



**State of New Jersey**  
**DEPARTMENT OF HEALTH**

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*Commissioner*

February 27, 2019

**VIA ELECTRONIC & FIRST-CLASS MAIL**

Robert J. Fogg, Esq.  
Archer & Greiner, P.C.  
101 Carnegie Center, Suite 300  
Princeton, New Jersey 08540

Re: ForKidCare, LLC  
d/b/a Voorhees Pediatric Facility  
CN# ER 180420-04-02  
Addition of Three Specialized Long-  
Term Care Beds for Pediatric Care  
Total Project Cost: \$12,000  
Expiration Date: February 27, 2024

Dear Mr. Fogg:

In the January 2, 2018 New Jersey Register, the Department of Health (Department) published a Certificate of Need (CN) Call to establish new specialized long-term care beds for pediatric care. The Call was issued following a collection of data for calendar years 2014, 2015, and 2016 from general acute care hospitals and long-term acute care hospitals through a survey that requested data regarding the placement delays that resulted in extended hospital stays after patients were clinically cleared for discharge, due to the unavailability of specialized long-term care beds for pediatric care. In addition, the Department surveyed providers of specialized long-term care beds for pediatric care asking for facility utilization and capacity data for calendar years 2014, 2015, and 2016. Based on the analysis of data received, the Department determined that there is a limited need for additional new specialized long-term care beds for pediatric care (e.g., three beds for Region 1 – South Jersey, which encompasses Atlantic, Burlington, Cape May, Camden, Cumberland, Gloucester, Ocean and Salem Counties). Considering that the need for specialized long-term care beds for pediatric care is limited, the Department determined that any additional beds approved would have a minimal impact on the healthcare system as a whole and, therefore, would be subject to the expedited CN review process, rather than the full CN review process, in accordance with N.J.A.C. 8:33-5.1(b)(2).

Please be advised that the Department is approving ForKidCare, LLC expedited review CN application, submitted on April 2, 2018, pursuant to the CN Call and N.J.A.C. 8:33-5.1(b)(2), for the addition of three pediatric long-term care beds allocated to Region 1 – South Jersey. ForKidCare, LLC d/b/a Voorhees Pediatric Facility (Voorhees) is a licensed long-term care facility located at 1304 Laurel Oak Road in Voorhees, Camden County. Voorhees Pediatric Facility is currently licensed for 119 pediatric long-term care beds. As a result of this CN approval, and following licensing application approval, the total number of licensed specialized long-term care beds for pediatric care at Voorhees Pediatric Facility shall increase from 119 to 122 beds. This application is being approved at the total project cost as noted above.

The application explains that Voorhees is centrally located to all points in New Jersey, and easily accessible by car or public transportation, and notes that this central location enables access to prominent tri-state area hospitals, which not only serve as clinical resources for the facility, but also aids in transferring medically fragile children from an acute care setting to a skilled nursing and rehabilitation setting, when medically necessary. The applicant confirms that Voorhees receives the majority of its patient referrals from area hospitals serving children with highly acute medical needs.

When analyzing its own utilization data, the applicant reports that Voorhees has operated, on average, at greater than 90% occupancy, with a current occupancy rate of approximately 93%. The applicant also affirms that such figures support the need to add the three specialized long-term care beds in that, the data shows the average daily census continually measuring nearly at capacity level, which negatively impacts Voorhees' ability to admit new patients with specialized pediatric long-term care needs promptly and without undue delay. The applicant projects that the three additional beds will be sustained at 100% occupancy from the time of implementation.

The applicant believes that approval of this application will result in meeting the needs of children and families as well as positively impacting area providers by providing additional capacity to serve children requiring specialized long-term care, allowing for more local referrals for care. Furthermore, the applicant asserts that given the number of regional referral sources and the need for specialized care, increasing the licensed capacity of Voorhees will improve access by allowing children to receive specialized care closer to where their families reside.

The application affirms that Voorhees is able to easily accommodate the additional three pediatric long-term care beds, with some minor renovations, as applicant reports that every room in the facility is outfitted with medical gas outlets, allowing patients who require ventilation services to reside and seek services throughout the facility and that the two proposed rooms to be used shall only require an installation of a head wall and a compliant bathroom. The applicant proposes that the new beds be located in an existing respiratory room within the facility's "A Wing" and in a room currently used to store medical records located in the lower "B Wing".

N.J.S.A. 26:2H-8 provides for the issuance of a CN only where the action proposed in the application is necessary to provide required health care in the area to be served, can be economically accomplished and maintained, will not have an adverse economic or financial impact on the delivery of health services in the region or statewide and will contribute to the orderly development of adequate and effective health care services. In making such determinations, the Department must take into consideration: a) the availability of facilities or services that may serve as alternatives or substitutes; b) the need for special equipment and services in the area; c) the possible economies and improvement in services to be anticipated from the operation of joint central services; d) the adequacy of financial resources and sources of present and future revenues; e) the availability of sufficient manpower in several professional disciplines; and f) such other factors as may be established by regulation.

The Department believes that the criterion regarding the availability of facilities or services which may serve as alternatives or substitutes is not applicable inasmuch as the services in this application will have a minimal impact on the health care system as a whole, as the Department's statistical bed need methodology determined only a limited need for additional new specialized long-term care beds for pediatric care. Likewise, the need for sufficient special equipment and services in the area does not apply as Voorhees is an existing provider that has rendered specialized care for pediatric patients for approximately 31 years, and has acquired specialized equipment and services.

