

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on October 23, 2014 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

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

Vice Chair, Elisa Charters (Chairing), William Conroy, Designee of the Commissioner of Health; Greg Lovell, Designee of the Commissioner of Human Services; Mary Ann Kralik, Designee of the Commissioner of Banking and Insurance; and via telephone: Dr. Munr Kazmir; Suzette Rodriguez, Public Members.

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

Mark Hopkins, Steve Fillebrown, Suzanne Walton, Ron Marmelstein, Michael Ittleson, Carole Conover, Carl MacDonald, Bill McLaughlin, Debra Coons, Taryn Jauss, Frank Troy, Marji McAvoy, Ellen Lieber, Edwin Fuentes, Paige Piotrowski, Jessica Lucas and Chris Kniesler.

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

Cliff Rones, Attorney General's Office; Peter Simon and Tyler Yingling, Governor's Authorities Unit; Gail Kosyla, Hunterdon Medical Center; Cathy Dowdy, Barnabas Health; Eileen Urban, Barnabas Health; Scott Kobler, McCarter & English; John T. Kelly, Wilentz, Goldman & Spitzer; Dr. James T. Kostinas of David Kostinas & Associates; Kevin Connell, RBC Capital Markets; Nick Warner, Wells Fargo; Bob Bahara, Echo Financial Services.

CALL TO ORDER

Vice Chair Elisa Charters called the meeting to order at 10:01 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 22, 2014 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.

1. APPROVAL OF MINUTES

A. August 28, 2014 Authority Meeting

Minutes from the Authority's August 28, 2014 meeting were presented for approval at the September meeting. Since six Members attended the August meeting, four votes from Members in attendance at the meeting were required to approve the minutes. In September, Mr. Lovell, Ms. Charters and Dr. Kazmir voted to approve the minutes, however, Mr. O'Neill and Ms. Kralik abstained because they did not attend the August meeting. Ms. Rodriguez was absent for the September meeting. Mr. Conroy was in attendance at the August 28, 2014, but not at the September meeting.

Ms. Charters called for Mr. Conroy's vote and Ms. Rodriguez's vote to be recorded. Mr. Conroy and Ms. Rodriguez voted in the affirmative and the August 28, 2014 minutes were approved.

B. September 18, 2014 Authority Meeting

Minutes for the Authority's September 18, 2014 Authority meeting were distributed for review and approval. Ms. Charters asked for a motion to approve the minutes. Dr. Kazmir made the motion. Mr. Conroy seconded. Ms. Charters, Mr. Conroy, Ms. Kralik, Mr. Lovell, Dr. Kazmir all voted in the affirmative and Ms. Rodriguez abstained. The minutes were approved.

2. TEFRA HEARING & CONTINGENT BOND SALES

Ms. Charters announced that the following portion of the meeting would be considered a public hearing in connection with the proposed issuance of bonds on behalf of Barnabas Health and Hunterdon Medical Center. This hearing is taking place in accordance with the public notice and approval requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended.

a. Barnabas Health

Ms. Charters introduced Eileen Urban, Senior Vice President and Treasurer; and Catherine Dowdy, Vice President-Finance from Barnabas Health. She then asked Bill McLaughlin to provide the details of the transaction.

Mr. McLaughlin reminded the Members that at the Authority's August 2014 Meeting, Staff informed the Members that Barnabas Health intended to ask the Authority to issue tax-exempt bonds for the purpose of refunding the FHA-insured mortgages of the recently acquired Jersey City Medical Center, along with financing the costs of planning, development, construction, expansion and equipping of projects at the various Barnabas Health facilities.

Mr. McLaughlin advised the Members that subsequent to the publication of the notice for the TEFRA Hearing concerning this transaction, Barnabas Health decided to only complete the refunding aspect of the original Plan at this time. This action resulted in a \$50 million reduction to the maximum allowable amount of tax-exempt bonds to be issued. A copy of the updated Series Resolution, which reflects the changes to the Project and the adjustments to the contingencies, was provided to the Members.

