



State of California—Health and Human Services Agency
California Department of Public Health



RON CHAPMAN, MD, MPH
Director & State Health Officer

EDMUND G. BROWN JR.
Governor

September 16, 2014

Certified Mail
70042890000294481992

Mr. Shlomo Rechnitz
Chico Healthcare & Wellness Centre, LP
375 Cohasset Rd.
Chico, CA 95926

RE: NOTICE OF DENIAL OF APPLICATION

Dear Mr. Rechnitz:

On June 9, 2014, you applied for a license from the California Department of Public Health (CDPH), Licensing and Certification Program, Centralized Applications Unit (CAU) to operate the facility to be named Riverside Point Healthcare & Wellness Centre, located at 375 Cohasset Rd, Chico, CA 95926, as a Change of Ownership (CHOW) from the current licensee Glad Investments, Inc.

After careful review and consideration of your application and all of the supporting information, CDPH is denying your application for licensure to operate the above-referenced facility.

This denial action is pursuant to Health & Safety Code, Section 1265, subdivision (f).

On March 25, 2014, during an annual recertification survey at the Gridley Healthcare & Wellness Centre, LLC, located at 246 Spruce Street, Gridley, CA 95948, two (2) immediate jeopardies (An immediate jeopardy is a situation in which immediate corrective action is necessary because the facility's noncompliance with one or more requirements of participation has caused, or is likely to cause, serious injury, harm, impairment, or death to a resident receiving care in a facility) were called and violations written at harm level:

- Level J - F309 – **Provide care/service for highest wellbeing** – There was a failure to adequately assess, monitor and intervene for a resident who had ongoing chest pain for greater than eight hours. There was inadequate orientation for new nurses and a failure to ensure nurse competencies. The resident required surgical intervention at the acute care hospital.

- Level J - F327 – **Sufficient fluid to maintain hydration** – There was failure to provide sufficient fluids to prevent dehydration and a failure to respond and intervene when the resident had a significant change of condition over a four day period. This resident was noted to have severe dehydration upon arrival to the acute care hospital and later expired in the hospital.
- Level H - F157 – **Notify of Changes (Injury/decline/room, etc.)** – The facility failed to notify the physician of the significant change in the condition of the above mentioned two residents resulting in a delay in treatment and a delay in transfer to the acute care hospital for both residents. This failure to notify the physician involved several nurses over a four day period for one of the residents.

As a result of the findings of that survey, the facility, Gridley Healthcare & Wellness Centre, LLC, was placed on a termination track for the Medicare Program as well as being issued civil monetary penalties and denied payment for new admissions by the Centers for Medicare and Medicaid Services (CMS).

In determining the applicant's ability to comply with Chapter 2 (commencing with Section 1250) of the Health and Safety Code and the rules and regulations promulgated under that chapter in managing facilities for the past three years. The following violations have been found in the currently managed/operated facilities, in the level of scope and severity:

Level	Scope & Severity Description	Number of Violations
F	<i>No actual harm with potential for more than minimal harm that is not immediate jeopardy but is widespread</i>	117
G	<i>Actual harm that is not immediate jeopardy and is isolated</i>	20
H	<i>Scope is pattern present, severity level of actual harm that is not immediate jeopardy.</i>	3
J	<i>Immediate jeopardy to resident health or safety and is isolated</i>	3
K	<i>Immediate jeopardy to resident health or safety and is a pattern</i>	3
L	<i>Immediate jeopardy to resident health and safety and is widespread</i>	1
AP	<i>Administrative Penalty</i>	9
A Citations	<i>Imminent danger of death or serious harm to patients, or A substantial probability of death or serious physical harm to patients.</i>	5
B Citations	<i>Has a direct or immediate relationship to patient health, safety, or security. Can include emotional and financial elements.</i>	20

In addition, and according to the CMS Nursing Home Compare star rating report, as of July 8, 2014, the majority of your facilities overall star ratings fall below average.

As another example of evidence of inability to comply with the rules and regulations governing a skilled nursing facility, two facilities owned and controlled by you were placed on 100% withhold of Medi-Cal funding for refusal and failure to file a cost report for the 2012 cost reporting year resulting in preventing the Department of Health Care Services from completing its audit of your fifty-seven (57) facilities.

CDPH has determined that you have not provided evidence satisfactory to be licensed as the facility to be named Riverside Point Healthcare & Wellness Centre, located at 375 Cohasset Rd, Chico, CA 95926, as a Change of Ownership (CHOW) from the current licensee Chico Healthcare & Wellness Centre, LP, to comply with statutes and regulations related to the operation of a Skilled Nursing Facility (SNF), therefore based on the non-compliance of the requirements to complete the application for licensure your application package is denied.

Pursuant to Health and Safety Code Section 1269, you have twenty (20) days from the mailing of this notice to request a hearing regarding this denial action. If you desire to have a hearing to contest this action, you should address your written petition to the Department of Public Health at the following address:

California Department of Public Health
Licensing and Certification Program
Centralized Application Unit
1615 Capitol Avenue
P.O. Box 997377, MS 3402
Sacramento, CA 95899-7377

Upon receipt of such petition, the matter will be set for hearing in accordance with Section 131071 of the Health and Safety Code.

If you have any questions regarding this letter, contact me at (916) 552-8756.

Sincerely,



Teresa Gutierrez, Chief
Center for Health Care Quality
Licensing and Certification Program
Centralized Applications Unit

cc: See next page

cc: Joanne Gilchrist, District Manager
California Department of Public Health
Chico District Office
126 Mission Ranch Blvd, MS3503
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