Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on November 19, 2015 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

*The following **Authority Members** were in attendance:*
Michael Conca, Designee of the Commissioner of Health (Chairing); Jessica Feehan, Designee of the Commissioner of Human Services; Maryann Kralik, Designee of the Department of Banking and Insurance; Dr. Munr Kazmir, Public Member; and, via telephone, Suzette Rodriguez, Public Member

*The following **Authority staff members** were in attendance:*
Mark Hopkins, Steve Fillebrown, Ron Marmelstein, Carole Conover, Michael Ittleson, Carl MacDonald, Bill McLaughlin, Frank Troy, John Johnson, Bernie Miller, Marji McAvoy Jessica Lucas, Ellen Lieber, Edwin Fuentes, Bernie Miller and Chris Kniesler

*The following **representatives from the State and/or the public** were in attendance:*
Cliff Rones, Attorney General's Office; Michael Collins, Governor's Authorities Unit; Barry Rabner, Chief Executive Officer, Gui Valladares, Vice President of Finance and Glenn Zirbser, Chief Financial Officer, Princeton HealthCare System; Gary Walsh, Windels Marx Lane & Mittendorf, LLP; Scott Kobler, McCarter English; John Kelly, Wilentz Goldman Spitzer; Tim Fitzgerald, Geisinger Health System; Hak Kim, AtlantiCare Health System; Sarah Dawkins, Kaufman Hall; Brian Carter and Nick Warner, Wells Fargo Securities; Brett Altman, JP Morgan Chase; Phil DelVecchio, Bank of America/Merrill Lynch and, via telephone, Erica Craner-Griffet, Senior Vice President and Patrick Curboy, Placement Specialist, Marsh USA

CALL TO ORDER

Executive Director Mark Hopkins called the meeting to order at 10:04 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 28, 2015 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 the Vice Chair, that a Chair pro tem should be named. Dr. Kazmir nominated Michael Conca to serve as Chair pro tem for the November 19, 2015 meeting and Ms. Feehan seconded. All Members voted in the affirmative and the motion carried.

1. APPROVAL OF MINUTES

a. October 19, 2015 Special Authority Meeting

Minutes for the Authority's October 19, 2015 Special Authority meeting were distributed for review prior to the meeting. Mr. Conca asked for a motion to approve the minutes. Dr. Kazmir made the motion. Ms. Kralik seconded. The vote was unanimous and the minutes were approved.

b. October 22, 2015 Authority Meeting

Minutes for the Authority's October 22, 2015 Authority meeting were distributed for review prior to the meeting. Mr. Conca asked for a motion to approve the minutes. Dr. Kazmir made the motion. Ms. Feehan seconded. Mr. Conca, Ms. Kralik, Ms. Feehan and Dr. Kazmir voted to approve. Ms. Rodriquez abstained and the minutes were approved.

2. TEFRA HEARING AND CONTINGENT BOND SALE
AtlantiCare Regional Medical Center

Mr. Conca announced that the following portion of the meeting was a public hearing in connection with the AtlantiCare Regional Medical Center and Princeton HealthCare System transactions. 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.

Mr. Conca asked Bill McLaughlin to present the details of the AtlantiCare Regional Medical Center transaction.

Mr. McLaughlin began by introducing Mr. Hak Kim from AtlantiCare and Mr. Tim Fitzgerald from Geisinger.

Mr. McLaughlin reported that on October 1, 2015 the AtlantiCare Regional Medical Center, which operates two hospitals – one located in Atlantic City and the other in Pomona, and Geisinger Health System were granted final approval on their merger. As a result of the merger, Geisinger Health System has become the parent of the AtlantiCare Regional Medical Center.

According to Mr. McLaughlin, Geisinger plans to refund all of the currently outstanding debt of AtlantiCare that was issued by this Authority through a Pennsylvania-based issuing Authority. The proposed bond refundings will be comprised of the following NJHCFFA bond issues: the public Series 2007 bonds issued in an initial par amount of $113,420,000 with $102,500,000 outstanding at September 30, 2015; the directly placed Series 2012A bonds issued in an initial par amount of $39,325,000 with $33,525,000 outstanding as of September 30, 2015; the directly placed Series 2012B bonds issued in an initial par amount of $41,810,000 with $30,305,000 outstanding as of September 30, 2015; and the directly placed Series 2014 bonds issued in an initial par amount of $60,000,000 with $60,000,000 outstanding as of September 30, 2015.

