

Minutes of the New Jersey Health Care Facilities Financing Authority Annual Meeting held on June 28, 2018 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

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

Dr. Munr Kazmir (Vice Chair) Chairing; and, via telephone, Robin Ford, Designee of the Commissioner of Health; Greg Lovell, Designee of the Commissioner of Human Services; Suzette Rodriguez, Public Member

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

Mark Hopkins, Frank Troy, Carole Conover, Bill McLaughlin, Marji McAvoy, Alpa Patel, Jessica Lucas, Neetu “Nikki” Thukral, Edwin Fuentes, Ellen Lieber, John Johnson, Michael Solidum, Bernie Miller and Chris Kniesler

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

Brian McGarry Attorney General’s Office; Lauren Nathan-LaRusso, Governor’s Authorities Unit; Joe Maruca, Mercadien, LLC

## **CALL TO ORDER**

Dr. Kazmir called the meeting to order at 10:07 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 24, 2018 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 May 24, 2018 Authority Meeting**

Minutes for the Authority’s May 24, 2018 Authority meeting were distributed for review and approval prior to the meeting. Dr. Kazmir asked for a motion to approve the minutes. Mr. Lovell made the motion. Ms. Rodriguez seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. All Members voted in the affirmative and the minutes were approved.

### **2. AUDIT COMMITTEE REPORT**

Dr. Kazmir asked Robin Ford, Chair of the Audit Committee, to present the details of the Authority’s 2017 audit.

Ms. Ford reported that, on June 12, representatives from Mercadien, LLC presented the Audit Committee with the Authority's 2017 Audit. Following their presentation, the Committee voted to approve the audit and to recommend the Authority's approval of the 2017 Audit, as well as its submission to the Governor, members of the Legislature, the Secretary of State, and the Comptroller of the Treasury, as is required by the Authority's enabling legislation.

Ms. Ford then summarized the findings and provided the Members with a few key aspects of the 2017 audit. According to Ms. Ford, Mercadien's audit of the Authority's financials found:

- The Authority's audit was issued with an Unmodified Opinion, which is the highest level of assurance.
- There were no significant or unusual Authority transactions, no disagreements with management on the scope of the audit or application of accounting principles and no difficulties dealing with management.
- There were no compliance issues.
- There were no unrecorded audit adjustments
- In regards to all major accounting estimates, all of management's estimation processes appeared appropriate.
- The Auditors informed the Authority that GASB Statement #75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, becomes effective for the Authority on December 31, 2018.

Ms. Ford also mentioned that there was one outstanding recommendation from the 2015 audit. Mercadien suggested the procurement of an automated double entry accounting system for the Trustee-held funds. The Authority issued an RFP, however the responses were more than double the budgeted amount. The Authority pared down the scope of the project, but it was still over budget. The Authority is currently in discussions with another state bond issuing authority in an effort to seek a less costly solution.

Ms. Ford then commended the Authority Staff, and specifically, Controller Marji McAvoy, Ellen Lieber and the rest Division of Operations, Finance and Special Projects for another year of outstanding work.

Ms. Ford asked if the Members had any questions for the Auditor, Joe Maruca, staff or the Audit Committee. There were no questions. Mr. Maruca recognized Marji McAvoy for a job well done and thanked the staff for their cooperation.

Ms. Ford concluded by making a motion to authorize the approval of the 2017 Audit and submit it to the Governor, members of the Legislature, the Secretary of State, and the Comptroller of the Treasury, as is required by the Authority's enabling legislation.

Mr. Hopkins noted that Marji McAvoy did a fantastic job on the audit this year.

Dr. Kazmir acknowledged that Ms. Ford had made the motion to accept the audit and asked for a second. Mr. Lovell seconded the motion. Dr. Kazmir asked if the Members had any questions

or comments on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

### **AB RESOLUTION NO. SS-08**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution to authorize the approval of the 2017 Audit and submit it to the Governor, members of the Legislature, the Secretary of State, and the Comptroller of the Treasury, as is required by the Authority's enabling legislation.

### **3. MEMORANDUM OF AGREEMENT WITH THE DEPARTMENT OF HEALTH Quarterly Financial Database Maintenance and Analysis**

Dr. Kazmir asked Executive Director Mark Hopkins to explain the Memorandum of Agreement to the Members.

