



State of New Jersey
DEPARTMENT OF HEALTH

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Governor

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Lt. Governor

KAITLAN BASTON, MD, MSC, DFASAM
Commissioner

April 15, 2025

VIA ELECTRONIC & FIRST-CLASS MAIL

Joseph Sebbag, CEO
Spring Oak Senior Living
2095 W. County Line Road, Suite 3
Jackson, New Jersey 08527

Re: The Residence at Lake Ridge, LLC
CN ER# 20180103;01 f/k/a 18 0103-15-37
Addition of Thirty (30) Assisted Living
Residence Beds to Spring Oak of Toms River
Total Project Cost: \$ 1000.00
Expiration Date: April 15, 2030

Dear Mr. Sebbag:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted by The Residence at Lake Ridge, LLC, on January 2, 2018, with updated applications received on June 29, 2022, August 13, 2023, and August 18, 2024, for the addition of 30 Assisted Living Residence (ALR) beds at Spring Oak of Toms River. Spring Oaks of Toms River is located in Ocean County at 2145 Whitesville Road in Toms River, New Jersey 08753. This application is submitted pursuant to N.J.A.C. 8:33-5.1(a)(4), for the expansion of the existing 104-bed ALR, thereby increasing the total licensed beds to 134. The proposed expansion will be accomplished through the conversion of 30 rooms to double occupancy. This application is being approved with the total project cost as noted above, with the Department's standard condition, reiterated below, regarding double occupancy in ALRs.

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-1.7). The Department finds that The Residence at Lake Ridge, LLC, the licensed operator, has provided an appropriate project description. The project description includes information regarding the total

project cost for the addition of the 30 ALR beds, which amounted to \$1000 for architectural plans. The applicant has identified that there are no additional costs for the addition of the 30 ALR beds (i.e., no costs for adding furniture). The operating costs and revenues were provided, which reflected that by the end of the second year of operation of the additional 30 ALR beds, the total expected revenue would be \$1,531,938.57 and total expected expenses of \$1,427,650.00, for a profit of \$104,288.52. In terms of services affected, the facility will continue to grant and ensure access to the residents in Ocean County and surrounding areas, particularly the Medicaid population. No specialized equipment is involved as this is an assisted living facility providing supportive services, double occupancy units, and single occupancy units for a largely independent population.

The justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)) notes that Spring Oak of Toms River has reached or is close to reaching its 104 licensed bed capacity and can no longer admit and service the increasing demand for ALR services in Ocean County and surrounding areas. The applicant asserted that the addition of the 30 ALR beds will not require renovation or construction and will be achieved by reclassifying single occupancy resident units to double occupancy resident units. Approval of the additional 30 licensed beds will only yield a positive outcome, as Spring Oak of Toms River may continue to admit and care for the increasing Assisted Living population of the service area, particularly the medically under-served, and will not negatively affect other existing assisted living facilities in the service area. Additionally, the applicant stated that the Facility maintains a policy of accommodating Medicaid residents, in accordance with N.J.A.C. 8:33-5.3(a)2.

The Department notes that architectural plans were submitted for review. These plans demonstrated that the facility has adequate space to accommodate additional residents. Documentation that the Applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)) is shown by the project narrative, which contains information on the facility services and includes a statement that Spring Oak of Toms River continues to recognize that it can only assign the double occupancy rooms that they seek approval for to married couples, civil partners, family members, or friends who have consented in writing as part of their admission agreement to the shared living arrangements. In addition, Spring Oak of Toms River 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)). The ownership of Spring Oak of Toms River does not own, manage, or operate out-of-state facilities and any regulatory compliance events reported in New Jersey have been addressed by the Applicant.

As a condition of this approval, a double-bedded room can only be occupied by married couples or civil union partners, relatives, individuals related by blood or adoption, or those 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 he or she may share a single toilet/bath in the unit and acknowledges 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 double-bedded room.

Please be 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, in accordance with N.J.A.C. 8:33-3.9(a)1-3, 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(i), an existing assisted living residence that adds additional assisted living beds shall be required, as a condition of licensure approval, to maintain ten percent of the additional licensed beds for Medicaid-eligible persons through Medicaid conversion of persons who enter the assisted living residence as private-paying persons and subsequently become eligible for Medicaid, or through direct admission of Medicaid-eligible persons. An assisted living residence shall achieve this ten percent utilization within three years of licensure to operate these beds and shall maintain this level of Medicaid utilization thereafter.

The Department, in approving this application, has relied solely on the facts and information presented to us. We have not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented, the Department may take 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

document 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 changes in beds or services may not commence until a license application and amended license have been approved by the Certificate of Need and Healthcare Facility Licensure Program. A survey by Department staff may also be required prior to approving the changes and 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,

A handwritten signature in black ink, appearing to read 'Jeff Brown', is positioned above the printed name and title.

Jeff Brown
Deputy Commissioner
Health Systems
New Jersey Department of Health

C: Stefanie J. Mozgai, DOH (Electronic mail)
Michael J. Kennedy, J.D., DOH (Electronic mail)
Kara Morris, DOH, (Electronic mail)
Andrea McCray Reid, DOH (Electronic mail)
Luisa Alexopoulos, DOH (Electronic mail)
Antonella Ventura, DOH (Electronic mail)
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