



State of New Jersey
DEPARTMENT OF HEALTH

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Commissioner

July 11, 2024

VIA FIRST CLASS AND ELECTRONIC MAIL

Warren Connelly
Executive Vice President
Praesum Healthcare
352 Volley Ct.
Wall, New Jersey 07719

Re: Praesum Healthcare Services, LLC
CN # ER 2019-9159-15;03
Extension of Time: 40 Psychiatric beds
(20 Open & 20 Closed)
Project Cost: \$6,169,718.07
Expiration date: June 30, 2025

Dear Mr. Connelly:

Pursuant to N.J.A.C. 8:33-5.1(a)(6), the New Jersey Department of Health (Department) is approving the expedited review certificate of need (ERCN) application for an extension of time for Praesum Healthcare Services, LLC (Praesum), d/b/a Sunrise Psychiatric - Toms River, to add 40 adult acute care psychiatric (20 open/voluntary & 20 closed/involuntary) beds. These beds were originally awarded through a full review CN on November 17, 2017 (CN # FR 17 0512-15-22). That CN approval was effective for a period of two years, i.e., until November 17, 2019. A first extension of time (CN # ER 2019-9159-15;01) was approved on February 5, 2020, with an expiration date of December 31, 2022. On December 12, 2022, the Department issued a memorandum that prolonged the expiration date of all psychiatric bed CNs awarded on November 17, 2017, to June 30, 2023. This application (CN # ER 2019-9159-15;03) is being approved at the project cost above with a retroactive effective date of June 30, 2023.

The current extension of time CN application is being requested to complete the construction and renovation of the 40-bed comingled (open and closed) inpatient adult

acute care psychiatric unit located in Toms River. Specifically, the Applicant reports that there have been construction work delays beyond their control along with the requirement of having to submit revised drawings to the Department of Community Affairs (DCA), which were ultimately approved and then submitted to the local authorities for review prior to granting permits, which have led to unexpected delays from the original inspection schedule timelines. The Applicant also notes issues with the design associated with the new electrical services that has led to the inability for utilities to make the necessary connections to power-up the HVAC system; thus resulting in hindering the installation of certain materials that require temperature-controlled environments. Lastly, the applicant further reported concerns regarding the timeliness of local township building official inspections for the issuance of a Certificate of Occupancy. Collectively, all these reasons reportedly have culminated to the inability of completing the construction project in a timely manner.

Please be advised that this will be the final extension of time approved by the Department for the addition of the 40 adult acute care psychiatric (20 open/voluntary & 20 closed/involuntary) beds. If these beds are not survey ready for occupancy by the aforementioned expiration date, the Applicant will forfeit the ability to seek licensure of these beds.

Please be also 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.

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 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 for the additional psychiatric beds. A survey by Department staff will be required prior to commencing services.

If you have any questions concerning this 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,



Jeff Brown
Deputy Commissioner
Health Systems
New Jersey Department of Health

c: Stefanie J. Mozgai, DOH (Electronic mail)
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Licensing File