Mr. Hopkins reminded the Members that the New Jersey Health Care Facilities Financing Authority (the "Authority") has provided Quarterly Financial Database Maintenance and Data Analysis to the Department of Health ("Department") for many years, with the latest renewal occurring in July 30, 2015, when the current Memorandum of Agreement was executed. Under that Memorandum of Agreement, the Authority provides the following:

- Maintain a data collection process and Access database at the Department to collect and analyze health care facility quarterly financial data in a manner similar to the NJHCFFA's Apollo System and maintenance of the monthly Early Warning Indicators spreadsheet.
- Prepare hospital financial quarterly reports for Department.
- Review financial information provided with Certificate of Need applications.

According to Mr. Hopkins, the Memorandum of Agreement expires on June 30, 2018. He said that the New Memorandum of Agreement ("New MOA"), which was provided in the meeting packets, renews the aforementioned duties of the Authority and adds:

- The services of the Authority's Director of Research, Investor Relations and Compliance for up to two days a week for a temporary period as needed to oversee the billing, collection and audit of ambulatory care facility assessments for the Department.

Other than the change described in the previous bullet point, Mr. Hopkins stated that the proposed New MOA is essentially the same as the current Memorandum of Agreement. The Department reimburses the Authority a fixed amount (\$7,856.32) for the quarterly financial reports and maintenance of the Early Warning Indicators spreadsheet. For Certificate of Need review and overseeing the ambulatory care facility assessment billing, collections and audit, the Department will reimburse the Authority with the commensurate amount of the necessary

Authority staff member's time based on salary, benefits and other related costs incurred by the Authority. The New MOA would be effective for the period July 1, 2018 through June 30, 2021 and specifies the amount that the Department will reimburse the Authority.

Mr. Hopkins offered to answer question the Members had. There were no questions.

Dr. Kazmir asked for a motion to approve the resolution authorizing the memorandum of Agreement with the Department of Health. Ms. Ford offered the motion. In making the motion, Ms. Ford thanked Mr. Hopkins and the Authority staff for their professionalism and cooperation in assisting the Department of Health. In particular, she recognized Frank Troy for stepping up and assuming the new task. Mr. Lovell seconded the motion. Dr. Kazmir asked if the Members had any questions or comments on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

#### **AB RESOLUTION NO. SS-09**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution entitled **"MEMORANDUM OF AGREEMENT BETWEEN THE DEPARTMENT OF HEALTH (DOH) DIVISION OF MANAGEMENT AND ADMINISTRATION AND THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY FOR QUARTERLY FINANCIAL DATABASE MAINTENANCE AND DATA ANNALYSIS."**

*(attached)*

#### **4. EXTENSION OF THE CONTRACT FOR DOCUMENT IMAGING Integrated Data Solutions**

Dr. Kazmir called on Marji McAvoy to present a request to extend the contract for document imaging for one year.

Ms. McAvoy reminded the Members that, in 2015, they approved the awarding of the contract to Integrated Data Systems for document imaging services. That contract was for 3 years and contained the option for two one-year extensions.

According to Ms. McAvoy, the three-year contract expires on August 23, 2018. She stated that staff is pleased with their work and recommends awarding the first one-year extension for Integrated Data Systems commencing August 24, 2018 through August 23, 2019.

Ms. McAvoy said that she or Carole Conover would answer any questions from the Members. There were no questions.

Dr. Kazmir asked for a motion to approve the resolution granting the one-year extension to the Data Imaging Services contract. Ms. Ford offered the motion. Ms. Rodriguez seconded the motion. Dr. Kazmir asked if the Members had any questions or comments on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

#### **AB RESOLUTION NO. SS-10**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts the resolution authorizing a one-year extension of the document imaging contract with Integrated Data Systems commencing August 24, 2018 through August 23, 2019, as permitted by contract.

#### **5. CORPORATE BANKING RESOLUTIONS AND SIGNATURE CARDS**

Dr. Kazmir informed the Members that, with the appointment of Dr. Elnahal as the Commissioner of the Department of Health, the Authority has a new Chair. Whenever there is a change in officers, the Authority must submit new corporate banking resolutions and signature cards to the bank.

