An Examination of the Lowest-Rated Long Term Care Facilities Participating in New Jersey's Medicaid Program

Medicaid Fraud Division

September 2022 Update



KEVIN D. WALSH ACTING STATE COMPTROLLER

Table of Contents

. Executive Summary		
II. Findings	4	_
A. New Jersey's lowest-rated LTCs consistently have performed poorly for many years.	4	
Table A — 12 Lowest-Rated LTCs	5	
Table B — Ratings of 12 Lowest-Rater LTCs: October 2020 - July 2022 Table C — 12 Lowest-Rated LTCs — Overall Ratings Q1	6	
2013 to July 2022	7	
B. New Jersey pays more than \$107 million annually to the 12 lowest-rated LTCs.	7	
Table D — 12 Lowest-Rated LTCs - NJ Medicaid Payments, State Fiscal Year 2017-2021	7	
Table E — 12 Lowest-Rated LTCs - NJ Medicaid Quality Incentive Payments, Per Resident Per Day	9	
C. ALL of the 12 lowest-rated LTCs are for-profit companies.	9	
Table F — Owners of the 12 Lowest-Rated LTCs	10	

I. Executive Summary

This report provides an updated list of New Jersey's residential long-term care facilities (LTCs) — also known as nursing homes¹ — that consistently receive the lowest possible rating. The report addresses how the New Jersey Medicaid program (Medicaid) continues to provide substantial funds to these LTCs despite their longstanding failure to improve the safety and quality of their care.

Based on public data from the U.S. Department of Human Services, Centers for Medicare & Medicaid Services (CMS), the Office of the State Comptroller (OSC) found that New Jersey's 12 lowest-rated LTCs provide services to approximately 1,835 Medicaid beneficiaries. The Medicaid program annually pays these facilities an average of \$107 million.

The list of lowest-rated LTCs includes nursing homes that have received the lowest CMS overall rating (one-star) in the first month of each quarter for six of the past eight quarters from October 2020 to July 2022. OSC's first list of lowest-rated LTCs was released in a February 2, 2022 report. That report identified 15 lowest-rated LTCs. Since that report was issued, 6 LTCs have moved off the list and 3 new LTCs have joined the list. Nine LTCs are on both lists. One of the nine LTCs on both lists was recently shut down.

OSC's February report recommended that the Department of Human Services (DHS) modify the Quality Incentive Payment Program (QIPP). The QIPP provides supplemental payments to LTCs that meet or exceed five quality measures. Effective July 1, 2022, DHS implemented changes to QIPP eligibility standards. These eligibility requirements excluded all of the 12 lowest-rated LTCs from the QIPP in state fiscal year (SFY) 2023.

This update should be read in conjunction with the original February report and the recommendations made in that report to Department of Human Services (DHS) and the Department of Health (DOH).

II. Findings

A. New Jersey's lowest-rated LTCs consistently have performed poorly for many years.

State and federal inspectors regularly inspect New Jersey's LTCs and provide their findings to CMS. The data that results from those inspections allows CMS to compare the quality of LTCs over multiple years, using a one to five-star rating system, with one-star being the lowest and five-stars the highest. CMS compiles this information in its Care Compare website.¹

1. CMS Ratings

The linchpin of the CMS rating system is the health-inspection score. This score is developed based on unannounced site visits conducted by a team of state surveyor healthcare professionals who spend several days in the LTC assessing a variety of practices and policies in such areas as resident rights, quality of life, medication management, skin care, resident assessment, nursing home administration, environment, and kitchen/food services. After CMS establishes an LTC's health-inspection score, it adds or subtracts points based on the LTC's quality and staffing measure scores to arrive at an aggregated score. For an LTC to be among the lowest performers for the first month of each quarter for at least six of the past eight quarters means that the LTC consistently has had more widespread, serious, and uncorrected deficiencies than LTCs with higher star ratings.

