



State of New Jersey
DEPARTMENT OF HEALTH
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Commissioner

February 15, 2023

VIA ELECTRONIC & FIRST-CLASS MAIL

Michael Berman, CFA
CA Senior Marlton Operator LLC
2401 East 2nd Avenue, Suite 500
Denver, Colorado 80206

Re: CA Senior Marlton Operator LLC
Anthology of Marlton
CN ER# 2022-03276-03;01
Proposed Assisted Living Residence
Total Project Cost: \$31,000,000
Expiration Date: February 15, 2028

Dear Mr. Berman:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need application for CA Marlton Operator LLC (Applicant), received on March 8, 2022, pursuant to N.J.A.C. 8:33-5.1(a)(4), to establish a 100-bed Assisted Living Residence, Anthology of Marlton, 880 NJ Route 73 & Dutch Road, Evesham Township, New Jersey 08053, in Burlington County. This application is being approved at the total project cost as noted above.

The Department has 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) and the Department finds that CA Senior Marlton Operator LLC, the proposed licensed operator, has provided an appropriate project description. As previously stated, the application involves the establishment of a new 100-bed assisted living residence. The Applicant states that the facility will be designed to provide the residents with maximum flexibility to ensure their safety and personal choice in a homelike environment. The applicant further states that the facility will also provide services for twenty-four (24) residents with Memory

Care service needs. The project description includes information as to the total project cost of \$31,000,000 for the construction of this new assisted living residence. The operating costs and revenues were provided which reflected that by the second year of operation, the total revenue would be \$6,218,615 and the expenses would be \$5,861,200 so the Applicant would show a profit of \$357,414 by the second year of operation. The Applicant explained that the planned capital structure for this project is 65% commercial loan, 3.5% general partnership equity, and 31.5% limited partnership equity. Utilization statistics project an 80% occupancy rate will be achieved after one year of operation and a 95% occupancy rate after two years of operation.

The Applicant states that the justification for the proposed Assisted Living Residence (N.J.A.C. 8:33-5.3(a)(1)) is that the facility will provide assisted living services in a modern environment that will exceed minimum requirements. The Applicant further states that the facility will provide additional alternatives to nursing home care in the Burlington County service area and promote continuity for patients discharged from area acute care hospitals who are unable to live on their own. Accordingly, the Applicant states that this project will allow the facility to offer residents of the service area increased availability of cost-effective long-term care services. The Applicant further states that the project will provide the option of service in an assisted living setting to provide access that will meet the increasing demand for alternate services. The Applicant assured 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)). According to the Applicant, access to the facility will be promoted through interaction with area residents, local hospitals, community organizations, and social service agencies throughout the county. The Applicant further states that the facility will not discriminate against any resident who meets the admission criteria for the facility, including ethnic background, religion, age, or sex. This residence will be operated in compliance with the regulatory requirement for admission of Medicaid residents and also will provide services to the memory impaired. Documentation that the Applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)) is shown by the project narrative information on the facility services, and the review of the proposed facility architectural plans by Department staff, which confirmed physical plant compliance with Assisted Living regulations in the Department's October 21, 2022 letter for this project. In addition, CA Senior Marlton Operator LLC has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)). There are no significant regulatory compliance events reported in either the New Jersey or out-of-state facilities which are owned, managed, or operated by the Applicant.

As a condition of this approval, a semi-private room can only be occupied by individuals who have consented in writing as part of the admission agreement to the living arrangement. The admission agreement should note that the resident is aware he or she will share a single toilet/bath in the unit and acknowledges there are higher health risks associated with shared occupancy and cohabitation. Under no circumstances shall any resident be coerced or compelled to agree to a semi-private room.

Please be advised that this approval is limited to the application as presented and reviewed. The application, related correspondences, 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 the 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 beds/services until the additional fee is remitted in full.

Pursuant to N.J.S.A. 26:2H-12.16 and N.J.A.C. 8:33H-1.7(f), an existing assisted living residence that adds additional assisted living beds shall be required, as a condition of licensure approval, to maintain 10 percent of the additional licensed beds for Medicaid-eligible persons through Medicaid conversion of persons who enter the assisted living residence as private-paying persons and subsequently become eligible for Medicaid, or through direct admission of Medicaid-eligible persons. An assisted living residence shall achieve this 10 percent Medicaid utilization in the additional beds within three years of licensure to operate these beds and shall maintain this level of Medicaid utilization thereafter.

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 as part of this application, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the New Jersey 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.

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 the applicant 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 high-quality of care to the assisted living residents. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael J. Kennedy, Executive Director, Division of Certificate of Need and Licensing at Michael.Kennedy@doh.nj.gov.

Sincerely,

Robin C. Ford

Robin C. Ford, M.S.
Deputy Commissioner
Health Systems
New Jersey Department of Health

cc: S. Mozgai
M. Kennedy
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