Dr. Kazmir asked for a motion to approve the submission of new corporate banking resolutions and signature cards. Mr. Lovell offered the motion. Ms. Ford seconded the motion. Dr. Kazmir asked if the Members had any questions or comments on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

#### **AB RESOLUTION NO. SS-11**

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby adopts corporate banking resolutions as a result of the appointment of a new Chair and authorizes the submission of new signature cards.

## **6. RESOLUTION APPOINTING CONTROLLER ALPA PATEL AS AN AUTHORIZED PERSON TO ACCESS THE AUTHORITY'S NEW JERSEY CASH MANAGEMENT FUND ACCOUNTS**

Dr. Kazmir asked Marji McAvoy to explain the resolution appointing Alpa Patel as authorized person to access the Authority's New Jersey Cash Management Fund accounts.

Ms. McAvoy informed the Members that the Authority maintains money market accounts with the State of New Jersey Cash Management Fund. The fund has recently begun requiring entities to adopt resolutions identifying an Authorized Person to transact business in the Fund.

According to Ms. McAvoy, the Controller of the Authority is responsible for opening and closing Fund accounts and the flow of funds between the Authority's Operating and FQHC accounts and the bank accounts with TD Bank.

Ms. McAvoy further stated that, in order to comply with this new requirement, Authority Members are asked to authorize the Authority's new controller, Alpa Patel as an Authorized Person to transact business on behalf of the Authority in the New Jersey Cash Management Fund. A draft resolution was enclosed in the Members' meeting packets for the their consideration.

Dr. Kazmir asked for a motion to approve the resolution appointing Controller Alpa Patel as an Authorized Person to transact Authority business on all New Jersey Cash Management Fund accounts in the Authority's portfolio. Mr. Lovell offered the motion. Ms. Ford seconded the motion. Dr. Kazmir asked if the Members had any questions or comments on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved.

## AB RESOLUTION NO. SS-12

**WHEREAS**, The New Jersey Health Care Facilities Financing Authority (the “Authority”) was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c. 29 N.J.S.A. 26:2I-1 et seq., as amended (the “Act”), for the purpose of ensuring that all health care organizations have access to financial resources to improve the health and welfare of the citizens of the State; and

**WHEREAS**, The Authority maintains money market accounts with the State of New Jersey Cash Management Fund (“NJCMF”) established by N.J.A.C. 17:16-61.1 in the New Jersey Department of Treasury Division of Investment to provide money market investments for the State, municipalities, school districts and government authorities; and

**WHEREAS**, The Controller of the Authority is responsible for opening and closing the NJCMF accounts; and

**WHEREAS**, The Controller of the Authority is responsible for the flow of funds between the Authority’s Operating Account, FQHC Direct Loan accounts and the NJCMF accounts;

**NOW, THEREFORE, BE IT RESOLVED**, that the Authority hereby authorizes Controller Alpa Patel to be an Authorized Person to transact Authority business on all New Jersey Cash Management Fund accounts in the Authority’s portfolio.

*(attached)*

### 7. APPROVAL OF EXPENSES

Dr. Kazmir referenced a summary of Authority expenses and invoices provided to the Members. Ms. Rodriguez made the motion to approve the expenses. Mr. Lovell seconded. Dr. Kazmir asked if there were any questions on the motion. There were no questions. He then called for a vote. All Members voted in the affirmative and the resolution was approved to approve the bills and to authorize their payment.

## AB RESOLUTION NO. SS-13

**WHEREAS**, the Members of the Authority have reviewed the memoranda dated June 20, 2018 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amounts of \$26,687.80 and \$51,251.13 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.

### 8. STAFF REPORTS

Dr. Kazmir thanked Staff for the Project Development Summary, Cash Reconciliation Report, and Legislative Advisory reports.

Dr. Kazmir asked Executive Director Hopkins to present his Executive Director's report.

