



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

In Re:

ATRIUM POST ACUTE CARE OF WAYNEVIEW  
(NJ Facility ID# NJ61629)

INFORMATION REQUIREMENT  
ORDER

TO: Avalon Garden Group, LLC  
2020 Route 23  
Wayne, New Jersey 07470  
[rivkik@ltcally.com](mailto:rivkik@ltcally.com)  
[alteew@ltcally.com](mailto:alteew@ltcally.com)  
[esther@accelahc.com](mailto:esther@accelahc.com)

Avalon Garden Group LLC  
Re: Atrium Post Acute Care of Wayneview  
670 Flushing Ave Suite 213  
Brooklyn, NY 11206

As more fully detailed below, the New Jersey Department of Health (the Department) hereby orders Avalon Garden Group, LLC, in its capacity as proposed transferee of the license of Atrium Post Acute Care of Wayneview (Atrium) to submit to the Department information that is needed to verify the current ownership and operating status of Atrium.

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. Pursuant to the Act and N.J.A.C. 8:43E-1.1 et seq. (General Licensure Procedures and Standards Applicable to All Licensed Facilities), the Commissioner of Health is authorized to inspect all health care facilities and to enforce the Standards for Licensure of Long-Term Care Facilities set forth at N.J.A.C. 8:39-1.1 et seq. Pursuant to N.J.S.A. 26:2H-5e, “[a]t the request of the commissioner, health care facilities shall furnish to the Department of Health and Senior Services such reports and information as it may require to effectuate the provisions and purposes of this act, excluding confidential communications from patients.” Moreover, pursuant to N.J.S.A. 26:2H-42.1(c), the Department may take appropriate actions to ensure continuity of care for, and the safety of, residents of long-term care facilities that are in financial distress.

**MEDICAID FRAUD DIVISION SUSPENSION**

Atrium is licensed by the Department as a long-term care facility with a 170-bed capacity. As a long-term care facility, Atrium is required to provide comprehensive nursing home services, including dietary services, social services and medical care, in a safe environment to medically frail and cognitively impaired individuals.

To maintain its license, Atrium must maintain its ability to provide its nursing home residents with the necessary services called for under the rules.

On February 6, 2025, the New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), issued a Self-Executing Notice of Suspension stating its intent to suspend 2020 Route 23 Operating LLC, doing business as Atrium Post Acute Care of Wayneview, Kevin Breslin, KBWB Operations, LLC and its owners from further participation in any capacity in the New Jersey Medical Assistance and Health Services ("Medicaid"), NJ FamilyCare, Work First New Jersey/General Assistance, Pharmaceutical Assistance to the Aged and Disabled, and Senior Gold Prescription Discount Programs, and any other programs administered in whole or in part by the Division of Medical Assistance and Health Services (DMAHS), effective 60 days from the date of the notice. This action was based on the guilty plea filed by KBWB Operations LLC d/b/a Atrium Health and Senior Living on January 17, 2025, in the U.S. District Court for the Western District of Wisconsin, to one count of healthcare fraud in violation of 18 U.S.C. § 1347 and one count of tax conspiracy in violation of 18 U.S.C. § 371. Additionally, Kevin Breslin, a co-owner of KBWB Operations, LLC, pleaded guilty to identical charges in the U.S. District Court for the Western District of Wisconsin on December 9, 2024.

As a result of its suspension, and the suspension of related individuals and entities, DMAHS will not pay for any item or service that Atrium furnishes, directs, orders, prescribes, manages or supervises, or in which Atrium, and/or the excluded individuals or entities, participate in any manner, pursuant to N.J.A.C. 10:49-11.1(b). If Atrium is employed by or contracts with a provider (including a Managed Care Organization) in any of the programs that are reimbursed on a fee-for-service basis, or if Atrium is associated with a Managed Care Organization with which DMAHS contracts, DMAHS will not authorize payment for any item or service in which Atrium and/or the excluded individuals or entities are involved in any capacity.

According to Medicare cost report records for fiscal year 2023, Atrium had a proportion of 84.66% of patient days billed to a Medicaid payer. As of May 7, 2025, when its suspension from the Medicaid program takes effect, Atrium will no longer have its overwhelming revenue source, which is necessary for it to pay for its staff and the goods and services necessary to operate the long-term care facility. Financial failure will subject the residents of the facility to either actual harm, or an immediate and serious risk of harm, because the facility may be unable to provide its residents with necessary care and services.