2. Ratings for New Jersey's LTCs

OSC examined CMS data from 2013 to 2022, with particular focus on data for October 2020 to July 2022 to assess whether New Jersey LTCs that accept Medicaid beneficiaries performed poorly over an extended number of years.

As one method to evaluate New Jersey's use of Medicaid funds to pay the lowest-rated LTCs, this update focuses on the LTCs that for the first month of six of the past eight quarters (i.e., January, April, July and October) received one-star. Using this metric, OSC identified 12 LTCs that received one-star on these quarterly intervals for at least six of the prior eight quarters. We refer to these LTCs as the "12 lowest-rated LTCs." Nine of these LTCs were included on OSC's original February 2, 2022 list of "15 lowest-rated LTCs." As the Tables below show, we analyzed these LTCs not only in terms of their performance on a quarterly basis for the past eight quarters, but also looking back eight years to 2013.

¹ See CMS Nursing Home, Care Compare Technical Details: https://data.cms.gov/provider-data/topics/ nursing-homes/technical-details.

Table A - 12 Lowest-Rated LTCs

LTC Name	Location	County
CEDAR GROVE RESPIRATORY AND NURSING CENTER ¹ CMS Care Compare Page NJ DOH Page	1420 S. Black Horse Pike Williamstown, NJ 08094	Gloucester
FOREST MANOR HCC CMS Care Compare Page NJ DOH Page	145 State Park Road Hope, NJ 07844	Warren
GROVE PARK HEALTHCARE AND REHABILITATION ² CMS Care Compare Page NJ DOH Page	101 North Grove Street East Orange, NJ 07017	Essex
HAMILTON GROVE HEALTHCARE AND REHABILITATION* CMS Care Compare Page NJ DOH Page	2300 Hamilton Avenue Hamilton, NJ 08619	Mercer
OCEANA REHABILITATION AND NC CMS Care Compare Page NJ DOH Page	502 Route 9 North Cape May Court House, NJ 08210	Cape May
PALACE REHABILITATION AND CARE CENTER CMS Care Compare Page NJ DOH Page	315 West Mill Rd Maple Shade, NJ 08052	Burlington
PHOENIX CENTER FOR REHABILITATION AND PEDIATRICS*3 CMS Care Compare Page NJ DOH Page	1433 Ringwood Avenue Haskell, NJ 07420	Passaic
SILVER HEALTHCARE CENTER*@ ⁴ CMS Care Compare Page NJ DOH Page	1416 Brace Road Cherry Hill, NJ 08034	Camden
SOUTH JERSEY EXTENDED CARE* CMS Care Compare Page NJ DOH Page	99 Manheim Ave- nue Bridgeton, NJ 08302	Cumberland
STERLING MANOR CMS Care Compare Page NJ DOH Page	794 N Forklanding Road Maple Shade, NJ 08052	Burlington

LTC Name	Location	County
WARREN HAVEN REHAB AND NURSING CENTER ⁵ CMS Care Compare Page NJ DOH Page	350 Oxford Road Oxford, NJ 07863	Warren
WOODLAND BEHAVIORAL AND NURSING CENTER*@ ¹ CMS Care Compare Page NJ DOH Page	99 Mulford Road Andover, NJ 07821	Sussex

^{*}LTC identified by the <u>CMS Special Focus Facility Program</u> in July 2022, due to its history of serious quality issues. @ LTC was <u>cited for abuse</u> by CMS in July 2022.

- 1. Formerly Meadowview Nursing and Respiratory Care 2019
- 2. Formerly New Grove Manor 2021
- 3. Formerly Wanaque Center for Nursing and Rehabilitation 2019
- 4. Formerly Alaris Health at Cherry Hill 2016
- 5. Formerly Warren Haven 2015
- 6. Formerly Andover Subacute and Rehab II 2020

As shown in Table B, these 12 lowest-rated LTCs include 3 that received one-star for all 8 quarterly intervals, 6 that received one-star for 7 out of the 8 quarterly intervals, and 2 that received one-star for 6 out of the 8 quarterly intervals dating back to October 2020.