Mr. McLaughlin informed the Members that today he was requesting approval of a contingent sale of bonds on behalf of the Barnabas Health Obligated Group ("Barnabas Health".) He stated that the proceeds of the proposed transaction are expected to be used to: refund the currently outstanding (GNMA Collateralized Taxable Revenue Bonds) Series 2012, originally issued by Jersey City Medical Center; to fund a Debt Service Reserve Fund, if necessary; and to pay the related costs of issuance. He informed Members that this bond refunding is being executed in

order to facilitate certain restructuring initiatives associated with Barnabas Health's recent acquisition of the Jersey City Medical Center, not for direct economic benefit.

Mr. McLaughlin further stated that the proposed transaction would be at a maximum amount of \$175,000,000 of tax-exempt bonds; it will be structured as a fixed rate financing; and, will be sold on the basis of Barnabas Health's credit rating. He stated that Barnabas had been recently upgraded to A- by S&P and that ratings from both Moody's and Fitch were forthcoming. Currently, Barnabas Health is rated Baa1 and BBB+ by Moody's and Fitch, respectively. The working group is optimistic that both Moody's and Fitch may consider ratings upgrades for Barnabas Health.

Mr. McLaughlin stated that John Kelly of Wilentz, Goldman & Spitzer, P.A., the Bond Counsel, would present the Series Resolution pertaining to this transaction.

SERIES RESOLUTION

John Kelly of Wilentz, Goldman & Spitzer, P.A., the Bond Counsel, stated that the Series Resolution authorizes the issuance of the tax-exempt Series 2014A Bonds in an aggregate principal amount not in excess of \$175,000,000 and at a true interest cost not to exceed 6.00% per annum. The Series 2014A Bonds will be issued for the purpose of providing monies to refund the outstanding (GNMA Collateralized Taxable Revenue Bonds) Series 2012, originally issued by Jersey City Medical Center, fund a debt service reserve fund, if necessary, and pay the related costs of issuance for the Series 2014A Bonds. The Series 2014A Bonds will have a final maturity date of no later than July 1, 2045 and be subject to redemption prior to maturity as set forth therein, provided, that the redemption price cannot be greater than 105%. The Series 2014A Bonds will be issued under the Authority's General Bond Resolution and this Series Resolution, and will be secured by payments to be made by Barnabas Health under their Loan Agreement with the Authority, as evidenced and secured by a Promissory Note, and amounts on deposit in certain funds held by the Bond Trustee. The Promissory Note will be issued under an existing Master Trust Indenture by and among Barnabas Health Obligated Group and The Bank of New York Mellon, as Master Trustee. The Promissory Note will be secured by a gross receipts pledge of the Obligated Group under the MTI along with a mortgage on certain Obligated Group properties.

Additionally, the Series Resolution approves the form of, and authorizes the execution of, the Series 2014A Bonds, Loan Agreement, Preliminary Official Statement and Official Statement. Further, the Series Resolution appoints U.S. Bank, National Association as Trustee, Bond Registrar and Paying Agent for the 2014A Bonds. The Series Resolution also authorizes the execution of the Bond Purchase Contract with J.P. Morgan Securities, the senior managing Underwriter, at an underwriting discount (including counsel fees) not in excess of \$11.00 per \$1,000 principal amount of 2014A Bonds. In addition, it 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 issuance of the Series 2014A Bonds and the refunding of the Series 2012 Bonds.

Mr. Conroy inquired as to status of two entities in the Obligated Group: Mega Care and Union Hospital. Ms. Eileen Urban responded that Mega Care is the home health part of the Barnabas Health network and that Union Hospital was acquired by Barnabas and is now closed.

Ms. Charters asked the Members' pleasure with respect to the adoption of the Series Resolution. Mr. Conroy moved that the resolution be approved. Dr. Kazmir seconded the motion. Mr. Conroy, Ms. Kralik, Mr. Lovell, Dr. Kazmir and Ms. Rodriguez all voted in the affirmative. Ms. Charters abstained. The motion passed.

AB RESOLUTION NO. OO-26

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Series Resolution entitled, "NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REFUNDING BONDS, BARNABAS HEALTH OBLIGATED GROUP ISSUE, SERIES 2014A."

