



State of New Jersey
DEPARTMENT OF HEALTH
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Commissioner

October 26, 2022

VIA ELECTRONIC & FIRST-CLASS MAIL

Drew Barile
President
Noble Senior Living at Rio Grande, LLC
137 Broad Street
Red Bank, New Jersey 07701

Re: Noble Senior Living at Rio Grande
CN# ER 2021-05240-0501
New 45-bed Assisted Living Residence
Total Project Cost: \$2,081,395
Expiration Date: October 26, 2027

Dear Mr. Barile:

Please be advised that the Department of Health (Department) is approving the Expedited Review Certificate of Need (ERCN) application submitted pursuant to N.J.A.C. 8:33-5.1(a)(4), by Noble Senior Living at Rio Grande, LLC on April 21, 2021 to establish Noble Senior Living at Rio Grande, for the establishment of a new 45-bed assisted living residence (ALR) to be located at 1042 Route 47 South, Rio Grande, in Cape May County.¹ This application is being approved at the total project cost as noted above.

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 and 8:33H-1.16). The Department finds that Noble Senior Living at Rio Grande, LLC, the proposed licensed operator, has provided an appropriate project description. The project description includes information as to the total project cost of \$2,081,395 for the construction of this new assisted living facility. The operating costs and revenues were provided, which reflected that by the second year of operation, the total revenue would be \$2,877,600 and the expenses would be \$2,045,245; thus, the Applicant would show a profit of \$832,355.07 by the second year of operation. In terms of services affected, the Applicant stated that the renovation to the existing previously licensed facility will create jobs and increase tax revenues for the community, while also reducing the strain on emergency services by

¹ A revision to the ERCN application, dated August 30, 2022, was also received by the Department.

enhancing access to health services and preventative care for seniors. The assisted living facility will positively contribute to improved regional population health and provide stability to local infrastructure in a vulnerable market. The proposed facility is intended to be occupied completely by Alzheimer's/Dementia residents and is designed to maintain the residents' care, safety, and security. Utilization statistics project that by the second year of operation, 92% resident occupancy will be achieved. The funding sources for the project were listed as First Mortgage Loan from Community Loan Fund of NJ, Inc, seller loan and equity.

The justification for the proposed project (N.J.A.C. 8:33-5.3(a)(1)) referenced 1) the rising population outpacing the current supply of care setting providers, particularly in low-income areas which are unable to bear the expense of market rate providers; 2) the need for better care at lower costs and 3) the ability to fill the need in this market by addressing both availability and accessibility to health and housing resources. The Applicant will provide affordable care to the underserved Medicaid-eligible population where such health services in a non-institutional setting are unavailable to them, promoting both physical and social health. The low cost of care will cater to the surrounding area's residents. The Applicant assured 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)), and stated this residence would be operated in compliance with the regulatory requirement for admission of Medicaid residents and will provide services to the memory impaired. The Applicant stated that the facility design will accommodate those with disabilities, and the facility is accessible to public transportation. Documentation that the Applicant will meet appropriate licensing and construction standards (N.J.A.C. 8:33-5.3(a)(3)(i)) is shown by the project narrative and the confirmed physical plant review of the proposed facility architectural plans by Department staff, which complies with Assisted Living regulations in the Department's June 23, 2022, letter for this project. In addition, Noble Senior Living at Rio Grande, LLC has demonstrated a track record of substantial compliance with the Department's licensing standards (N.J.A.C. 8:33-5.3(a)(3)(ii)). There are no significant regulatory compliance events reported in either New Jersey or out-of-state facilities that are owned managed or operated by the Applicant.

As a condition of this approval, a double-bedded room can only be occupied by married couples or civil union partners, relatives, individuals related by blood or adoption, or friends who have consented in writing as part of the admission agreement to the living arrangement. The admission agreement should note that the resident is aware he or she will share a single toilet/bath in the unit and acknowledges there are higher health risks associated with shared occupancy and cohabitation. Under no circumstances shall any resident be coerced or compelled to agree to a double-bedded room.

Please be advised that this approval is limited to the application as presented and reviewed. The application, related correspondence 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 percent 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.

Furthermore, pursuant to N.J.S.A. 26:2H-12.16 and N.J.A.C. 8:36.5.1(h), a new facility that is licensed to operate as an assisted living residence or comprehensive personal care home shall have a Medicaid occupancy level of 10 percent within three years of licensure. The 10 percent Medicaid occupancy level shall be met through the conversion of residents who enter the facility as private paying persons and subsequently become eligible for Medicaid, or through direct admission of Medicaid-eligible persons. The 10 percent Medicaid occupancy level shall be continuously maintained by a facility once the three-year licensure period has elapsed. The Department will monitor that this condition threshold is met and maintained during the duration of licensure.

The Department, in approving this application, has relied solely on the facts and information presented. The Department has not undertaken an independent investigation of such information. If material facts have not been disclosed or have been misrepresented as part of this application, the Department may take appropriate administrative regulatory action to rescind the approval or refer the matter to the Office of the New Jersey Attorney General.

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 the authority to regulate land use within its borders and shall not be used by the applicant 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 a license has been issued by Certificate of Need and Healthcare Facility Licensure Program to operate this facility. A survey by Department staff will be required prior to commencing services.

The Department looks forward to working with the applicant to provide high quality of care to the assisted living residents. If you have any questions concerning this Certificate of Need approval, please do not hesitate to contact Michael J. Kennedy, Executive Director, Division of Certificate of Need and Licensing at michael.kennedy@doh.nj.gov.

Sincerely,

Robin C. Ford

Robin C. Ford, MS
Deputy Commissioner
Health Systems

cc: Stefanie J. Mozgai, DOH (Electronic mail)
Michael J. Kennedy, J.D., DOH (Electronic mail)
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