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KAITLAN BASTON, MD, MSc, DFASAM Acting Commissioner

In Re Licensure Violation:

PRINCETON CARE CENTER

(NJ Facility ID# NJ61107)

NOTICE OF INTENT TO SUMMARILY SUSPEND

TO:

Ezra Bogner, Administrator Princeton Care Center 728 Bunn Drive Princeton, New Jersey 08540 e.bogner@princetoncare.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 the Act, namely N.J.S.A. 26:2H-5, 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 N.J.A.C. 8:39-1.1 et seq.

Effective immediately, the Department is issuing Princeton Care Center a Notice of Intent to Summarily Suspend its long-term care facility license. As detailed more fully below, Princeton Care Center's ongoing and significant financial distress imposes an imminent threat to the care of its residents if it is not immediately rectified. These financial difficulties are evidenced by its failure to pay rent due to its landlord, delayed payment of staff payroll, a State Superior Court-Chancery Division order for the appointment of a receiver for the facility, interruption in payments for service and/or supply vendors, and frozen cash assets, including resident personal needs allowance accounts. Indeed, the financial data received by the Department from Princeton Care Center confirms that the facility is currently in serious financial distress.

FINANCIAL DISTRESS

This notice of intent to summarily suspend the license of Princeton Care Center is supported by facts gathered by and reported to the Department that Princeton Care Center has insufficient funds to operate the facility and make payroll. Information gathered by the Department at surveys of the facility and through information received by the Department arising from pending litigation (See Princeton, LLC v. Princeton Nursing Home and Rehabilitation Center, Inc. Docket No.: MER-C-27-23) demonstrate that Princeton Care Center is in extreme financial distress. Specifically, Princeton Care Center has failed to pay its rent for a

significant amount of time, which caused the landlord to seek the eviction of the long-term care facility and the appointment of a receiver to take over operations of the facility. The landlord's petition for a receiver was granted on July 28, 2023, which permits Princeton Care Center's landlord to submit the name and qualifications of a proposed interim receiver to the Court for appointment. However, a proposed receiver has not been presented to the Court for appointment. Thus, to date, a receiver has not been appointed to take control of the facility and take necessary action to move the facility into financial solvency. Further demonstrating its financial distress is the fact that Princeton Care Center no longer has a food service vendor contract due to its lack of payment for the services, which requires the facility to resort to purchasing food from Costco and Instacart to feed its residents. Exhibiting further financial troubles for the facility, the Department learned that Princeton Care Center failed to make its payroll as scheduled on August 3, 2023, which raised significant concerns with the facility's staff. Princeton Care Center did make payroll on August 4, 2023, at noon, and advised the Department that it could make payroll on August 17, 2023, which is the next date that payroll is to be issued, however, the financial data currently before the Department indicates that future payroll as well as payments for goods and services that are necessary for the operation of the facility are unlikely to made. The Department's determination that future payments for payroll, goods and services will not be made by Princeton Care Center is supported by the fact that the facility's bank accounts have been levied upon and frozen, including the personal needs accounts of residents of the facility. Given the facts currently before the Department, the Department has determined that Princeton Care Center has an inability to not only pay for its staff but to also pay for the goods and services necessary to operate the long-term care facility. Such failure will subject the residents of the facility to immediate jeopardy and the likelihood of imminent harm to their health and safety because the facility will not be able to provide its residents with the necessary care and services.

CORRECTIVE ACTION:

In accordance with N.J.S.A. 26:2H-14 and N.J.A.C. 8:43E-3.8, the Department hereby notifies Princeton Care Center that it shall have 72 hours in which to demonstrate its financial ability to continue to operate the long-term care facility. See also N.J.S.A. 26:2H-42.1(c) (providing that 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). Specifically, the Facility shall, within 72 hours, submit to the Department the following:

- 1. Proof of its ability to meet payroll on August 17 and August 31, 2023; and
- 2. 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 until August 31, 2023.

If Princeton Care Center fails to establish its financial ability to operate the facility within 72 hours and it continues to pose an immediate threat to the health, safety or welfare of the public or the residents of the Facility, then the Department will issue a notice of summary suspension of Princeton Care Center's license, which will provide a time period to effect an orderly transfer of residents, and order immediate correction of any violations as a prerequisite to reinstatement of the license.

RIGHT TO HEARING

In the event the Department issues Princeton Care Center a summary suspension, the Facility will have a right to a hearing consistent with <u>N.J.S.A</u>. 26:2H-14.

NOTIFICATION OF RESIDENTS

The facility shall be prepared to notify residents, family members and legal representatives, pursuant to $\underline{\text{N.J.S.A.}}$ 26:2H-126, and be prepared to enact its emergency plan, pursuant to $\underline{\text{N.J.A.C.}}$ 8:39-31.6, to effectuate an orderly transfer of residents in the event the Department moves forward with a summary suspension.

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:WCK:nj
DATED: August 10, 2023
E-MAIL
REGULAR AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Control #X23031

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