



State of New Jersey
DEPARTMENT OF HEALTH
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Commissioner

August 18, 2020

VIA ELECTRONIC & FIRST-CLASS MAIL

Mr. Gregory Hook
Executive Vice President, Compliance & Regulatory Affairs
Atrium Health and Senior Living
348 E. Cedar Street
Livingston, New Jersey 07039

Re: B-Well Assisted Living at Livingston
Request for Extension of Time
CN ER# 2020-6190-07
Total Project Cost: \$ 4,200,000
Expiration Date: January 31, 2022

Dear Mr. Hook:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need application for B-Well Assisted Living at Livingston (B-Well), a new Assisted Living (AL) facility which will be licensed for 151 AL beds. B-Well's application, submitted on May 27, 2020 pursuant to N.J.A.C. 8:33-5.1(a)6, requested an extension of time for CN ER# 141004-07-37, which expired on July 30, 2020.

As you are aware, the original certificate of need was granted on July 30, 2015 for the establishment of a newly-constructed AL facility, to be located at 346 E. Cedar Street in Livingston, Essex County. The Applicant's licensed operator will be KBWB Operations, LLC, a for-profit entity. In addition, on August 23, 2016, an approval was granted for a change in scope to increase the number of beds to 151.

The Department has carefully reviewed your current application which requests an extension of time to January 31, 2022. In accordance with your request, this certificate of need is now extended for one additional 18-month time period from your last expiration date of July 30, 2020. It is expected that this project will be fully implemented by the time this 18-month period has elapsed.

The decision to approve B-Well's extension application is based on a review of the documents submitted. The reasons stated for the need for an extension of time are operational issues affecting the licensed operator's Atrium facilities in 2018 to 2019, the subsequent focus on the transfer of Atrium assets to Spring Hills, and most recently, by the coronavirus pandemic. The operational issues referred to related to certain financial, compliance and operational mismanagement issues by the former managing member of Atrium Health and Senior Living which were disclosed to the Department of Health, and which required certain management changes. A transfer of ownership for the Atrium facilities is underway, but the B-Well facility will be retained by the current owner until completion and licensing. Your current submission also confirmed that financing remains in place for this project and will be sufficient to cover any increases in project costs, and the local zoning and building approvals for the project are also in place.

In response to your current submission, including documentation that the project can be completed by the new expiration date, the Department is granting this extension of time to January 31, 2022.

Please be advised that this approval is limited to the proposal 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 in N.J.A.C. 8:33-3.9. However, in accordance with N.J.A.C. 8:33-3.9(a) 1-3, a change of cost of an approved certificate of need is exempt from certificate of need review but 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 license 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.

The Department, in approving this application, has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts 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.

Any approval granted by this Department relates to certificate of need and/or licensing requirements only and does not imply acceptance by a reimbursing entity. This letter is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services. 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 to represent that the Department has made any findings or determination relative to the use of any specific property.

Please be advised that services may not commence until a license has been issued by the Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required prior to commencing services.

The Department looks forward to working with the applicant to provide a high quality of care to the AL residents. If you have any questions concerning this certificate of need or regarding the licensure of this facility, please do not hesitate to email Jean M. DeVitto, Executive Director, Certificate of Need and Healthcare Facility Licensure Program, at Jean.devitto@doh.nj.gov.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: Jean M. DeVitto, DOH (By Electronic Mail)
Felicia L. Harris, DOH (By Electronic Mail)
Donna Koller, DOH (By Electronic Mail)
Ellen Kenny, DOH (By Electronic Mail)
Susan Jackson, DOH (By Electronic Mail)