Mr. Hopkins reported the following:

1. Frank Troy attended the Pennsylvania Institute of Certified Public Accountants' Health Care Conference in Hershey, Pennsylvania. Mr. Hopkins asked Mr. Troy to present the Members with some of the information he received at the conference.
  - a. Mr. Troy provided a summary of how the new federal tax laws and accounting standards will affect not-for-profit hospitals and organizations. A copy of Mr. Troy's presentation is attached.
2. Hospital & Other News
  - a. Virtua Health has entered into a definitive agreement with a subsidiary of Trinity Health to acquire Our Lady of Lourdes Medical Center in Camden and Lourdes Medical Center of Burlington County in Willingboro. The acquisition is subject to state and federal regulatory approvals.
  - b. Hackensack Meridian Health cut the ribbon for its ten-story HOPE Tower for outpatient services on the campus of Jersey Shore Medical Center in Neptune.
  - c. Atlantic Health System and Kindred Healthcare have broken ground on the Atlantic Rehabilitation Institute in Madison. The joint venture will be a 38-bed rehabilitation facility with intensive specialized rehabilitation services. Atlantic



Health System also opened a new medical office in Hackettstown to provide space to specialty physicians affiliated with the system.

- d. St. Joseph's Regional Medical Center in Paterson has been extraordinarily successful at reducing the use of opioids in its emergency room. Legislation passed in the House of Representatives would make St. Joseph's model go national in an effort to stem the tide of opioid addiction.
- e. RWJBarnabas' Monmouth Medical Center received a \$4 million donation from the family of the late Judy Dawkins to create a women's health program.
- f. Memorial Sloan Kettering Cancer Center has opened an outpatient satellite in Montvale called MSK Bergen, to treat New Jersey cancer patients closer to home.
- g. Robert Wise, the President and CEO of the Hunterdon Healthcare System announced his retirement effective the end of this month due to personal health issues. He started at the helm of the system in 1990. Board chair Robert Cody, M.D. will be taking over as acting President and CEO until a permanent replacement is hired.
- h. Ralph Muller, the CEO of the University of Pennsylvania Health System announced that he will be retiring at the end of June 2019 after serving 17 years as CEO.
- i. CarePoint Health has named Natasha Deckman as its new CEO. Dr. Deckman was previously at Optum Health's population health business.
- j. Hudson Regional Hospital, formerly Meadowlands, has named Nizar Kifaieh, M.D., M.B.A. as its new President and CEO. Former President and CEO, Felicia Karsos, M.B.A., R.N. will return to her previous position of Chief Nursing Officer. Dr. Kifaieh was previously Executive Vice President and System Chief Medical Officer and Chief Integration Officer at CarePoint Health.
- k. Betsy Ryan, former CEO of the New Jersey Hospital Association, has been named to the board of Inspira Health Network
- l. Hackensack Meridian Health funded \$25 million for an innovation program less than a year ago. As its first investment it is providing \$250,000 to Boston-based startup Pillo Health, which is making a voice-enabled home medical device that dispenses the proper dose of medication at the appropriate time and coordinates prescription refills.
- m. Geisinger, which owns AtlantiCare Health System and is headquartered in Danville, PA, had a 38% increase in operating income during the first three quarters of fiscal year 2018 compared to the previous year. Patient service revenue increased 4.6% and insurance premium revenue increased 13%.

Geisinger is working in coordination with Penn State University to develop machine-learning to prevent hospital readmissions.

- n. Four health systems with hospitals in New Jersey have been named to Becker's 52 Great Health Systems to Know: Atlantic Health System, Geisinger, Hackensack Meridian Health and Trinity Health.
- o. John Brooks Recovery Center received planning board approval to build its 58,000 square-foot, 120-bed inpatient addiction treatment facility in Mays Landing. The facility was approved for an \$11 million CAP loan by the Authority several months ago. Groundbreaking is expected to take place in September with the plan for the facility to open in late 2019 or early 2020.

3. In ratings news:

- a. Moody's upgraded the approximately \$188 million in bonds issued by the Authority on behalf of Princeton Healthcare System to "Aa3" from "Baa2" with an outlook of stable. The primary reason for the upgrade was Princeton joining the obligated group of its new parent, the University of Pennsylvania Health System.
- b. Fitch affirmed its "BBB" rating on the Princeton bonds, with a stable outlook, but then withdrew the rating because the University of Pennsylvania Health System does not get a rating from Fitch.
- c. S&P Global Ratings assigned a rating of "AA" on bonds issued by our Authority on behalf of Princeton Healthcare System and raised its rating from "AA-" to "AA" on bonds issued by the Pennsylvania Higher Educational Facilities Authority's on behalf of the University of Pennsylvania Health System, both have an outlook of stable.

