



State of New Jersey
DEPARTMENT OF HEALTH
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Governor

SHEILA Y. OLIVER
Lt. Governor

JUDITH M. PERSICILLI, RN, BSN, MA
Commissioner

September 22, 2021

VIA ELECTRONIC & FIRST-CLASS MAIL

Richard Pineles, Managing Member
Franklin LTACH, LLC
55 South Newman Street
Hackensack, New Jersey 07601

Re: Franklin Long Term Acute Care Hospital
(LTACH)
CN# ER 2019-5123-12;02 E/T
Total Project Cost: \$950,000
Expiration Date: June 30, 2023

Dear Mr. Pineles:

Please be advised that the Department of Health (Department) is approving Franklin Long Term Acute Care Hospital, LLC's (Facility) expedited review certificate of need (ERCN) application, submitted on May 27, 2021, pursuant to N.J.A.C. 8:33-5.1(a)6, for an extension of time for CN# ER 030901-18-43, which is currently scheduled to expire December 31, 2021.

By way of history, the original certificate of need (CN) was granted on December 17, 2003, for the establishment of a 60 bed LTACH, located at 3371 Highway 27, Franklin in Somerset County. On November 8, 2006, an approval was granted for an increase in the number of beds to 80 and an extension of the expiration date to November 8, 2008. This CN would have expired on May 8, 2010, but was extended by the Permit Extension Act of 2008 (Act), P.L. 2008, c. 78, as amended by P.L. 2009, c. 336, P.L. 2012, c. 48, and P.L. 2014, c. 84. The Act was signed on September 6, 2008, and provided that, for a certificate of need specific to development in existence during the period of January 1, 2007, through July 1, 2010, the running period of the approval is automatically suspended for the extension period through July 1, 2010. Amendments to the Act extended its expiration date through December 31, 2012, and December 31, 2015, respectively. Pursuant to the Act as amended, and including the time tolled under the Act, the expiration of CN# 030901-18-43 was extended through June 30, 2016.

Further, on June 1, 2016, the facility, submitted an ERCN application for an extension of time which was granted on June 29, 2016, and extended the expiration date to December 31, 2017. On December 1, 2017, the facility, submitted another ERCN application for an extension of time which was granted on April 2, 2018, and extended to June 30, 2019. On April 30, 2019, the facility, submitted another ERCN application for an extension of time and also a change in scope of the project. On September 16, 2020, this application was granted and the CN was extended through December 31, 2021. In accordance with the above request, the Department is extending the facility's certificate of need for one additional 18-month time period from the current expiration date of December 31, 2021.

The decision to approve the facility's extension application is based on a review of the documents submitted, which includes an agreement with Hackensack Meridian Health, whereby the facility proposes to establish a hospital-within-a-hospital to be located at Hackensack Meridian Raritan Bay Medical Center-Perth Amboy.

In response to the current submission, which included a demonstration of an ongoing need for these beds, pursuant to the bed need assessment, and the representation that the first phase of implementation can be made within 13 months of this approval, the Department is granting this extension of time. Please be aware that any beds not licensed upon the expiration of this extension of time will be considered unimplemented.

The total project cost fixed at \$950,000, will be financed through available cash and equity. Please be advised that this approval is limited to the proposal as presented and reviewed. An additional review by the Department may be necessary if there is any change in scope as defined in N.J.A.C. 8:33-3.9. However, in accordance with N.J.A.C. 8:33-3.9(a), a change of cost of an approved certificate of need is exempt from certificate of need review but 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 license 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 the beds/services until the additional fee is remitted in full.

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 the facility 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 such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program.

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 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, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

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 or regarding the licensure of these 80 long term acute care beds, please do not hesitate to email Antonella Ventura, Quality Assurance Coordinator, Certificate of Need and Healthcare Facility Licensure Program, at Antonella.ventura@doh.nj.gov.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: Robert J. Fogg, Archer Attorneys at Law (By Electronic Mail)
Stephen Baker, HMH (By Electronic Mail)
Michael Burns, HMH (By Electronic Mail)
Donna Getcliffe, HMH (By Electronic Mail)
Fred Jacobs, (DOH), (By Electronic Mail)
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Antonella Ventura, DOH (By Electronic Mail)
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