



State of New Jersey
DEPARTMENT OF HEALTH

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

www.nj.gov/health

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

JEFFREY A. BROWN
Acting Commissioner

In Re Licensure Violation:	:	
	:	
Silver Lake Hospital LTACH	:	INFORMATION REQUIREMENT
	:	ORDER
(NJ Facility ID# NJ 24009)	:	
	:	
	:	

TO: Dr. Richard Lipsky, President and Chief Executive Officer
Etiosa Uwumarogie, President and Chief Clinical Officer
Silver Lake Hospital LTACH
495 N. 13th Street
Newark, New Jersey 07107
Richard.Lipsky@silverlakehospital.org
Etiosa.Uwumarogie@silverlakehospital.org

Dear Dr. Lipsky and Mr. Uwumarogie:

As more fully detailed below, the New Jersey Department of Health (the Department) hereby orders Silver Lake Hospital LTACH (Silver Lake or the Hospital) to submit to the Department current financial information, which is needed by the Department to ensure patient safety in view of the Department's concerns about the Hospital's financial viability.

The Department is vested with the responsibility of carrying out the provisions of the Health Care Facilities Planning Act (the Act), N.J.S.A. 26:2H-1 et seq., which provides a statutory scheme designed to ensure that all health care facilities 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 N.J.A.C. 8:43G-1.1 et seq. (Hospital Licensing

Standards). 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.” N.J.S.A. 26:2H-5(a). 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 the Department may require to effectuate the provisions and purposes of the Act.

FINANCIAL STATUS

According to information from the Department’s Office of Health Care Financing obtained from the Centers for Medicare & Medicaid Services Hospital Provider Cost Report, as of March 2024, Silver Lake was financially insolvent. The Hospital had annual operating expenses of \$33,939,162, compared to just over \$12 million in net patient revenue, equating to operating margins of -181 percent. The Hospital’s net loss of \$26.7 million was nearly double the loss of the prior year, and it had only \$43,046 in cash on hand, representing less than half of the average daily expense of \$92,730 needed to run the Hospital. Silver Lake’s current ratio, a ratio of total current assets to total current liabilities and an indicator of financial health, is .08, further pointing to a Hospital that is in financial distress.

In addition, pursuant to a 2024 settlement agreement with the federal government, Silver Lake has agreed to pay over \$18.6 million, plus interest, to resolve alleged False Claims Act violations for claiming excessive cost outlier payments from the Medicare program. The payment schedule for the settlement continues until March 2029.

Further, according to information available to the Department, Silver Lake had not paid its assessment due under the New Jersey County Option Hospital Fee Program in over three years.

On July 30, 2025, the Department issued an Information Requirement Order that required Silver Lake to provide the Department with a current balance sheet and profit and loss statement and an explanation of how the Hospital plans to remain open and operational given the indicators of financial distress set forth above. According to the Hospital’s response to the Information Requirement Order, the Hospital’s Medicare cost report for the fiscal year ending March 31, 2025, will be submitted by August 31, 2025, and will purportedly demonstrate the Hospital’s financial recovery and stability. Further, the Hospital asserts that it has no ongoing issues with the Essex County Option Hospital Fee Program.

INFORMATION REQUIREMENT ORDER

The Hospital shall provide to the Department the following information:

1. The Hospital's Medicare cost report for the fiscal year ending March 31, 2025.
2. Proof of payment of the New Jersey County Option Hospital Fee Program for the last five years.
3. A current balance sheet and profit and loss statement.

The Hospital shall respond to this order by August 31, 2025, by sending the information to Kimberly.Hansen@doh.nj.gov, Noah.Glyn@doh.nj.gov, Gene.Rosenblum@doh.nj.gov, Lisa.King@doh.gov, and Jean.Markey@doh.nj.gov.

N.J.A.C. 8:43E-3.4(a)11 provides for 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. The Department requested a current balance sheet and profit and loss statement in the July 30, 2025, Information Requirement Order. The Department is providing the Hospital an opportunity to cure the violation by submitting the current balance sheet and profit and loss statement no later than August 31, 2025, as well as the Hospital's Medicare cost report for the fiscal year ending March 31, 2025, and proof of payment of the New Jersey County Option Hospital Fee Program. If the requested information is not provided by that date, the Department will impose a \$250 per day penalty beginning August 5, 2025, the date the information was originally due to be provided, and continuing until the facility produces the requested documentation.

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,



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

GR:JLM:nj
DATE: August 15, 2025
E-MAIL
REGULAR AND CERTIFIED MAIL

Silver Lake Hospital LTACH
Information Requirement Order
August 15, 2025
Page 4

RETURN RECEIPT REQUESTED
ENCLOSURE

c. Elizabeth G. Litten, Esquire (elitten@foxrothschild.com)
Order Distribution List

Control # AX25026