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MOJUMU, Inc.
Care of Jeff Daly (jdaly@sequoiahc.net)
4221 Wilshire Boulevard
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Los Angeles, CA 90010

Sent via Email

Proposed purchase of NAHS Holding, Inc., by
MOJUMU, Inc.
MCN Transaction Number: 1501 - NAHS Holding Inc

Dear Mr. Daly,

On July 21, 2026, the Office of Health Care Affordability (OHCA) issued a waiver of CMIR for the material change notification (MCN) from NAHS Holding, Inc., regarding the purchase of all NAHS Holding, Inc., stock by MOJUMU, Inc. (MOJUMU), from Argent Trust Company as trustee of the NAHS Employee Stock Ownership Plan Trust.

While the transaction did not meet the regulatory requirements for a CMIR, we identified some concerns during our review of the MCN. During its review for quality, assess and labor issues, OHCA analyzed publicly available datasets from the Centers for Medicare & Medicaid Services (CMS), including:

- 1) The provider Information dataset underlying Care Compare, which reports five-star ratings, staffing levels, nursing turnover, and federal penalties, and
- 2) The SNF All Owners dataset, which reports ownership stakes and association dates.¹

¹ CMS Provider Information dataset (Care Compare), <https://data.cms.gov/provider-data/dataset/4pq5-n9py> ; CMS SNF All Owners dataset, <https://data.cms.gov/provider-data/dataset/y2hd-n93e> . Both accessed with a processing date of June 1, 2026. Valley Healthcare Center has no current CMS ownership rows for a MOJUMU owner(s); its affiliation is per MOJUMU representative's June 10, 2026, correspondence.

The facilities currently affiliated with MOJUMU – where the MOJUMU owners individually or collectively own (directly or indirectly) more than a 50% interest - are rated far below the NAHS facilities being acquired. The NAHS facilities average a 4.1 CMS star rating while three of the MOJUMU-affiliated facilities carry 1-star overall CMS ratings.

Table 1. The following table shows the CMS five-star ratings for the MOJUMU-affiliated facilities before (June 2022) and after (June 2026) the MOJUMU owner(s) acquired majority ownership (or operational control) in 2023.²

SNF	Overall	Health inspection	Staffing	QM
Capistrano Beach	3 → 1	2 → 2	2 → 1	5 → 4
Parkview Julian	1 → 1	1 → 1	2 → 1	2 → 1
Shafter Nursing Care	1 → 4	1 → 4	1 → 2	4 → 4
Valley Healthcare	3 → 1	2 → 1	3 → 3	5 → 2

Notes: Ratings shown as June 2022 → June 2026.³ QM = quality measure rating.

A comparison using 2022 and 2024 HCAI financial data (Table 2) shows Medi-Cal share of resident days fell by over 15 percentage points at two of the four facilities - Capistrano Beach (69% to 53%) and Valley Healthcare (83% to 66%) - while rising by 10 points at Shafter (49% to 59%) and holding flat at Parkview Julian. A shift away from Medi-Cal residents at acquired facilities would be a meaningful access concern if repeated across the twelve NAHS facilities, which collectively had a 44.7% Medi-Cal share of days in 2024.⁴

² Parkview Julian in February 2023, Shafter in April 2023, and Capistrano Beach in June 2023, per association dates in the CMS SNF All Owners dataset. Valley Healthcare Center's change of ownership is not recorded there; OHCA dates its acquisition to approximately May 2023 because its current operating entity, Valley Post-Acute and Rehab LLC, was enumerated in the CMS National Plan and Provider Enumeration System (NPPES) on May 18, 2023 (NPI 1144911199), with a MOJUMU owner as authorized official and a mailing address matching MOJUMU, Inc.'s principal office.

³ June 2022 ratings are from CMS's archived June 2022 Provider Information file; June 2026 ratings are from the Provider Information dataset with processing date June 1, 2026.

⁴ HCAI Long-Term Care Annual Financial Data, 2022 and 2024 Selected Files. Nurse HPRD = productive + temporary registered nurse, licensed vocational nurse, nurse aide, and geriatric nurse practitioner hours divided by total patient days. The 2024 Selected File (September 2025 extract) is the most recent vintage HCAI has published; the 2025 file, expected in fall 2026, would show whether these patterns continued and should be part of the post-transaction monitoring we recommend.

CMS penalties at the four MOJUMU affiliated facilities were nearly double the that of the twelve NAHS facilities over the last 3 years: \$203,913 in fines across the MOJUMU affiliated facilities and one payment denial, versus \$110,170 and one payment denial across the twelve NAHS facilities.

All four MOJUMU affiliated facilities staff below the California average of 4.5 total nurse hours per resident day (HPRD), with reported staffing at the four facilities ranging from 3.69 to 4.16 HPRD, and case-mix-adjusted staffing of 3.26 to 3.56 - at or below the state's 3.5 direct-care minimum on an adjusted basis. Two of the four received CMS staffing ratings of 1 star. The NAHS facilities staff meaningfully higher: reported HPRD of 4.10 to 5.38 across all 12, and an aggregate of 4.93 nurse HPRD in the 2024 HCAI financial data versus 3.5 to 3.9 at the MOJUMU affiliated facilities.⁵

We note that some facilities associated with MOJUMU's ownership have seen positive trends after their acquisition. For instance, Shafter Nursing Care Facility in Kern County went from 1 to 4 stars overall, while increasing its share of Medi-Cal residents by 10 percentage points. OHCA also recognizes the ownership structure and management of the four facilities is not uniform and distinct from how NAHS facilities may be owned and operated post transaction. Therefore, consistent with its authority to monitor cost trends, including conducting research and studies on the health care market under Health and Safety Code Section 127507(a), OHCA will monitor the performance of the NAHS facilities following the proposed acquisition by MOJUMU. OHCA will use publicly available performance measures, along with substantiated complaints and enforcement actions from CDPH, to assess changes in quality and safety at these facilities. At a minimum, OHCA will use CMS and CDPH data, as compiled at Cal Long Term Care Compare, to assess quality metrics including: staffing (including turnover, retention, and nurse hours per resident per day), short-stay and long-stay quality of care, and health and safety inspection results (combined federal and state inspection findings and substantiated complaints)

If OHCA observes impacts to these performance measures that OHCA considers significant, OHCA will issue a follow-up report analyzing those impacts to inform the public. This report will be posted on OHCA's website and may be discussed at a Health Care Affordability Board meeting. OHCA may also coordinate with other regulatory agencies and the Office of the Attorney General as necessary.

⁵ The DOJ/HHS and CMS use the five-star system's staffing measure case-mix adjustment; the four MOJUMU affiliated facilities' case-mix-adjusted total nurse staffing ranges from 3.26 to 3.56 HPRD, versus 3.77 to 4.47 at the NAHS facilities.

For any questions related to this matter, please contact OHCA at CMIR@hcai.ca.gov.

Sincerely,

Vishaal Pegany
Deputy Director
Office of Health Care Affordability

RB

CC:

NAHS Holding, Inc.
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