4. In State Health Care News:

- a. The state budget impasse is concerning hospitals due to the fear that the amount the Governor budgeted for Charity Care and Graduate Medical Education may be cut.
- b. Governor Murphy announced that he will be delaying the June monthly Charity Care and Graduate Medical Education payments to hospitals until the next budget due to State Fiscal Year 2018 shortfalls.
- c. The State Legislature has passed three bills that could: (i) impose a county tax on some hospital procedures which would help increase funds provided to hospitals for increased Medicaid; (ii) provide additional funds for Graduate Medical Education from the State's General Fund; and (iii) reduce Medicaid payments for

visits to a hospital's emergency room for low-acuity, routine primary care type visits. It is not clear where the Governor stands on these proposals.

- d. Governor Murphy signed legislation limiting the amount a hospital or provider could charge for patients who were insured by a company out-of-network with the hospital or other provider. If the provider and patient or insurer cannot agree on a price, a state-regulated arbitration will determine the price. The law is meant to prevent patients from getting unexpected extremely high bills for services provided in the hospital. The bill also requires patients to be provided with a list of charges for the procedures they are undergoing and the services they are being provided.
- e. Other articles on New Jersey health care provided today include:
  - i. Legislation has been introduced to enforce more regulation on non-emergency medical transportation providers for Medicaid patients;
  - ii. Lawmakers have also introduced a bill to review the Medicaid rates for nursing home care in New Jersey, with many providers citing an inability to provide the care at the current Medicaid reimbursement rates;
  - iii. The Commonwealth Fund ranked New Jersey 25<sup>th</sup> in the nation for health care, down from 23<sup>rd</sup> last year.
  - iv. Governor Murphy has decided to move most of the Division of Mental Health and Addiction Services back to the Department of Human Services. Governor Christie had moved the Division to the Department of Health near the end of his administration. The State's four psychiatric hospitals will, however, remain under the auspices of the Department of Health;
  - v. In the first quarter of 2018, 39,858 fewer New Jersey residents received health care insurance through the Affordable Care Act, with slightly less than 329,000 now getting their health care plans through the ACA;
  - vi. The New Jersey Health Care Quality Institute released a strategic plan for end-of-life care funded by The Nicholson Foundation which recognized that often patients are not given all their options for end-of-life care and instead receive often unnecessary and unwanted care that negatively effects their quality of life;
  - vii. Holy Name Medical Center has agreed to end its lawsuit against Horizon Blue Cross Blue Shield of New Jersey for not being included in Tier 1 of Horizon's OMNIA health plan;

- viii. Contrary to Horizon’s claim that it selected hospitals for Tier 1 of its OMNIA health plan based on quality and cost, confidential documents appear to show it negotiated with two expensive large hospital systems even before it received the consultant report that it said it based its hospital selection on;
- ix. Hackensack University Medical Center entered into a “host community agreement” to pay \$4 million per year to the City of Hackensack for the next six years in lieu of property taxes.

5. In National Health Care News, articles are included on:

- a. Quest and United Healthcare are partnering on value-based programs, aligned incentives and enhanced lab services in an accountable care organization type model.
- b. CMS has launched a slate of initiatives aimed at curbing Medicaid fraud and waste.
- c. S&P reports that not-for-profit hospitals are vulnerable to the declining rate of people with health insurance from 8.8% in 2016 to 15.5% today, due largely to the erosion of the Affordable Care Act under the current administration.
- d. Health care and social services are expected to take up to 38% of state and local budgets by 2025 according to a new report from Fitch Ratings, leading to a higher likelihood that states will be forced to cut social safety net programs.
- e. Hospital outpatient revenue grew by about 40% over the last five years according to data from Avanza Healthcare Strategies. Outpatient care has gone from 28% of patient revenue at hospitals in 1994 to 48% in 2014
- f. Eight percent fewer hospital acquired conditions saved hospitals \$2.9 billion from 2014 to 2016 and prevented about 8,000 deaths, according to preliminary data from the Agency for Healthcare Research and Quality.
- g. A Healthcare Financial Management Association study has concluded that value-based payment models have had no impact on cost or clinical outcome after examining commercial payer data from 2012 to 2014 and Medicare data from 2007 to 2015.
- h. The Health Cost Institute found that despite relatively unchanged emergency room utilization between 2009 and 2016, emergency room spending increased due to higher severity codes being used more frequently and charges increasing more rapidly for higher severity codes than for lower ones.