Ms. Urban thanked the Authority Members for their support. She specifically thanked the Staff for all of their work, especially since Barnabas Health changed their plans during the process.

b. Hunterdon Medical Center

Ms. Charters introduced Gail Kosyla, Chief Financial Officer of Hunterdon Medical Center. She then asked Carl Mr. MacDonald to present the details of the transaction.

Mr. Mac Donald informed the Members that they were being asked to consider a contingent sale of bonds on behalf of Hunterdon Medical Center (the "Medical Center") in an aggregate principal amount not to exceed \$50,000,000. The proceeds of the Series 2014A Bonds, together with other funds, will be used by the Medical Center to provide funds to: advance refund the Authority's Hunterdon Medical Center Series 2006A Bonds; currently refund the Authority's Hunterdon Medical Center Series 2014 Bonds; fund the remaining costs of various capital improvements for the Medical Center, including the Cardiovascular and Vertical Expansion Project for its acute care hospital, which were partially financed with the proceeds of the Series 2014 Bonds; fund a Debt Service Reserve Fund for the Series 2014A Bonds, if necessary; and, pay the related cost of issuance of the Series 2014A Bonds.

Mr. MacDonald reminded the Members that, in January of this year, the Authority issued the Hunterdon Medical Center's Series 2014 bonds to finance the Cardiovascular and Vertical Expansion Project. The Bonds were issued in a variable rate mode as a private placement with TD Bank.

Mr. MacDonald reported that the Series 2014A Bonds will be issued and sold as a public offering with pricing expected to occur during the week of November 17, 2014. The proceeds will be used to advance refund the Medical Center's Series 2006A Bonds with maturities from 7/1/2021 through 7/1/2035 and callable on 7/1/2016. The refunding of the 2006A Bonds will

generate approximately \$1.2 million in NPV savings, or approximately 7.52% of the refunded bonds. In addition, he reported that the proceeds of the Series 2014A would also be used to refinance and restructure the Medical Center's Series 2014 issue. The Series 2014 Bonds were issued using a grid note structure similar to a construction loan, which allowed Hunterdon to make monthly draws in accordance with defined requisition procedures. To date, \$14.1M of the \$23.7M of original par amount has been drawn, and the remainder of the Project cost will be financed with proceeds from the 2014A issue.

John Kelly of Wilentz, Goldman & Spitzer P.A., Bond Counsel, presented the Bond Resolution pertaining to this transaction.

BOND RESOLUTION

John Kelly, Esq., of Wilentz, Goldman, & Spitzer P.A. stated the Series Resolution authorizes the issuance of the Series 2014A Bonds in an aggregate principal amount which will not exceed \$50,000,000. The Series 2014A Bonds will be issued for the purpose of providing monies to advance refund the Authority's outstanding Hunterdon Medical Center Series 2006A Bonds, currently refund the Authority's outstanding Hunterdon Medical Center Series 2014 Bonds, finance the remaining portion of the Cardiovascular and Vertical Expansion Project, fund a debt service reserve fund, if necessary, and pay the related costs of issuance for the Series 2014A Bonds. The true interest cost of the Series 2014A Bonds will not exceed 5.50%. The Series 2014A Bonds will have a final maturity of no later than July 1, 2045, and the redemption price of the Series 2014A Bonds shall not exceed 105%. The Series Resolution approves the substantially final form of and authorizes the execution of a Bond Purchase Contract with B.C. Ziegler and Company, as Underwriter on behalf of itself and the other underwriters set forth in the Bond Purchase Contract, prior to the close of business on January 21, 2015.

Pursuant to the Series Resolution, the obligations of the Medical Center to make the debt service and other payments required by the Loan Agreement between the Authority and the Medical Center will be secured by a Promissory Note of the Medical Center issued under its existing Master Trust Indenture or, if the consent of certain holders of their other currently outstanding Notes can be obtained, under a new Master Trust Indenture to be entered into prior to the issuance and closing of the Series 2014A Bonds.

The Series Resolution approves the distribution of a Preliminary Official Statement and final Official Statement for the Series 2014A Bonds, and the form of the Loan Agreement, and also authorizes the execution and delivery of the Loan Agreement by an Authorized Officer of the Authority in substantially the form approved by the Authority, with such changes as counsel may advise and the Authorized Officer executing the same may approve.

