



State of New Jersey
DEPARTMENT OF HEALTH

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Lt. Governor

KAITLAN BASTON, MD, MSc, DFASAM
Acting Commissioner

January 30, 2024

VIA ELECTRONIC & FIRST-CLASS MAIL

David Carliner
Executive Vice President
Brightview Brick, LLC
218 N. Charles Street, Suite 220
Baltimore, Maryland 21201

Re: Brightview Brick, LLC
CN# ER 2022-10307-15;01
Establish a 100-bed Assisted Living Residence
Total Project Cost: \$35,560,740
Expiration Date: January 30, 2029

Dear Mr. Holland:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted pursuant to N.J.A.C. 8:33-5.1(a)(4) by Brightview Brick, LLC (Applicant) for Brightview Brick, on September 21, 2022, with revisions to the application dated February 1, 2023, for the establishment of a new 100-bed assisted living residence to be located at 1568 Route 88 in Brick, Ocean County. This application is being approved at the total project cost as noted above.

The Department has considered 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 Brightview Brick, LLC, the proposed licensed operator, has provided an appropriate project description. The project description includes information as to the total project cost of \$35,560,740 for the construction of this new Assisted Living facility.

The operating costs and revenues were provided, which reflected that by the second year of operation, the total revenue would be \$8,559,398 and the expenses would be \$5,287,348, so the Applicant would show a profit of \$3,272,050 by the second year of operation. In terms of services affected, the Applicant stated that the construction and operation of the facility will have a positive effect on the overall community since it will provide supportive services to seniors as well as generate job opportunities to help stimulate the local economy. The Applicant further stated there will be no negative impact on area service providers. The funding sources for the project were listed as 75% debt and 25% equity.

Utilization statistics project that by the second year of operation, 60% resident occupancy will be achieved.

The justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)) referenced a significant demand for assisted living in the proposed area given the current and projected demographics and census information. The existing supply is not adequate to serve the growing demand. The new assisted living community will help satisfy this demand and will provide a much-needed service to the aging population. The proposed facility will include a secured dementia program.

The Applicant intends to ensure that residents of the surrounding area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-5.3(a)(2)), and stated that they expect to achieve the 10% Medicaid eligible threshold within three years of licensing and maintain this level of utilization after that. In addition, Brightview Brick, LLC 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)). There are no significant regulatory compliance events reported in either the New Jersey or out-of-state facilities that are owned, managed, or operated by the Applicant. There is no specialized equipment involved as this is an Assisted Living facility providing supportive services to a largely independent population.

As a condition of this approval, a semi-private room can only be occupied by married couples or civil union partners, relatives, individuals related by blood or adoption, or others who have consented in writing as part of the admission agreement to the living arrangement. The admission agreement should note that the resident is aware that there are higher health risks associated with shared occupancy and cohabitation. Under no circumstances shall any resident be coerced or compelled to agree to a semi-private room.

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 the Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required before 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 J. Kennedy, Executive Director, Division of Certificate of Need and Licensing at Michael.Kennedy@doh.nj.gov.

Sincerely,

Robin C. Ford

Robin C. Ford, MS
Deputy Commissioner
Health Systems
New Jersey Department of Health

c: David Holland, Brightview Senior Living
Stefanie J. Mozgai, DOH (Electronic mail)
Michael J. Kennedy, J.D., DOH (Electronic mail)
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