These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on August 27, 2026, on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

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

> ***On-Site:*** Michael Fahncke, Designee for the Commissioner of the Department of Banking and Insurance. ***Via Microsoft Teams:*** Noah Glyn, Designee for the Commissioner of the Department of Health (Chairing); and Public Members Arthur Kapoor and Tom Sullivan.

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

> ***On-Site:*** Frank Troy, Jeff Solimando, Jessica Rinderer, Taryn Rommell, Ron Marmelstein, Jose Lora, Edwin Fuentes, Alpa Patel, Ankita Parikh. ***Via-Telephone***: Tracey Cameron.

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

> ***On-Site*** Sam Kovach-Orr, Governor's Authority Unit and David Gannon, CPA, PKF O'Connor Davies. ***Via Microsoft Teams:*** Stephanie Gibson, Attorney General's Office; Robin Ford, NJHA and Emily Appledorf, Department of Health.

CALL TO ORDER

In compliance with the Open Public Meetings Act (OPMA) and the Authority's bylaws, Noah Glyn, Designee of the Commissioner of Health, called the August 27, 2026, Authority's regular meeting to order at 10:01 a.m.

The Authority's Communications Specialist, Jeff Solimando, called the roll and established a quorum.

1. APPROVAL OF MINUTES

- *July 23, 2026*

The Authority's July 23, 2026, meeting Minutes were distributed to Members for their review and approval prior to today's meeting. Mr. Glyn asked for a motion to approve the Minutes of the Authority's July 25, 2026, meeting. Mr. Kapoor made the motion, and Mr. Fahncke seconded.

After confirming who made the motion and who seconded, Mr. Glyn asked whether there were any questions or comments. There were none. Mr. Glyn called for a vote. All Members voted in the affirmative.

2. AUDIT COMMITTEE REPORT & APPROVAL OF THE AUTHORITY'S 2025 AUDITED FINANCIAL STATEMENTS

Mr. Glyn called on Audit Committee Member Michael Fahncke to present a report from the August 4, 2026, Audit Committee meeting, and request approval of the Authority's 2025 audited financial statements on behalf of Committee Chair Greg Lovell.

Mr. Fahncke began by stating that on August 4, 2026, David Gannon, CPA, the engagement partner from PKF O'Connor Davies, LLP presented the Audit Committee with draft copies of the Authority's 2025 audited financial statements and the related required auditor communications. Following their presentation, the Committee voted unanimously to approve the 2025 audited financial statements.

Mr. Fahncke then said that he is requesting the Authority Members' approval of the 2025 audited financial statements, and their submission to the Governor, members of the Legislature, the Secretary of State, and the Comptroller of the Treasury, as required by the Authority's enabling legislation.

Mr. Fahncke highlighted a few key aspects of the 2025 audit engagement:

- The Authority's audit report was issued with an Unmodified or "clean" Opinion.
- There were no significant or unusual Authority transactions, no disagreements regarding management on the scope of the audit or the application of accounting principles, and no difficulties in dealing with management.
- There were no compliance issues.
- There were no unrecorded audit adjustments.
- Management's significant accounting estimates appeared appropriate.

In light of a positive audit report and the actions by the Authority, Mr. Fahncke commended the Authority's Management and the Division of Operations, Finance, and Special Projects for another year of outstanding work.

Mr. Fahncke then opened the floor for any questions the Members had for Mr. Gannon, the Staff, or the Audit Committee.

There were no questions.

Mr. Fahncke made a motion to authorize the approval of the 2025 audited financial statements and submit them 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. Glyn requested a second motion to approve the Authority's 2025 audited financial statements. 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, and the motion was approved.

AB RESOLUTION NO. 2026-8-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Authority's 2025 audited financial statements.

3. BOND SALE REPORT

- *University of Pennsylvania Health System (Princeton Healthcare System) Series 2026C*

Mr. Glyn asked Edwin Fuentes to give his report on the sale for the University of Pennsylvania Health System (Princeton Healthcare System) Series 2026C.

.

