



State of New Jersey  
DEPARTMENT OF HEALTH

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[www.nj.gov/health](http://www.nj.gov/health)

PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

KAITLAN BASTON, MD, MSc, DFASAM  
Acting Commissioner

In Re Licensure Violation:	:	NOTICE OF INTENT TO
	:	SUMMARILY SUSPEND
LIMECREST SUBACUTE AND REHABILITATION	:	
CENTER	:	
(NJ Facility ID# NJ61902)	:	
	:	
	:	
	:	
	:	

TO: Sonia Velmonte, Administrator  
 Limecrest Subacute and Rehabilitation Center  
 P.O. Box 1279  
 1 O'Brien Lane  
 Lafayette, New Jersey 07848  
 SVelmonte@limecrestrehab.com

The New Jersey Department of Health (Department) is vested with the responsibility of carrying out the provisions of the Health Care Facilities Planning Act (Act), N.J.S.A. 26:2H-1 to -27, which was enacted, in part, to ensure that all hospitals, long-term care and related health care services, rendered in the State of New Jersey, are of the highest quality. Pursuant to the Act, namely N.J.S.A. 26:2H-5, and the Department's rules, N.J.A.C. 8:43E-1.1 et seq. (General Licensure Procedures and Standards Applicable to All Licensed Facilities), the Commissioner of Health is authorized to inspect all health care facilities and to enforce the Standards for Licensure of Long-Term Care Facilities set forth at N.J.A.C. 8:39-1.1 et seq.

Effective immediately, the Department is issuing Limecrest Subacute and Rehabilitation Center (Limecrest) a Notice of Intent to Summarily Suspend its long-term care facility license. As detailed more fully below, Limecrest's financial viability, and consequently the provision of services to residents in its care, is seriously threatened by the upcoming suspension of Limecrest and its owners, Chaim Scheinbaum and Louis Schwartz, from the New Jersey Medical Assistance and Health Services Medicaid program (NJ Medicaid) and any other program administered in whole or in part by the Division of Medical Assistance and Health Services (DMAHS). The suspension was issued by the New Jersey, Office of the State Comptroller, Medicaid Fraud Division (MFD), and is effective on March 23, 2024. Limecrest also provided an inadequate response to an Information Requirement Order (IRO) the Department issued to it on December 27, 2023, which requested information from Limecrest's owners about Limecrest's ability to maintain the functions of the facility post suspension from the NJ Medicaid program. Consequently, the Department must act to ensure the safety of the residents.

## FINANCIAL STATUS

On October 25, 2023, the MFD issued a Self-Executing Notice of Disqualification (MFD Notice) stating its intent to disqualify Limecrest's owners, Chaim Scheinbaum and Louis Schwartz, from the NJ Medicaid program and any other program administered in whole or in part by the DMAHS, effective 60 days from the date of the notice. Then, on December 14, 2023, the MFD issued Notices of Suspension (MFD Suspension Notices) suspending Limecrest, and its owners, Chaim Scheinbaum and Louis Schwartz, from the NJ Medicaid program and any other program administered in whole or in part by DMAHS, effective 100 days from the date of the suspension notice. Limecrest and its owners will thus be suspended from the NJ Medicaid program effective on March 23, 2024.

According to financial information Limecrest provided to the New Jersey Department of Human Services, 88% of patient days billed by Limecrest in the first calendar quarter of 2023 were billed to a Medicaid payer. As of March 23, 2024, it appears that Limecrest will no longer have its overwhelming revenue source, which is necessary for it to pay for its staff and the goods and services necessary to operate the long-term care facility, when its suspension from the Medicaid program takes effect. Such failure will subject the residents of the facility to either actual harm, or an immediate and serious risk of harm, because the facility will be unable to provide its residents with necessary care and services.