Table B – Ratings of 12 Lowest-Rated LTCs: October 2020- July 2022

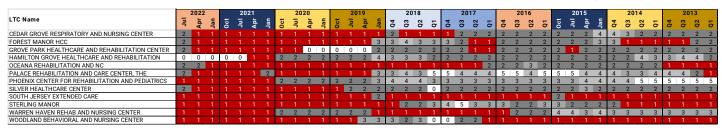
	2022			2021			2020
Jul	Apr	Jan	Oct	Jul	Apr	Jan	Oct
2	1	1	1	1	1	1	1
2	1	1	1	1	1	1	1
2	1	1	1	1	1	1	1
0	0	0	0	0	1	1	2
2	2	1	1	1	1	1	1
2	1	1	1	1	1	2	1
1	1	1	1	1	1	1	2
2	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	1
1	1	1	1	1	1	1	2
1	1	1	1	1	1	1	1
	2 2 2 0 2 2 1 2 1	2 1 2 1 0 0 2 2 2 1 1 1 1 2 1 1 1 1 1 1	2 1 1 2 1 1 0 0 0 2 2 1 1 1 1 1 1 1 1 1 1 1 1	2 1 1 1 1 2 1 1 1 0 0 0 0 0 0 0 0 0 0 0	TO TO<	To To<	The state of the

Note: Hamilton Grove Healthcare and Rehabilitation received an Overall Rating of zero (0) while in the CMS Special Focus Facility
Program

CMS Overall Ratings back to 2013 reveals that many of the 12 LTCs have been among the lowest-rated LTCs for many years. Others appear to have deteriorated over the past several years and remained low. Some experienced fast and precipitous declines, and have remained among the lowest-rated in recent years.

[†] Woodland Behavioral Health recently closed.

Table C – 12 Lowest-Rated LTCs – Overall Ratings Q1 2013 to July 2022



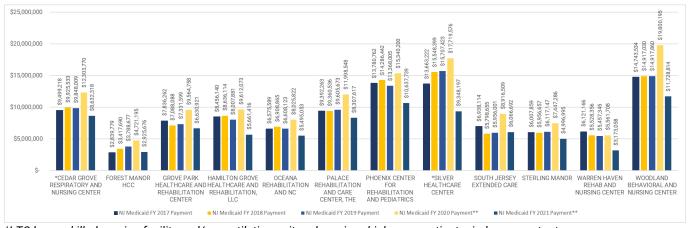
Note: Grove Park Healthcare and Rehabilitation, Hamilton Grove Healthcare and Rehabilitation, Silver Healthcare Center, and Woodland Behavioral and Nursing Center received an Overall Rating of zero (0) while in the CMS Special Focus Facility Program.

In sum, the LTCs identified above currently provide low quality care to their residents and many of them have been providing low quality care for an extended period of time, in some cases dating back more than eight years. (Click here to view larger version of Table C.)

B. New Jersey pays more than \$107 million annually to the 12 lowest-rated LTCs.

The 12 lowest-rated LTCs identified in this update together received \$215 million in Medicaid funds in 2020 and 2021, or more than \$107 million annually.

Table D - 12 Lowest-Rated LTCs - NJ Medicaid Payments, State Fiscal Year 2017 through 2021



^{*}LTC has a skilled nursing facility and/or ventilation unit and receives higher per patient reimbursement rates.

** SFY 2020 was extended three months (July 1, 2019 to September 30, 2020), resulting in increased payments. SFY 2021 was shortened by three months (October 1, 2020 to June 30, 2021), resulting in decreased payments.

