

These are the Minutes of the New Jersey Health Care Facilities Financing Authority’s regular Meeting held on May 23, 2024, on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

The following *Authority Members* were in attendance:

Via Microsoft Teams: David Brown, Public Member (Chairing); Noah Glyn, Designee of the Department of Health, Manny Paulino, Designee of the Commissioner of Banking and Insurance; Sam Maddali, Bridget Devane and Thomas Sullivan, Public Members; On-site: Greg Lovell, Designee of the Commissioner of Human Services

The following *Authority staff members* were in attendance:

On-Site: Frank Troy, Cindy Kline, Bill McLaughlin, Ron Marmelstein, Edwin Fuentes, Jeff Solimando, Michael Solidum, Taryn Rommell, and Alpa Patel

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

On-site: Stephanie Gibson, Attorney General’s Office; Samuel Kovach-Orr, Governor’s Authorities Unit; via Microsoft Teams: Carrie Camp, NJDOH; Bill Pelino, Senior Vice President and Chief Financial Officer and Matt Doonan Esq., Senior Vice President and Legal Counsel, Inspira Medical Centers, Inc.; and Tamara Cunningham, RWJBarnabas

CALL TO ORDER

Mr. Brown called the meeting to order at 10:03 a.m., and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 25, 2023, Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, a notice of this meeting was mailed to *The Star-Ledger*, the *Courier Post* and provided to numerous other newspapers and media outlets serving New Jersey, early enough to publish an announcement at least 48 hours in advance of this meeting.

Mr. Brown then called on Jeff Solimando, the Authority’s communications specialist, to call the roll and establish attendance.

After establishing quorum, Mr. Brown began by reminding Members on the phone to identify themselves before making or seconding a motion

1. APPROVAL OF MINUTES

- April 25, 2024 Authority Meeting

The Minutes for the Authority’s last regular meeting held on April 25, 2024, were distributed for Member review and approval prior to today’s meeting.

Mr. Brown then asked for a motion to approve the April 25, 2024 Minutes. Mr. Lovell made the motion. Mr. Sullivan seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative, and the motion was approved.

2. NEGOTIATED SALE REQUEST

- Equipment Revenue Note Program

Mr. Brown called on Michael Solidum to present a request for a negotiated sale in the form of a private placement for the Equipment Revenue Note Program to the Members.

Mr. Solidum began by referencing the Authority's Equipment Revenue Note Program, which offers borrowers a quick turnaround for financings no greater than \$60 million for the purpose of acquiring equipment or retrofitting a facility for equipment.

Mr. Solidum noted that, at prior meetings of the Authority, the Members pre-approved the use of a negotiated private placement for financings completed under this Program. A predetermination of this method of sale is permitted under Executive Order #26 (Whitman) and was requested by the Authority's Advisory Panel in order to complete these transactions in a more efficient and timely manner.

Therefore, Mr. Solidum explained, the Members were provided with a Resolution for consideration which extends the ability to use negotiated private placements for the Equipment Revenue Note Program through May 31, 2025.

Mr. Solidum asked if there were any questions, which there were none. Mr. Brown asked for a motion to approve the request for a negotiated sale in the form of a private placement for the Authority's Equipment Revenue Note Program. Mr. Glyn made the motion. Mr. Lovell seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. 2024-5-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled **"A RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY NEGOTIATED TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26 GOVERNOR CHRISTINE TODD WHITMAN"**

(attached)

Ms. Gibson interjected for clarification purposes, noting that the term “carried” used by Mr. Brown for the first two items to indicate approval refers to carrying a motion to the next meeting, and further provided the clarification that the first order of business, *Approval of Minutes of the April 25, 2024, Board Meeting*, was “passed” and not “carried” to the next meeting.

Mr. Brown agreed with Ms. Gibson.

3. NEGOTIATED SALE REQUEST **- Inspira Medical Centers, Inc.**

Mr. Brown called on Edwin Fuentes to present the details of the request for approval of a negotiated sale in the form of a public offering on behalf of Inspira Medical Centers, Inc.

Mr. Fuentes began by thanking Mr. Brown and then introduced Bill Pelino, Senior Vice President and Chief Financial Officer and Matt Doonan, Senior Vice President and General Counsel of Inspira Medical Centers, Inc. (“Inspira”), who joined the meeting virtually.

Mr. Fuentes reminded Members that Inspira Health Network, Inc. is a tax-exempt health care organization functioning as the parent corporation of Inspira Medical Centers, Inc. Inspira Medical Centers, Inc. is comprised of four (4) acute care hospitals in Vineland, Mannington, Elmer, and Mullica Hill, two (2) comprehensive cancer centers, eight (8) multi-specialty health centers and in total, more than 200 access points throughout the region. Inspira's service area covers more than 2,000 square miles of southern New Jersey. Inspira serves all of Cumberland, Salem, and Gloucester counties, as well as portions of Camden and Atlantic Counties.

