

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on October 23, 2025, 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: Noah Glyn, Designee for the Commissioner of the Department of Health (Chairing); Greg Lovell, Designee for the Commissioner of the Department of Human Services (*arriving at 10:08 a.m.*); Manny Paulino, Designee for the Commissioner of the Department of Banking and Insurance; and Public Members, Bridget Devane and Arthur Kapoor.

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

On-Site: Frank Troy, Ron Marmelstein, Cindy Kline, Jeff Solimando, Taryn Rommell, Bill McLaughlin, Edwin Fuentes, and Alpa Patel. ***Via Microsoft Teams:*** Jose Lora. ***Via Telephone:*** Tracey Cameron.

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

On-site: Stephanie Gibson, Attorney General's Office; and Sam Kovach-Orr, Governor's Authority Unit. ***Via Microsoft Teams:*** Robin Ford, New Jersey Hospital Association; Carrie Camp, Department of Health; Danny Seto, Willis Towers Watson; and Kaitlyn Wojtowicz, Planned Parenthood Action Fund of New Jersey.

CALL TO ORDER

Noah Glyn, Designee of the Commissioner of Health, called the October 23, 2025, Authority meeting to order at 10:03 a.m. by announcing that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 22, 2025, Authority meeting.

Mr. Glyn stated that in compliance 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. Glyn called on the Authority's Communications Specialist, Jeff Solimando, to call the roll and establish attendance.

Quorum was established after the roll was called.

1. APPROVAL OF MINUTES

- September 25, 2025

The Minutes of the Authority's last regular meeting, held on September 25, 2025, were distributed to Members' for review and approval prior to today's meeting. Mr. Glyn reminded Members that only those in attendance or who have familiarized themselves with the Minutes should vote.

Mr. Glyn then requested a motion to approve the September 25, 2025, Minutes. Ms. Devane made the motion, and Mr. Kapoor seconded the motion.

Mr. Glyn 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. Glyn then called for a vote. All Members voted in the affirmative.

2. DIRECTORS AND OFFICERS LIABILITY INSURANCE RENEWAL

Mr. Glyn called on the Authority's Controller Alpa Patel to present a request to renew the Directors and Officers Liability/Employment Practices Liability Coverage ("D&O/EPL") 12/07/25 - 12/18/30.

Ms. Patel began by reminding Members that the D&O/EPL policy protects past, present, and future Members of the Authority board, committee members, officers, and staff. It is a claims-made policy and provides coverage for a claim first made against the policy period and reported in writing to the insurer.

The Authority currently has \$5 million in D&O coverage and \$5 million in EPL coverage, provided through National Union Fire Insurance Company of Pittsburgh, PA (AIG), at premiums of \$37,700 and \$12,000, respectively, plus a New Jersey surcharge of \$140. The Authority has a \$150,000 deductible under these policies. The Authority also currently has two excess policies of \$5 million each for D&O. One excess policy is with AXA-XL at a premium of \$15,175 and a New Jersey surcharge of \$250. The other excess policy is with RSUI at a premium of \$13,110 and a New Jersey surcharge of \$150.

Willis marketed to the following insurers on the Authority's behalf: AIG, RSUI, and AXA-XL. RSUI and AXA-XL preferred to remain as the excess carrier. AIG will continue to provide \$5M D&O coverage and \$5M in EPL coverage at premiums of \$34,700 and \$12,000, respectively, plus a New Jersey surcharge of \$140. The Authority's deductible under these policies is \$150,000. The Authority will also have two excess D&O policies at \$5M each. The excess policy with AXA-XL will have a premium of \$15,175 and a New Jersey surcharge of \$250. The second excess policy with RSUI will have a premium of \$13,110 and a New Jersey surcharge of \$150. Note that the premiums have not increased from the prior year's renewal.

The Authority staff recommends continuing with the primary D&O coverage of \$5 million and EPL coverage of \$5 million from AIG with a deductible of \$150,000. The Authority staff also recommends keeping two \$5 million excess layers of D&O coverage, from AXA-XL and RSUI, for total D&O coverage of \$15 million. This would result in premiums totaling \$74,985, plus \$540 in surcharges, taxes, and fees - the same as last year.

Ms. Patel concluded by stating that she would address any questions. There were no questions.

Mr. Glyn asked for a motion to approve the Directors and Officers Liability Insurance Renewal. Mr. Kapoor offered the motion, and Ms. Devane seconded. Mr. Glyn 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. 2025-10-A

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the awarding of the Directors and Officers Liability Insurance policy and Employee Practices Liability Insurance policies to AIG and one excess layer of coverage to AXA-XL and one additional excess layer of coverage to RSUI.

3. RECOMMENDATION FOR FINANCIAL PRINTING CONTRACT

Mr. Glyn asked Alpa Patel to provide Members with the staff's recommendation for the Authority's Financial Printing and Distribution contract.

Ms. Patel began by reminding Members that the current contract for the printing of preliminary and final official statements and other related documents for the Authority's revenue bonds expires on December 7, 2025.