LTC Name	NJ Medicaid FY 2017 Payment	NJ Medicaid FY 2018 Payment	NJ Medicaid FY 2019 Payment	NJ Medicaid FY 2020** Payment	NJ Medicaid FY 2021** Payment	TOTAL
CEDAR GROVE RESPIRATORY AND NURSING CENTER*	\$9,499,218	\$9,925,533	\$9,848,009	\$12,303,770	\$8,632,318	\$50,208,848
FOREST MANOR HCC	\$2,839,779	\$3,417,690	\$3,788,677	\$4,721,195	\$2,925,676	\$17,693,018
GROVE PARK HEALTHCARE AND REHABILITATION CENTER	\$7,836,262	\$7,088,088	\$7,331,599	\$9,564,758	\$6,630,921	\$38,451,630
HAMILTON GROVE HEALTHCARE AND REHABILITATION		\$8,636,114	\$8,007,881	\$9,612,073	\$5,661,416	\$40,373,625
OCEANA REHABILITATION AND NC	\$6,575,589	\$6,908,865	\$6,608,123	\$8,025,822	\$5,495,053	\$33,613,453
PALACE REHABILITATION AND CARE CENTER	\$9,392,263	\$9,360,536	\$9,605,673	\$11,998,548	\$8,307,617	\$48,664,637
PHOENIX CENTER FOR REHABILITATION AND PEDIATRICS	\$13,780,762	\$14,286,442	\$13,368,005	\$15,340,200	\$10,637,739	\$67,413,148
SILVER HEALTHCARE CENTER*	\$13,663,222	\$15,548,399	\$15,707,423	\$17,719,576	\$9,348,197	\$71,986,818
SOUTH JERSEY EXTENDED CARE	\$6,938,114	\$5,798,655	\$5,956,001	\$8,916,509	\$6,066,692	\$33,675,971
STERLING MANOR	\$6,007,859	\$5,956,657	\$6,117,147	\$7,447,286	\$4,996,995	\$30,525,944
WARREN HAVEN REHAB AND NURSING CENTER	\$6,121,166	\$5,528,356	\$5,457,345	\$5,561,708	\$3,173,058	\$25,841,631
WOODLAND BEHAVIORAL AND NURSING CENTER	\$14,743,534	\$14,917,030	\$14,917,860	\$19,800,195	\$11,728,814	\$76,107,433

In addition to the payments noted above, beginning in state fiscal year 2020 (July 1, 2019), the Medicaid program, through the Division of Aging Services (DOAS) within DHS, instituted a quality incentive payment program (QIPP) for LTCs. DHS designed the QIPP to provide additional payments to LTCs that demonstrated higher quality/performance. Through the QIPP, LTCs were eligible to receive an additional \$0.60 to \$3.60 per resident per day for meeting or exceeding these five quality measures.²

In state fiscal year 2022, the 12 lowest-rated LTCs received an average of \$2.20 per resident per day in QIPP payments. The average QIPP payments for all LTCs for this same period was \$2.55, just \$0.35 more. Following OSC's February 2022 Report, DOAS implemented changes to the eligibility requirements for the QIPP program. Specifically, effective starting July 1, 2022, DOAS excluded from QIPP eligibility LTCs that received a One-Star Overall Rating, were a CMS Special Focus Facility, and/or had two or more high severity deficiencies during a DOH inspection. These eligibility requirements effectively excluded each of the 12 lowest-rated LTCs from the QIPP in SFY 2023. See Table E.

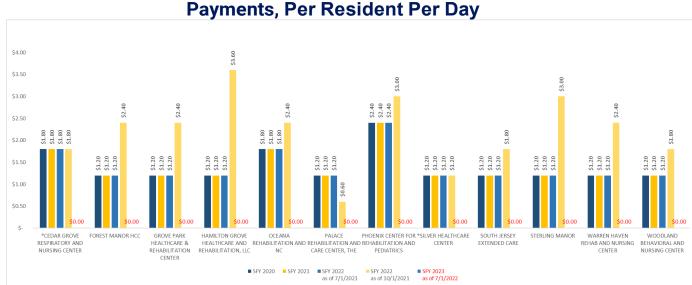


Table E – 12 Lowest-Rated LTCs - NJ Medicaid Quality Incentive Payments, Per Resident Per Day

*LTC is a skilled nursing facility and/or ventilation unit and receives higher per patient reimbursement rates.

