

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on February 27, 2014 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*

Brian O'Neill, Designee of the Commissioner of Health (Chairing); Mary Ann Kralik, Designee of the Commissioner of Banking & Insurance; and Greg Lovell, Designee of the Commissioner of Human Services; and via telephone: Elisa Charters, Public Member; Dr. Munr Kazmir, Public Member; and Suzette Rodriguez, Public Member.

*The following **Authority staff members** were in attendance:*

Mark Hopkins, Stephen Fillebrown, Ron Marmelstein, Suzanne Walton, Michael Ittleson, Linda Hughes, Carl MacDonald, Bill McLaughlin, Ellen Lieber, Debra Coons, Paige Piotrowski, Taryn Jauss, Tracey Cameron, Diane Johnson, Jessica Lucas, Edwin Fuentes and Gene Sullens.

*The following **representatives from the State and/or the public** were in attendance:*

Cliff Rones, Deputy Attorney General; Peter Simon, Governor's Authorities Unit; Ryan Kennedy of Holy Name Medical Center; John Kelly of Wilentz, Goldman & Spitzer, P.A.; Chuck Stafford of Ziegler; Kevin Quinn of McCarter & English; and Dr. James T. Kostinas of David Kostinas & Associates.

CALL TO ORDER

Executive Director Mark Hopkins called the meeting to order at 10:05 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 23, 2013 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

Mr. Hopkins recommended that in the absence of the Chair, and as the Vice Chair was participating by phone, that a Chair pro tem should be named. Mr. Lovell nominated Brian O'Neill to serve as Chair pro tem for the February 27, 2014 meeting and Dr. Kazmir seconded. The vote was unanimous, and the motion carried.

AB RESOLUTION NO. NN-50

NOW, THEREFORE, BE IT RESOLVED, that, in the absence of the Authority's Chairperson, and as the Vice Chairperson was participating by phone, Brian O'Neill will serve as the chair pro tem for the February 27, 2014 Authority meeting.

1. APPROVAL OF MINUTES

a. January 23, 2014 Authority Meeting

Minutes from the Authority's January 23, 2014 meeting were presented for approval. Dr. Kazmir offered a motion to approve the minutes; Ms. Charters seconded. Mr. O'Neill, Ms. Kralik, Mr. Lovell, Ms. Charters and Dr. Kazmir voted yes; Ms. Rodriguez abstained, and the motion carried.

2. CONTINGENT BOND SALE

Holy Name Medical Center

Mr. Bill McLaughlin introduced Mr. Ryan Kennedy, Vice President – Finance, from Holy Name Medical Center.

Mr. McLaughlin informed the Members that he we would be requesting approval of a contingent sale of bonds on behalf of the Holy Name Medical Center Obligated Group. Proceeds of the proposed Series 2014 Bonds will be used to effectuate (i) the current refunding, purchase and cancellation of a portion of the Medical Center's Revenue Bonds, Series 2006; and (ii) the payment of certain costs incidental to the issuance and sale of the Series 2014 Bonds.

Given the current interest rate environment, the Medical Center has an opportunity to restructure a portion of its Authority issued Series 2006 Bonds. As originally structured, the Series 2006 Bonds do not begin amortizing principal until 2026. The Medical Center will purchase certain Series 2006 Bonds in the secondary market utilizing the proceeds of the proposed transaction. The acquired Series 2006 Bonds will then be delivered to the Series 2006 Trustee for cancellation.

The Series 2014 Bonds will be privately placed with Capital One Public Funding, LLC and will be secured by a Note issued pursuant to the provisions of a Master Trust Indenture, together with a gross receipts pledge and a mortgage on certain property. The bonds will be structured as a fixed rate obligation. The rate will be set at or near the closing date and be derived by adding 65 percent of the 10 year LIBOR swap with a credit spread of approximately 1.89%, however, in no case will it be less than 3.50%. If the rate were set yesterday, it would approximate 3.69%, resulting in a present value savings of 16%.

Since the proposed transaction will amortize principal annually over the life of the financing versus the original structure of the Series 2006 Bonds, the Medical Center will be in position to achieve significant debt service savings.

No disclosure document is being prepared in connection with this transaction and, as a result, Capital One has agreed to provide the Authority with the Traveling Investment Letter on the date of closing.