Mr. Fuentes then stated that as of March 31, 2024, Inspira has three series of bonds outstanding with this Authority: the Inspira Health Obligated Group Issue, Series 2016A Refunding Bonds; the Series 2017A Revenue Bonds; and the Series 2017B Revenue Bonds. Total Authority debt outstanding on behalf of Inspira is approximately \$438.8 million.

According to Mr. Fuentes, Inspira has signed a Memorandum of Understanding with the Authority and requests its consideration to issue tax-exempt bonds on its behalf, in an aggregate principal amount not to exceed a total of \$275 million.

Mr. Fuentes advised Members that the proceeds of the Series 2024 bonds are expected to be used for: financing and/or reimbursing Inspira for the costs of planning, development, acquisition, construction, equipping, expansion, furnishing and renovation of all or a portion of the Inspira Medical Center – Mullica Hill expansion, including a new 150,000 square foot, five-story bed tower, with 86 new additional beds; a 18,000 square foot maternal child health platform expansion; fund a debt service reserve fund, if required; fund a capitalized interest account, if necessary; and pay the related costs of issuance.

Mr. Fuentes said Inspira will be seeking credit ratings in connection with the proposed issuances, and is currently rated “AA-” by Fitch and “A2” by Moody’s.

Mr. Fuentes explained that Inspira has represented to Authority staff that it has completed a competitive bid process and has selected JP Morgan Securities as the senior underwriter for the transaction. The Attorney General's Office has assigned John Kelly of Wilentz, Goldman & Spitzer, P.A. to serve as Bond Counsel on this transaction.

According to Mr. Fuentes, Inspira has asked that the Authority permit the use of a negotiated sale based on the sale of a complex financing structure, a complex or poor credit, using programs or techniques new to investors, and volatile market conditions. These reasons are considered under the Authority's policy regarding Executive Order #26 (Whitman), to be a justification for the use of a negotiated sale. Therefore, staff recommends the consideration of the resolution, included in your meeting materials, approving the use of a negotiated sale and the forwarding a copy of the justification in support of said resolution to the State Treasurer. Approval of the resolution does not commit the Authority to issuing these bonds. It is expected that Inspira will request a contingent sale of bonds for the aforementioned transaction at a future Authority meeting.

Mr. Fuentes concluded by advising Members that he, Mr. Pelino or Mr. Donna would be happy to answer any questions they may have, to which there were none.

Mr. Brown asked for a motion to approve the request for approval of a negotiated sale in the form of a public offering on behalf of Inspira Medical Centers, Inc. Mr. Paulino made the motion. Mr. Maddali seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions. All Members, except for Ms. Devane who recused herself, voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. 2024-5-B

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled, "**RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY A NEGOTIATED TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26 (WHITMAN)**"

(attached)

Mr. Brown then offered his congratulations to the Inspira Medical Centers, Inc. representatives present and asked if there was anything they would like to add.

Mr. Pelino stated that he appreciates the support of the Authority, especially working with Frank Troy and the Authority team. Mr. Pelino also stated that Bill McLaughlin and Edwin Fuentes were outstanding and supportive throughout the transaction process and thanked the Authority.

4. BOND SALE REPORTS

- **RWJBarnabas Health Series 2024A**
- **RWJBarnabas Health Series 2024B**
- **Greystone/Marlboro Series 2024**

Mr. Brown called upon Bill McLaughlin to present the bond sale reports for RWJBarnabas Health Series 2024A, RWJ Barnabas Health Series 2024B, and Greystone/Marlboro Series 2024.

Mr. McLaughlin began by asking for clarification regarding his pausing between presentations for questions or conducting them in succession.

Mr. Brown responded to Mr. McLaughlin, stating it would be fine to present in succession.

Mr. McLaughlin continued, informing Members that on April 24, 2024, Authority staff, along with Jefferies, as the senior managing underwriter, priced the \$370,330,000 publicly issued tax-exempt Series 2024A bond financing on behalf of RWJ Barnabas Health. The bonds were rated AA- by Standard & Poor's and A1 by Moody's.

According to Mr. McLaughlin, the proceeds will be used to reimburse the Borrower for the costs of planning, development, acquisition, construction, equipping, expansion, furnishing, and renovation of all or a portion of the various capital projects of the Borrower and its affiliates; purchase, refund, redeem, retire and/or legally defease all or a portion of the Authority's outstanding Revenue and Refunding Bonds, RWJBarnabas Health Obligated Group Issue, Series 2019B-1; and pay all or a portion of the costs incurred in connection with the issuance and sale of the Series 2024A Bonds.

The structure of the transaction consists of fixed-rate serial bonds maturing from 2025 to 2044 and a bi-furcated fixed-rate term bond maturing in 2054.

The order period began at 8:30 a.m. with the following priority of orders: New Jersey Retail, Net Designated, and Member. At the conclusion of the order period, the underwriting team received orders totaling over \$1.08 billion from 73 unique investors. This oversubscription led to the underwriting team adjusting the yields downward throughout the structure, resulting in a decrease in the all-in total interest cost from 4.38% to 4.347%.

