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NJHCFFA

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY

ANNUAL REPORT

*Providing Financing Options to New Jersey
Health Care Organizations for more than a Half-Century*

The New Jersey Health Care Facilities Financing Authority (NJHCFFA) fulfills its statutory purpose primarily by issuing tax-exempt and taxable bonds for health care organizations throughout the State. This includes arranging financing for hospitals, skilled nursing facilities, assisted living facilities, life plan communities, visiting nurse associations, hospices, and blood banks.

The NJHCFFA also collects and analyzes data on health care organizations and funds various studies on how health

care services are provided throughout the State.

Created by an act of the New Jersey State Legislature in 1972, the NJHCFFA's mission is to ensure that all health care organizations have access to financial resources to improve the health and welfare of the State's citizens.

The NJHCFFA's mission was expanded in 2000 to include assisting with restructuring the State's health care system.



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A Message from New Jersey Governor Philip D. Murphy

During 2023, the State of New Jersey achieved remarkable milestones in our ongoing efforts to promote healthy communities and improve access to quality health care for all New Jerseyans.

The New Jersey Health Care Facilities Financing Authority (NJHCFFA) has continued to play a critical role in enabling sound investments that benefit both patients and providers throughout our State. Since 1972, the Authority has issued more than \$26.7 billion in tax-exempt bonds to over 186 health care organizations and has issued forgivable loans to various facilities, helping to ensure our communities have access to quality health care when they need it most.

After nominating her in July 2023, I was thrilled to see Kaitlan Baston, MD, MSc, DFASAM, confirmed as Commissioner of the New Jersey Department of Health in March 2024.

As the Authority chairperson during her term as Commissioner of Health, I am confident that Dr. Baston will lend her breadth of experience as a physician, highlighted by her many leadership roles within the addiction and health care space.

Dr. Baston's knowledge and skill will play a vital role in protecting public health while promoting the continued initiatives needed to maintain robust communities throughout the State of New Jersey.

In September, the Authority closed on \$61,705,000 of privately issued tax-exempt Series 2023 bond financing on behalf of AtlantiCare Regional Medical Center. It is estimated that the Authority saved AtlantiCare approximately \$11 million by using its tax-exempt financing structure versus a taxable one, reinforcing the value of providing not-for-profit health care providers with access to low-cost capital.



New Jersey Governor Philip D. Murphy

Additionally, in conjunction with our Department of Health, the Authority played an essential role in providing \$8,953,400 in interest-free, forgivable loans to reproductive health care providers to help acquire new facilities, renovate facility interiors, purchase much-needed equipment, and improve information technology services. These loans help New Jersey's reproductive health care providers make vital care available to more patients across the Garden State.

I thank the Authority and its Members for their unremitting efforts to ensure the good health of all New Jerseyans.

Meet Dr. Kaitlan Baston, Chair, Commissioner of Health



Dr. Kaitlan Baston, MD, MSc, DFASAM

I am deeply grateful to Governor Murphy for entrusting me with this opportunity to serve the people of the great State of New Jersey as Commissioner of the New Jersey Department of Health.

I accepted this position following an unprecedented time in public health on a global, national, and local scale and following Commissioner Judith M. Persichilli's tireless work and dedication to carry out the Department's mission. I looked forward to building on the progress made to protect the public's health, promote healthy communities, and improve the quality of health care for all who live, work, learn, and play in New Jersey.

At the Department of Health, we have continued to prior-

itize efforts to help eliminate disparities in access to health care, treatment, and clinical outcomes. My previous work in addiction medicine and maternal and child health drives my commitment to building a healthier and more equitable State by better meeting the needs of those who are underserved by our health care systems.

I feel fortunate that we do not face this task alone. The New Jersey Healthcare Facilities Financing Authority (NJHCFFA) has been a valued resource for the Department of Health for many years, and our longstanding partnership is vital to addressing patient care needs through financially strong health care facilities.

The NJHCFFA's mission to fulfill its statutory purpose of providing low-interest, tax-exempt, and taxable bond funding continues to provide a bedrock for strengthening our health care systems in New Jersey. Efficient NJHCFFA financing enables health care facilities to better maintain adequate staffing levels and support programs that improve patient care quality.