Mr. McLaughlin said that due to the proposed changes in the structure of the financing, including security, reporting, issuer and potential financing term, Counsel has advised Geisinger that a TEFRA hearing is required. The request was made of this Authority to conduct the hearing given the requirement that the hearing must be conducted in the municipality, county or state where the financed facility is located.

Mr. Conca thanked Mr. McLaughlin for his presentation and asked if there were any comments or questions from the Authority Members or the public regarding the TEFRA hearing for AtlantiCare Regional Medical Center. There were no questions or comments.

3. TEFRA HEARING AND CONTINGENT BOND SALE
Princeton HealthCare System

Mr. Conca announced that the following portion of the meeting was a public hearing in connection with the Princeton HealthCare System transaction. In addition, the Members would be asked to approve a Series Resolution and a Bond Resolution on behalf of Princeton HealthCare System.

Mr. Conca called on Carl MacDonald to present the details of the Princeton HealthCare System transaction to the Members.

Mr. MacDonald began by introducing Barry Rabner, Chief Executive Officer, Glenn Zirbser, Chief Financial Officer and Gui Valladares, Vice President of Finance for Princeton HealthCare System. Mr. MacDonald informed the Members that they are being asked to consider a contingent sale of three series of bonds on behalf of Princeton HealthCare System (the "System") in an aggregate principal amount not to exceed $330,000,000. The proceeds of the Series 2015 Bonds will be used by the Medical Center to provide funds to currently refund the Authority's Princeton Medical Center Series 2010B Bonds, which are privately placed with TD Bank; the 2010C Bonds, which are privately placed with Wells Fargo Bank; the 2010D bonds, which are privately placed with JP Morgan Chase; refinance a private loan with Bank of America; provide reimbursement for a surface parking lot project on the hospital campus; finance renovations, construction and expansion of the obstetrics and gynecology suite and facilities; fund a debt service reserve fund, if necessary; and to pay the related cost of issuance.

Mr. MacDonald said that the Series 2015A Bonds will be issued and sold as a public offering with pricing expected to occur during the week of December 14th 2015. The Series 2015B and 2015C Bonds are to be issued and sold on a direct purchase basis to Wells Fargo Bank and Bank of America Public Capital, respectively.

In addition, Mr. MacDonald said that the Bonds will be secured by payments made by the Medical Center under the Loan Agreements, as evidenced and secured by Notes issued under the System's Master Trust Indenture, which also includes a gross receipts pledge. The System is currently pursuing ratings with Moody's and Fitch, and it is anticipated that the ratings will be made public prior to pricing this transaction.

Mr. MacDonald then introduced Gary Walsh, of Windels Marx Lane & Mittendorf, LLP, Bond Counsel, to present the Series Resolution pertaining to the Series 2015A Bonds, as well as the Bond Resolution pertaining to the Series 2015B and 2015C Bonds.

Mr. MacDonald said that he, Mr. Walsh and Mr. Zirbser would address any questions on issues the Members may have regarding this transaction.

SERIES RESOLUTION

Mr. Walsh, stated that because the transaction involves both fixed rate and variable rate debt, Bond Counsel has prepared two separate resolutions: a Series Resolution authorizing the fixed rate debt, and a Bond Resolution authorizing the variable rate debt.

Mr. Walsh stated the Series Resolution authorizes the issuance of the Series 2015A Bonds in an aggregate principal amount which, together with the aggregate principal amount of the Series 2015B and 2015C Bonds authorized pursuant to the Bond Resolution, will not exceed $330,000,000. The true interest cost of the Series 2015A Bonds will not exceed 6.00%. The Series 2015A Bonds will have a final maturity of no later than July 1, 2048, and the redemption price of the Series 2015A Bonds shall not exceed 105%. The Series Resolution approves the substantially final form of and authorizes the execution of a Bond Purchase Contract with Wells Fargo Securities LLC, as Underwriter on behalf of itself and the other underwriters set forth in the Bond Purchase Contract, prior to the close of business on February 24, 2016.