Mr. McLaughlin said that Jefferies made an offer to underwrite the bonds at the new levels and staff gave the verbal award. Yields on the Series 2024A serial bonds ranged from 3.06% to 3.97%. Yields for the fixed rate term bond are as follows: for the 4.25% coupon term bond maturing on July 1, 2054, a yield to call of 4.40%; and for the 5.25% coupon term bond maturing on July 1, 2054, a yield to call of 4.28%.

Mr. McLaughlin concluded his report by stating this transaction closed on May 1, 2024, and referred Members to the attached Bond Pricing Summary for further details.

Mr. McLaughlin continued with his report on RWJBarnabas Health Series 2024B.

Mr. McLaughlin began his report on RWJBarnabas Health Series 2024B by stating that on May 9, 2024, Authority staff along with Jefferies, as the senior managing underwriter, priced the \$250,690,000 publicly issued tax-exempt Series 2024A bond financing on behalf of RWJ Barnabas Health. The bonds were rated AA- by Standard & Poor's and A1 by Moody's.

Mr. McLaughlin explained that the proceeds will be used to: (a) refund, redeem, retire and/or legally defease all or a portion of the following series of outstanding Authority Bonds: (b) Revenue Bonds, Robert Wood Johnson University Hospital Issue, Series 2013A, (c) Revenue Bonds, Robert Wood Johnson University Hospital Issue, Series 2014A, and/or (d) Refunding Bonds, Barnabas Health Obligated Group Issue, Series 2014A and (e) pay certain costs incurred in connection with the issuance and sale of the Series 2024B Bonds.

The structure of the transaction consists of three (3) fixed rate serial bonds maturing in 2029, 2034 and 2036.

The order period began at 10:30 a.m. with the following priority of orders: New Jersey Retail, Net Designated, and Member. At the conclusion of the order period, the underwriting team received orders totaling over \$500 million from 28 unique investors. This oversubscription led to the underwriting team adjusting the yields downward throughout the structure, resulting in a decrease in the all-in total interest cost from 3.32% to 3.27%. Further, given strong interest in the 2034 maturity, the decision was made to increase the par amount of that maturity, reducing the par amounts in the other maturities.

Mr. McLaughlin stated that Jefferies made an offer to underwrite the bonds at the new levels, and staff gave the verbal award. Yields on the Series 2024B serial bonds are as follows: for the serial bond maturing on July 1, 2029, a yield of 3.05%; for the serial bond maturing on July 1, 2034, a yield of 3.10%; and for the serial bond maturing on July 1, 2036, a yield to call of 3.21%

Mr. McLaughlin concluded his report by stating that this transaction closed on May 16, 2024, and referred Members to the attached Bond Pricing Summary for further details.

Mr. McLaughlin then began his report on the Greystone and Marlboro Series 2024 by stating that on April 30, 2024, the Office of Public Finance, Authority staff, along with J.P. Morgan, as the senior managing underwriter, priced both the \$109,975,000 Greystone Psychiatric Hospital Series 2024 issue and the \$54,100,000 Marlboro Psychiatric Hospital Series 2024 issue. The bonds are rated A by Fitch, A- by Standard & Poor's, and A2 by Moody's.

Mr. McLaughlin explained to Members that the proceeds will be used to: (i) the refund and defease of all or a portion of the NJHCFFA Marlboro 2013 Bonds; (ii) the refund and defease of the NJHCFFA Greystone 2013A and 2013B Bonds; and (iii) to pay the related costs of issuance.

The structure of the transaction consists of fixed-rate serial bonds maturing in 2024 through 2033.

According to Mr. McLaughlin, at the conclusion of the order period, the underwriting team had received orders approximating \$544 million from 36 unique investors. This oversubscription led to the underwriting team adjusting the yields downward throughout the structure by 4 or 5 basis points, resulting in a decrease in the all-in total interest cost from 3.50% to 3.467% for the Greystone Psychiatric Hospital series and from 3.424% to 3.393% for the Marlboro Psychiatric Hospital series.

Mr. McLaughlin said that J.P. Morgan made an offer to underwrite the bonds at the new levels, and the bonds were awarded. Yields on both series of bonds were identical. Both series of serial bonds had 5.00% coupons throughout the structure, with yields ranging from 3.26% to 3.85%.

Mr. McLaughlin concluded his report by stating that this transaction closed on May 15, 2024, and referred Members to the attached Bond Pricing Summary for further details.

Mr. Brown thanked Mr. McLaughlin for his presentations and reminded the Members that this report was for information only and that no action was required at this time.

5. ADDITION TO QUALIFIED BANKER'S LIST

- Essex Securities

Mr. Brown called upon Edwin Fuentes to present Essex Securities request to be added to the Authority's list of approved bankers.