The Series Resolution appoints U.S. Bank National Association as the Trustee, Bond Registrar and Paying Agent for the Series 2014A Bonds and authorizes the Authorized Officers of the Authority 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 Loan Agreement and Bond Purchase Contract and the issuance and sale of the Series 2014A Bonds.

Mr. Conroy inquired if, in their projections, Hunterdon Medical Center included elective angioplasty. Ms. Gail Kosyla replied that it was not in the projections, but that elective angioplasty was something Hunterdon Medical Center was considering.

Ms. Charters asked the Members' pleasure with respect to the adoption of the Series Resolution. Mr. Conroy moved that the resolution be approved. Dr. Kazmir seconded the motion. The Members voted unanimously in favor and the resolution passed.

AB RESOLUTION NO. OO-27

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

c. APPOINTMENT OF CO-MANAGER Hunterdon Medical Center

Ms. Charters asked Suzanne Walton to present Hunterdon Medical Center's request for a co-manager for their transaction.

Suzanne Walton reported that last month, Hunterdon Medical Center notified the Authority that they had completed a competitive process resulting in the selection of B.C. Ziegler and Company to serve as their senior underwriter. She stated that the proceeds of the public bond issue, currently sized at \$48 million, would be used to refund the Authorities Series 2006A and 2014 Bond Issues.

Ms. Walton stated that based on the proposed transaction size of \$48 million, Staff would recommend the appointment of one co-manager and is recommending the firm of Ramirez & Co., Inc. She informed the Members that Ramirez is a minority-owned, full service securities firm headquartered in New York City and maintains an office in Newark to serve its New Jersey based issuers. She reiterated that the Authority selects firms from its qualified list to serve as co-managing underwriters based on a demonstrated ability to distribute New Jersey securities of comparable credit quality and sufficient capital to participate in the underwriting. Ms. Walton confirmed that Ramirez meets both requirements.

Ms. Charters asked if there was any information on the company being appointed as co-manager. Ms., Walton replied that the Authority regularly receives quarterly updates for companies on the

approved list. She further stated that, after a sale, the Authority receives an accounting of their performance, which could be made available to her.

Ms. Charters asked for a motion to approve Ramirez & Co. as co-manager for the Hunterdon Medical Center transaction. Mr. Conroy made a motion and Dr. Kazmir seconded the motion. The Members voted unanimously in favor and the motion carried.

AB RESOLUTION NO. OO-28

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the appointment of Ramirez & Co., Inc. as co-manager for the Hunterdon Medical Center transaction.

Ms. Kosyla thanked the Authority and in particular, Suzanne Walton, Carl MacDonald and the Staff for all of their guidance and work on the project.

Ms. Charters then closed the public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended.

3. NEGOTIATED SALE REQUEST & PRIVATE PLACEMENT Hunterdon Medical Center

Ms. Charters then announced that Hunterdon Medical Center was requesting a negotiated private placement for additional bonds. She asked Carl MacDonald to provide the details.

Mr. MacDonald informed the Members that Hunterdon Medical Center has signed a Memorandum of Understanding with the Authority to undertake a tax-exempt negotiated sale of approximately \$22 million of bonds in the form of a private placement. Subsequent to Hunterdon's initial request to move forward with a public offering of Series 2014A Bonds at the Authority's September Board meeting, Hunterdon Medical Center and its Financial Advisor performed an analysis in conjunction with its banking partners. They have found it viable to refinance and restructure the remainder of its existing long-term debt portfolio. Proceeds of the proposed private placement transaction will be used to advance refund the Authority's Hunterdon Medical Center Series 2006B Bonds, possibly currently refund all or a portion of the Series 2009 Bonds, possibly refinance all or a portion of a Taxable Loan, and pay the related cost of issuance.

Mr. MacDonald stated that Hunterdon has asked that the Authority permit the use of a negotiated sale based on a: Sale of a complex credit; and volatile market conditions. These reasons are considered under the Authority's policy regarding Executive Order #26 to be a justification for the use of a negotiated sale.