In addition, the Series Resolution approves the distribution of a Preliminary Official Statement and final Official Statement, and approves the substantially final form of the Loan Agreement, with such changes as counsel may advise and the Authorized Officers executing the same may approve.

Mr. Walsh concluded by saying that the Series Resolution appoints The Bank of New York Mellon as the Trustee, Bond Registrar and Paying Agent for the Series 2015A 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 Series 2015A Loan Agreement and Bond Purchase Contract and the issuance and sale of the Series 2015A Bonds.

BOND RESOLUTION

Gary Walsh, stated that the Bond Resolution authorizes the issuance of the Series 2015B and 2015C Bonds in an aggregate principal amount which, together with the aggregate principal amount of the Series 2015A Bonds authorized pursuant to the Series Resolution, will not exceed $330,000,000. The Series 2015B and 2015C Bonds shall mature no later than July 1, 2048. The Series 2015B and 2015C Bonds shall bear interest initially at a direct purchase rate as described in the Trust Agreement, provided that the interest rate initially shall not exceed 6.0% and thereafter in no event shall the interest rate exceed the maximum rate permitted by applicable law. The redemption price of the Series 2015B and 2015C Bonds, if any, shall not exceed 105%.

Mr. Walsh said that the Bond Resolution approves the substantially final form of and authorizes the execution of a Bond Purchase Contracts by no later than February 24, 2016, for the purchase of the Series 2015B Bonds, with Wells Fargo Bank, as Purchaser and for the purchase of the Series 2015C Bonds with Bank of America Public Capital, as Purchaser.

In addition, the Bond Resolution also approves in substantially final form the Loan Agreements and Trust Agreements, with such changes as counsel may advise and the Authorized Officers executing the same may approve.

Mr. Walsh concluded by saying that the Bond Resolution appoints Bank of New York Mellon as the Trustee, Bond Registrar and Paying Agent for the Series 2015B and 2015C 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 in order to effectuate the execution and delivery of the Bond Purchase Contracts, the Trust Agreements and the Series 2015B and 2015C Loan Agreements and the issuance and sale of the Series 2015B and 2015C Bonds.

Mr. Conca asked if the Members had any questions. There were none.

Mr. Conca asked for a motion to approve the Series Resolution authorizing the issuance of the revenue and refunding bonds on behalf of Princeton HealthCare System. Dr. Kazmir made the motion. Ms. Kralik seconded. The vote was unanimous and the motion passed.

AB RESOLUTION NO. PP-33

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, PRINCETON HEALTHCARE SYSTEM ISSUE, SERIES 2015A.

(attached)

Mr. Conca asked for a motion to approve the Bond Resolution authorizing the issuance of the revenue bonds on behalf of Princeton HealthCare System. Dr. Kazmir made the motion. Ms. Feehan seconded. The vote was unanimous and the motion passed.

AB RESOLUTION NO. PP-34

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 REVENUE BONDS, PRINCETON HEALTHCARE SYSTEM OBLIGATED GROUP ISSUE, SERIES 2015B AND SERIES 2015C.

(attached)

Mr. Conca informed the Members that the Authority has been asked to approve co-managers for this transaction. He then called on Bill McLaughlin to explain the recommendation to the Members.

Mr. McLaughlin informed the Members that Princeton Healthcare System has notified the Authority that they have completed a competitive process and selected Wells Fargo Securities to serve as their Senior Managing Underwriter. In addition, the Hospital has requested that the Authority consider the appointment of the firms of Bank of America Merrill Lynch as the Co-Senior Managing Underwriter and J.P. Morgan Securities, Inc. as a Co-Managing underwriter on the forthcoming public transaction.

Given the expected par amount for the public series, Staff is recommending the assignment of three Co-Managers. Staff supports the recommended appointment of J.P. Morgan Securities by the Borrower and proposes adding the firms of Rice Financial and FTN Capital Markets to the transaction.