As to the specifics of this application, the Department believes this project can be economically accomplished and maintained. In addition, a financial analysis undertaken by staff at this Department indicates that Voorhees possesses adequate financial resources to complete the project. According to the applicant, Voorhees has adequate financial resources and sources of present and future revenues. With the addition of the three specialized long-term care beds for pediatric care and expected occupancy, the applicant foresees no unfavorable economic or financial impact on the delivery of health care services in the region or statewide. In fact, Voorhees believes that the additional beds will contribute to the orderly development of adequate and effective health care services as the availability of more specialized long-term care beds for pediatric care will allow patients to be discharged from acute care facilities into more appropriate settings as well as allowing for more local referrals for care so that children are able to receive specialized care closer to where their families reside.

The Department notes that the applicant has confirmed that Voorhees' current staffing is sufficient to support the three additional specialized beds. However, should the facility require additional staff to support the three additional specialized beds, the Department is confident that there are sufficient available personnel in the area to meet staffing needs.

Finally, the Department has taken into consideration the applicable regulations for the services subject to expedited review (i.e., N.J.A.C. 8:33-5.3). The Department

finds that Voorhees Pediatric Facility has provided an appropriate project description, which includes information as to the total project cost, utilization statistics, and justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)); assurance that all residents of the area, particularly the medically underserved, will have access to services (N.J.A.C. 8:33-5.3(a)(2)). In addition, Voorhees Pediatric Facility demonstrated a track record of substantial compliance with the Department's licensing standards (8:33-5.3(a)(3)(ii)).

Please be advised that this approval is limited to the proposal as presented and reviewed. The application, related correspondences and any completeness questions and responses are incorporated and made a part of this approval. An additional review by the Department may be necessary if there is any change in scope, as defined at N.J.A.C. 8:33-3.9. However, a change in cost of an approved certificate of need is exempt from certificate of need review subject to the following:

- 1) The applicant shall file a signed certification as to the final total project cost expended for the project at the time of the application for licensure for the beds/services with the Certificate of Need and Healthcare Facility Licensure Program.
- 2) Where the actual total project cost exceeds the certificate of need approved total project cost and is greater than \$1,000,000, the applicant shall remit the additional certificate of need application fee due to the Certificate of Need and Healthcare Facility Licensure Program. The required additional fee shall be 0.25% of the total project cost in excess of the certificate of need approved total project cost.
- 3) The Department will not issue a license for beds/services until the additional fee is remitted in full.

The Department, in approving this application, has relied solely on the facts and information presented to us. The Department offers no opinion as to whether the proposed ownership or business organization is in compliance with the Codey Act, Board of Medical Examiners administrative rules, the federal anti-referral (Stark) and federal anti-kickback laws. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the Attorney General.

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Any approval granted by this Department relates to Certificate of Need and/or Licensing requirements only and does not imply acceptance by a reimbursing entity. This letter is not intended as an approval of any arrangement affecting reimbursement or any remuneration involving claims for health care services.

This approval is not intended to preempt in any way any municipality's authority to regulate land use within its borders and shall not be used by you to represent that the Department has made any findings or determination relative to the use of any specific property. Please be advised that services may not commence until such time as a license has been issued by the Certificate of Need and Healthcare Facility Licensing Program to operate the additional specialized long-term care beds for pediatric care. A survey by Department staff will be required prior to commencing services.

Furthermore, please be advised that, regardless of any management agreement between the licensee and another entity, the licensee is responsible for all financial, operational, and management control. Oversight of the facility is the licensee's non-delegable duty. All health services provided by the facility and the revenue generated by a facility from providing these health services are the responsibility of the licensee.

This approval is subject to the following condition:

Pursuant to N.J.A.C. 8:33H-1.15(a)(4), applicants receiving certificate of need approval to add specialized long-term care beds to an existing facility shall reserve a minimum of 45 percent of the total specialized long-term care bed complement to be occupied by Medicaid-eligible residents who either have spent down to the level of Medicaid eligibility during their nursing home stay or who are directly admitted to the facility as Medicaid-eligible residents, as defined in N.J.A.C. 8:33H-1.2. The facility shall meet this 45 percent overall occupancy by Medicaid-eligible patients in its specialized long-term care beds by the end of the first year of licensure and continue meeting this percentage thereafter.

Failure to satisfy the aforementioned condition may result in sanctions, including license suspension, monetary penalties and other sanctions in accordance with N.J.S.A. 26:2H-1 et seq. and all applicable regulations. Therefore, acceptance of this condition shall be presumed unless written objections are submitted to the Department within 30 days of receipt of this letter. Upon receipt of such objections, this approval will be deemed suspended and the project shall be examined in light of the objections.

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The Department looks forward to working with you and helping you to provide a high quality of care. If you have any questions concerning either this Certificate of Need or the licensure of the specialized long-term care beds for pediatric care, please do not hesitate to telephone Ms. Felicia Harris, Chief, Certificate of Need and Healthcare Facility Licensure Program, at (609) 292-6552.

Sincerely,



Marcela Ospina Maziarz, MPA  
Deputy Commissioner  
Health Systems

cc: Alison Gibson, DOH (Electronic mail)  
Sue Kelly, DOH (Electronic mail)  
Judy Brown, DOH (Electronic mail)  
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