Ms. Patel stated that as a result, staff sent Requests for Proposals (RFPs) to 7 firms, posted them on the Authority's website and the State of New Jersey Business Opportunity website, and advertised them in the *Star-Ledger*, *Asbury Park Press*, and *Courier Post*.

Ms. Patel said that the Authority received a proposal from one firm, and that the interested firm, McElwee & Quinn LLC, was compliant with the minimum requirements outlined in the RFP and had excellent references. Therefore, the staff recommends that the contract for the electronic distribution of preliminary official statements, and the printing of final official statements and other related documents be awarded to McElwee & Quinn LLC.

As they are our current printer, the staff is pleased with their work. The contract period will start December 7, 2025, and run through December 6, 2030.

Ms. Patel concluded by saying she would address any questions, to which there were none.

Mr. Glyn asked for a motion to adopt the resolution awarding the Authority's Financial Printing and Distribution contract to McElwee & Quinn, LLC. Mr. Paulino made the motion, and Mr. Lovell seconded. Mr. Glyn 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. 2025-10-B

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the awarding of the Authority's financial printing contract to McElwee and Quinn, LLC for a period of five years, starting December 7, 2025, expiring on December 6, 2030.

4. AUTHORITY EXPENDITURES

Mr. Glyn 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. There were none.

Mr. Glyn requested a motion to approve the bills and authorize payment. Ms. Devane made the motion to approve the expenses. Mr. Lovell seconded the motion. Mr. Glyn 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. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved to accept all submitted expenses and authorize payment.

AB RESOLUTION NO. 2025-10-C

WHEREAS, the Members of the Authority have reviewed the memoranda dated October 15, 2025, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated October 15, 2025, summarizing general operating expenses, in the amounts of \$23,670.50 and \$5,231.22 respectively, and have found such expenses to be appropriate;

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

5. STAFF REPORTS

Mr. Glyn asked Executive Director Frank Troy to present October's Executive Director's report.

Mr. Troy reported the following:

1. Ex officio Members and their designees are reminded that Executive Order #41 (Codey 2005) requires annual ethics training. If you haven't already done so, please provide me with a copy of your receipt from your State Employee Training so that I may report it to the Governor's Authorities Unit by November 15, 2025. I want to thank the Authority's public Members for their 100% compliance with the requirement. If you ever have any ethics-related questions, please reach out to the Authority's Ethics Liaison Officer, Robin Piotrowski, or me.

2. New Jersey Hospital News

- a) Atlantic Health System ("AHS") and Saint Peter's Healthcare System ("Saint Peter's") mutually agreed not to pursue their proposed member substitution after a "lengthy discussion and careful analysis." The two made an initial announcement in January 2024 and reached a definitive agreement in June 2024. This is the second attempt by Saint Peter's to affiliate that ended up being cancelled. In 2022, a merger with RWJ Barnabas Health ("RWJ") was called off due to scrutiny by the Federal Trade Commission.
- b) AHS broke ground on the installation of a new, advanced proton therapy system at its Carol G. Simon Cancer Center in Morristown. The project is being funded by donor support.
- c) Former Commissioner of Human Services Carole Johnson was appointed President and CEO of University Hospital ("University") after a nationwide search. Ms. Johnson will replace former Commissioner of Health, Kaitlan Baston, M.D., who is serving on an interim basis.
- d) University was #56 of *Forbes'* inaugural list of "America's Best Employers for Healthcare Professionals."
- e) A number of the State's health care executives were recognized for their professional achievements and commitment to the community. RWJ President and CEO Mark Manigan and Bergen New Bridge Medical Center President and CEO Deborah Visconi received *New Jersey Business Magazine* 2025 Awards for Excellence. RWJ Senior Executive Vice President and COO John Doll was named a 2025 *Becker's Hospital Review's* "Academic Medical Center COO to Know." The following CFOs were included in the *NJ Biz* piece "2025 People to Watch in Finance": Michael Allen, CFO of Hackensack Meridian Health ("Hackensack"); Santo Gencarelli, Vice President, Finance, of Holy Name Medical Center; Catherine LoPresti, Vice President for Revenue Cycle Operations at Hackensack; and Robert Nesselbush, Senior Vice President and CFO at St. Joseph's Health.
- f) Hackensack's JM Sanzari and K. Hovnanian Children's Hospitals were tied for #10 in the *U.S. News & World Report* feature, "Best Children's Hospitals in the Mid-

Atlantic.” The Bristol-Myers Squibb Children’s Hospital at Robert Wood Johnson University Hospital was listed at #16.