Each firm has been qualified by this Authority to serve in the role of co-managing underwriter, has demonstrated the ability to distribute New Jersey securities and has sufficient capital to participate in the transaction. Therefore, Staff is requesting the Members approval to name J.P. Morgan Securities, Rice Financial and FTN Capital Markets as co-managers on the Princeton HealthCare System Series 2015 transaction.

Mr. Conca then asked for a motion to approve name J.P. Morgan Securities, Rice Financial and FTN Capital Markets as co-managers for the Princeton HealthCare System transaction.

Dr. Kazmir made the motions and Ms. Kralik seconded. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. PP-35

NOW, THERFORE, BE IT RESOLVED, that the Authority hereby approves the appointment of J.P. Morgan Securities, Rice Financial and FTN Capital Markets as co-managers for the Princeton HealthCare System transaction.

Mr. Conca then closed the public hearing in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended regarding the proposed financings on behalf of AtlantiCare Regional Medical Center and Princeton HealthCare System.

Mr. Rabner thanked the Authority for their efforts on behalf of Princeton HealthCare System.

3. DIRECTORS AND OFFICERS LIABILITY INSURANCE POLICY RENEWAL

Mr. Conca called on Controller Michael Ittleson to brief the Members on the renewal of the Directors and Officers Liability Insurance policy.

Mr. Michael Ittleson introduced Erica Craner-Griffet, Senior Vice President, Marsh USA and Patrick Curboy, Placement Specialist, Marsh USA, who were participating by telephone.

Mr. Ittleson reported that the Authority's broker, Marsh USA, approached the following five (5) insurance carriers that are "A" rated with regards to a new policy: National Union Fire Insurance Company of Pittsburgh, PA (AIG), Starr Indemnity & Liability Company, Axis, Hiscox and Zurich. Hiscox and Zurich were non-responsive. AIG offered policies at limits of $20 million, $15 Million and $10 Million. Starr Indemnity offered a $5 million excess of $29 million policy and a $5 million excess of $15 million policy. Axis offered a $5 million excess of $20 million policy.

According to Mr. Ittleson, the Star Indemnity and Axis proposals were eliminated because they would require the Authority to obtain a supplemental policy to maintain $20 million in liability coverage. He also noted that if the Authority agreed to be insured by multiple policies for lower amounts, then no company would bid at the desired $20 million level in the future.

Mr. Ittleson then recommended that the Authority renew the policy with AIG for $20 million in coverage.

Mr. Conca thanked Mr. Ittleson for his report and asked if the Members had any questions. He then asked for a motion to accept Staff's recommendation and renew the policy with AIG.

Dr. Kazmir made a motion and Ms. Feehan seconded. Mr. Conca, Ms. Feehan, Dr. Kazmir and Ms. Rodriguez voted in the affirmative. Ms. Kralik abstained, and the motion carried.

AB RESOLUTION NO. PP-36

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the renewal of the Directors and Officers Liability Insurance policy with AIG.

4. FINANCE COMMITTEE REPORT

A. 2016 Authority Budget

Mr. Conca called on Dr. Kazmir to present the Finance Committee report to the Members.

Dr. Munr Kazmir, Chair of the Finance Committee, informed the Members that the Finance Committee met on October 7, 2015 to discuss the Authority's proposed 2016 budget.

Dr. Kazmir presented the highlights of the 2016 Authority Budget and then turned the meeting over the Executive Director Hopkins to provide more details.

Mr. Hopkins began by presenting the proposed 2016 Budget in comparison to the 2015 Budget. He highlighted the following budget items:

- Income is projected to increase by 5.55% to $4,235,289.
- Expenses will increase by 3.14% over the 2015 budget to $3,881,978.
- Salaries line item will decrease by 5.19% to $1,639,649 due primarily to 2015 having 27 pay periods and 2016 having the usual 26 as well as the staff reorganization which resulted in reducing staff from 25 to 24.
- Fringe benefits will decrease by 2.58% due to the same reasons salary is decreasing but is partially offset by increases in health benefit costs.