Mr. MacDonald further stated that, under the Authority's policies, a Borrower requesting a private placement form of a negotiated sale must justify the use of a private placement by

showing it is either less expensive on a present value basis to complete a private placement or that there are other circumstances that would limit the effectiveness or usefulness of a negotiated sale using a public offering. Hunterdon Medical Center, along with its financial advisor, provided justification that a private placement would: reduce costs of issuance; generate greater debt service savings compared to publicly issued bond; and, provide more flexible and favorable optional redemption provisions. He then recommended the consideration of the resolution, approving the use of a private placement form of negotiated sale and forwarding a copy of the justification in support of said resolution to the State Treasurer.

Mr. MacDonald concluded by stating that Hunterdon Medical Center is in the process of soliciting proposals from several banks who have indicated a desire to enter into a direct bank placement. Upon receipt and following a thorough review of the proposals, Hunterdon will select a bank based on price, financial strength of the institution, diversification of credit risk and market knowledge.

The Authority anticipates requesting a contingent bond sale at the Authority's November meeting.

Ms. Charters asked the Members' pleasure with respect to the adoption of the Resolution supporting the issuance of revenue bonds by negotiated transaction pursuant to Executive Order #26 on behalf of Hunterdon Medical Center. Mr. Lovell offered a motion to adopt the resolution; Dr. Kazmir seconded the motion. The vote was unanimous and the motion carried.

AB RESOLUTION NO. OO-29

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled "RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY PRIVATE PLACEMENT TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26."

4. APPROVAL OF EXPENSES

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

AB RESOLUTION NO. OO-30

WHEREAS, the Members of the Authority have reviewed the memoranda dated October 15, 2014, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the

amounts of \$50,465.50 and \$130,534.22 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.

5. STAFF REPORTS

Ms. Charters thanked Staff for the Project Development Summary, Cash Flow Statement, Third Quarter Budget Report and Legislative Advisory reports.

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

1. Finance Committee Members Dr. Kazmir, Ms. Charters and Ms. Rodriguez are reminded that there will be a Finance Committee meeting here on Wednesday, November 5 at 10:00 a.m. to consider the draft 2015 Authority budget.
2. All Authority Members are reminded that in accordance with Executive Order #41 (Codey 2005) they must complete by November 10, 2014 online ethics training from the State Ethics Commission. The training is offered at www.nj.gov/ethics/training. Go to the link "Online Training Modules" and choose "Special State Officer Training Module." Once complete you will need to enter your name and select NJHCFFA from the pull down menu of agencies. You will receive an e-mail confirming your completion of the training. Please forward that to so that I may report it to the Authorities Unit.
3. Eight Authority staff members will be attending The Bond Buyer's Health and Higher Education Super Conference in New York on October 27 & 28, 2014. Authority Members have also been invited to attend. Please let me know if you are interested before September 25 so we can get the discounted rate.
4. NJ Hospital & Health Care Organization News
 - a. Governor Christie has identified three (3) New Jersey hospitals to accept Ebola cases. They are Hackensack University Medical Center, University Hospital and Robert Wood Johnson University Hospital.
 - b. On October 16, 2014, Hackensack University Health Network and Meridian Health announced their intention to merge. The two will be called Hackensack Meridian Health and will create the largest healthcare system in the State with nine hospitals and two children's hospitals. The merger will have to go through both State and federal regulatory review.