Mr. Fuentes thanked Mr. Brown and began by informing Members that Authority staff has received a Statement of Qualifications from Essex Securities, LLC ("Essex") requesting that the firm be added to the Authority's list of approved bankers in order to allow the firm to serve as co-managing underwriter for Authority transactions.

The firm is minority-owned, and certified by the New York and New Jersey Minority Supplier Development Council.

Essex is qualified to serve in the requested capacity as co-managing underwriter. The firm has reported a net excess capitalization of over \$1.14 million. Staff's primary contact will be Prakash Gupta, the firm's Chief Executive Officer, who works out of the firm's Jersey City, New Jersey office.

The firm's business is comprised of investment banking (both corporate and municipal), fixed income trading and sales, municipal bond trading and sales, options trading and sales, as well as U.S. treasuries trading and sales.

Based upon the information provided, Essex has demonstrated that it is qualified under the Authority's standards to serve in each role requested.

Mr. Brown thanked Mr. Fuentes and then asked Members for a motion to approve a resolution for Essex Securities approval to be added to the Authority's approved bankers list to serve as co-managing underwriter for Authority transactions. Mr. Lovell made the motion and Mr. Glyn seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. 2024-5-C

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves Essex Securities to be added to the Authority's Qualified Bankers List as a co-managing underwriter.

6. APPROVAL OF PROJECT AMENDMENTS TO SEVEN FACILITIES FOR THEIR APPROVED SFY 2024 FAMILY PLANNING FACILITIES UPGRADE FORGIVABLE LOAN PROGRAM

- **Planned Parenthood of Northern, Central Southern NJ – Six Facilities**
- **Family Planning Center of Ocean County, Inc. DBA: LivWell Healthcare**

Mr. Brown called on Ms. Rommell to present on behalf of the Loan Evaluation Committee, the recommendation regarding the proposed loan agreement amendments to the project descriptions related to six Planned Parenthood of Northern, Central and Southern New Jersey facilities and Family Planning Center of Ocean County, Inc., DBA: LivWell Healthcare for their approved SFY2024 Family Planning Facilities Upgrade Forgivable Loan Program.

Ms. Rommell thanked Mr. Brown and began by reminding Members that on September 28, 2023, October 26, 2023, and December 14, 2023, when the Authority made approvals for the SFY2024 Family Planning Facilities Upgrade Forgivable Loan Program (the "Program") Authority Members approved \$327,289 for Family Planning Center of Ocean County, Inc., DBA LivWell Healthcare (LivWell), and \$7,130,020 for construction and equipment at 14 Planned Parenthood of Northern, Central and Southern New Jersey (PPNCSNJ) facilities.

Ms. Rommell stated that thereafter, LivWell has identified additional or alternative operational needs and would like to re-allocate funding for building maintenance. Six of the PPNCSNJ facilities identified additional or alternative medical equipment, information technology equipment, and renovation needs, and would like to re-allocate certain amounts of those funds to additional or modified equipment and renovation lists.

According to Ms. Rommell, the proposed amendments to the description of the projects identified below were detailed in the attachments to the memo sent to the Authority Members on May 15, 2024. Loan totals for each facility have not changed. LivWell \$327,289 and PPNCSNJ facilities in Camden \$750,000, Hackensack \$750,000, Trenton \$750,000, Perth Amboy \$750,000, Flemington \$284,000, Shrewsbury \$750,000.

Ms. Rommell told Members that the Loan Evaluation Committee has reviewed the proposed amended projects and agrees with the recommendation of the amendments to the Authority Members at this meeting.

Ms. Rommell concluded by saying the proposed updated resolution approving LivWell and each of six the PPNCSNJ facilities amendments to the project description in each of the seven Loan Agreements was provided via email yesterday. The Attorney General's office has reviewed the

proposed resolution and has no objection to the Authority Members' consideration of same. Staff recommends approving the resolution provided with your board package to amend the Loan Agreement for LivWell and six of the PPNC SNJ Loans previously approved by the Authority Members. No other terms or conditions of the Loan Agreements are being changed. Ms. Rommell then advised Members that both she and Frank Troy are available to address any questions the Authority Members may have.

Mr. Brown thanked Ms. Rommell and asked if there were any questions on the information presented. There were none.

Mr. Brown then asked for a motion to approve the resolution to amend the project descriptions in the loan agreements for the six Planned Parenthood of Northern, Central, and Southern New Jersey facilities and Family Planning Center of Ocean County, Inc., DBA: LivWell Healthcare, which were approved for forgivable loans for the SFY 2024 Family Planning Facilities Upgrade Forgivable Loan Program.

Mr. Sullivan offered the motion. Mr. Maddali seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative, and the motion was approved.

