



State of New Jersey
DEPARTMENT OF HEALTH

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Commissioner

January 4, 2022

VIA ELECTRONIC & FIRST-CLASS MAIL

Roger Bernier
President
Fairlawn Senior Living, LLC
316 South Avenue
Fanwood, NJ 07023

Re: The Chelsea at Fair Lawn
CN# ER 2021-01222-02;01
Establish a 74-bed Assisted Living
Residence
Total Project Cost: \$9,500,000
Expiration Date: January 4, 2027

Dear Mr. Bernier:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need application by Fairlawn Senior Living, LLC (FSL) for The Chelsea at Fair Lawn (CFL), submitted on January 1, 2021, pursuant to N.J.A.C. 8:33-5.1(a)(4), for the establishment of a new 74-bed assisted living residence to be located at 1600 River Road in the Borough of Fair Lawn, Bergen County. This application is being approved at the total project cost as noted above.

The Department has 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). The Department finds that FSL, the proposed licensed operator, has provided an appropriate project description. The project description includes information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)), an 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, FSL has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)).

Please be advised that this approval is limited to the application 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, a change in cost of an approved certificate of need is exempt from certificate of need 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.

Furthermore, pursuant to N.J.S.A. 26:2H-12.16 and N.J.A.C. 8:36.5.1(h), a new facility that is licensed to operate as an assisted living residence or comprehensive personal care home shall have a Medicaid occupancy level of 10 percent within three years of licensure. The 10 percent Medicaid occupancy level shall be met through conversion of residents who enter the facility as private paying persons and subsequently become eligible for Medicaid, or through direct admission of Medicaid-eligible persons. The 10 percent Medicaid occupancy level shall be continuously maintained by a facility once the three-year licensure period has elapsed. The Department will monitor that this condition threshold is met and maintained during the duration of licensure.

The Department, in approving this application, has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented as part of this application, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the New Jersey Attorney General.

Any approval granted by this Department relates to certificate of need and/or licensing requirements only 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 the authority to regulate land use within its borders and shall not be used by the applicant to represent that the Department has made any findings or determination relative to the use of any specific property.

Please be advised that services may not commence until a license has been issued by Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required prior to commencing services.

The Department looks forward to working with the applicant to provide high quality of care to the assisted living residents. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael Kennedy, Executive Director, Division of Certificate of Need and Licensing at michael.kennedy@doh.nj.gov.

Sincerely,



Robin C. Ford, MS
Deputy Commissioner
Health Systems

cc: Fred Jacobs, DOH (Electronic mail)
Donna Koller, DOH (Electronic mail)
Luisa Alexopoulos, DOH (Electronic mail)
Michael Kennedy, DOH (Electronic mail)
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