Mr. Hopkins then addressed the significant changes of the 2016 Budget:

- The various hospital sales and bankruptcies will require the Authority to increase the line-items for:
    - Special Tax Counsel
    - Bankruptcy Counsel Fees and Costs
    - Payment of Trustee Fees for sold hospitals
- Net Revenue is budgeted to be $353,311, an increase of 42.04%.
- The projected income is based on the Authority having more transactions than predicted in 2015 and the anticipated new transactions in 2016, in particular the new money transactions.

Mr. Hopkins pointed out to the Members that the 2015 estimate of bond issuance will be reduced by approximately $150 million due to the AtlantiCare transaction going to Pennsylvania. In addition, he reminded the Members that the St. Michael's bankruptcy costs deducted for 2016 were a one-time expense.

Mr. Hopkins continued by explaining the following items:

- The estimated increase for the new auditing contract is $2,000.
- Investment Services is expected to increase by $1,000.
- Special Projects will decrease by $61,661.
- The Office and Equipment line-item is increased by $1,000 for the purchase of another transcript cabinet.
- Decreases are projected for printing, postage, advertising, transportation and archiving.
- Meeting, seminars and education will decrease by $7,835.
- Vehicle expenses will decrease by $25,500.
- The HIE Grant expenses no longer exist, saving $7,000.
- Directors and Officers Liability insurance is projected to increase by 4.31%, or $4,467.
- Office Rent and Electricity is expected to rise $18,325, or 5.03%. The rate will increase to $23 per square foot, plus escalation charges.

Mr. Hopkins mentioned that the Authority's lease is up in September 2016. He believes that the new rate will be $23 per square foot.

Mr. Hopkins continued his presentation with comparisons of the Authority expenses and salaries to the average CPI of New York and Philadelphia.

- Since 2004, the Authority's Budget has increased by only 9.07%.
- The CPI average of New York City and Philadelphia since 2004 has increased 26.66%.
- Since 2004, the Authority has issued 143 bonds totaling over $9.3 billion.
- Refundings are currently outpacing new money bonds.

Mr. Hopkins ended by saying that there was one (1) item to be discussed in Executive session, but the Authority could still approve the Budget.

Dr. Kazmir said that the Committee voted to recommend this budget for the Members' approval and then asked if the Members had any questions.

As there were no questions on the proposed budget, Dr. Kazmir made a motion to adopt the 2016 Authority Budget as presented. Ms. Feehan seconded the motion. Mr. Conca, Ms. Feehan, Dr. Kazmir and Ms. Rodriguez voted in the affirmative. Ms. Kralik abstained, and the motion carried.

AB RESOLUTION NO. PP-37

NOW, THERFORE, BE IT RESOLVED, that the Authority hereby adopts the proposed 2016 Authority Budget as recommended by the Finance Committee.

6. APPROVAL OF EXPENSES

Mr. Conca referenced a summary of Authority expenses and invoices provided to the Members. Dr. Kazmir offered a motion to approve the bills and to authorize their payment. Ms. Rodriguez seconded the motion. All Members voted in the affirmative and the motion carried.

AB RESOLUTION NO. PP-38

WHEREAS, the Members of the Authority have reviewed the memoranda dated November 10, 2015, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of $24,523.88 and $52,163.08 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. Conca thanked Staff for the Project Development Summary, Cash Flow Statement and Legislative Advisory reports.

Mr. Conca asked Executive Director Hopkins to present his Executive Director's report.

Mr. Hopkins began by reminding the Members that they have a mandatory ethics training class immediately following the meeting. He also said that the Audit Committee would meet after the December Authority meeting. This is their opportunity to meet with the auditing firm to discuss the scope of the annual audit.

Mr. Hopkins then presented the following items to Members:

1. On November 12, the bankruptcy court named Prime Healthcare Services as the winning bidder for Saint Michael's Medical Center in the bankruptcy auction. Prime bid approximately $62.2 million. Prospect Medical Holdings also bid for St. Michael's. The sale still needs to go through Certificate of Need approval by the Department of Health and the Community Healthcare Assets Protection Act approval process conducted by the Attorney General's office. Attorneys for those two departments indicated if everything went smoothly and information was delivered timely those regulatory processes could be completed in about three months. St. Michael's has thus asked for the exclusivity for its reorganization to be extended an additional 120 days. A number of articles on the Saint Michael's bankruptcy are being provided today and we will have further discussion during Executive Session.

