



State of New Jersey  
DEPARTMENT OF HEALTH

PO BOX 360  
TRENTON, N.J. 08625-0360

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 SUMMARY  
: SUSPENSION  
LIMECREST SUBACUTE AND REHABILITATION :  
CENTER :  
(NJ Facility ID# NJ61902) :  
:

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

In accordance with the provisions set forth at N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.8(a), Limecrest Subacute and Rehabilitation Center ("Limecrest") is hereby notified that its license to operate as a long-term care facility is summarily suspended, subject to the orderly transfer of residents as outlined below.

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.

Limecrest is licensed by the Department as a long-term care facility. As a long-term care facility, Limecrest is required to provide comprehensive nursing home services, including dietary services, social services and medical care, in a safe environment to medically frail and cognitively impaired individuals, as set out in the Department's Standards for Licensure of Long-Term Care Facilities, N.J.A.C. 8:39-1.1 et seq. To maintain its license, Limecrest must maintain its ability to provide its nursing home residents with the necessary services called for under the rules. 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 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), effective March 23, 2024. Because Limecrest will not have the necessary financial resources to continue to operate its facility and provide care to its residents on the effective date of its MFD suspension, the Department must summarily suspend its license as of March 23, 2024.

## **BACKGROUND AND 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 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, when its suspension from the Medicaid program takes effect, 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. Such failure will subject the residents of the facility to either actual harm, or an imminent 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 Information Request Order (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.

Due to the facility's failure to provide adequate documentation in response to the IRO, the Department issued Limecrest a notice of intent to summarily suspend its license on January 17, 2024, in accordance with N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.8, which provided Limecrest with 72 hours in which to demonstrate its financial ability to continue to operate the long-term care facility after the effective date of its MFD suspension. 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 Department required that the facility, 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.

Seventy-two hours has elapsed and Limecrest has failed to establish its financial ability to operate the facility beyond the March 23, 2024 effective date of the MFD suspension, including its failure to provide documentation that the transfer of ownership of the facility, which was previously approved by the Department, was completed. Indeed, the Department noted in its notice of intent to summarily suspend that if the transfer of ownership was completed, then the Department would halt the suspension of the facility license. Despite this notice, confirmation of the completion of the sale has not been provided to the Department to date. Due to the lack of documentation evidencing the facility's financial viability after March 23, 2024, the Department finds that there is an imminent threat to the health, safety or welfare of the residents of the facility.

### **SUSPENSION**

Based upon the foregoing, the Department has determined that Limecrest's license as a long-term care facility must be summarily suspended. Pursuant to N.J.S.A. 26:2H-14, if a facility fails to correct the immediate threat posed to the residents within 72 hours of the Department's notice to the facility of the threat and the facility continues to pose an imminent threat to the health, safety or welfare of the public or the residents of the facility, the Department may summarily suspend the facility's license without a hearing. See also N.J.A.C. 8:43E-3.8. Moreover, N.J.S.A. 26:2H-42.1(c) provides 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. In the present matter, the Department provided Limecrest with 72 hours to demonstrate its financial ability to comply with the licensing rules after it is suspended from the Medicaid program, but it has failed to do so. Therefore, the Department finds that Limecrest's failure to establish its financial viability and its ability to meet all operating expenses of a licensed facility to ensure continuity of care and delivery of services to its residents after the effective date of the MFD suspension poses an imminent and serious threat to the health, safety and welfare of the facility's residents. Accordingly, Limecrest has until the close of business on March 23, 2024, to relocate its existing residents to appropriate long-term care facilities chosen by the residents and must establish its continued financial viability as a prerequisite to reinstatement of its license.

Failure to comply with this Notice of Summary Suspension will result in additional enforcement action initiated by the Department against Limecrest, including, but not limited to, monetary penalties.

