



State of New Jersey
DEPARTMENT OF HEALTH
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Governor

SHEILA Y. OLIVER
Lt. Governor

SHEREEF M. ELNAHAL, MD, MBA
Commissioner

April 30, 2018

VIA ELECTRONIC AND FIRST CLASS MAIL

David Kostinas
David G. Kostinas & Associates
111 Madison Street
Newtown, PA 18940-2166

Re: Jewish Home at Rockleigh, Inc.
CN# ER 180101-02-02
Total Project Cost: \$925,000
Expiration Date: April 30, 2023

Dear Mr. Kostinas:

Please be advised that I am approving the Expedited Review Certificate of Need application for Jewish Home at Rockleigh, Inc. (Jewish Home), submitted on January 2, 2018, pursuant to N.J.A.C. 8:33-5.1(a)(11), for the relocation of a portion of one facility's licensed beds to another located within the same planning region. The proposed bed relocation involves the transfer of six long-term care beds from Gates Manor, located in Essex County, to Jewish Home, located in Bergen County. The addition of these six long-term care beds to the existing capacity of 180 long-term care beds at Jewish Home would increase its total bed capacity to 186 long-term care beds, while the licensed bed capacity of Gates Manor, which acquired the six beds through the add-a-bed program and immediately transferred the beds to Jewish Home, will remain unchanged. This application is being approved at a total project cost of \$925,000.

N.J.S.A. 26:2H-8 provides for the issuance of a Certificate of Need only where the action proposed in the application for such certificate is necessary to provide required health care in the area to be served, can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide, and will contribute to the orderly development of adequate and effective health care services. In making such determinations, I must take into consideration: a) the availability of facilities or services which may serve as alternatives or substitutes; b) the need for special equipment and services in the area; c) the possible economies and improvement in services to be anticipated from the operation of joint central services; d) the adequacy of financial resources and sources of present and future

revenues; e) the availability of sufficient manpower in the several professional disciplines; and f) such other factors as may be established by regulation.

As to the aforementioned specifics of this application, I note that in identifying those services that are subject to expedited review, the Department of Health (Department) chose services that would have a minimal impact on the health care system as a whole and, therefore, for which a statistical bed need methodology would not be necessary. The services in this application are subject to expedited review pursuant to N.J.A.C. 8:33-5.1(a)11 and, therefore, a statistical bed need methodology is not required. I believe that the criterion regarding the availability of facilities or services which may serve as alternatives or substitutes is not applicable inasmuch as the services in this application will have a minimal impact on the health care system as a whole. The need for sufficient special equipment and services in the area does not apply as this application is for general long-term care beds. Jewish Home will realize economies of scale from the operation of joint central services since it proposes to operate these six beds at its existing long-term care facility. I believe that this project can be economically accomplished and maintained as the applicant projects a positive net income by the end of the first year of operation. I also note that while additional professional staff will be required to accommodate the implementation of these additional beds, I am confident that there is sufficient professional staff available in the area to meet those staffing needs.

Finally, I have taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3 and 8:33H-1.16). I find that Jewish Home has provided an appropriate project description, which includes information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)); assurance that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-5.3(a)(2)); and documentation that it will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)). In addition, the owners of Jewish Home have demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)).

Pursuant to the criteria set forth at N.J.A.C. 8:33-3.4(a)(3)(iii) and (iv), Department staff has found no indication of any adverse effect on the ability of either the general population currently being served or the medically underserved in accessing patient care in Essex or Bergen County as a result of the relocation of six long-term care beds to Jewish Home in Bergen County. According to the Department's Certificate of Need and Healthcare Facility Licensure Program data, there are currently 4,736 licensed long-term care beds in Essex County and 5,157 licensed long-term care beds in Bergen County. Using N.J. Department of Labor and Workforce Development projections, Essex County has 107,360 persons over the age of 65 with a growth rate of 7%, projecting this population to increase to 114,720 by 2021. Using the same state projections in 2018, Bergen County has 164,740 persons over the age of 65 with a growth rate of 8%, projecting this population to increase to 178,200 by 2021. The reduction of the six long-term care beds from Essex County will only decrease the supply by 1.0 percent and the

addition of the six long-term care beds will increase the supply in Bergen County by 1.0 percent. For the year 2018, the ratio of long-term care beds to the population over the age of 65 is 22.67 beds per thousand people in Essex County and 31.94 beds per thousand people in Bergen County. After this project is implemented, these ratios will be 22.70 in Essex County and 31.91 in Bergen County. The changes in these ratios are negligible. Thus, I am satisfied that there will be no adverse effect on access to long-term beds for residents in either county.

Please be advised that this approval is limited to the proposal as presented and reviewed. The application, related correspondence, and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope, as defined at N.J.A.C. 8:33-3.9. However, effective August 5, 2002, a change in cost of an approved Certificate of Need is exempt from further review subject to the following:

1. The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for licensure for the beds/services with the Certificate of Need and Healthcare Facility Licensure Program.
2. Where the actual total project cost exceeds the Certificate of Need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional Certificate of Need application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost in excess of the Certificate of Need approved total project cost.
3. The Department will not issue a license for beds/services until the additional fee is remitted in full.

In addition, approval of this application is conditioned upon the applicant's compliance with the following:

Approval of the relocation of these six beds from Gates Manor to Jewish Home is subject to satisfying the Medicaid-eligible resident utilization requirement at N.J.A.C. 8:33H-1.15(a), or a higher standard that was imposed in any previous Certificate of Need approval for the beds being relocated.

Any approval granted by this Department relates to Certificate of Need and/or licensing requirements and does not imply acceptance by a reimbursing entity. This letter is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way any municipality's authority to regulate land use within its borders and shall not be used by you to represent that the

Department has made any findings or determinations relative to the use of any specific property. Please be advised that services may not commence until such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff may be required prior to commencing services; you will need to contact a representative from the Division of Health Facility Survey and Field Operations to discuss this matter at (609) 292-9900.

We look forward to working with you and helping you to provide a high quality of care to your residents. If you have any questions concerning this Certificate of Need approval or the licensing of these long-term care beds, please do not hesitate to telephone Mr. John A. Calabria, Director, Certificate of Need and Healthcare Facility Licensure Program, at (609) 292-8773.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: J. Calabria (Electronic Copy)