



State of New Jersey
DEPARTMENT OF HEALTH

PO BOX 358

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www.nj.gov/health

PHILIP D. MURPHY
Governor

TAHESHA L. WAY
Lt. Governor

KAITLAN BASTON, MD, MSc, DFASAM
Commissioner

In Re:

STERLING MANOR
(NJ Facility ID# NJ060312)

INFORMATION REQUIREMENT
ORDER

TO: Andrew Fritz, Administrator
Sterling Manor
794 North Forklanding Road
Maple Shade, New Jersey 08052
AFritz@sterlingmanorNC.com

As more fully detailed below, the New Jersey Department of Health (the Department) hereby orders Sterling Manor to submit to the Department within seven days information that is needed to verify the facility's financial ability to continue providing care to residents in view of an impending termination of its Medicare and Medicaid provider agreement by the Centers for Medicare and Medicaid Services (CMS) and to ensure an orderly transition in the event of a facility closure.

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."

SPECIAL FOCUS FACILITY

On August 28, 2024, the Department notified Sterling Manor that it had been designated by CMS as a Special Focus Facility due to its history of noncompliance with quality of care and safety requirements under Medicare over the past three years. As you were advised, the Special Focus initiative is intended to promote a rapid and substantial improvement in the quality of care in identified nursing homes and end the pattern of repeated cycles of noncompliance with quality of care requirements. Among the repeated instances of noncompliance was the facility's failure to maintain the sprinkler system in operating condition according to the National Fire Safety Protection Association codes and standards. A time-limited waiver issued by CMS for the sprinkler system expired in 2023.

IMPENDING TERMINATION OF PROVIDER AGREEMENT

On November 21, 2024, CMS issued a notice advising you that your provider agreement in the Medicare and Medicaid programs will be terminated on January 31, 2025, unless substantial compliance has been achieved before January 31, 2025. In addition, CMS issued a Directed Plan of Correction that required, among other things, the retention of a temporary manager. CMS amended this notice on November 28, 2024, to include effective dates for the Directed Plan of Correction.

INFORMATION REQUIREMENT ORDER

By December 13, 2024, Sterling Manor shall provide to the Department information demonstrating its financial ability to continue to operate its long-term care facility and its preparedness to close the facility in the event of a financial failure. Specifically, Sterling Manor shall, on or before December 13, 2024, submit a detailed financial report and plan consistent with N.J.S.A. 26:2H-42.1.

1. The financial report and plan shall set forth, among other things, any defaults in the punctual payment when due of (1) any debt service where the debt is secured by real estate or assets of the nursing home, (2) any rent payments, (3) any payroll payments, and (4) any payroll tax obligations. The report should also provide proof that the facility has paid all property taxes and water/sewer charges associated with the real property on which the facility is located. A current balance sheet, income statement and projection of cash flow will be helpful, but not required, for the Department's analysis of any possible financial distress.
2. In light of the facility's impending CMS termination, the plan shall explain in detail how the facility will (1) maintain and retain current staff, (2) care and provide for the safety, welfare and maintenance of all residents, and (3) maintain and satisfy the operating expenses of the facility.
 - A. The facility shall provide proof of its ability to meet payroll for 90 days beyond the January 31, 2025, effective date of the CMS termination, which may include a current and projected balance sheet, current and projected statement of cash flow, current and projected income statement, bank statements, bank reconciliation and a statement of sources of potential funding subsequent to the CMS termination.
 - B. The facility shall provide 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 90 days beyond the January 31, 2025, effective date of the CMS termination, which may include a current and projected balance sheet, current and projected statement of cash flow, current and projected income statement, accounts payable aging, bank statements, bank reconciliation and a statement of sources of potential funding subsequent to the CMS termination.
 - C. If Sterling Manor plans to demonstrate its ability to meet payroll and all its operating expenses beyond January 31, 2025, by transferring ownership of the facility, Sterling Manor shall, at minimum, identify the proposed new owner and the closing date, and provide evidence of confirmation of same by the proposed new owner.
3. The facility's emergency operations plan.
4. A draft closure plan if the facility cannot provide the other requested information.
5. Completion of the attached Resident Demographic form.

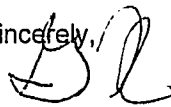
The information required pursuant to this order shall be emailed to: Stefaniej.Mozgai@doh.nj.gov, Michael.Kennedy@doh.nj.gov, Gene.Rosenblum@doh.nj.gov, Lisa.King@doh.nj.gov, and Jean.Markey@doh.nj.gov.

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 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 order, 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
DATED: December 6, 2024
E-MAIL
REGULAR AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED
Control #X24141

C. Order Service List