AB RESOLUTION NO. 2024-5-D

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled, **“A RESOLUTION APPROVING AN AMENDMENT TO THE PROJECT DESCRIPTIONS IN EACH OF THE LOAN AGREEMENTS RELATING TO SEVEN FAMILY PLANNING FACILITIES UPGRADES FORGIVABLE LOANS PREVIOUSLY APPROVED BY THE AUTHORITY ON SEPTEMBER 28, 2023 AND OCTOBER 26, 2023 WHICH AUTHORIZED FORGIVABLE LOANS IN THE AGGREGATE AMOUNT OF \$6,707,309 TO PLANNED PARENTHOOD OF NORTHERN, CENTRAL AND SOUTHERN NEW JERSEY, INC AND FAMILY PLANNING CENTER OF OCEAN COUNTY, INC DBA LIVWELL HEALTHCARE.”**

(attached)

7. APPROVAL OF AMENDED AND RESTATED MEMORANDUM OF AGREEMENT WITH THE DEPARTMENT OF HEALTH TO PROVIDE QUARTERLY FINANCIAL DATABASE MAINTENANCE, DATA ANALYSIS, AND OTHER FINANCIAL MONITORING

Mr. Brown called on Taryn Rommell to explain the Amended and Restated Memorandum of Agreement with the Department of Health to Provide Quarterly Financial Database Maintenance, Data Analysis and Other Financial Monitoring to the Members.

Ms. Rommell thanked Mr. Brown and began by reminding Members that the Authority has provided Quarterly Financial Database Maintenance and Data Analysis to the Department of Health ("Department") for many years, with the latest renewal approved by Authority Members on June 24, 2021, and expiring on June 30, 2024. Under that Memorandum of Agreement, the Authority provides the following services to the Department:

1. 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.
2. Prepare hospital financial quarterly reports for the Department.
3. Maintain a data collection process and database to collect Federally Qualified Health Center (FQHC) quarterly financial data and provide the department with a quarterly report.
4. Review financial information provided with Certificate of Need applications.
5. Provide the services of the Authority's Director of Research, Investor Relations, and Compliance for a temporary period as needed to oversee the billing, collection, and audit of ambulatory care facility assessments for the Department.
6. Provide the services of the Authority staff to act as monitors for any hospital in financial distress at the direction of the Commissioner.

The proposed Amended and Restated Memorandum of Agreement ("New MOA"), a substantially final draft of which was emailed to members yesterday, renews the aforementioned services of the Authority.

The proposed New MOA is essentially the same as the current MOA. The New MOA, if approved, will be effective for the period July 1, 2024, through June 30, 2027, and specifies the amount that the Department will reimburse the Authority, as follows.

In the first year of the MOA, the Department will reimburse the Authority a fixed amount (\$10,264.19) for data collection, analysis and, reporting on hospitals and federally qualified health centers pursuant to Items #1, #2, and #3 above. The reimbursement may be increased annually based on increases in salary, benefits, and other related costs incurred by the Authority, not to exceed 5% per year.

For Certificate of Need review, overseeing the ambulatory care facility assessment billing, collections and audit, and monitoring hospitals in financial distress pursuant to Items #4, #5 and #6 above, 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, as identified for 2024 in Attachment B to the New MOA. This amount is also subject to adjustment annually based on any actual increase of salary, benefits and other related costs incurred by the Authority, not to exceed 5% per year.

Staff recommends that the Authority Members approve the Amended and Restated Memorandum of Agreement with the Department of Health for Quarterly Financial Database Maintenance, Data Analysis and Other Financial Monitoring and that the Executive Director or other Authorized Officer

of the Authority be authorized and directed to enter into the New MOA, substantially in the form emailed to members yesterday, for a three-year period from July 1, 2024, through June 30, 2027. The Attorney General's office has reviewed the form of the New MOA and has no objection.

Mr. Brown thanked Ms. Rommell and then asked Members for a motion to adopt a resolution approving the Amended and Restated Memorandum of Agreement with the Department of Health to Provide Quarterly Financial Database Maintenance, Data Analysis and Other Financial Monitoring. Mr. Paulino made the motion and Mr. Lovell seconded Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. 2024-5-E

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby authorizes the approval of the Amended and Restated Memorandum of Agreement with the Department of Health, Division of Management and Administration for Quarterly Financial Database Maintenance, Data Analysis and Other Financial Monitoring.

8. RESOLUTION OF APPRECIATION

- Robin C. Ford

Mr. Brown asked Executive Director Frank Troy to read the Resolution of Appreciation for Robin C. Ford to the Members.

Mr. Troy began by thanking Mr. Brown and wishing everyone a good morning.

Mr. Troy then reminded Members that Ms. Ford recently left her Deputy Commissioner of Health Systems position to accept a new opportunity with the New Jersey Innovation Institute.

Mr. Troy continued stating that Ms. Ford served as the Commissioner of Health's designee for six years and took the role very seriously. Mr. Troy commented that Ms. Ford was always engaged and supportive and expressed her appreciation for the work of the Authority staff on numerous occasions.

