



State of New Jersey  
DEPARTMENT OF HEALTH

PO BOX 358  
TRENTON, N.J. 08625-0358

[www.nj.gov/health](http://www.nj.gov/health)

PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

KAITLAN BASTON, MD, MSc, DFASAM  
Commissioner

INFORMATION REQUIREMENT  
ORDER

CareWell Health Medical Center  
(NJ Facility ID#10704)

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TO: Paige Dworak, FACHE, President and Chief Executive Officer  
CareWell Health Medical Center  
300 Central Avenue  
East Orange, NJ 07018

The Health Care Facilities Planning Act (N.J.S.A. 26:2H-1 et seq.) (the Act) provides a statutory scheme designed to ensure that all health care facilities are of the highest quality. General hospitals are licensed in accordance with N.J.S.A. 26:2H-1 and N.J.A.C. 8:43G. Pursuant to the Act and N.J.A.C. 8:43G, Hospital Licensing Standards, and N.J.A.C. 8:43E, General Licensure Procedures and Standards Applicable to All Licensed Facilities, the Commissioner of the Department of Health (the "Department") is authorized to enforce N.J.A.C. 8:43G and N.J.A.C. 8:33, Certificate of Need: Application and Review Process. As explained below, **the Department is requiring EOH Acquisition Group, LLC, a Delaware limited liability company doing business as CareWell Health Medical Center (CareWell) to file with the Department within 24 hours its disaster plan required by N.J.A.C. 8:43G-5.16 (a).**

**BACKGROUND AND FINANCIAL STATUS**

The Department has been actively monitoring the financial health of CareWell. From its review, the Department determined that CareWell was in financial distress and appointed a monitor on March 11, 2024. After the appointment of the monitor, the Department continues to track the financial stability of the Hospital. Unfortunately, its continued financial observation of the Hospital led the Department to determine that the hospital is in serious financial distress and at risk of further financial deterioration. Specifically, the Department found that the CareWell has consistently maintained low days cash-on-hand, maintained negative operating margins, and a high number of days in Accounts Receivable (AIR) and Accounts Payable (AIP). In addition to the concerns related to financial reporting, the hospital requested an advance on its annual Charity Care subsidy payments for two State Fiscal Years (SFYs) in a row, citing emergency cash flow and other financial issues as the basis for the requests. Based on projections recently shared with the Department, CareWell anticipates needing an advance again in State Fiscal Year 2025. Additionally, the Hospital has not made any payments for the entire fiscal year for

the assessments it owes to the Department. After repeated warnings, the Department recently took action to offset the unpaid revenue with reductions in the Hospital's Medicaid payments.

### **DISASTER PLAN: DUE TO THE DEPARTMENT WITHIN 24 HOURS**

Due to CareWell's significant financial distress, CareWell may experience a disruption in services or be forced to close abruptly. To ensure the health and safety of CareWell's patients in the event of a closure or disruption of services, it shall, within 24 hours of this notice, submit to the Department its disaster plan as it is required to maintain pursuant to N.J.A.C. 8:43G-5.16. The facility shall submit to the Department, **at minimum**, its plan to meet the requirements of N.J.A.C. 8:43G-5.16 (a), below:

- a) The hospital shall have a written, comprehensive disaster plan. The disaster plan, and any updates or changes to it, shall be submitted to the Department and shall include the following:
1. Identification of potential hazards that could necessitate an evacuation, including internal and external disasters such as a natural disaster, labor work stoppage, or industrial or nuclear accidents;
  2. Emergency procedures for evacuation of the hospital;
  - ...
  5. Procedures in the case of interruption of utilities services in a way that affects the health and safety of patients;
  6. Identification of the facility and an alternate facility to which evacuated patients would be relocated;
  7. The estimated number of patients and staff who would require relocation in the event of an evacuation;
  8. The system or procedure to ensure that medical charts accompany patients in the event of patient evacuation, and that supplies, equipment, records, and medications would be transported as part of an evacuation; and
  9. The roles and responsibilities of staff members in implementing the disaster plan.

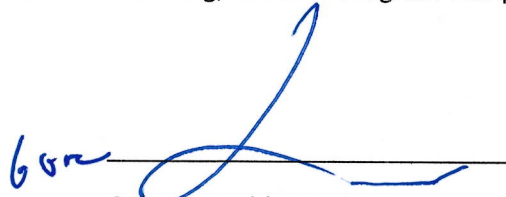
The disaster plan shall be emailed within 24 hours to: [Stefaniej.mozgai@doh.nj.gov](mailto:Stefaniej.mozgai@doh.nj.gov); [Michael.kennedy@doh.nj.gov](mailto:Michael.kennedy@doh.nj.gov); [gene.rosenblum@doh.nj.gov](mailto:gene.rosenblum@doh.nj.gov); [walter.kowalski@doh.nj.gov](mailto:walter.kowalski@doh.nj.gov) and [lisa.king@doh.nj.gov](mailto:lisa.king@doh.nj.gov).

In the event that CareWell is required to implement its disaster plan, the facility is reminded of the other requirements of N.J.A.C. 8:43G-5.16(b) through (k).

N.J.A.C. 8:43E-3.4(a)11 provides a \$250 penalty for the failure to report information to the Department as required by statute or licensing regulation, after reasonable notice and an opportunity to cure the violation, which may be assessed for each day noncompliance is found.

**On all future correspondence related to this Notice, please refer to Control AX24005.**

Thank you for your attention to this important matter and for your anticipated cooperation. Should you have any questions concerning this order, please contact Lisa King, Office of Program Compliance at (609) 984-8128.



Gene Rosenblum, Director  
Office of Program Compliance

DATE: May 6, 2024

REGULAR AND

CERTIFIED MAIL:

RETURN RECEIPT REQUESTED

Control #AX24005