



State of New Jersey
DEPARTMENT OF HEALTH

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Governor

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Commissioner

July 21, 2023

VIA FIRST CLASS AND ELECTRONIC MAIL

Warren Connelly
Executive Vice President
Praesum Healthcare
352 Volley Ct.
Wall, New Jersey 07719

Re: Praesum Healthcare Services, LLC
CN # ER 2019-9159-15;02
Extension of time: 40 Psychiatric beds
(20 Open & 20 Closed)
Project Cost: \$6,169,718.07
Expiration date: January 31, 2024

Dear Mr. Connelly:

The New Jersey Department of Health (Department) is approving the certificate of need (CN) application for an extension of time for Praesum Healthcare Services, LLC (Praesum), d/b/a Sunrise Psychiatric -Toms River, to add 40 adult acute care psychiatric (20 open/voluntary & 20 closed/involuntary) beds pursuant to N.J.A.C. 8:33-5.1(a)(6). These beds were originally awarded through a full review CN on November 17, 2017 (CN # FR 17 0512-15-22) for a period of two years or November 17, 2019. An initial extension (CN # ER 2019-9159-15;01) was approved on February 5, 2020, with an expiration date of December 31, 2022. A subsequent extension addressed in the Department's December 12, 2022, memorandum prolonged the expiration date to June 30, 2023. This application is being approved at the project cost above with a retroactive effective date of June 30, 2023.

This extension of time CN application is being requested to complete the construction for the renovation of the 40-bed comingled open and closed behavioral health unit in Toms River. Specifically, in February 2023, the applicant reports that the New Jersey Department of Community Affairs (DCA) had issues with the building's fire suppression system, which took over 100 days to resolve. The applicant further reports that the DCA recently approved all plans, but a final release stamp of approval from the

township is still pending. The applicant anticipates the updated construction project schedule to be completed and the Certificate of Occupancy to be received approximately by October 31, 2023. Praesum Healthcare Services, LLC requests an extension of the Certificate of Need until January 31, 2024, as a precaution for any additional unforeseen delays or circumstances.

Please be advised that this will be the final extension of time approved by the Department for the implementation of the 40 adult acute care psychiatric (20 open/voluntary & 20 closed/involuntary) beds. If these beds are not ready for occupancy and inspection by the aforementioned expiration date, the licensee will forfeit the ability to seek licensure of these beds.

Please be also 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 the 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 which exceeds 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.

In approving this application, the Department 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 of any municipality 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 the Certificate of Need and Healthcare Facility Licensure Program for the additional psychiatric beds. A survey by Department staff will be required prior to commencing services.

If you have any questions concerning this 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
NJ Department of Health

C: Stefanie J. Mozgai, DOH (Electronic Mail)
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Licensing File