- g) RWJ opened a second School of Nursing campus in Oceanport at the former Fort Monmouth Army base. Their other nursing school campus in Elizabeth is one of the oldest in the country.
- h) The certificate of need application filed by RWJ for a new hospital to replace Monmouth Medical Center in Long Branch has been deemed complete by the Department of Health, allowing the proposed project to move forward to the next phase of the review and approval process. The new 252-bed facility would be in Tinton Falls. If the replacement hospital project is approved, an emergency department will remain at the current Monmouth Medical Center, along with certain inpatient and outpatient services.
- i) Jefferson Health, parent of the former Kennedy Health System, announced it will lay off up to 700 employees system-wide or about 1% of the workforce, amid financial difficulties. Over 100 New Jersey employees will be affected, according to news articles.
- j) Penn Medicine broke ground on the Penn Medicine Princeton Cancer Center, a \$401 million project that will deliver a full spectrum of cancer services to patients in Central New Jersey. The 200,000-square-foot center is scheduled to open in May 2028.
- k) Heights University Hospital (“Heights”), formerly known as Christ Hospital and now part of Hudson Regional Health (“Hudson”), continues to exhibit financial distress. Hudson CEO Nizar Kifaieh, M.D., issued a statement saying immediate funding from the State “is the only viable path for our hospital to survive.” A rally was held to call attention to the hospital’s situation, and a petition with over 1,500 signatures to keep the hospital open was delivered to Governor Murphy. A candidate for mayor of Jersey City accused Hudson of closing the hospital to develop a luxury housing project. Heights recently received \$2 million from the State to stay open. State Senators Mukherji and Stack announced they would introduce a bill to seek \$25 million in funding.

3. Ratings Agency Actions and Publications

- a) Fitch Ratings (“Fitch”) upgraded Virtua Health’s (“Virtua”) rating one notch from AA- to AA, which is considered high investment grade. According to Fitch, the upgrade reflects Virtua’s successful transition of the Lourdes Health System, its leading market position in a stable service area, strong operating cash flow, and expanded outpatient services. The outlook is Stable.
- b) Fitch affirmed its AA- rating on AtlantiCare Health System’s bonds with a Stable outlook. Fitch cited a strong balance sheet, low debt burden, and demonstrated cost management.
- c) Fitch affirmed Thomas Jefferson University, commonly known as Jefferson Health’s (“Jefferson”) A rating, but revised the outlook to Negative. Fitch cited Jefferson’s competitive service areas, high reliance on government payors, and relatively low margins for an A-rated credit. As noted above, Jefferson is reducing its workforce as part of performance improvement initiatives.

- d) S&P Global upgraded Saint Peter's University Hospital's ("Saint Peter's") debt rating by one notch to BBB+ from BBB, citing sustained positive operating margins and strong debt service coverage. The upgrade is a statement on the strength of Saint Peter's, given the end of merger discussions with AHS. The outlook is Stable.

4. New Jersey Health Care News

Governor Murphy and 14 other governors launched the Governors Public Health Alliance which will facilitate data sharing and communication about health threat detection, emergency preparedness and response, and public health guidance and policy.

5. National Health Care News

- a) Kaufman Hall's "August 2025 National Hospital Flash Report" noted that patient volumes and margins decreased during the month. Bad debt and charity care continue to rise and are likely to continue to increase.
- b) A Kaufman Hall article distributed to the Members this month relates to how health systems can act now to address the challenges related to our aging population, noting that it's not just a volume issue but about complexity as well. Industry leaders will need to rethink how and where care is delivered while being pressured by more low Medicare reimbursement.
- c) An article written by Nathan Kaufman examines how silos undermine U.S. health care. He suggests that the myriad of participants, including physicians, hospitals, insurers, and pharmaceutical companies, etc., all act rationally in their own interest, but the results of optimizing these siloed components are skyrocketing costs, inefficient health care systems, and inconsistent patient outcomes.
- d) Researchers at Harvard Medical School, the University of Pittsburgh, and the University of Chicago found that hospitals acquired by private equity firms have seen higher death rates in their emergency departments. Reduced staffing and salaries could be factors. The researchers also found that private equity hospitals transferred patients more frequently than other hospitals.
- e) California became the latest state to enact tougher restrictions on private equity in health care. A bill was signed that prohibits financial firms from having a hand in medical decisions, including what tests are appropriate and how many patients a clinician sees per hour. The bill also prohibits non-compete clauses in provider contracts.
- f) The Commonwealth Fund recently issued its State Scorecard on Medicare Performance. Although Medicare is a federal program, care access, affordability, and quality vary between the states. Vermont, Utah, and Minnesota, ranked the highest, while Louisiana, Mississippi and Kentucky ranked the lowest. New Jersey ranked 29th.

6. Bond and Tax Legislation and Regulatory News

None

7. Other News

None

8. Authority News

- a) Once again, there is no Legislative update as the Legislature has been in recess.
- b) The next regular Authority meeting will be Thursday, November 20, 2025, at 10:00 AM. The annual League of Municipalities meeting wraps up that day so please let Cindy Kline or I know if you have a conflict.

6. ADJOURN

As there was no further business, questions, or comments, Mr. Glyn asked for a motion to adjourn. Mr. Lovell made the motion, and Mr. Paulino seconded the motion. Mr. Glyn confirmed who made the motion and who seconded it, and then asked if there were any questions or comments on the motion.

Mr. Glyn then called for a vote to adjourn. All members voted in the affirmative, and the meeting was adjourned at 10:25 a.m.

I HEREBY CERTIFY THAT THE
FOREGOING IS A TRUE COPY OF THE
MINUTES OF THE NEW JERSEY HEALTH
CARE FACILITIES FINANCING
AUTHORITY REGULAR MEETING HELD
ON OCTOBER 23, 2025.

Cindy Kline, Assistant Secretary