

October 23, 2015, MHMC was assessed a total penalty of \$65,000 due to MHMC's failure to submit its 2013 Annual Audited Financial Statement until August 12, 2015, pursuant to CN Condition 11(c). By Notices of Assessment of Penalties, dated April 6, 2016, August 4, 2016, January 23, 2017, April 4, 2017, and July 21, 2017, MHMC was assessed penalties totaling \$188,000 due to MHMC's failure to submit its 2014 Annual Audited Financial Statement, pursuant to CN Condition 11(c). By Notices of Assessment of Penalties, dated January 23, 2017, April 4, 2017, and July 21, 2017, MHMC was assessed penalties totaling \$126,000 due to MHMC's failure to submit its 2015 Annual Audited Financial Statement, pursuant to CN Condition 11(c). MHMC continues its failure to comply with CN Condition 11(c) by failing to submit its 2015 Annual Audited Financial Statement to the Department in a timely fashion.

Therefore, in accordance with the provisions set forth in N.J.A.C. 8:43E-3.4(a)(12), for failure to implement a CN Condition, a penalty of \$15,000 per month is assessed against the facility for the period July 2017 through October 2017, for a total of \$60,000.

This letter shall serve as a further reminder that MHMC's persistent failures to meet Certificate of Need Conditions constitute ongoing and serious track record violations that shall weigh against approval of future CN and licensing applications submitted to the Department by MHMC. **In addition, MHMC's failure to submit annual audited financial statements for 2014, 2015 and 2016 may impact the Department's review of the CN application requesting approval of the sale of MHMC to Yan Moshe.**

In accordance with N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.4(a)(12), MHMC is hereby assessed penalties amounting to \$60,000. The total amount of this penalty is required to be paid within 30 days of receipt of this letter by certified check or money order made payable to the "Treasurer of the State of New Jersey" and forwarded to Program Compliance and Health Care Financing, P.O. Box 358, Trenton, New Jersey 08625-0358, Attention: Lisa King. On all future correspondence related to this notice, please refer to Control # AX17032.

FORMAL HEARING:

MHMC is entitled to a prompt formal hearing at the Office of Administrative Law (OAL) to challenge this assessment of penalties pursuant to N.J.S.A. 26:2H-13. MHMC may request a hearing to challenge either the factual findings or the assessment of penalties, or both. Please note that MHMC must advise this Department within 30 days of receipt of this letter to request an OAL hearing regarding this matter.

Please forward your OAL hearing request to:

Attention: OAL Hearing Requests
Office of Legal and Regulatory Compliance, Room 805
New Jersey State Department of Health
P.O. Box 360
Trenton, New Jersey 08625-0360

Corporations are not permitted to represent themselves in OAL proceedings. Therefore, if MHMC is owned by a corporation, representation by counsel is required.

In the event of an OAL hearing regarding this matter, MHMC is further required to submit a written response to each and every charge as specified in this order, which shall accompany your written request for a hearing.

Finally, be advised that Department staff will monitor facility compliance with this order to determine whether corrective measures are implemented by the facility and whether assessed penalties are paid in a timely fashion. Failure to comply with these and any other applicable requirements, as set forth in pertinent rules and regulations, may result in the imposition of additional penalties.

In accordance with N.J.A.C. 8:43E-3.5(c)(1), failure to submit a written request for a hearing within 30 days from the date of receipt of this notice will render this a final agency order assessing the amount of the penalty and, at the request of the Department, the Clerk of the Superior Court or the Clerk of the Superior Court, Law Division, Special Civil Part shall record the final order assessing the penalty on the judgment docket of the court, in accordance with N.J.S.A. 2A:58-10. The final agency order shall thereafter have the same effect as a judgment of the court. Alternatively, the Department may choose to collect the penalty in accordance with N.J.A.C. 8:31B-5.1, by applying an offset against the hospital's Medicaid payments.



Susan J. Dougherty
Assistant Commissioner
Division of CN & Licensing

SJD:dj

DATE: November 17, 2017
REGULAR AND
CERTIFIED MAIL: 7009 1680 0002 1239 4352
RETURN RECEIPT REQUESTED
Control # AX17032