Mr. McLaughlin then introduced Mr. John Kelly of Wilentz, Goldman & Spitzer, P.A., bond counsel, to outline the Bond Resolution.

BOND RESOLUTION

Mr. Kelly informed the Members that the Bond Resolution authorizes the issuance of the tax-exempt Series 2014 Bonds in an aggregate principal amount not in excess of \$25 million. The Bond Resolution provides that the Series 2014 Bonds shall have a final maturity date of no later than July 1, 2028. The Bond Resolution also provides that the Series 2014 Bonds shall bear interest at an all-in true interest cost not to exceed 4.25% per annum. The Series 2014 Bonds will be subject to redemption prior to maturity as set forth therein, provided, that the redemption price cannot be greater than 105%. The Series 2014 Bonds will be secured by payments made by the Medical Center, under the Loan Agreement with the Authority. The obligations of the Medical Center under the Loan Agreement with the Authority will be evidenced and secured by a Note issued by the Obligated Group, of which the Medical Center is currently the only Member, pursuant to the provisions of a Master Trust Indenture and by amounts on deposit in certain funds held by the Trustee pursuant to the Trust Agreement. The Note to be issued pursuant to the Master Trust Agreement will be secured by a gross receipts pledge of the Obligated Group and a mortgage on certain Medical Center property. The Bond Resolution also approves the form of, and authorizes the execution of, a Direct Bond Purchase Contract with Capital One Public Funding, LLC for the purchase of the Series 2014 Bonds. The Direct Bond Purchase Contract must be executed prior to 5:00 p.m. local New Jersey prevailing time on May 21, 2014. No disclosure document is being prepared in connection with the issuance of the Series 2014 Bonds and, as a result, the Bond Resolution also requires the purchaser of the Series 2014 Bonds to provide the Authority with a traveling investor letter on or prior to the date of closing.

Additionally, the Bond Resolution approves the form of, and authorizes the execution and delivery of, a Trust Agreement, Loan Agreement and Sixth Amendment and Supplement to the Loan and Security Agreement. Further, the Bond Resolution appoints The Bank of New York Mellon as Bond Trustee, Bond Registrar and Paying Agent for the Series 2014 Bonds. In addition, the Bond Resolution also authorizes the Authorized Officers to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the Trust Agreement, the Loan Agreement, Sixth Amendment and the Direct Bond Purchase Contract, the completion of the refunding and the issuance and sale of the Series 2014 Bonds.

Mr. O'Neill asked the Members' pleasure with respect to the adoption of the Bond Resolution on behalf of Holy Name Medical Center. Dr. Kazmir made a motion to approve the adoption of the Bond Resolution on behalf of Holy Name Medical Center. Ms. Kralik seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. NN-51

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Bond Resolution entitled, "A RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REFUNDING BONDS, HOLY NAME MEDICAL CENTER OBLIGATED GROUP ISSUE, SERIES 2014"

(attached)

Mr. Kennedy noted that Holy Name hoped to get a favorable market.

3. APPROVAL OF EMPLOYEE HANDBOOK REVISIONS

Mr. Mark Hopkins informed the Members that the Authority's Employee Handbook was somewhat out of date and contained some important provisions not consistent with those at the Department of Health and other State departments. Senior Staff recommended that the Authority Members consider the revisions in the blackline of the Employee Handbook provided in Members' meeting packages plus a few additional items provided at the meeting in a separate blackline version. The changes to the vacation section (8.10) are meant to bring the Authority in line with current Department of Health vacation policy. The changes to the Tuition Reimbursement policy (8.29) are designed to prevent Staff members from receiving reimbursement for education and leaving the Authority before the Authority benefits from the education it has paid for. The final major change is the replacement of the Regular Work at Home Policy (6.1.2) and the Special Circumstance Work at Home Policy (6.1.3) with the Telecommuting Policy (new 6.1.2). All other changes are clerical, ministerial or to bring certain policies up to date. All of the changes have been reviewed by Attorney General's Office and the Governor's Authority's Unit. The Department of Health is currently reviewing the changes, and is okay with the manual being approved and should there be any additional changes to be made, there can be an amendment. Most of the comments received were minor and have been incorporated and were provided in the blackline version provided to Members at the meeting. At the recommendation of the Attorney General's Office, the several Work at Home policies were all replaced by the single, more flexible Telecommuting Policy. The Telecommuting Policy language was adapted from sample language provided by the Society of Human Resource Managers. The Attorney General's Office wanted even more flexible language but Senior Staff strongly prefers the structure and limitations provided by the language included in today's version. The Attorney General's Office does not object to the Authority using the language presented today but does not want to be on record as recommending it.