C. ALL of the 12 lowest-rated LTCs are for-profit companies

Most New Jersey LTCs operate under for-profit ownership models. We note that of the 12 lowest-rated LTCs listed above, four of the owners/managers/3rd party administrators are also involved in at least two other LTCs on the lowest-rated LTC list. One of these owners/managers/ administrators is affiliated with 34 LTCs in New Jersey. Set forth below is a complete breakdown of the affiliations of all five of these owners, managers, and administrators.³

 An owner of Forest Manor HCC and Warren Haven Rehab and Nursing Center is affiliated with two LTCs that received a two-star or lower score in July 2022 and with a total of two LTCs in

² See DOAS website at: https://www.state.nj.us/humanservices/doas/resources/.

³ OSC downloaded NJ Medicaid payment data from fiscal years 2017, 2018 and 2019 from the NJ Medicaid System/Shared Data Warehouse and combined Medicaid claims payment data for both Fee for Service and Managed Care Organizations for total payment amounts. The amounts provided are estimates/averages and do not account for future claim edits and/or retractions.

New Jersey.

- A manager of South Jersey Extended Care, and Sterling Manor, is affiliated with six LTCs that received a two-star or lower score in July 2022 and with a total of eight LTCs in New Jersey;
- An administrator of Palace Rehabilitation and Care Center and Silver Health Care Center is affiliated with 10 LTCs that received a two-star or lower score in July 2022 and with a total of 34 LTCs in New Jersey; and
- An owner/manager of Oceana Rehabilitation and Nursing Care, South Jersey Extended Care, and Sterling Manor, is affiliated with three LTCs that received a two-star or lower score in October 2021 and with a total of three LTCs in New Jersey.

Table F – Owners of the 12 Lowest-Rated LTCs

(Owners of more than one One-Star LTC on the list are noted in red.)

FACILITY NAME	OWNERSHIP	OWNER/MANAGER NAME & ROLE IN
CEDAR GROVE RESIPRATORY AND NURSING CENTER Legal Business Name: GARDENVIEW OPCO LLC	For profit - Limited Liability Company	 FACILITY BAK, PINCHOS, 5% OR GREATER DIRECT OWNERSHIP INTEREST -17%/ DIRECTOR BROYDE, YISROEL, MANAGING EMPLOYEE FRIEDMAN, LEOPOLD, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50% GOLDBERGER, SHLOMO, 5% OR GREATER DIRECT OWNERSHIP INTEREST -17% SONNENSCHEIN, MOSHE, 5% OR GREATER DIRECT OWNERSHIP INTEREST -16%
FOREST MANOR HCC Legal Business Name FOREST MANOR MANAGEMENT, LLC	For profit - Partnership	 FARKAS, ZEV, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -50%/ MANAGING EMPLOYEE FOREST MANOR AQUISITION 1LLC, 5% OR GREATER DIRECT OWNERSHIP INTEREST -100% NICHOLSON, WILLIAM, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -50%
GROVE PARK HEALTHCARE AND REHABILITAITON CENTER Legal Business Name GARDEN STATE NURSING HOME INC.	For profit – Corporation	COHEN, CHAYA, 5% OR GREATER DIRECT OWNERSHIP INTEREST -100%/ MANAGING EMPLOYEE