- i. Despite a push to improve hospital price transparency, a JAMA Network report found there was no improvement in hospitals providing price estimates or reductions in the estimated price between 2012 and 2016.
- j. Mergemarket and West Monroe Partners report that technology and value-based care are the primary drivers in health care mergers and acquisitions.
- k. A study by the Agency for Healthcare Research and Quality found that only 8% of Americans get all of the highly recommended preventive services with the greatest potential for improving health.
- l. Community health centers saw a 33% increase in patient visits from 2010 to 2016 according to George Washington University's Milken Institute School of Public Health, which was counter to what experts believed would occur after passage of the Affordable Care Act improved access to insurance.
- m. The Chief Medical Officers from Geisinger and HCA Healthcare are joining the Medicare Payment Advisory Commission that advises CMS and Congress on Medicare matters.
- n. The Leapfrog Group has voiced its opposition to CMS's plan to roll back 19 quality reporting requirements on hospitals, denouncing the move as removing important transparency and reducing penalties that have improved hospital quality.
- o. CMS is proposing a new rule to require hospitals to electronically share medically necessary information with other providers when a patient is transferred or discharged.
- p. CMS has also postponed its July hospital star rating update to give it time for additional analysis of the changes it made to some of the measures that make up the star ratings and to address stakeholder concerns. The CMS star rating system was initially met with kudos for improving quality transparency but has come under scrutiny for possible unfair evaluations of safety net hospitals and others. Some changes were made as a result of the criticism.
- q. Amazon, JPMorgan Chase and Berkshire Hathaway have announced they selected Dr. Atul Gawande to lead their joint venture health care company. Dr. Gawande is a surgeon at Boston's Brigham and Women's Hospital, a professor at Harvard's T.H. Chan School of Public Health.
- r. Fewer hospitals are seeking credit ratings from two or three of the leading credit rating agencies, instead opting for only one rating.

6. In regulatory, municipal bond and tax news, articles are being provided on:
- a. President Trump has signed a bill that classifies publicly tradable, investment-grade municipal bonds as high-quality liquid assets under the rules that requires banks to have a certain proportion of high-quality liquid assets. The move is expected to encourage banks to purchase more municipal bonds;
  - b. The SEC approved a recommendation that would improve disclosure for municipal bonds under Rule 15c2-12, including filing an event notice if the obligated party incurs a material financial obligation or for an event that effects covenants, events of default, remedies, priority rights of bondholders as well as certain other events that reflect financial difficulties;
  - c. The MSRB has a new bond price transparency system called the Real-Time Transaction Reporting System, requiring dealers to report information about most of the municipal bond trades within 15 minutes of execution;
  - d. The IRS is stepping up its outreach efforts to municipal bond participants by releasing an “issue snapshot” summarizing five issue briefs it produced for the tax-exempt bond community between January 29<sup>th</sup> and April 12<sup>th</sup>, including yield and rebate reduction rules and rules to assure guaranteed investment contracts are purchased at fair market value; and
  - e. On June 13, the Federal Reserve increased its target interest rate another 25 basis points to a range of 1.75% to 2%. It also indicated there is likely to be two more interest rate increases in 2018, raising the total increases to four in 2018. Previously, it was thought 2018 would see three rate increases.

7. Authority News

- a. We are pleased to welcome Alpa Patel as the Authority’s new Controller. Alpa comes to us after being a Staff Accountant at MOL (America), a Fund Accountant at the ZAIS Group and a Financial Analyst at Jeffries & Co. She received her Bachelor’s degree from Rutgers and a Masters in Accounting from Fairleigh Dickenson.
- b. Marji McAvoy is retiring tomorrow after more than 24 years at the Authority. She started here as a temp and became an Assistant Account Administrator, then was promoted to Accountant, and then Account Administrator, and, for the last two years, has been our Controller. She was the Queen of Halloween and the Kitchen Witch and indulged us with celebrations at cultural holidays big and small. She will be sorely missed here at the Authority.

As there was no further business, following a motion by Mr. Lovell and a second by Ms. Ford, the Members voted unanimously to adjourn the meeting at 11:06 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  
JUNE 28, 2018.

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Carole A. Conover, Assistant Secretary