To clarify a question from Ms. Kralik, Mr. Hopkins noted that the sections he drew attention to were the major changes. The version Members received in their meeting packets included those major changes and comments from the Attorney General's Office. The version given to Members at the meeting including comments from the Authorities Unit, which were minor.

Ms. Charters thanked Mr. Hopkins and the Authority Staff for their work on the updates. Dr. Kazmir agreed.

Dr. Kazmir made a motion to approve the revised Employee Handbook. Ms. Rodriguez seconded the motion. The vote was unanimous, and the motion carried.

AB RESOLUTION NO. NN-52

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves revisions made to New Jersey Health Care Facilities Financing Authority Employee Handbook, Revised February 2014.

4. ITEMS REGARDING THE MEMORANDUM OF AGREEMENT FOR QUARTERLY FINANCIAL DATABASE MAINTENANCE AND DATA ANALYSIS WITH THE DEPARTMENT OF HEALTH (“MOA”)

Mr. Hopkins informed the Members that the New Jersey Health Care Facilities Financing Authority has a Memorandum of Agreement with the Department of Health for Quarterly Financial Database Maintenance and Data Analysis which was scheduled to expire on December 31, 2013. The Department of Health originally requested that the Authority extend the term of the MOA through March 31, 2014. The Authority Members approved that extension; however, the Department has decided it would rather extend the MOA through June 30, 2014.

The Department also would like the Authority to continue its expanded role under the MOA, established in September of 2012 by a First Modification to the MOA, which includes assessing the financial conditions of hospitals and other health care organizations, providing consultation to Department on policy, capacity, consolidation and change in ownership of health care facilities for purposes of reviewing Certificate of Need applications and other health care planning decisions and providing support for the Department’s Early Warning System, Stabilization Fund and Charity Care Programs.

In order to meet some of the additional duties under the MOA and the First Modification, the Authority engaged Joseph Lario as a consultant on a part-time basis, pursuant to a “Contract for Professional Consulting Services” after a Request for Proposals was advertised and a competitive process was conducted. The consultant averages approximately 25 to 28 hours per week. The fee for his services is \$600 per day not to exceed \$9,000 per month, plus travel, meal and lodging expenses. The term of the consultant’s original engagement was for one year with the possibility of up to four six-month extensions. The initial term of the engagement was scheduled to expire on September 14, 2013 but, at the request of the Department of Health, the Authority extended it through December 31, 2013 pursuant to the Amendment Extending the Contract for Professional Consulting Services dated as of September 15, 2013 (the “First Amendment”). At the request of the Department those services were extended through March 31, 2014 by a Second Amendment Extending the Contract for Professional Consulting Services dated as of January 1, 2014. The Department has again asked the Authority to continue providing the services, which necessitated the engagement of the consultant through June 30, 2014.

Based on this information, the Authority Staff requested that the Authority Members act on each of the following items:

1. Approval of a Second Modification of the Memorandum of Agreement for Quarterly Financial Database Maintenance and Data Analysis between the Authority and the Department of Health extending the MOA through June 30, 2014.
2. Approval of the “Third Amendment Extending the Contract for Professional Services” extending the contract through June 30, 2014; and

3. Approval of an amendment to the Authority's 2014 Budget to increase the budget by \$33,000 to reflect up to \$27,000 in additional consultant fees and up to \$6,000 in additional travel, meal and lodging expenses resulting from the extension of the consulting contract through June 30, 2014. This expense line appears below the bottom line of the budget because it will ultimately be offset by reimbursement from the Department of Health.

Authority Members were provided with the Second Modification to the MOA, and a substantially final draft of the Third Amendment Extending the Contract for Professional Services with their meeting packets.

a. Approval of Second Modification of MOA to Extend through June 30, 2014

Ms. Charters made a motion to approve the second modification of the MOA with the Department of Health to extend through June 30, 2014. Dr. Kazmir seconded the motion. The vote was unanimous and the motion carried.

