



State of New Jersey
DEPARTMENT OF HEALTH
PO BOX 358
TRENTON, N.J. 08625-0358

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

www.nj.gov/health

CATHLEEN D. BENNETT
Commissioner

IN RE: Licensure Violation) Notice of Assessment
 NJ Facility ID # NJ10906) of Penalties

TO: Felicia Karsos, CEO
 Meadowlands Hospital Medical Center
 55 Meadowlands Parkway
 Secaucus, NJ 07094-2304

The Health Care Facilities Planning Act (N.J.S.A. 26:2H-1 et seq.) provides a statutory scheme designed to ensure that all health care facilities are of the highest quality. Pursuant to the Act and N.J.A.C. 8:43E-1.1 et seq., Enforcement of Licensure Regulations, the Commissioner of Health is authorized to enforce General Licensure Procedures and Standards Applicable to all Licensed Facilities, set forth at N.J.A.C. 8:43E-1.1 et seq.

LICENSURE VIOLATION AND MONETARY PENALTY:

Pursuant to the Certificate of Need (CN) Approval Letter issued to Meadowlands Hospital Medical Center (MHMC), dated November 1, 2010, related to the transfer of ownership of MHMC from Liberty Healthcare System, Inc., and submitted pursuant to N.J.A.C. 8:33-3.1, MHMC is required to meet certain CN Conditions. Condition 11(c) requires MHMC to submit to the Department of Health (the Department) an Annual Audited Financial Statement. **MCHC's 2014 Annual Audited Financial Statement** was due to be filed with the Department no later than June 30, 2015. As of the date of this Notice, it has not been filed with the Department.

This failure to abide by CN Condition 11(c) has persisted from previous years. By Notices of Assessment of Penalty, dated December 21, 2012 and March 26, 2013, MHMC was assessed a total penalty of \$12,000 due to MHMC's failure to submit its 2011 Annual Audited Financial Statement, pursuant to CN Condition 11(c). By Notices of Assessment of Penalties, dated November 27, 2013 and November 17, 2014, MHMC was assessed a total penalty of \$52,000 due to MHMC's failure to submit its 2012 Annual Audited Financial Statement until September 12, 2014, pursuant to CN Condition 11(c). By Notices of Assessment of Penalties, dated June 1, 2015 and

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 and August 4, 2016, MHMC was assessed penalties totaling \$82,000 due to MHMC's failure to submit its 2014 Annual Audited Financial Statement, pursuant to CN Condition 11(c). MHMC has continued in its failure to submit its 2014 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 \$8,000 per month is assessed against the facility for the period August 2016 through December 2016, for a total of \$40,000.

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 and 2015 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 \$40,000. 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 # AX17001.

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: January 23, 2017
REGULAR AND
CERTIFIED MAIL: 7009 1680 0002 1237 5245
RETURN RECEIPT REQUESTED
Control # AX17001