FACILITY NAME	OWNERSHIP	OWNER/MANAGER NAME & ROLE IN FACILITY
HAMILTON GROVE HEALTHCARE AND REHABILITATION Legal Business Name HAMILTON GROVE HEALTHCARE AND REHABILITATION LLC	For profit – Partnership	 DREW, ZALMAN, 5% OR GREATER DIRECT OWNERSHIP INTEREST FEIGENBAUM, AVRAHAM, 5% OR GREATER DIRECT OWNERSHIP INTEREST FEIGENBAUM, DEBORAH, 5% OR GREATER DIRECT OWNERSHIP INTEREST GOLDSTEIN, PINNY, MANAGING EMPLOYEE MAIEROVITS, AVROHOM, 5% OR GREATER DIRECT OWNERSHIP INTEREST
OCEANA REHABILITATION AND NC Legal Business Name OCEANA REHAB AND NURSING LLC	For profit - Corporation	OCEANA REHAB & NURSING LLC, OPERATIONAL/MANAGERIAL CONTROL WEISZ, MARK, 5% OR GREATER DIRECT OWNERSHIP INTEREST/ MANAGING EMPLOYEE
PALACE REHABILITATION AND CARE CENTER Legal Business Name THE PALACE REHABILITATION AND CARE CENTER LLC	For profit - Corporation	 ROSENBERG, ESTHER, 5% OR GREATER DIRECT OWNERSHIP INTEREST ROSENBERG, JONATHAN, 5% OR GREATER DIRECT OWNERSHIP INTEREST SHAPIRO, CHAIM, MANAGING EMPLOYEE STERN, SAM, OFFICER THE PALACE REHABILITATION AND CARE CENTER LLC, 5% OR GREATER DIRECT OWNERSHIP INTEREST
PHOENIX CENTER FOR REHABILITATION AND PEDIATRICS Legal Business Name NORTH JERSEY PEDIATRIC AND ADULT NURSING AND WELLNESS CENTER, LLC	For profit - Individual	 ISLAM, NATASHA, OPERATIONAL/MANAGERIAL CONTROL KRAUS, ABRAHAM, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50% PHILIPSON, BENT, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50%

FACILITY NAME	OWNERSHIP	OWNER/MANAGER NAME & ROLE IN FACILITY
SILVER HEALTHCARE CENTER Legal Business Name THE SILVERCARE LLC	For profit - Corporation	 LANDA, BENJAMIN, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -20% LOWDEN, SANDRA, MANAGING EMPLOYEE MARINA CH, LLC, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -10% MTC FAMILY, LLC, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -31% PHILIPSON FAMILY LIMITED LIABILITY COMPANY, LLC, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -20% STERN, SAM, OFFICER THE SILVERCARE LLC, 5% OR GREATER DIRECT OWNERSHIP INTEREST -100%
SOUTH JERSEY EXTENDED CARE Legal Business Name HW WEIDCO REN LLC	For profit - Limited Liability Company	COMPREHENSIVE HEALTH CARE MANAGEMENT SYSTEMS LLC, OPERATIONAL/MANAGERIAL CONTROL KRAUSMAN, STEVEN, OPERATIONAL/MANAGERIAL CONTROL WEISZ, MARK, 5% OR GREATER DIRECT OWNERSHIP INTEREST
STERLING MANOR Legal Business Name HW WEIDCO STER LLC	For profit - Limited Liability Company	 KRAUSMAN, STEVEN, MANAGING EMPLOYEE WEISZ, MARK, 5% OR GREATER DIRECT OWNERSHIP INTEREST -100%
WARREN HAVEN REHAB AND NURSING CENTER Legal Business Name WH HOLDINGS 1 LLC	For profit - Limited Liability Company	 FARKAS, ZEV, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -25% JL WARREN 1 LLC, 5% OR GREATER INDIRECT OWNERSHIP INTEREST LOBELL, JONAH, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -50% SCHLANGER, JOSEPH, 5% OR GREATER INDIRECT OWNERSHIP INTEREST -25%/ MANAGING EMPLOYEE WHZJ HOLDINGS 1 LLC, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50%
WOODLAND BEHAVIORAL AND NURSING CENTER Legal Business Name ALLIANCE HC 11 LLC	For profit - Limited Liability Company	 BRADFORD, CYNTHIA, MANAGING EMPLOYEE SCHEINBAUM, CHAIM, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50% SCHWARTZ, LOUIS, 5% OR GREATER DIRECT OWNERSHIP INTEREST -50%