Mr. Troy offered to express the Authority's appreciation for Ms. Ford's dedicated service by having Members approve the following resolution, which he read aloud:

WHEREAS, the New Jersey Health Care Facilities Financing Authority ("Authority") was created through the enactment of Chapter 29, Laws of New Jersey 1972, which was amended in January of 1998 to ensure 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 is governed by a seven-member board, three of whom are ex-officio; the Commissioner of Health, who serves as chairman; the Commissioner of Human Services, and the Commissioner of Banking and Insurance; and

WHEREAS, the ex-officio members may designate others to represent them; and

WHEREAS, Robin C. Ford was appointed to serve as the ongoing designated Representative of the Department of Health on March 13, 2018; and

WHEREAS, through her attendance and input at Authority meetings, Robin C. Ford has represented Commissioners Shereef M. Elnahal, MD, MBA, Marcela Ospina Maziarz, MPA, (Acting), Judith M. Persichilli, RN, MSN, MA; and Kaitlan Baston, MD, MSc, DFASAM; and

WHEREAS, in that capacity, Robin C. Ford provided guidance and expertise on matters affecting general and specific operations of the Authority; and

WHEREAS, Robin C. Ford offered her time and expertise on a variety of subjects which were of special interest and benefit to the Authority; and

WHEREAS, Robin C. Ford demonstrated initiative and leadership in carrying out the mission of the Authority, that 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 providing assistance in the restructuring of the health care system of the State;” and

WHEREAS, the Authority wishes to acknowledge Robin C. Ford’s commitment to the Authority and to applaud the integrity with which she carried out the Authority’s mission and goals;

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey Health Care Facilities Financing Authority hereby expresses its enormous gratitude and sincere appreciation to Robin C. Ford; and

BE IT FURTHER RESOLVED that a copy of this Resolution of Appreciation be given to Robin C. Ford as a tribute from the Authority for her service and accomplishments with the Authority.

Mr. Brown thanked Mr. Troy and expressed his appreciation for all that Ms. Ford accomplished during her tenure at the Authority. Mr. Brown added his personal congratulations and thanked her for acting as a mentor.

Mr. Brown then asked for a motion to approve the Resolution of Appreciation for Robin C. Ford. Mr. Glyn offered the motion. Mr. Paulino seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative and the motion passed.

AB RESOLUTION NO. 2024-5-F

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled “**RESOLUTION OF APPRECIATION FOR ROBIN C. FORD.**” as a Public Member of the Authority and thanks her for her service.”

(attached)

9. OLD/NEW BUSINESS

- **Election of Officers**
- **2024/2025 Meeting Calendar**

- *Election of Officers*

Mr. Brown made the following nominations:

Officers of the Authority

Vice Chair	David Brown
Secretary	Bridget Devane
Assistant Secretaries	Ron Marmelstein Cindy Kline
Treasurer	Sam Maddali
Assistant Treasurer	Bridget Devane

Authority Finance Committee

Chair	Sam Maddali
Members	David Brown Thomas Sullivan
Alternate Member	Bridget Devane

Authority Evaluation Committee

Chair	Sam Maddali
Members	David Brown Thomas Sullivan
Alternate Member	Bridget Devane

According to the Authority’s enabling legislation, Kaitlan Baston, M.D., as Commissioner of the New Jersey Department of Health, will remain as Chair.

Mr. Brown asked if there were any other nominations. There were none. Mr. Brown asked for a motion to approve the list of nominations. Mr. Sullivan made the motion. Mr. Lovell seconded. Mr. Brown asked if there were any questions on the motion. There were no questions. Mr. Brown called for a vote. The vote was unanimous and the motion passed.

Mr. Brown noted that the terms of the Authority’s elected officers begin immediately following the Governor’s ten-day veto period, barring any veto notification from the Governor’s Office.

AB RESOLUTION NO. 2024-5-G

NOW, THEREFORE, BE IT RESOLVED, that the following individuals are hereby elected to serve in the official positions noted until May 22, 2025, or until the next election of officers:

Vice Chair – David Brown
Secretary – Bridget Devane
Treasurer – Sam Maddali
Assistant Treasurer – Bridget Devane
Assistant Secretaries – Ron Marmelstein and Cindy Kline

BE IT FURTHER RESOLVED, that the Authority’s Finance Committee will be chaired by Sam Maddali with David Brown and Thomas Sullivan serving as Committee members, and Bridget Devane serving as an alternate member.

BE IT FURTHER RESOLVED, that the Authority’s Evaluation Committee will be chaired by Sam Maddali with David Brown and Thomas Sullivan serving as Committee members, and Bridget Devane serving as an alternate member.

BE IT FURTHER RESOLVED that the Authority’s Audit Committee consists of the ex-officio Members from the Department of Banking and Insurance, and the Department of Human Services or their designees. Manny Paulino, Banking and Insurance as chair, Greg Lovell and Ryan Feeney, Department of Treasury as Members.

- *2024/2025 Meeting Calendar*

Mr. Brown referenced a proposed list of dates on which to conduct meetings of the Authority and its Finance Committee for the coming year. Mr. Glyn offered a motion to adopt the schedule. Mr. Lovell seconded. Mr. Brown asked if there were any questions on the motion. There were no questions. Mr. Brown then called for a vote. The vote was unanimous and the motion passed.