AB RESOLUTION NO. NN-53

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the second modification of the MOA with the Department of Health to extend through June 30, 2014.

b. Approval to Extend the Consultant's Contract for Early Warning System

Dr. Kazmir made a motion to approve the extension of the consultant's contract for the Early Warning System through June 30, 2014. Ms. Charters seconded the motion. The vote was unanimous and the motion carried.

AB RESOLUTION NO. NN-54

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the extension of the consultant's contract for the Early Warning System through June 30, 2014.

c. Approval to Amend the 2014 Authority Budget for Consulting Services

Mr. Lovell made a motion to increase the Consulting Services line item of the 2014 Authority Budget in the amount of \$33,000. Dr. Kazmir seconded the motion. The vote was unanimous and the motion carried.

AB RESOLUTION NO. NN-55

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the increase of the Consulting Services line item of the 2014 Authority Budget in the amount of \$33,000.

5. MODIFICATIONS TO THE QUALIFIED BANKERS LIST

Suzanne Walton reported that the Authority received a request from Melio & Company to be added to the list of Authority approved firms to serve as a Financial Advisor.

Melio & Company provides financial and strategic advisory services to healthcare institutions and issuing authorities across the country. The company is headquartered in Chicago with additional offices located in Charlotte, Denver, Glen Ridge, Philadelphia and New York. The firm offers a full spectrum of advisory services with regard to debt capital markets, derivatives, FHA transactions, investment strategies, mergers and acquisitions, real estate ventures and valuations.

During the past four years, Melio & Company has served as primary financial advisor on more than 55 healthcare transactions involving tax-exempt bond issues and direct purchase transactions. In addition, the company has served two other state healthcare facilities finance authorities – the Washington Health Care Facilities Financing Authority and the Montana Facility Finance Authority. Since its inception in 2009, the company has been ranked as one of the top five healthcare financial advisors across the country by Thomson Reuters.

The two professionals who will be assigned to Authority transactions have extensive investment banking experience, having served a wide variety of hospitals and healthcare systems as well as senior living organizations. Anne Morse, who will serve as the primary contact, also served as a senior credit officer at Ambac, specializing in new business underwriting for healthcare organizations.

Based upon their Statement of Qualifications, Melio & Company has provided information that indicates their firm possesses the necessary analytical capabilities to serve as a financial advisor and Staff recommended approving their request to be added to the Authority's list of approved firms to serve as a financial advisor on Authority transactions.

Dr. Kazmir moved to approve adding Melio & Company to the Authority's qualified bankers list as a financial advisor. Ms. Kralik seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. NN-56

NOW, THEREFORE, BE IT RESOLVED, that the Authority added Melio & Company to the Authority's qualified bankers list as a financial advisor.

6. APPROVAL OF EXPENSES

Mr. O'Neill referenced a summary of Authority expenses and invoices. Dr. Kazmir offered a motion to approve the bills and to authorize their payment; Ms. Rodriguez seconded. The vote was unanimous, and the motion carried.

AB RESOLUTION NO. NN-57

WHEREAS, the members of the Authority have reviewed the memoranda dated February 19, 2014, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$40,700.50 and \$28,198.09 respectively, and have found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the members of the Authority hereby approve all expenses as submitted, and authorize the execution of checks representing the payment thereof.

7. STAFF REPORTS

Mr. O'Neill thanked Staff for the Project Development Summary, Cash Flow Statement, and Legislative Advisory reports.

Mr. Hopkins then presented his Executive Director's report, noting the following items to Members:

1. Mr. Hopkins reminded the members of the Audit Committee, Mr. O'Neill, Ms. Kralik and Mr. Feeney, that there is an Audit Committee meeting on Tuesday, March 11 at 10:00 a.m. to discuss the audit with the Auditors, in accordance with the requirements of Executive Order #122.