**The Department again notes that it is aware that Limecrest has begun proceedings to transfer ownership of the facility, which transfer the Department approved. If the Department receives proof that the transfer of ownership has been completed, the Department will rescind the suspension.**

### **60 DAY NOTIFICATION OF CLOSURE TO RESIDENTS**

Pursuant to N.J.S.A. 26:2H-126, the facility shall send a notice to the Department and to all residents, their family members and legal representatives no later than January 23, 2024 that the facility will close on March 23, 2024. Within **72 hours** of this Notice of Summary Suspension, the facility shall submit to the Department a copy of this letter and documentation that it was delivered to all residents, their family members and legal representatives no later than January 23, 2024.

Pursuant to N.J.S.A. 26:2H-126, a long-term care facility is required to provide its residents, its residents' legal representatives, if any, and the Department with written notice when the facility is slated for closure.

Such notice must be provided at least 60 days prior to the closure. Because the facility will close on March 23, 2024, pursuant to the MFD suspensions and to the instant Notice of Summary Suspension, the notice of closure must be provided on or before January 23, 2024 and shall include information on how the residents may receive counseling and assistance with relocating to a facility of their choice prior to the closure date.

### **EMERGENCY OPERATIONS PLAN DUE TO THE DEPARTMENT WITHIN 72 HOURS**

Within 72 hours of this Notice of Summary Suspension, the facility shall submit to the Department its emergency operations plan as it is required to maintain pursuant to N.J.A.C. 8:39-31.6. The facility shall submit to the Department, at minimum, its plan to meet the requirements of N.J.A.C. 8:39-31.6 (f), below:

The facility shall have a written comprehensive emergency operations plan developed in coordination with the local office of emergency management. This plan shall:

1. Identify potential hazards that could necessitate an evacuation, including natural disasters, national disasters, industrial and nuclear accidents, and labor work stoppage;
2. Identify the facility and an alternative facility to which residents would be relocated, and include signed, current agreements with the facilities;
3. Identify the number, type, and source of vehicles available to the facility for relocation and include signed current agreements with transportation providers. Specially configured vehicles shall be included;
4. Include a mechanism for identifying the number of residents, staff, and family members who would require relocation and procedures for evacuation of non-ambulatory residents from the facility;
5. List the supplies, equipment, records, and medications that would be transported as part of an evacuation, and identify by title the individuals who would be responsible;
6. Identify essential personnel who would be required to remain on duty during the period of relocation;
7. Identify by title and post in a prominent place the name(s) of the persons who will be responsible for the following:
  - i. Activating the emergency operations plan, issuing evacuation orders, and notifying of State and municipal authorities;
  - ii. Alerting and notifying of staff and residents;
  - iii. Facility shutdown and restart;
  - iv. In place sheltering of residents and continuity of medical care; and
  - v. Emergency services such as security and firefighting; and
8. Describe procedures for how each item in (f)7 above will be accomplished.

### **RIGHT TO HEARING**

Pursuant to N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.8(e), Limecrest has the right to request a hearing, in writing, within forty-eight (48) hours from the receipt of this Notice of Summary Suspension to the following address:

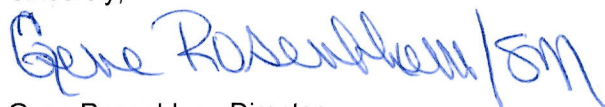
Kimberly Jenkins, Director  
Office of Legal and Regulatory Compliance  
New Jersey Department of Health  
P.O. Box 360  
Trenton, New Jersey 08625-0360

Failure to do so shall constitute a waiver of the right to hearing and shall render this a final agency decision. The final agency order shall thereafter have the same effect as a judgment of the court.

Limecrest Subacute and Rehabilitation Center  
Notice of Summary Suspension  
January 22, 2024  
Page 5

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.

Sincerely,



Gene Rosenblum, Director  
Office of Program Compliance  
Division of Certificate of Need and Licensing

GR:WCK:nj  
DATED: January 22, 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