AB RESOLUTION NO. 2024-5-H

NOW THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the following schedule of dates on which to conduct meetings of the Authority; and,

BE IT FURTHER RESOLVED, that, as provided by the provisions of the Open Public Meetings Act and the Authority's By-laws, the Assistant Secretary is authorized to provide notice of these meeting dates to the Authority's designated newspapers, to post notice in the Authority offices and on the Authority's website, and provide notice to the Secretary of State.

AUTHORITY MEETING Board Room 10:00 a.m.
<p>2024 Thursday, June 27 Thursday, July 25 Thursday, August 22 Thursday, September 26 Thursday, October 24 Thursday, November 21 Thursday, December 19</p>
<p>2025 Thursday, January 23 Thursday, February 27 Thursday, March 27 Thursday, April 24 Thursday, May 22</p>

Mr. Brown noted for the record that, unless advertised to the contrary, all meetings are open to the public and shall be held in the Authority's office on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, New Jersey. He added that the Authority's staff will perform the required public announcement and notification of the meeting dates once the Governor's ten-day veto period has passed.

10. AUTHORITY EXPENDITURES

Mr. Brown referenced a summary of Authority expenses and invoices provided to the Members and asked if there were any questions or comments on the material distributed. Mr. Brown then asked for a motion to approve the bills and authorize payment. Ms. Devane made the motion to approve the expenses. Mr. Sullivan seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative, and the motion was approved. The resolution was approved to approve the bills and to authorize their payment.

AB RESOLUTION NO. 2024-5-I

WHEREAS, the Members of the Authority have reviewed the memoranda dated May 15, 2024, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated May 15, 2024 summarizing general operating expenses, in the amounts of \$37,910.00 and \$628.18, 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.

11. STAFF REPORTS

Mr. Brown thanked staff and then asked Executive Director Frank Troy to present his Executive Director's report.

Mr. Troy reported the following:

1. I would like to thank the Members who are not full-time State employees and Authority Senior Staff for completing their required annual Financial Disclosure Statement by May 15, 2024.

2. New Jersey Hospital News

- a) Jefferson, parent of the former Kennedy Health System, and Lehigh Valley Health Network, based in Allentown, Pa, have signed a definitive agreement to combine which, if approved, would create one of the largest not-for-profit health systems in the country. The proposed system would operate 30 hospitals, 700 sites of care and have 65,000 employees.
- b) According to the Lown Institute's 2024 Fair Share Spending report, Hackensack Meridian Health had the highest "fair share" surplus in the country, meaning the System's community investment far exceeded the value of its tax exemption. New Jersey's Hackensack University Medical Center, Jersey Shore University Medical Center and Englewood Hospital and Medical Center were among the top ten individual hospitals with a fair share surplus.
- c) Jersey's Best magazine in collaboration with health care research and consulting firm Castle Connolly recently ranked the State's hospitals based on an online survey of physicians. Morristown Medical Center was the top overall hospital with over 350 beds. Chilton Medical Center was the top overall with fewer than 350 beds. Both are part of Atlantic Health System.
- d) The spring 2024 Leapfrog hospital safety scores were issued with 30 New Jersey hospitals receiving an A grade. The State ranked third in the percentage of hospitals receiving top grades, moving up from 13th in the fall 2023 survey. One hospital received a D grade, none received an F.
- e) CarePoint Health ("CarePoint") continues to be in the news. An NJ.com article reported RWJBarnabas Health and Hudson Regional Hospital are in talks to manage CarePoint's three hospitals according to a "source close to the hospitals". On May 10, 2024, a federal judge denied a request to dismiss a 2021 qui tam (or "whistleblower") suit filed by a former CarePoint chief medical officer alleging the system improperly collected between \$55 million and \$60 million in COVID relief funds. Finally, the Jersey Journal reported CarePoint owes Hudson County \$7.29 million for the past six months of the New Jersey County Option Hospital Fee Program, a program that provides hospitals with extra Medicaid funding. Non-payment could affect program payments to all hospitals in Hudson County in Fiscal Year 2025.
- f) CareWell Health Medical Center in East Orange ("CareWell") has been asked by the Department of Health (the "Department") to develop a "disaster plan" due to ongoing financial difficulties. "Disaster" in this case refers to an abrupt closure. CareWell has questioned the Department's assessment of their financial condition.

3. Ratings Agency Actions and Publications

- a) Fitch Ratings ("Fitch") affirmed Inspira Health Network's ("Inspira") AA- rating (high investment grade) citing strong operational cash flow and successful integration of the former Salem Medical Center. Fitch considered the anticipated expansion at Inspira's Mullica Hill campus and the related additional debt in its analysis.