Because of the facility's looming financial crisis and, in turn, its apparent inability to provide for its residents, the Department issued Limecrest an IRO on December 27, 2023, which sought information and documentation from the facility that demonstrated its financial ability to continue to operate its long-term care facility after March 23, 2024. In response, Limecrest provided vague information that was wholly inadequate and failed to provide documentation evidencing its ability to remain financially viable after it is suspended from the NJ Medicaid program. Because there is an imminent risk to the health and safety of the facility's residents due to the facility's impending lack of financial resources, the Department is issuing this Notice of Intent to Summarily Suspend Limecrest's long-term care license, as set out below.

## CORRECTIVE ACTION:

In accordance with N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.8, the Department hereby notifies Limecrest that it shall have 72 hours in which to demonstrate its financial ability to continue to operate the long-term care facility. See also N.J.S.A. 26:2H-42.1(c) (providing that the Department may take appropriate actions to ensure continuity of care for, and the safety of, residents of long-term care facilities that are in financial distress). Specifically, the Facility shall, within 72 hours, submit to the Department the following:

1. Proof of its ability to meet payroll for 90 days beyond the March 23, 2024 effective date of the MFD suspension, which may include a current and projected balance sheet, current and projected statement of cash flow, current and projected income statement, bank statements, bank reconciliation and a statement of sources of potential funding subsequent to March 23, 2024;
2. Proof of its ability to meet all its operating expenses, including, but not limited to, medication, supplies, food, and contracted services, to ensure continuity of care and delivery of services to residents, for 90 days beyond the March 23, 2024 effective date of the MFD suspension, which may include a current and projected balance sheet, current and projected statement of cash flow, current and projected income statement, accounts payable aging, bank statements, bank reconciliation and a statement of sources of potential funding subsequent to March 23, 2024; and

3. If Limecrest is able to demonstrate its ability to meet payroll and all its operating expenses beyond the March 23, 2024 effective date of the MFD suspension by completing a transfer of ownership of the facility to another owner or owners, Limecrest shall identify the owner or owners and the closing date and provide evidence of confirmation of same by the proposed new owner.

If Limecrest fails to establish its financial ability to operate the facility within 72 hours and the Department determines that it continues to pose an immediate threat to the health, safety or welfare of the public or the residents of the facility, then the Department will issue a notice of summary suspension of Limecrest's license, which will provide a time period to effect an orderly transfer of residents and order the facility to demonstrate its financial capacity to continue to care for residents as a prerequisite to reinstatement of the license. The Department is aware that Limecrest has begun proceedings to transfer ownership of the facility, which transfer the Department approved. If the Department receives proof from Limecrest that the transfer of ownership was completed, the Department will rescind the suspension.

### **RIGHT TO HEARING**

If the Department issues Limecrest a summary suspension, Limecrest will have a right to a hearing consistent with N.J.S.A. 26:2H-14.

### **NOTIFICATION REQUIREMENTS**

The facility shall be prepared to notify residents, family members and legal representatives 60 days prior to closure, as required by N.J.S.A. 26:2H-126, to effectuate an orderly transfer of residents if the Department moves forward with a summary suspension.

Thank you for your attention to this important matter and for your anticipated cooperation. If you have any questions concerning this matter, please contact Lisa King, Office of Program Compliance, at [Lisa.King@doh.nj.gov](mailto:Lisa.King@doh.nj.gov).

Sincerely,



Lisa King, Regulatory Officer  
Office of Program Compliance  
Division of Certificate of Need and Licensing

GR:WCK:nj  
DATED: January 17, 2024  
E-MAIL  
REGULAR AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
Control #X23043

- C. Nursing Home Administrators Licensing Board  
Frank Skrajewski, Health Facilities Evaluation and Licensing  
Pamela Lebak, Health Facility Survey and Field Operations  
Kara Morris, Health Facility Survey and Field Operations  
Carol Hamill, Health Facility Survey and Field Operations  
Laurie Brewer, New Jersey Long-Term Care Ombudsman