



State of New Jersey
DEPARTMENT OF HEALTH
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www.nj.gov/health

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

CHRISTOPHER R. RINN
Acting Commissioner

January 2, 2018

VIA ELECTRONIC AND FIRST-CLASS MAIL

Ms. Jeanne Selby
Extended Family Senior Services, LLC
15 Jason Drive
North Brunswick, New Jersey 08902
jeannedselby@gmail.com

Re: Graceland Gardens Assisted Living
Residence
New Assisted Living Facility
CN# ER 170704-12-37
Total Project Cost: \$ 4,365,717
Expiration Date: January 2, 2023

Dear Ms. Selby:

Please be advised that I am approving the expedited review certificate of need (CN) application for Graceland Gardens Assisted Living Residence received July 3, 2017, pursuant to N.J.A.C. 8:33-5.1(a)(4), for the establishment of a twenty-seven-bed Assisted Living Residence (ALR), to be known as Graceland Gardens Assisted Living Residence (Graceland Gardens). The facility will be located at 1628 Route 27, North Brunswick in Middlesex County. The Graceland Gardens project involves the construction of a new facility to provide assisted living services in a home-like environment and provide more personalized care to its residents in a smaller home-like setting. This application is being approved at the total project cost noted above.

N.J.S.A. 26:2H-8 provides for the issuance of a CN only where the action proposed in the application 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 that 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 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 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)(4) 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. The need for special equipment and services in the area does not apply as this application establishes an ALR, which does not require any special equipment. I believe 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 Graceland Gardens, 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 N.J.A.C. 8:33H-1.16). I find that Extended Family Senior Services, LLC 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)); and documentation that it will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)). In addition, Extended Family Senior Services, LLC 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 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, a change in cost of an approved CN 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 CN approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional CN application fee to the CN and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost more than the CN 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(b) and N.J.A.C. 8:36-5.1(h), a new facility that is licensed to operate as an ALR shall reserve ten percent of its total bed complement for use by Medicaid-eligible persons. The ten percent utilization by Medicaid-eligible persons shall be met through Medicaid conversion of persons who enter the ALR as private paying persons and subsequently become eligible for Medicaid or through direct admission of Medicaid-eligible persons. An ALR shall achieve this ten percent utilization within three years of licensure to operate and shall maintain this level of utilization thereafter. 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 to us. The Department offers no opinion as to whether the facility's ownership or business organization follows the Codey Act, Board of Medical Examiners administrative rules or federal anti-referral (Stark) and anti-kickback laws. We have not undertaken an independent investigation of such information. If material facts with respect to this application have not been disclosed or have been misrepresented, 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.

Finally, regardless of any management agreement addressing the operation of the facility between the licensee and any other entity, the licensee is responsible for financial, operational and management control. All health services provided by the facility and the revenue generated by a facility from providing these health services are the responsibility of the licensee.

Any approval granted by this Department relates to Certificate of Need and Licensing requirements and does not imply acceptance by a reimbursing entity. This letter is also 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 such findings or determinations relative to the use of

Ms. Jeanne Selby
Graceland Gardens ALR
CN# ER 170704-12-37
Page 4

and specific property. Please be advised that services may not commence at Graceland Gardens 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 prior to commencing services. You will need to contact a representative from the Division of Health Facilities Survey and Field Operations at (609) 292-9900 to discuss this matter.

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 CN, please do not hesitate to contact Mr. John A. Calabria, Director, Certificate of Need and Healthcare Facility Licensure Program, at (609) 292-8773.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alison Gibson".

Alison Gibson, RN, MA, MPA
Deputy Commissioner
Health Systems

cc: Jessica L. Perl, Esq. (By Electronic Mail)
jperl@archerlaw.com
John A. Calabria (By Electronic Mail)