Mr. Fuentes began by reminding members that on July 21, 2026, Authority staff, along with BofA Securities, as the senior managing underwriter, priced the $116,230,000 publicly issued tax-exempt Series 2026C bond financing on behalf of the University of Pennsylvania Health System and Princeton Healthcare System. The bonds were rated AA by S&P Global Ratings and Aa3 by Moody's.

Mr. Fuentes advised Members that the proceeds will be used to refund a portion of the Authority's Princeton Healthcare System Series 2016A Revenue Bonds, and pay a portion of the costs incurred in connection with the issuance and sale of the Series 2026C Bonds.

Mr. Fuentes said that the order period began at 9:00 a.m. with the following priority of orders: New Jersey Individual Retail; New Jersey Professional Retail; Net Designated; and Member. At the conclusion of the order period, the underwriting team had received orders totaling over $280.82 million, including orders from 29 unique institutional investors. This oversubscription led the underwriting team to adjust yields downward across the structure, resulting in an all-in total interest cost of 3.527%.

Mr. Fuentes then reported that BofA Securities had made an offer to underwrite the bonds at the new levels, and that Authority staff had given the verbal award. Yields on the Series 2026C serial bonds ranged from 2.56% to 3.67%. Net present value savings on the refunding of the Series 2016A bonds were $11,571,345.

Mr. Fuentes concluded by stating that the transaction closed on August 4, 2026.

Mr. Glyn reminded Members that this was an informational presentation and no action was needed.

4. AUTHORITY EXPENDITURES

Mr. Glyn referenced a summary of Authority expenses and invoices that had been provided to the Members and asked whether 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. Mr. Sullivan made the motion to approve the expenses, and Mr. Kapoor seconded.

After confirming who made the motion and who seconded, Mr. Glyn 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 to accept all submitted expenses and authorize payment was approved.

AB RESOLUTION NO. 2026-8-B

WHEREAS, the Members of the Authority have reviewed the memoranda dated August 19, 2026, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated August 19, 2026, summarizing general operating expenses, in the amounts of $32,500.00 and $51,498.06, 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 his Executive Director's report.

Mr. Troy reported the following:

1. New Jersey Hospital News:

    a) An analysis of CMS patient survey data ranks the State's hospitals as the second-worst in the country for patient experience. The average New Jersey rating was 2.72 stars out of 5.00. Only Florida was lower at 2.71. No New Jersey hospital received a five-star rating, but Valley Hospital, Deborah Heart and Lung Center, Monmouth Medical Center, and Inspira Mullica Hill earned four-star ratings.

b) Cooper University Health Care ("Cooper") announced a $100 million gift from George Norcross III in honor of his parents. The gift is the largest in Cooper's history. Mr. Norcross is currently the chair of the organization.

c) Hackensack Meridian Health is the first health network in the country to earn The Joint Commission's Responsible Use of AI Certification. This certification is a voluntary program designed to recognize healthcare organizations that demonstrate they have the governance, safeguards, monitoring processes, and education in place to use health AI responsibly.

d) Morristown Medical Center and Overlook Medical Center made the *Forbes* 2026 Best Hospitals by State list.

e) RWJBarnabas Health has invested almost $50 million in federally qualified health centers, or "FQHCs," since 2024.

f) Seventeen New Jersey emergency departments received 2026 Lantern Awards from the Emergency Nurses Association. The award recognized exceptional innovation and evidence-based practice. Eight departments received awards in 2025.

g) New Jersey Hospital Association President Cathy Bennett wrote an op-ed suggesting that CMS is issuing rules that go beyond the payment-reducing measures in H.R.1, or the One Big Beautiful Bill Act.

h) The Department of Health has scheduled a new date for the public hearing on the closure of Heights University Hospital in Jersey City. You may recall that the hearing scheduled this past April was abruptly canceled when the hospital's operator, Hudson Regional Health ("Hudson"), obtained a restraining order from the Hudson County Superior Court, which was later vacated. Hudson has filed another appeal.