- c. On September 24, 2014, Meridian Health and Raritan Bay Medical Center announced their intention to merge. The two systems will negotiate final terms and will need regulatory approvals before the merger is final.
- d. CarePoint Health System on October 9 announced the appointment of Dennis Kelly as its Chief Executive Officer who will oversee its three hospitals located in Bayonne, Hoboken and Jersey City. Mr. Kelly was formerly CarePoint's chief strategy officer.
- e. On September 29, 2014, Atlantic Health System announced that its President and Chief Executive Officer, Joseph Trunfio would be retiring after 15 years in the position. Atlantic Health System operates Chilton Medical Center, Morristown Medical Center, Newton Medical Center and Overlook Medical Center. Mr. Trunfio agreed to stay on until the board of trustees completes a national search for his successor.
- f. Chad Melton, the Chief Executive Officer of Hackensack UMC at Pascack Valley, will be returning to LHP Hospital Group in Texas. Hackensack will be performing a nationwide search for his replacement but starting in November, Mark Sparta who is currently Vice President Clinical Services and Senior Operations Officer at Hackensack University Medical Center, will assume the role in an acting capacity.
- g. On September 28, 2014, Cooper University Health System reported the sad news that its President and Chief Executive Officer, John Sheridan, passed away at home along with his wife. Mr. Sheridan had served for six years at the helm of Cooper and previously held several high-level government positions. The circumstances of the deaths are under investigation.
- h. The following ratings actions were taken:
 - (i) Moody's Investors Service upgraded its rating of approximately \$231 million in bonds issued by the Authority on behalf of St. Joseph's Healthcare System from Ba1 to Baa3. It also changed the outlook from stable to positive.
 - (ii) Standard & Poor's Ratings Services has raised its ratings on \$604 million of bonds issued by the Authority on behalf of Barnabas Health from BBB+ to A- and has assigned an A- rating to the bonds the Authority is issuing this year on behalf of Barnabas. The outlook on its credit remains stable.
- i. The demolition of the former Greystone Park Psychiatric Hospital is scheduled to begin in November. The Authority financed demolition along with the construction of new facilities at Greystone.

- j. The Valley Hospital has filed a lawsuit against the Ridgewood Planning Board for rejecting Valley's proposal to significantly upgrade the hospital.
- k. Memorial Sloan Kettering has broken ground on an outpatient cancer center in Middletown to be known as MSK Monmouth. The 285,000 square foot facility is expected to open in late 2016 and will be the second cancer center opened by Memorial Sloan Kettering in New Jersey; the first was opened in Basking Ridge in 2006. The center is expected to cost \$217 million and create more than 160 jobs. It received support from a \$7.9 million Grow NJ Legacy award from the Economic Development Authority.
- l. Gail Kosyla, Chief Financial Officer of Hunterdon Healthcare, was recently named a Fellow of the American College of Healthcare Executives.
- m. A number of New Jersey hospitals will be having their Medicare reimbursements reduced as a result of failing to meet targets set by the Affordable Care Act for reducing readmissions of patients admitted for five types of treatments: chronic lung disease, heart attack, heart failure, hip and knee replacements and pneumonia. The penalties this year were up to 3% of Medicare reimbursement, up from 2% last year and 1% the year before. New Jersey had the highest percentage of hospitals penalized but none of the State's hospitals were among those in the nation receiving a full 3% penalty.
- n. The Robert Wood Johnson Foundation has released a survey showing that the number of uninsured in New Jersey fell from 21.2% before the implementation of the Affordable Care Act's individual mandate and Medicaid expansion last fall to 11.5% this fall, estimating that an additional 520,000 residents now have insurance.
- o. More national news stories on health care include:
 - i. The Department of Health and Human Services report that hospitals will save \$5.7 billion on uncompensated care as a result of the Affordable Care Act, with about \$4.2 billion going to states who adopted the Medicaid expansion. Hospitals provided about \$44.6 billion in uncompensated care in 2013 and \$45.9 billion in 2012.
 - ii. Big data's transformative effect on the healthcare sector.
 - iii. The importance to hospitals of preventing medical error.
 - iv. The concern that too many hospital beds may lead to overtreatment of patients nearing the end of life.
 - v. An opinion on the way Maine and the United States pay hospitals.

vi. Five healthcare megatrends to watch for.

5. Authority News

- a. The Authority has published its new hospital map and annual report which are being made available today. I want to congratulate Chris Kniesler, the Authority's relatively new Communications Specialist, on completing these projects quickly.
- b. It was announced that Tyler Yingling will be replacing Peter Simon as the representative from the Governor's Authorities Unit.

As there was no further business to be addressed, following a motion by Mr. Conroy and a second by Dr. Kazmir, the Members voted unanimously to adjourn the meeting at 10:34 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
October 23, 2014.

Carole A. Conover, Assistant Secretary