

# State of New Jersey DEPARTMENT OF HEALTH

# PO BOX 358

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TAHESHA L. WAY www.nj.gov/health

Lt. Governor

PHILIP D. MURPHY

Governor

KAITLAN BASTON, MD, MSc, DFASAM Commissioner

IN RE: LICENSURE VIOLATION

TRANSFER OF OWNERSHIP WITHOUT :

DEPARTMENT APPROVAL

: NOTICE OF

The Florham Park Endoscopy ASC, LLC : ASSESSMENT OF

License# 22749

Application # LA - 22749 - 27885 : PENALTIES

Effective Date: August 28, 2024

:

TO: Caroline Ivanovski-Hauser- Administrator

Florham Park Endoscopy 195 Columbia Turnpike

Florham Park, New Jersey 07932

## Dear Ms. Ivanovski-Hauser:

Effective immediately, the Department of Health (hereinafter, "the Department") is assessing penalties pursuant to N.J.A.C. 8:43E-3.4(a)(5) upon The Florham Park Endoscopy hereinafter "Florham Park" or "the Facility") because the facility completed a transfer of ownership prior to obtaining approval by the Department. Only after a transfer of ownership application has been reviewed and deemed acceptable by the Office of Certificate of Need and Healthcare Facility Licensure will a prospective new owner be given the approval needed to complete transfer. N.J.A.C. 8:43-4.3(d).

#### LICENSURE VIOLATIONS:

At the time of the Department's August 14, 2024 letter authorizing the Operator to proceed with this transaction, the facility had already completed the transfer of ownership because Envision Healthcare Corporation filed for bankruptcy. Prior to the transfer of ownership, Florham Park Endoscopy ASC, LLC, was owned 49% by Endoscopy Center of Northern New Jersey, LLC, and 51% by Jersey ASC Ventures, LLC. Jersey ASC Ventures, LLC was 51% owned by Barnabas Health, Inc, which was 100% owned by RWJ Barnabas Health Inc. Jersey ASC Ventures, LLC was 49% owned by Amsurg Holdings, LLC which was 100% owned by Amsurg, LLC, which was 100% owned by Amsurg Holdco, LLC, which in turn was 100% owned by Envision Health Corporation.

After the transfer of ownership, Florham Park Endoscopy ASC, LLC, is owned 49% by Endoscopy Center of Northern New Jersey, LLC, and 51 % by Jersey ASC Ventures, LLC. Jersey ASC Ventures, LLC is 51% owned by Barnabas Health, Inc, which is 100% owned by RWJ Barnabas Health Inc. Jersey ASC Ventures, LLC which is 49% owned by Amsurg Holdings, LLC which is 100% owned by Amsurg, LLC, which is 100% owned by Amsurg Holdco, LLC, which in turn is 100% owned by Ambulatory TopCo, LLC. This information is based on the submission of certain documentation including a letter received on August 28, 2024, from Sumaya Vanderhorst, Associate General Counsel of Amsurg, confirming that the transfer of ownership was completed on November 3, 2023.

#### **MONETARY PENALTIES:**

In accordance with N.J.A.C. 8:43E-3.4(a)(5), a penalty of \$ 500.00 per day for the transfer of ownership of a healthcare facility without prior approval of the Department will be assessed from the date of the transfer of interest to the date of discovery by the Department. Such fine may be assessed against each of the parties at interest.

The Department became aware of the unapproved transfer of ownership when the closing documents were received August 28, 2024. These closing documents included the bankruptcy documents stating the November 3, 2023 date when Envision Healthcare Corporation filed for bankruptcy, and transferred their ownership to Ambulatory TopCo, LLC. Thus, there were 300 days from the date of transfer of ownership until the date of discovery by the Department. Therefore, the total penalty assessed for the transfer of ownership prior to approval in violation of N.J.A.C. 8:43-4.3(d), is \$150,000 (300 days x \$500).

The total amount of this penalty is required to be <u>paid within 30 days of receipt of this letter by certified check or money order</u> made payable to the "Treasurer of the State of New Jersey" and forwarded to Office of Program Compliance, New Jersey Department of Health, P.O. Box 358, Trenton, New Jersey 08625-0358, Attention: Lisa King. **On all future correspondence related to this Notice, please refer to Control AX25006.** 

## **INFORMAL DISPUTE RESOLUTION:**

N.J.A.C. 8:43E-2.3 provides facilities the option to challenge factual findings by requesting Informal Dispute Resolution with Department representatives. Facilities wishing to challenge only the

assessment of penalties are not entitled to IDR review, but such facilities may request a formal hearing at the Office of Administrative Law as set forth herein below. Please note that the facility's rights to IDR and administrative hearings are not mutually exclusive and both may be invoked simultaneously. IDR requests must be made in writing within ten (10) business days from receipt of this letter and must state whether the facility opts for a telephone conference, or review of facility documentation only. The request must include an original and ten (10) copies of the following:

- 1. A specific explanation of why you are contesting the facts supporting the imposition of the civil monetary penalty; and
- 2. Any relevant supporting documentation.

Any supporting documentation or other papers submitted later than 10 business days prior to the scheduled IDR may not be considered at the discretion of the IDR panel.

Send the above-referenced information to:

Nadine Jackman
Office of Program Compliance
New Jersey Department of Health
P.O. Box 358
Trenton, New Jersey 08625-0358

The IDR review will be conducted by professional Department staff who do not participate in the licensure process. Requesting IDR does not delay the imposition of any enforcement remedies.

#### FORMAL HEARING:

The facility is entitled to contest the assessment of penalties pursuant to N.J.S.A. 26:2H-13, by requesting a formal hearing at the Office of Administrative Law (OAL). The facility may request a hearing to challenge any or all of the following: the factual findings and/or the assessed penalties. The facility must advise this Department within 30 days of the date of this letter if it requests an OAL hearing.

Please forward your OAL hearing request to:

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

Corporations are not permitted to represent themselves in OAL proceedings. Therefore, if the facility is owned by a corporation, representation by counsel is required. In the event of an OAL hearing regarding the penalty, the facility is further required to submit a written response to each and every charge as specified in this notice, which shall accompany its written request for a hearing.

Failure to submit a written request for a hearing within 30 days from the date of this notice will render this a final agency decision. The final agency order shall thereafter have the same effect as a judgment of the court. The Department also reserves the right to pursue all other remedies available by law.

Thank you for your attention to this important matter and for your anticipated cooperation. If you have any questions regarding this Notice of Assessment, please contact Nadine Jackman, Office of Program Compliance, at Nadine.Jackman@doh.nj.gov.

Sincerely,

Lisa King, Program Manager Office of Program Compliance

Division of Certificate of Need and Licensing

LK:JI:nj

DATE: March 6, 2025

EMAIL: civanovski-hauser@amsurg.com

REGULAR AND CERTIFIED MAIL RETURN RECEIPT REQUESTED

Control # AX25006