2. East Orange General Hospital filed for bankruptcy on November 10th. East Orange had been in the process of being acquired by Prospect Medical Holdings but, according to East Orange, some delays have necessitated filing bankruptcy to prevent old debt from endangering the ability to consummate the transaction. The transaction had already received Certificate of Need approval and CHAPA approval. The Authority currently has $5.7 million in 2006 COMP Program bonds outstanding on behalf of East Orange, which are backed by a letter of credit from PNC Bank.

3. On November 6th, The Bond Buyer reported that the Authority may have settled with the IRS over a total return swap entered into by Deborah Heart & Lung Center.

4. Hospital & Other News

    a. Atlantic Health System has settled its property tax case filed against Morristown Medical Center by the town of Morris. AHS agreed to pay $10 million this year and another $5.5 million in penalties and interest over ten years through annual installments to cover the tax years 2006 through 2015. AHS will continue to pay an estimated $1.05 million annually for future property taxes through 2025 based on the calculation that one-quarter of the Morristown Medical Center property is taxable and the valuation is $40 million. A number of articles on this case and its possible effect on other hospitals are being provided today, including one in which a councilwoman from Newark would like to explore collecting property taxes from Newark Beth Israel Medical Center.

    b. New Jersey ranks 5th for safest hospitals in the United States according to the semiannual report of the Leapfrog Group. Thirty-two of the State's 67 hospitals received a grade of "A." The Centers of Medicare and Medicaid Services ("CMS") also released its star ratings of all United States hospitals based on patient surveys on quality. The results are summarized in the article provided today.

    c. Five New Jersey hospitals settled charges they improperly billed Medicare for implanting cardiac defibrillators in patients. The case was based on Medicare's restrictions on implanting defibrillators too soon after a heart attack or bypass or angioplasty procedures. CMS generally prohibits implantation within 40 days and 90 days, respectively, of those procedures in order to give the heart an opportunity to improve function on its own. Nationwide, a total of more than 450 hospitals agreed to settle including Cooper, Deborah, Hackensack, Robert Wood Johnson University Hospital and the Valley Hospital in New Jersey. None of the hospitals admitted guilt and the charges did not reflect on the quality of care.

d. Our Lady of Lourdes Medical Center has expanded its liver transplant program by partnering with Thomas Jefferson University Hospital for liver disease services. Our Lady of Lourdes was also recognized by Becker's Hospital Review as one of the nation's "100 Hospitals and Health Systems with Great Heart Programs."

e. St. Joseph's Healthcare System was recognized by the NJ Sharing Network for its efforts towards increasing awareness of organ donations.

f. Underwood Hospital celebrated its 100 anniversary on November 6th.

g. The planned Seton Hall/Hackensack University Health Network Medical School received a $16.9 million Grow New Jersey award from the New Jersey Economic Development Authority. The medical school campus is expected to cost $75 million and create 271 full-time jobs on the former Roche campus in Nutley and Clifton.

h. Coordinated Health, a hospital network based out of South Whitehall Township Pennsylvania, opened an integrated health campus in Lopatcong Township near Phillipsburg. The first phase of the project is a medical office building, housing 30 clinicians. The second phase is slated to include an ambulatory surgery center.

i. Inspira Health Network in partnership with Cooper University Health Care is preparing to open a multi-specialty health center in Glassboro. The $1.9 million, 27,500 square foot facility will house the Cooper Bone and Joint Institute, a behavioral wellness center as well as primary care, urgent care and medical imaging services.

j. James Nolan, CFO of AtlantiCare Health System, will be stepping down at the end of this month. Walt Greiner, the CFO of the AtlantiCare Regional Medical Center, is expected to be promoted to the role of CFO of the system.

k. Samaritan Healthcare & Hospice has named Mary M. Finn as its new CFO. She was most recently Vice President of Finance and Physician Alignment at Aria Health and previously was the Assistant Vice President of Financial Planning at Kennedy Health System.