2. Hospital & Other News

a. Robert Wise, the president and CEO of Hunterdon Healthcare, parent of Hunterdon Medical Center, received the Distinguished Service Award from the New Jersey Hospital Association last month for his more than 20 years of service at the hospital and other health care organizations.

b. Valley Hospital has been acquiring several properties near its Ridgewood campus and neighboring Paramus. Some of the sites are expected to be used for doctors' offices and for outpatient services. Other potential uses remain unknown. Valley has been seeking to expand-in-place on its Ridgewood campus but has met with considerable community opposition worried about disturbances from the proposed large construction project and increased traffic from the larger facility.

c. Adventist Healthcare has entered into an agreement to sell Hackettstown Regional Medical Center to Atlantic Health System, the not-for-profit health system that operates Chilton Medical Center, Morristown Medical Center, Newton Medical Center, Overlook Medical Center and Goryeb Children's Hospital.

d. East Orange General Hospital has entered into a letter of intent to partner with Prospect Medical Holdings, a for-profit company that has hospitals in California and Texas.

e. The State Health Planning Board voted to recommend approval of a Certificate of Need (“CN”) for the sale of St. Mary’s Hospital to Prime Healthcare Services last Friday. The Commissioner of Health has 120 days to act on the State Health Planning Board’s recommendation. The Attorney General’s office is conducting its Community Health Assets Protection Act (“CHAPA”) review and is expected to file its recommendations shortly. A Chancery Court Judge will consider those recommendations and hear concerns from other parties and rule on the transfer.

f. The CN and CHAPA applications for the sale of St. Michael’s Medical Center to Prime Healthcare Services have not yet been declared complete. Therefore those regulatory processes have not begun the regulatory timeline.

g. A number of articles were provided on steps being taken in New Jersey to meet other initiatives resulting from the Affordable Care Act, including payment bundling arrangements and gainsharing between hospitals and physicians.

h. A few articles on other regulatory and legal developments in the securities laws and tax laws were also provided.

3. Authority News

a. Carole Conover, the Authority’s Office Manager and Mr. Hopkins’ Executive Assistant, is celebrating her 15th anniversary with the Authority this month.

8. EDUCATIONAL PRESENTATIONS

a. Concerns of Doctors in New Jersey

Mr. O’Neill invited Larry Downs, CEO of Medical Society of New Jersey to present information on Concerns of Doctors in New Jersey.

Mr. Downs guided Members through a PowerPoint presentation (on file at the Authority) highlighting the major issues taking place in the New Jersey physician community.

Following the presentation, responding to a question from Mr. O’Neill regarding the physicians looking for partners in capital, Mr. Downs noted that:

- There are financial institutions that work with MSNJ.
- It helps to have a combined effort, with people who know where to go for capital and the physician community, to raise awareness for those who want to raise capital to know that it is a possibility.
- MSNJ and the Authority should ask – What can we do together to help groups that can benefit from the financing options available? It could help the entire health care system.
- Right now, New Jersey is in the rebound stage of acquisitions. Non-compete clauses are not prohibiting the opening of private or group practices. The contracts are up on offices

who originally signed on with health systems, and some are realizing they do not want to be part of a larger group and want to do something different.

- MSNJ and the Authority have the opportunity to partner up to inform doctors of the option that Authority financing could offer.

Mr. Hopkins thanked Mr. Downs for coming and asked him to provide further detail regarding the hospitalists approach IMA is using and whether IMA was paying hospitalists to work in hospitals. Mr. Downs noted that the group of physicians has a good relationship with their admitting hospitals. It is working in partnership with the hospitals, figuring out how they can work together and have a hospitalist that is a part of the practice able to see the practice's patients. They can also offer to "share" the hospitalist with the hospital should they need additional coverage. In this approach, decisions on patient care are made with more information, specifically about the services or care that can be provided outside of the hospital by the practice.

Mr. Lovell noted that as a result of the Affordable Care Act (ACA) there will be an expansion of coverage and access to care will be critical. He asked for Mr. Downs' perspective related to how access to care will be effected by the trend of less General Practice doctors, especially in the urban areas; and whether more doctors will take Medicaid patients.