2. Ratings Agency Actions and Publications:

a) The three major rating agencies released their latest not-for-profit hospital and health system medians based on 2025 data. Operating margins ranged from 1.2% for S&P Global and Moody's Ratings to 1.5% for Fitch Ratings ("Fitch"), the highest since 2021. The 2021 median was 3.0% and included COVID-related subsidies. For comparison purposes the 2025 Apollo System median, based on a much smaller sample, was 4.6%. Median day's cash on hand were approximately 200; the Apollo System median was 194. All three agencies maintained their Stable outlook on the sector.

b) Slides from Fitch's median presentation were included in the articles distributed to the Members. Also included was a summary of the rating agencies' sector outlooks prepared by Hilltop Securities.

3. New Jersey Health Care News:

The Department of Human Services estimates over 540,000 New Jersey residents could lose Medicaid coverage in January due to the new work requirements. Effective January 1st, beneficiaries must prove they work, volunteer, or attend school for at least 80 hours per month to continue benefits. New Jersey has almost 1.9 million people enrolled in Medicaid, approximately 20 % of the population.

4. National Health Care News:

   a) Medicare will pay acute care hospitals 2.3% more for inpatient services effective October 1st, amounting to $2.1 billion. Industry groups considered the increase inadequate.

   b) According to a survey conducted by the Physicians Advocacy Institute, 80% of physicians are now employed compared to 25% in 2021. Just 28% of the participants had ever worked in a physician-owned setting. 90% reported some level of burnout.

   c) New Jersey Senator Andy Kim and Representative Debbie Dingell of Michigan introduced the Medicare at Home Act which would expand home care coverage under Part B.

   d) According to IBM's *Cost of a Data Breach Report 2026*, health care is the most expensive industry for data breaches for the 13th consecutive year, averaging $6.6 million. Globally, hackers are increasingly weaponizing AI with such attacks up 56% from the prior year. Congress has noticed with the Senate Health, Education, Labor and Pensions Committee advancing the Health Care Cybersecurity and Resiliency Act of 2026. The bill would require HIPAA-regulated entities to implement universal multifactor authentication and end-to-end encryption of health information.

   e) A *Chief Healthcare Executive* roundtable which included Hackensack Meridian Health CEO, Robert Garrett, noted that health systems are becoming less "hospital-centric," shifting toward community and home-based care. The panel also discussed the need to do more to prevent illness and the need for reimbursement to move away from fee-for-service and incentivize keeping people healthy.

   f) According to a *McKnight's Long-term Care News* article, doctors are uncomfortable with the possibility of determining if patients are too medically frail to work under the new Medicaid work rule under H.R. 1. Some see it as yet another administrative task and some have said they aren't trained to accurately assess whether someone is healthy enough to work.

   g) Consulting actuaries at Aon estimate that average healthcare costs are projected to reach more than $19,000 per employee in 2027, an increase of 9.5% year over year. This would be the fourth consecutive year of double-digit growth.

5. Bond and Tax Legislation and Regulatory News:

   a) The July Brach Eichler Healthcare Law Update was included with the articles distributed to the Members.

   b) A recent market commentary by investment banking firm HJ Sims noted that the flood of new AI data centers under development and the flood of AI-related debt to finance them could crowd out more conventional and essential public-purpose infrastructure, such as health care and schools, leading to higher interest costs.

6. Other News:

   The Federal Reserve (the "Fed") held the benchmark interest rate steady at its July meeting. By a 9-3 vote, the federal funds rate will remain in a range between 3.50% and 3.75%. Some "Fed-watchers" suggested a 25-basis-point increase was possible due to persistent inflation above the Fed's 2.5% target and now put the probability of a September rate hike above 50%.

7. Authority News:

   a) I would like to recognize and thank the Authority's Operations Division for another annual audit with no adjustments and a "clean" opinion.
   b) The next Authority meeting will be on Thursday, September 24, 2026, at 10:00 AM. Thank you.

6. ADJOURN

As there was no further business, questions, or comments, Mr. Glyn asked for a motion to adjourn. Mr. Kapoor made the motion, and Mr. Sullivan seconded the motion.

After confirming who made the motion and who seconded, Mr. Glyn asked if there were any questions or comments on the motion. There were none. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the meeting was adjourned at 10:26 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 AUGUST 27, 2026.

____

Ron Marmelstein, Assistant Secretary