



State of New Jersey  
DEPARTMENT OF HEALTH  
PO BOX 358  
TRENTON, N.J. 08625-0358

PHILIP D. MURPHY  
Governor

TAHESHA L. WAY  
Lt. Governor

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

KAITLAN BASTON, MD, MSc, DFASAM  
Commissioner

In Re:

AVALON REHAB AND CARE CENTER  
(NJ Facility ID# NJ61629)

INFORMATION REQUIREMENT  
ORDER

TO: Eli Berman, Administrator  
Avalon Rehab and Care Center  
2020 Route 23 North  
Wayne, New Jersey 07470  
[avalonpac61629@avaloncarecenter.com](mailto:avalonpac61629@avaloncarecenter.com)  
[bmcmonigle@avaloncarecenter.com](mailto:bmcmonigle@avaloncarecenter.com)

As more fully detailed below, the New Jersey Department of Health (the Department) hereby orders Avalon Rehab and Care Center (Avalon) to submit to the Department a draft closure plan, which is needed because the facility's financial viability, and consequently the provision of services to residents in its care, is threatened by its anticipated suspension and the anticipated suspension of related individuals and entities, from the New Jersey Medicaid program. The Department must ensure continuity of care to residents and an orderly transition in the event of a facility closure. Although the facility anticipates continued operation via a transfer of ownership to Avalon Garden Gr LLC, the Department has not yet approved the transfer of ownership and the transfer therefore has not been consummated.

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

Avalon is licensed by the Department as a long-term care facility with a 170-bed capacity. As a long-term care facility, Avalon 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, Avalon 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 Company, LLC, doing business as Avalon Rehab and Care Center, 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 Avalon Heath 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 Avalon furnishes, directs, orders, prescribes, manages or supervises, or in which Avalon, and/or the excluded individuals or entities, participate in any manner, pursuant to N.J.A.C. 10:49-11.1(b). If Avalon 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 Avalon is associated with a Managed Care Organization with which DMAHS contracts, DMAHS will not authorize payment for any item or service in which Avalon and/or the excluded individuals or entities are involved in any capacity.

According to Medicare cost report records for fiscal year 2023, Avalon 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, Avalon 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."

#### **INFORMATION REQUIREMENT ORDER**

By April 9, 2025, Avalon shall provide to the Department the following:

1. A draft closure plan providing for the orderly transition of residents and their property in the event of a facility closure; and,
2. Completion of the attached Resident Demographic form.

The information required pursuant to this order shall be emailed to: Stefaniej.Mozgai@doh.nj.gov, Michael.Kennedy@doh.nj.gov, Gene.Rosenblum@doh.nj.gov, Lisa.King@doh.nj.gov, and 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.

Please note that if the facility is not financially viable or intends to close, pursuant to N.J.S.A. 26:2H-126, a long-term care facility is required to provide its residents, its residents' legal representatives, if any, and the Department with written notice when the facility is slated for closure. Such notice must be provided at least 60 days prior to the closure. While the statute permits the Department to waive the 60-day notice requirement, such a waiver is limited to emergency situations that warrant a more immediate closure of the facility. In addition, pursuant to N.J.A.C. 8:39-4.1, "[e]ach resident shall be entitled to...receive written notice at least 30 days in advance when the nursing home requests the resident's transfer or discharge, except in an emergency. Written notice shall include the name, address, and telephone number of the State Long-Term Care Ombudsman, and shall also be provided to the resident's next of kin or guardian 30 days in advance." N.J.A.C. 8:39-4.1(a)32.

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

GR:JLM:nj  
DATED: April 4, 2025  
Enclosure  
E-MAIL  
REGULAR AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED  
Control #X25091

C. Order Service List