



State of New Jersey
DEPARTMENT OF HEALTH
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Lt. Governor

JUDITH M. PERSICILLI, RN, BSN, MA
Commissioner

January 15, 2020

VIA ELECTRONIC AND FIRST-CLASS MAIL

Virginia Lovelace
Paralegal at Genesis Healthcare
PowerBack Rehabilitation Piscataway
10 Sterling Drive
Piscataway, NJ 08854

Re: CN ER# 2019-6132-12
PowerBack Rehabilitation Piscataway
Total Project Cost: \$0
Expiration Date: January 15, 2022

Dear Ms. Lovelace:

The New Jersey Department of Health (Department) is approving the Expedited Review Certificate of Need Application submitted on June 3, 2019 for Skiles Avenue & Sterling Urban Renewal Operations, LLC (Skiles Avenue) pursuant to N.J.A.C. 8:33-5.1 (a) 11, for the relocation of 16 long term care (LTC) beds. The relocation involves the transfer of 16 LTC beds from Madison Center, owned by 625 State Highway 34 Operations, LLC to PowerBack Rehabilitation Piscataway, (PowerBack), owned by Skiles Avenue. The beds from the sending facility are located in Monmouth County, which is contiguous to Middlesex County, the county of the receiving facility. As a result of this approval, the addition of the 16 LTC beds will increase PowerBack's LTC bed capacity to 124 LTC beds. This project 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 services in the region or statewide, and will contribute to the orderly development of adequate and effective health care services. In making such determinations, the Department 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, the Department notes that in identifying those services that are subject to expedited review, services are chosen 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 proposed in this application are subject to expedited review pursuant to N.J.A.C. 8:33-5.1(a)11 and, therefore, a statistical bed need methodology is not required. The Department believes 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 general LTC beds. PowerBack will realize economies of scale from the operation of joint central services since it proposes to operate these 16 beds at its existing LTC facility. The Department believes that this project can be economically accomplished and maintained as the applicant did not project a negative loss or a positive net income gain by the end of the first year of operation. The Department also notes that while additional professional staff will be required to accommodate the implementation of these additional beds, the Department is confident that there is sufficient professional staff available in the area to meet those staffing needs.

The Department's decision to approve PowerBack Rehabilitation Piscataway is based on the representation that the transfer of the 16 beds will serve the patients and their families by permitting them to select their desired care center and not have to go outside their Community to another facility. In addition, the current bed census is at 100 percent which demonstrates the bed need.

Currently PowerBack Rehabilitation Piscataway is licensed for 108 beds. The additional beds do not require construction or renovation costs.

Please be advised that this approval is limited to the proposal as presented and reviewed. 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 CN is exempt from CN 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 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 the beds/services until the additional fee is remitted in full.

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 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 Licensure Program.

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.

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, the federal anti-referral (Stark) and federal anti-kickback laws. We have 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.

The Department looks 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 CN or regarding the licensure of the new assisted living facility, please do not hesitate to telephone Ms. Jean DeVitto, Executive Director, Division of Certificate of Need and Licensing, at (609) 292-6587.

Sincerely,



Marcela Ospina Maziarz, MPA
Deputy Commissioner
Health Systems

cc: Jean M. DeVitto (electronic filing)
Susan Kelley (electronic filing)
Stefanie Mozgai (electronic filing)
Felicia L. Harris (electronic filing)
Elaine Granato (electronic filing)
Susan Jackson (electronic filing)