



State of New Jersey
DEPARTMENT OF HEALTH

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Governor

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Lt. Governor

SHEREEF M. ELNAHAL, MD, MBA
Acting Commissioner

March 27, 2018

VIA ELECTRONIC AND FIRST-CLASS MAIL

George Arezzo, Executive Director
United Methodist Communities at Bristol Glen
200 Bristol Glen Drive
Newton, New Jersey 07860

Re: United Methodist Communities at Bristol
Glen
CN ER # 180201-19-37
Total Project Cost: \$ 3,520,000
Expiration Date: March 27, 2023

Dear Mr. Arezzo:

Please be advised that I am approving the Expedited Review Certificate of Need application for United Methodist Communities at Bristol Glen (Bristol Glen) which was submitted on February 1, 2018 pursuant to N.J.A.C. 8:33-5.1(a)(4), to increase the bed capacity of a licensed assisted living residence (ALR), which is a part of United Methodist Communities at Bristol Glen. The proposed project at this Continuing Care Retirement Community is for the addition of seven assisted living beds to the license of the existing assisted living residence located at 200 Bristol Glen Drive in Newton, Sussex County. This facility is currently licensed by the Department of Health (Department) for 133 Assisted Living beds (License #85A001). The project will expand the existing Assisted Living Memory Care area at Bristol Glen so that at project implementation these seven additional beds for memory impaired residents will increase the licensed total to 140 ALR beds.

N.J.S.A. 26:2H-8 provides for the issuance of a certificate of need 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

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N.J.S.A. 26:2H-8 provides for the issuance of a certificate of need 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 healthcare 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 which 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 aforementioned specifics of this application, I note that in identifying those services that are subject to expedited review, the 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)(4) and, therefore, a statistical bed need methodology is not required. I believe that the criterion regarding the availability of facilities or services which 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 an assisted living residence, which does not require any special equipment. The facility will realize economies of scale from the operation of joint central services as it shares common ownership with other facilities in New Jersey. I believe that this project can be economically accomplished and maintained as the applicant projects a positive net income by the end of the first year of operation. I also note that while professional staff will be required to accommodate the implementation of the ALR, I am confident that there is sufficient professional staff available in the area to meet those staffing needs.

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

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 certificate of need is exempt from certificate of need 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/services with the Certificate of Need and Healthcare Facility Licensure Program.
2. Where the actual total project cost exceeds the certificate of need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional certificate of need 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 certificate of need approved total project cost.
3. The Department will not issue a license for the beds/services until the additional fee is remitted in full.

Pursuant to N.J.A.C. 8:36-5.1(m), as a Continuing Care Retirement Community (CCRC), United Methodist Communities at Bristol Glen is not required to accept Medicaid. As such, N.J.S.A. 26:2H-12.16, which requires that existing assisted living residences that add additional assisted living beds shall be required, as a condition of licensure approval, to maintain 10% of the additional beds for Medicaid-eligible persons, does not apply to United Methodist Communities at Bristol Glen.

The Department, in approving this application, has relied solely on the facts and information presented to us. The Department offers no opinion as to whether the proposed ownership or business organization is in compliance with the Codey Act, Board of Medical Examiners administrative rules, or the federal anti-referral (Stark) and federal anti-kickback laws. The Department has not undertaken an independent investigation of such information. If material facts with respect to this application have not been disclosed or have been misrepresented, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

Finally, regardless of any management agreement addressing the operation of the facility between the licensee and any other entity, the licensee is responsible for financial, operational and management control. All health services provided by the facility and the revenue generated by a facility from providing these health services are the responsibility of the licensee.

Any approval granted by this Department relates to certificate of need and/or licensing requirements and does not imply acceptance by a reimbursing entity. This letter is also not

Mr. George Arezzo
United Methodist Communities at Bristol Glen
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intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way the authority of any municipality to regulate land use within its borders and shall not be used by you to represent that the Department has made any such findings or determination relative to the use of any specific property. Please be advised that services may not commence at Bristol Glen until such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate this facility.

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 this certificate of need approval or the licensure of the assisted living beds, please do not hesitate to contact John A. Calabria, Director, Division of Certificate of Need and Licensing, at (609) 292-8773.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: J. Calabria
C. McKinley, Vice President of Operations, United Methodist Communities