



**State of New Jersey**  
**DEPARTMENT OF HEALTH**  
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[www.nj.gov/health](http://www.nj.gov/health)

CHRIS CHRISTIE  
*Governor*

KIM GUADAGNO  
*Lt. Governor*

January 2, 2018

CHRISTOPHER R. RINN  
*Acting Commissioner*

**VIA ELECTRONIC AND FIRST-CLASS MAIL**

Joseph Lemaire  
President  
Hackensack Meridian Nursing & Rehab, Inc.  
3349 Route 138 East Building C Suite A  
Wall, New Jersey 07719  
[Joseph.Lemaire@hackensackmeridian.org](mailto:Joseph.Lemaire@hackensackmeridian.org)

Re: Hackensack Meridian Subacute at  
Mountainside  
Relocation of 61 skilled nursing beds  
CN ER # 17-0202-07-02  
Total Project Cost: \$ 975,000  
Expiration Date: January 2, 2023

Dear Mr. Lemaire:

Please be advised that I am approving the certificate of need application (CN) submitted by Hackensack Meridian Nursing and Rehabilitation, Inc. (the Applicant) on February 1, 2017, pursuant to N.J.A.C. 8:33-5.1(a)(11), for the relocation of 61 long-term care (LTC) beds to Hackensack Meridian Subacute at Mountainside (HMSM), located at One Bay Avenue, Montclair, in Essex County. It is noted that, effective January 1, 2018, the Applicant, as a result of a corporate consolidation will be merged into and replaced as the Applicant by HMH Residential Care, Inc. The aforementioned 61 LTC beds were acquired by the Applicant from Park Manor Nursing Home, located in Essex County, on November 9, 2016. This application is being approved at the total project cost noted above.

N.J.S.A. 26:2H-8 provides for the issuance of a CN only where the action proposed in the application for such certificate is necessary to provide required health care in the area to be served, can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health care services in the region or statewide, and will contribute to the orderly development of adequate and effective health care services. In making such determinations, I must take into consideration: a) the availability of facilities or services that may serve as

alternatives or substitutes; b) the need for special equipment and services in the area; c) the possible economies and improvement in services to be anticipated from the operation of joint central services; d) the adequacy of financial resources and sources of present and future revenues; e) the availability of sufficient manpower in the several professional disciplines; and f) such other factors as may be established by regulation.

As to the specifics of this application, I note that in identifying those services that are subject to expedited review, the Department of Health (Department) chose services that would have a minimal impact on the health care system as a whole and, therefore, for which a statistical bed need methodology would not be necessary. The services in this application are subject to expedited review pursuant to N.J.A.C. 8:33-5.1(a)(11) and, therefore, a need assessment is not required. I believe that the criterion regarding the availability of facilities or services that may serve as alternatives or substitutes is not applicable inasmuch as the services in this application will have a minimal impact on the health care system as a whole. The need for sufficient special equipment and services in the area does not apply as this application is for LTC beds to be located within an acute care hospital, which does not require any special equipment not already in place within the hospital. Applicant will realize possible economies or improvements from the operation of joint central services as it will continue to operate as a part of the Hackensack Meridian Health Network. Additionally, the Applicant indicates that it possesses adequate financial resources and will have sufficient future revenues to establish and sustain the operation of these beds. For the record, I also note that while professional staff will be required to accommodate the implementation of these beds, I am confident that there is sufficient professional staff available in the area to meet those staffing needs to accommodate the implementation of these beds.

Finally, I have taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3 and 8:33H-1.16). I find that the Applicant has provided an appropriate project description, which includes information as to the total project cost, operating costs and revenues, services affected, equipment involved, source of funds, utilization statistics, and justification for the proposed project (8:33-5.3(a)(1)); assurance that all residents of the area, particularly the medically underserved, will have access to services (8:33-5.3(a)(2)); and documentation that it will meet appropriate licensing and construction standards (8:33-5.3(a)(3)(i)). In addition, the Applicant demonstrated a track record of substantial compliance with the Department's licensing standards (8:33-5.3(a)(3)(ii)).

Pursuant to the criteria set forth at N.J.A.C. 8:33-3.4(a)(3)(iii) and (iv), Department staff has found no indication of any adverse effect on the ability of either the general population currently being served or the medically underserved in accessing inpatient LTC in Essex County as a result of the relocation of these LTC beds. For the

year 2017, the ratio of LTC beds to population of 65 years of age and over per thousand beds is 22.14. As the beds will be remaining in Essex County, after this project is implemented, the ratio will remain unchanged. Thus, I am satisfied there will be no adverse affect on access to LTC beds for residents of Essex County.

Please be advised that this approval is limited to the application as presented and reviewed. The application, related correspondence, and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope, as defined at N.J.A.C. 8:33-3.9. However, a change in cost of an approved CN is exempt from CN review subject to the following:

- 1) The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for licensure for the beds with the Certificate of Need and Healthcare Facility Licensure Program.
- 2) Where the actual total project cost exceeds the CN approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional CN application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25 percent of the total project cost in excess of the CN approved total project cost.
- 3) The Department will not issue a license for beds/services until the additional fee is remitted in full.

Approval of this application is conditioned upon the Applicant's compliance with the following:

Approval of the relocation of the 61 LTC beds to the Applicant is subject to the Applicant satisfying the Medicaid-eligible resident utilization requirement at N.J.A.C. 8:33H-1.15(a), or a higher standard if one was imposed in any previous CN approval for the beds being relocated.

Any approval granted by this Department relates to CN and/or Licensing requirements only and does not imply acceptance by a reimbursing entity. Issues involving reimbursement are solely between the facility and the third-party payer. The Department is neither a party to such matters nor an arbiter of disputes between the parties.

This approval is not intended to preempt in any way any municipality's authority to regulate land use within its borders and shall not be used by you to represent that the

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Department has made any findings or determination relative to the use of any specific property. Please be advised that services may not commence until such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensing Program. A survey by Department staff may be required prior to commencing services; you will need to contact a representative from the Health Facility Survey and Field Operations to discuss this matter at (609) 292-9900.

We look forward to working with you and helping you to provide a high quality of care to your residents. If you have any questions concerning either this CN or the licensure of the 61 LTC beds, please do not hesitate to telephone Mr. John A. Calabria, Director, Certificate of Need and Healthcare Facility Licensure Program, at (609) 292-8773.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alison Gibson".

Alison Gibson, RN, MA, MPA  
Deputy Commissioner  
Health Systems

cc: John A. Calabria (By Electronic Mail)  
Rebecca Wolf (By Electronic Mail) (Rebecca.Wolff@hackensackmeridian.org)  
Robert Fogg, Esq. (By Electronic Mail) (RFogg@archerlaw.com)  
David Kostinas (By Electronic Mail) ([dkostinas@davidkostinas.com](mailto:dkostinas@davidkostinas.com);  
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