



**State of New Jersey**  
**DEPARTMENT OF HEALTH**  
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SHEILA Y. OLIVER  
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SHEREEF M. ELNAHAL, MD, MBA  
*Commissioner*

September 25, 2018

**VIA ELECTRONIC & FIRST-CLASS MAIL**

Linda Martin, JD  
Chief Compliance Officer  
Care One Management, LLC  
173 Bridge Plaza North  
Fort Lee, New Jersey 07024

Re: Care One at Livingston  
Long Term Care  
CN ER# 180802-07-02  
Total Project Cost: \$ 0  
Expiration Date: September 25, 2023

Dear Ms. Martin:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need application submitted by Care Two LLC and received on August 1, 2018, pursuant to N.J.A.C. 8:33-3.4 (a)(1), for the addition of 44 long term care beds for Care One at Livingston (License # 306301). The addition of 44 long term care beds will increase the facility's long term care bed capacity to 120. This long term care facility, currently licensed for 76 long term care beds, is located at 68 Passaic Avenue in Livingston, New Jersey 07039 in Essex County. This application is being approved at the total project cost as noted above.

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 healthcare services in the region or statewide, and will contribute to the orderly development of adequate and effective health care services. In making such determinations, the Department 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, the Department notes that in identifying those services that are subject to expedited review, services have been chosen 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 proposed in this application are subject to expedited review pursuant to N.J.A.C. 8:33-5.1(b)(2) and, therefore, a statistical bed need methodology is not required. The Department believes 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 can be accomplished since this is an existing long term care facility which has the equipment and services to meet the additional need. The facility will realize economies of scale from the operation of joint central services as it shares common ownership with other facilities in New Jersey. The Department believes that this project can be economically accomplished and maintained as the applicant projects a positive net income by the end of the first of year of operation. It is also noted that while additional professional staff will be required to accommodate the implementation of these additional long term care beds, the Department is confident that there is sufficient professional staff available in the area to meet those staffing needs.

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), and finds that Care Two LLC, 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, 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, Care Two 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)).

Please be advised that this approval is limited to the application as presented and reviewed. The application, related correspondences 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. 8:33H -1.15(a)(3), a minimum of 45 percent of the total general long term care bed complement shall be occupied by Medicaid-eligible residents who either have spent down to the level of Medicaid eligibility during their nursing home stay or who are directly admitted to the facility as Medicaid-eligible residents, as defined in N.J.A.C. 8:33H-1.2. The facility shall meet this 45 percent overall occupancy by Medicaid-eligible residents in its general long term care beds by the end of the first year of licensure and continue meeting this percentage thereafter.

The Department, in approving this application, has relied solely on the facts and information presented. The Department offers no opinion as to whether the proposed ownership or business organization is in compliance with the Codey Act, Board of Medical Examiners' administrative rules, the federal anti-referral (Stark) and federal anti-kickback laws. 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 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 of any municipality 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 prior to commencing services.

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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 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: Barbara Goldman (Electronic mail)  
John Calabria, DOH (Electronic mail)  
Felicia Harris, DOH (Electronic mail)  
Cynthia Dunn, DOH (Electronic mail)  
Ellen Kenny, DOH (Electronic mail)  
Susan Jackson, DOH (Electronic mail)