RWJ improperly diverted ambulances to its wholly owned Jersey City Medical Center ("JCMC") to boost RWJ's revenue, at the expense of patient health.
- 12. JCMC shut down the majority of its charity care clinics in Hudson County and effected a shift of uninsured or underinsured patients to CarePoint while using the ambulance service to move more lucrative, insured patients, to RWJ hospitals.

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