4. New Jersey Health Care News

- a) Governor Murphy named Jeff Brown as Deputy Commissioner of Health for Health Systems effective May 20, 2024 replacing Robin Ford. Mr. Brown was most recently the Executive Director of the State’s Cannabis Regulatory Commission. Prior to that, Mr. Brown was an Assistant Commissioner at the Department of Health overseeing the Division of Medicinal Marijuana.
- b) Much has been written about the current Medicaid eligibility redetermination process. According to a WHYY article, approximately 11% of the State’s 2 million enrollees could lose their coverage simply because they were unaware they had to re-enroll.

5. National Health Care News

- a) The April 2024 Kaufman Hall National Hospital Flash Report noted a slight decline in performance indicators. Kaufman Hall also reported an increase in bad debt, charity care and days in accounts receivable suggesting revenue cycle challenges.
- b) The Biden administration announced tariff hikes on products imported from China including certain medical devices such as syringes, masks, respirators and gloves. The goal of the hikes, in part, is to boost domestic production.
- c) The Medicare Trustee reported the Health Insurance Trust Fund is expected to remain solvent until 2036, five years longer than expected. While welcome news, the Medicare program still needs a significant overhaul for long term stability.
- d) The Rand Corporation found that commercial insurers paid 254% more on average than Medicare in 2022. The difference was 247% in 2018.
- e) The U.S. Department of Justice announced it has established the Health Care Monopolies and Collusion Task Force to consider “widespread competition concerns” shared by patients, health care professionals and businesses. The task force will “identify and root out monopolies and collusive practices that increase costs, decrease quality and create single points of failure in the health care industry”.
- f) The Federal Trade Commission issued a rule banning non-compete provisions in employment contracts with the exception of existing agreements with senior executives. The rule would apply to not-for-profit as well as for-profit entities. Fitch Ratings commented that the rule could result in upward pressure on wages and increased staffing volatility in health care.
- g) Two articles are included in this month’s materials regarding “mid-levels”- nurse practitioners and physician assistants. Mid-levels have been widely and effectively used in primary care but are increasingly being used in specialties. There is concern this may result in even further reduced access to primary care if the migration expands.
- h) The American Hospital Association reports that hospitals continue to struggle with labor shortages and operating cost escalation that far exceeds increases in reimbursement.
- i) Included in your materials are financial and operational medians compiled by Merritt Research Services.

6. Bond and Tax Legislation and Regulatory News

- a) According to an article in the Bond Buyer, health care bond issuance has rebounded with a 122% year-over-year increase through April 2024. This should not be taken a sign of recovery in the sector as health care providers still face numerous operating headwinds such as the operating cost increases noted earlier.
- b) The municipal finance market is rallying behind legislation that Rep. Terri Sewell of Alabama introduced this week that includes one of the market's top priorities: restoring tax-exempt advance refunding. Rep. Sewell introduced the same legislation in 2021. It was incorporated into an early version of the Build Back Better bill but was removed during negotiations.
- c.) You may recall the Federal Data Transparency Act of 2022 requires federal departments and regulators led by the Treasury to develop machine-readable data standards or eXtensible Business Related Language (“XBRL) for municipal bond issuers as is mandated for corporate Security and Exchange Commission filers. This would apply to our borrowers’ filings on the Municipal Securities Rulemaking Board’s EMMA dataport. Authority staff has been invited by our trade association, the National Association of Health and Educational Facilities Financing Authorities (“NAHEFFA”), to participate on a task force to provide technical expertise. I will keep the Members updated on the Authority’s role, if any, and about the development and adoption of XBRL.

7. Other News

Village Drive Healthcare Urban Renewal, LLC (“Village Drive”), a low income assisted living residence in Millville financed in part by Authority bonds, posted a notice on the EMMA dataport reporting that an amount sufficient to pay the principal and interest payments totaling \$812,000 due bondholders on October 1, 2023 and the interest due bondholders of \$657,000 due April 1, 2024 was deposited with the Trustee bank. Village Drive, however, continues to not fund monthly debt service deposits as required by the Loan Agreement executed with the Authority.

8. Authority News

Thank you to everyone accepting a role as an officer or committee member today. The next Authority meeting will be Thursday, June 27, 2024 at 10:00AM.

Thank you.

Mr. Lovell then offered a comment on the WHYY article regarding Medicaid enrollment. Mr. Lovell stated that multiple outreach contact initiatives have been undertaken by the Department of Human Services to generate awareness for Medicaid enrollment periods.

Mr. Troy thanked Mr. Lovell and extended his best wishes for every success with each individual campaign.

12. ADJOURN

As there was no further business, Mr. Brown asked for a motion to adjourn. Mr. Lovell made the motion and Mr. Glyn seconded. Mr. Brown confirmed who made the motion and who seconded it and then asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members except for Mr. Madalli who seemed to have been disconnected from Teams voted in the affirmative. The meeting was adjourned at 10:56a.m.

I HEREBY CERTIFY THAT THE FOREGOING IS A TRUE COPY OF MINUTES OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY MEETING HELD ON MAY 23, 2024.

Cindy Kline, Assistant Secretary