l. Two ratings actions to report:

    i. Moody's affirmed the "Baa3" rating on $227.2 million of bonds issued by the Authority on behalf of St. Joseph's Healthcare System with an outlook of stable; and

ii. Fitch has upgraded approximately $623 million of Authority bonds issued on behalf of Virtua Health from “A+” to “AA-.” This is the first time in as long as I can remember that New Jersey had a hospital credit rated in the double A category. The outlook has been revised to stable from positive.

m. Horizon Blue Cross Blue Shield of New Jersey’s OMNIA Health Alliance continues to generate controversy about why certain hospitals were not included in Tier One of the alliance. St. Peters University Hospital has filed suit against Horizon and New Jersey bishops are questioning why only one Catholic hospital was part of the alliance.

n. In other Horizon news, it has entered into an Accountable Care Organization agreement with Meridian Health for the new OMNIA plan. It has also entered into an agreement with AbilTo, Inc. to provide no cost behavioral therapy to cardiac patients.

o. The Atlantic Accountable Care Organization and Optimus Health Partners have reported significant improvements in patient care and quality at nursing facilities. The coordination of care also resulted in reduced costs.

p. A State Senate committee heard testimony on the potential benefits of telemedicine. New legislation is being proposed to allow more use of telemedicine in New Jersey.

q. CMS is proposing an overhaul to the discharge process for hospitals, rehabilitation facilities and home health agencies. The proposed rule would require providers to develop a discharge plan within 24 hours of a patient’s admission or registration and would be required to complete that plan before discharge or transfer to another facility. Implementation is expected to result in additional costs, hardest hit are expected to be home health agencies.

r. The Social Innovation Act, which would have had the New Jersey Economic Development Authority study possible loans to health care organizations that could demonstrate cost savings to governmentally funded health benefits programs, was conditionally vetoed by Governor Christie last week with the recommendation that the program be placed instead at the Health Care Facilities Financing Authority.

s. Other articles provided today include: (i) the hospital muni-bond rally isexperiencing a drag from fading ACA gains; (ii) the difficulties in shopping for health care; (iii) the rise in health care spending even as the use of services falls; (iv) the increased investment in population health by hospitals; (v) the reduction in charity care as a result of Medicaid expansion; (vi) the steep drop in unnecessary heart procedures; (vii) how hospitals can compete with the new influx of retail medicine; (viii) the increasing adoption of electronic health records by hospitals; (ix) how dementia increases ER visits, readmissions and mortality rates; and (x) how long-term care hospitals are gaming Medicare reimbursement.

t. The IRS has indicated that municipal bond issuers should be monitoring the compliance of their conduit borrowers with the tax provisions of their bonds.

5. Authority News

    a. Bill McLaughlin, the Authority's Assistant Director of Project Management, is celebrating his 15th anniversary at the Authority this month. Mr. Hopkins offered his congratulations.

8. EXECUTIVE SESSION

Mr. Conca asked for a motion to go into Executive Session to discuss potential litigation and contractual negotiations and receive legal advice regarding St. Michael's Medical Center and to discuss personnel matters.

Dr. Kazmir made the motion. Ms. Kralik seconded. The vote was unanimous and the motion passed. As permitted by the Open Public Meetings Act and the Authority's By-Laws, the Members met in Executive Session to discuss potential litigation and contractual negotiations and receive legal advice regarding St. Michael's Medical Center and to discuss personnel matters. Mr. Conca stated that the discussions in Executive Session would be made public when the need for confidentiality no longer exists. The Members went into Executive Session at 10:54 a.m.

AB RESOLUTION NO. PP-39

NOW, THEREFORE, BE IT RESOLVED, that, as permitted by the Open Public Meetings Act and the Authority's By-laws, the Authority meet in Executive Session to discuss contractual negotiations, potential litigation and receive legal advice regarding St. Michael's Medical Center and to discuss personnel matters;

BE IT FURTHER RESOLVED, that the results of discussions may be made known at such time as the need for confidentiality no longer exists.

The Members went back into public session at 11:12.

Hearing no further business, following a motion by Dr. Kazmir and a second, the Members voted unanimously to adjourn the meeting at 11:15 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 NOVEMBER 19, 2015.

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Carole A. Conover, Assistant Secretary