Pursuant to N.J.A.C. 8:39-9.1(b), "[t]he facility shall not be owned or operated by any person convicted of a crime relating adversely to the person's capability of owning or operating the facility." Further, N.J.A.C. 8:33-4.10(d)(3) provides that "[a] certificate of need application may be denied where an applicant has not demonstrated such capacity, as evidenced by continuing violations or a pattern of violations of State licensure standards or Federal certification standards or by existence of a criminal conviction or a plea of guilty to a charge of fraud, patient or resident abuse or neglect, or crime of violence or moral turpitude."

### **KBWB Operations, LLC**

In a February 12, 2025, submission to OSC, counsel to KBWB Operations, LLC ("KBWB"), along with its subsidiaries 2020 Route 23 Operating Company LLC, 1120 Alps Road Operating Company LLC, and 120-124 Noyes Drive Operating Company, LLC, and KBWB's members (except for Kevin Breslin), in their capacity as members of KBWB, informed the Department that KBWB had twelve long-term care facilities in New Jersey. The letter states that in 2018, management and control of those facilities was transitioned to an unrelated operator, Spring Hills and that, pursuant to agreements between KBWB and Spring Hills, KBWB agreed to transfer the facilities to Spring Hills in exchange for Spring Hills funding the continued operations of the facilities and assuming some, but not all, of KBWB's debt. Further, according to the submission, following the COVID-19 pandemic, Spring Hills in turn transferred the legacy KBWB facilities to different operators and change of operation applications were submitted to the Department.

The letter summarized the transactions for Atrium as follows:

- a. The facility's land located at 2020 Route 23 was sold to an affiliate of Accela in May 2024.
- b. Day-to-day operational and financial responsibility for the facility was transferred to an affiliate of Spring Hills in October 2018. An application for transfer of licensure to an independent third-party owner/operator affiliate of Accela is pending at NJDOH.

KBWB's counsel acknowledges that the license for Atrium Post Acute Care of Wayneview remains in the name of KBWB affiliates and therefore the ability to receive Medicare and Medicaid dollars from the Centers for Medicare and Medicaid Services ("CMS") remains tied to KBWB affiliates. Counsel contends that KBWB is merely serving as a "pass through entity" for Medicare and Medicaid funds.

#### **INFORMATION REQUIREMENT ORDER**

By March 13, 2025, Avalon Garden Group, LLC shall provide to the Department the following information and documentation clarifying the ownership and management status of Atrium Post Acute Care of Wayneview:

- a. Specify whether the account set forth above by KBWB's counsel of the transactions with Avalon Garden Group, LLC entities is accurate and provide a copy of the contracts with KBWB or its related entities;
- b. Specify who is the current owner of the Atrium skilled nursing facility and the date on which they became the owner;
- c. If Avalon Garden Group, LLC is not the current owner of the Atrium skilled nursing facility, specify the entity from whom it is purchasing it and provide the Department with a copy of any underlying contracts;
- d. Specify who is the current operator of the Atrium skilled nursing facility and provide a copy of the current Operations Transfer Agreement;

The information required pursuant to this order shall be emailed 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), [Lisa.King@doh.nj.gov](mailto:Lisa.King@doh.nj.gov), and [Jean.Markey@doh.nj.gov](mailto:Jean.Markey@doh.nj.gov).

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.

Thank you for your attention to this important matter and for your anticipated cooperation. If you have any questions concerning this order, please contact Lisa King, Office of Program Compliance, at [Lisa.King@doh.nj.gov](mailto:Lisa.King@doh.nj.gov).

Sincerely,

  
Gene Rosenblum, Director  
Office of Program Compliance  
Division of Certificate of Need and Licensing

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DATED: March 11, 2025

E-MAIL [rivkik@ltcally.com](mailto:rivkik@ltcally.com)  
[alteew@ltcally.com](mailto:alteew@ltcally.com)  
[esther@accelahc.com](mailto:esther@accelahc.com)

REGULAR AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
Control #X25058

C. Order Service List