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KAITLAN BASTON, MD, MSc, DFASAM Acting Commissioner

LIMECREST SUBACUTE AND REHABILITATION CENTER (NJ Facility ID# NJ61902)

INFORMATION REQUIREMENT ORDER

TO:

Sonia Valmonte, Administrator Limecrest Subacute and Rehabilitation Center P.O. Box 1279 1 O'Brien Lane Lafayette, New Jersey 07848 SVelmonte@limecrestrehab.com

The New Jersey Department of Health (Department) is vested with the responsibility of carrying out the provisions of the Health Care Facilities Planning Act (Act), N.J.S.A. 26:2H-1 to -27, which was enacted, in part, to ensure that all hospitals, long-term care and related health care services, rendered in the State of New Jersey are of the highest quality. Pursuant to N.J.S.A. 26:2H-5(a), and the Department's rules, 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 <u>N.J.A.C</u>. 8:39-1.1 <u>et seq</u>. In particular, the commissioner is empowered to inquire into health care services and the operation of health care facilities and to conduct periodic inspections of such facilities with respect to the fitness and adequacy of the premises, equipment, personnel, rules and bylaws and the adequacy of financial resources and sources of future revenues. Further, pursuant to N.J.S.A. 26:2H-5(e), at the request of the commissioner, health care facilities shall furnish to the Department such reports and information as it may require to effectuate the provisions and purposes of the Act. 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.

On November 21, 2023, based on deficiencies found in a survey beginning on November 17, 2023, the Department issued a verbal order to curtail all admissions, with the exception of readmissions, and imposed a Directed Plan of Correction requiring Limecrest to retain the full-time services of a Consultant Administrator, Consultant Director of Nursing, and a Certified Infection Control Practitioner (ICP) consultant. The Department memorialized that order in a written order issued on November 22, 2023.

Effective immediately, the Department is issuing Limecrest Subacute and Rehabilitation Center ("Limecrest") this Information Requirement Order. As detailed more fully below, Limecrest's financial viability, and consequently the provision of services to residents in its care, is threatened by its anticipated suspension, and the suspension of its owners, from the New Jersey Medicaid program.

FINANCIAL STATUS

This Information Requirement Order is based on information the Department received from the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division (MFD). Specifically, the Department became aware that on October 25, 2023, MFD issued Self-Executing Notices of Disqualification stating its intent to disqualify Limecrest, and its owners, Alliance HC Holdings, LLC, Chaim Scheinbaum and Louis Schwartz, effective sixty (60) days from the date of the notice, from the New Jersey Medical Assistance and Health Services (NJ Medicaid) program and any other program administered in whole or in part by the Division of Medical Assistance and Health Services ("DMAHS"). Upon information and belief, Limecrest and its owners appealed and, as a result, the disqualifications were stayed pending a final decision on the matter. However, on December 14, 2023, MFD issued Notices of Suspension ("MFD Suspension Notices") to become effective in 100 days from that date, suspending Limecrest, and its owners, Alliance HC Holdings, LLC, Chaim Scheinbaum and Louis Schwartz, from the NJ Medicaid program and any other program administered in whole or in part by DMAHS.

Given the facts currently before the Department, specifically that Limecrest receives 88% of its revenue from the Medicaid program, when the suspensions take effect, Limecrest may be unable to pay for its staff and for the goods and services necessary to operate the long-term care facility. Such failure will subject the residents of the facility to either actual harm, or an immediate and serious risk of harm, because the facility will not be able to provide its residents with necessary care and services.

INFORMATION REQUIREMENT ORDER

In accordance with <u>N.J.S.A.</u> 26:2H-5, <u>N.J.S.A.</u> 26:2H-42.1(c) and <u>N.J.A.C</u>. 8:43E- 3.1, the Department hereby notifies Limecrest that it shall have until January 2, 2024 to provide the following information.

A. FINANCIAL PLAN

By January 2, 2024, Limecrest shall provide information demonstrating its financial ability to continue to operate its long-term care facility. Specifically, Limecrest shall, on or before January 2, 2024, submit to the Department the following:

- 1. Proof of its ability to meet payroll for 60 days beyond the March 23, 2024 effective date of the MFD suspension notices; and
- Proof of its ability to meet all its operating expenses, including but not limited to medication, supplies, food, and contracted services, to ensure continuity of care and delivery of services to residents for 60 days beyond the March 23, 2024 effective date of the MFD suspension notices; and
- 3. If Limecrest plans to demonstrate its ability to meet payroll and all its operating expenses beyond March 23, 2024 by transferring ownership of the facility, Limecrest shall, at minimum, identify the proposed new owner and the closing date, and provide evidence of confirmation of same by the proposed new owner.

Please note 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.

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

Sincerely,

June Usullum Gene Rosenblum, Director

Office of Program Compliance

Division of Certificate of Need and Licensing

DATED: December 27, 2023 E-MAIL REGULAR AND CERTIFIED MAIL RETURN RECEIPT REQUESTED Control #X 23044

C.

Pamela Lebak, Health Facility Survey and Field Operations