Mr. Downs responded that:

- The projections of the doctor shortages come from analysis of one doctor to one patient interactions. However, now there is a greater focus on team care, and technology is providing new avenues for doctors to see patients through telemedical consults.
- The critical nature of the shortage is probably overblown.
- The state does need to make changes to address the increasing need for generalists.
- Annual surveys of NJ doctors show that approximately 3 in 10 doctors accept Medicaid patients.
- The underfunding of the Medicaid program over the years has created a culture among the physician community that they can't accept Medicaid because it pays below the level of financial viability.
- Some doctors will treat Medicaid patients, and never submit a bill for the service because they do not want to be in the Medicaid system.
- For primary care doctors who do accept Medicaid, referrals to specialist care for Medicaid patients could be weeks or months. Right now it's a one-off system. The extended wait for specialty care is part of the reason for the emergency room problem being seen, since problems requiring specialists become worse, not better, when untreated.
- MSNJ will be working with the administration and with experts at Rutgers to come up with new ways to create incentives and attract more doctors into the Medicaid system. There are some suggestions that are not money driven, but could still attract doctors.

After the presentation, Ms. Charters thanked Mr. Downs and suggested a follow-up meeting to further address issues that had been raised, as well as the Authority's FQHC program. Mr. Hopkins stated that he would be in touch with Mr. Downs to follow-up.

b. GME

Mr. O'Neill provided a slideshow overview of the State's GME program (on file at the Authority).

Responding to a question from Mr. Hopkins, Mr. O'Neill confirmed that a hospital does need to have a residency program to receive GME payments, but it does not have to be a "university hospital." It could be a hospital with a small family practice residency program. He added that the larger issue is that the number of residencies that the federal government will pay for has been locked at the federal level for a number of years. There is a set number of slots allowed in medical programs, and there needs to be focus at the national level on expanding those slots.

Responding to questions from Ms. Charters, Mr. O'Neill noted that:

- New Jersey has budgeted \$100 million for GME in 2014, and the governor's recently proposed 2015 budget includes \$100 million.
- Compared to other states, New Jersey is higher than many others are when it comes to the \$100 million for GME. However when the cost of living in the state is high, and the starting salary of physicians is substantially higher in other states, there is a problem with retention.
- Two of the big ways to retain doctors is through a) a residency loan repayment program, and b) finding a place for physicians in hospitals and providing an opportunity for them to establish themselves in the community.

Ms. Charters asked if residents are strictly working in hospitals, or if they are training in urgent care centers. She specifically wanted to know if there were efforts being made to bridge their experience to ongoing employment opportunities. Mr. O'Neill responded that the Department meets with hospitals and teaching associations on a regular basis and the hope was that if the State funded them at higher levels, they would come up with retention strategies. Expanding residency programs in FQHCs did not work because of the way the legislation was written. There's a hope to get there.

Mr. O'Neill added that there had been a focus on coming up with a way to make the GME calculation more equitable, and in 2015 the Department will pay hospitals on median cost per resident.

c. Charity Care

Mr. O'Neill then provided an overview slideshow of the State's Charity Care program for Members, Staff and attendees (on file at the Authority).

In response to a question from Ms. Charters about the hospitals that receive the most in Charity Care, Mr. O'Neill noted that two of the biggest that come to mind are University Hospital and St. Joseph's, and the full list is available on the Department of Health website. He added that following the Governor's Budget Address, the 2015 disbursements were added to the website yesterday.

In response to a question from Mr. Bill McLaughlin on how Charity Care is affected by the ACA, Mr. O'Neill noted that Charity Care goes towards those making up to 300% of the federal poverty level. As a result of the ACA, Medicaid now covers those making up to 133% of the federal poverty level. Therefore, some people who would've received Charity Care in the past are now moving into Medicaid. Theoretically, there should be a decrease in Charity Care payments with those individuals now receiving Medicaid. This is advantageous for the hospitals, because when they provide a service, they bill Medicaid and get paid for the service. With Charity Care, the documented figures are always a few years old, and in a way the hospitals are chasing the money.

In response to a question from Ms. Charters about the locations of the hospitals receiving the most Charity Care and where the greatest need is, it was noted that all hospitals receive Charity Care, but the greatest amount goes to the hospitals in urban areas.

As there was no further business to be addressed, following a motion by Dr. Kazmir and a second by Mr. Lovell, the Members voted unanimously to adjourn the meeting at 11:38 a.m.

I HEREBY CERTIFY THAT THE FOREGOING
IS A TRUE COPY OF MINUTES OF THE NEW
JERSEY HEALTH CARE FACILITIES
FINANCING AUTHORITY MEETING HELD
FEBRUARY 27, 2014.

Stephen M. Fillebrown, Assistant Secretary