

NEWS RELEASE

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DISABILITY RIGHTS NEW JERSEY APPLAUDS NEW JERSEY'S OFFICE OF THE STATE COMPTROLLER'S INVESTIGATIVE REPORT UNCOVERING MILLIONS OF DOLLARS OF MEDICAID FRAUD BY OWNER AND OPERATORS OF NEW JERSEY NURSING HOME.

TRENTON, NJ – Disability Rights New Jersey, the State's designated Protection and Advocacy system for people with disabilities, applauds New Jersey's Office of the State Comptroller's (OSC) [investigative report](#), which uncovered millions of dollars in Medicaid fraud by the owner and operators of one-star facility South Jersey Extended Care (SJEC), among New Jersey's worst-rated nursing homes, based on the federal Centers for Medicare and Medicaid rating system.

The OSC report details how the owner and operators of SJEC engaged in Medicaid fraud by stealing millions of dollars for personal use at the expense of the residents of their nursing home. While the owners profited personally, residents of New Jersey's worst-rated nursing home languished in an understaffed and under-resourced facility.

While Disability Rights New Jersey applauds this investigation and the action taken by the Comptroller to suspend SJEC, Sterling Manor, and the individuals involved, we know through our work that this investigation unfortunately highlights a problem not unfamiliar to New Jersey. Disability Rights New Jersey, along with other advocates, raised alarms about similar abuse at another New Jersey nursing home, [Woodland Behavioral Health and Nursing Center](#) (Woodland), which was, at the time, also ranked as one of New Jersey's worst-rated nursing homes under the federal five-star system. Ultimately, Woodland was shut down in August 2022.

The OSC report highlights how nursing home residents, many of whom have disabilities, suffer tremendously. In October 2023, Disability Rights New Jersey released "[Person First](#)," an investigative report about concerns related to the over-institutionalization of individuals with intellectual and developmental disabilities in New Jersey. Many of these residents reside in poor performing nursing homes.

Disability Rights New Jersey calls upon the administration and legislature to take action based upon the OSC's recommendations. First and foremost, New Jersey needs transparency in nursing home finances disclosures and ownership structures. In February 2023, Disability Rights New Jersey submitted [testimony](#) before the New Jersey Senate Health, Human Services, and Senior Citizens Committee regarding Bill S2769, which was reintroduced as S1948 in the current legislative session. The bill proposes revising reporting requirements to require nursing home owners and operators to provide an organizational chart and consolidated financial statement which would result in greater financial transparency. Nursing homes like SJEC and Sterling Manor demonstrate the need for increased financial transparency in New Jersey nursing homes who collect millions in Medicaid and Medicare dollars.

Disability Rights New Jersey also calls upon the administration and legislature to revisit the April 2024 [New Jersey Task Force on Long-Term Care Quality and Safety Report](#), a comprehensive report focused on reforming New Jersey's long-term services and supports delivery system including nursing homes. This report, authored by the New Jersey Task Force on Long-Term Care Quality and Safety, of which Disability Rights New Jersey was an appointed member, makes recommendations that includes increased staffing, addressing Medicaid rates, and improving living conditions.

Older adults and people with disabilities deserve swift action in response to the OSC report to ensure their health, safety, and quality of life in nursing homes. These alarming findings related to nursing homes in New Jersey demonstrate the need to fully investigate other poor performing nursing homes in the State and demonstrate the need to enact meaningful change to improve the lives of New Jersey nursing home residents.

The OSC press release can be found [here](#).

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About Disability Rights New Jersey:

As New Jersey's designated Protection and Advocacy system for people with disabilities, under federal law, Disability Rights New Jersey promotes self-determination, independence, and inclusion into all facets of community life. Disability Rights New Jersey advances the human, civil, and legal rights of people with disabilities through a wide array of advocacy services for individuals, their families, and other stakeholders. Accordingly, Disability Rights New Jersey also has statutory authority to pursue legal, administrative, and other appropriate remedies to ensure the protection of people with disabilities and adherence to the law.

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