Since its inception in 1972, NJHCFFA has earned a sound reputation, issuing more than \$20 billion in bonds on behalf of over 185 health care organizations throughout the State. While most NJHCFFA financings fund acute care hospitals, capital can also be provided for nursing homes, assisted living facilities, specialty hospitals, home health agencies, mobile intensive care units, outpatient centers, rehabilitation centers, homes for multi-handicapped individuals, and health maintenance organizations.

I look forward to working with NJHCFFA and its staff to support New Jersey's continued goals of delivering higher quality and better service in health care for the residents of our State.

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Introducing the NJHCFFA's Executive Director Frank Troy

2023 was undoubtedly a year of change at the New Jersey Health Care Facilities Financing Authority (the "Authority"). First and foremost, Mark E. Hopkins retired after serving as Executive Director of the Authority for 19 years. From all accounts, Mark is succeeding in retirement just as he did in his professional life. Authority Chair and New Jersey Commissioner of Health, Judith Persichilli, retired after an incredible career in health care, starting at the bedside, moving to the C-suite, and ending in a Cabinet post.



Frank Troy, NJHCFFA Executive Director

Ms. Persichilli's successor and current Chair, Commissioner of Health Kaitlan Baston, M.D., has an equally impressive professional background and a staunch commitment to providing all New Jersey residents with the best care possible.

2023 was not an exceptional year regarding health care financing activity in New Jersey and nationally. Higher interest rates and the operating expense pressures that emerged during the COVID-19 pandemic negatively affected many providers. Nonetheless, the Authority was involved in several important initiatives that will benefit the State's residents for years to come.

The Authority was pleased to issue \$61.7 million of tax-exempt bonds on behalf of AtlantiCare Regional Medical Center. The proceeds were used to reimburse the Medical Center for the costs of various capital projects. The Authority also disbursed \$8.9 million in connection with the Family Planning Facilities Upgrade Forgivable Loan Program, funded by a grant-in-aid from the State.

Despite a slow year by Authority standards, we remain a significant issuer of municipal bonds. Over the past ten years, the Authority has ranked as the 106th largest issuer nationally, out of 19,184, and the 10th largest issuer of health care bonds. The Authority is the 5th largest among New Jersey issuers and is #1 in healthcare bonds. These rankings are a testament to our dedicated Authority Members, the talents of the staff, the many public finance professionals we work with, and the vision of our borrowers.

As I begin my second year as Executive Director, I feel profoundly honored and humbled to be a part of such a vital organization. Everything we do ultimately benefits the residents of our State. I look forward to reporting on what looks to be a very eventful 2024!

NJHCFFA Ex Officio Members



Dr. Kaitlan Baston, Chair

Dr. Kaitlan Baston, MD, MSc, DFASAM, was nominated by New Jersey Governor Philip D. Murphy to begin serving as Commissioner of Health on July 25, 2023, and was confirmed on March 18, 2024. Prior to becoming New Jersey's Health Commissioner, Dr. Baston built and led the Cooper Center for Healing, an integrated pain, addiction, and behavioral health center, and was an Associate Professor of Medicine at Cooper Medical School of Rowan University. She is nationally recognized for her work in perinatal substance use disorders and EMS delivery of addiction treatment.

Commissioner Baston began her career as a full-spectrum family physician focused on underserved populations. Before arriving in New Jersey, her work ranged from public health projects in Rwanda to public maternity and trauma hospitals in the Dominican Republic, providing full spectrum family planning services and working in a bilingual community health center in Seattle, Washington.

Commissioner Baston is dual-boarded in Family Medicine and Addiction Medicine, obtained a master's degree in Neuroscience from Kings College, London, and graduated from Jefferson Medical College in Philadelphia, PA. She serves as an ex-officio member during her term as Commissioner.

(Serves during her term as Commissioner of the Department of Health).

Ms. Sarah Adelman was confirmed as Commissioner of the Department of Human Services on March 24, 2022. Previously, she was the Deputy Commissioner of the Department of Human Services, overseeing the Division of Developmental Disabilities, the Division of Aging Services, and the Division of Medical Assistance and Health Services, which operates the Medicaid/NJ Family Care program.

Commissioner Adelman has worked in Medicaid and health policy for over a decade, previously serving as Vice President at the New Jersey Association of Health Plans and Chief of Staff at the New Jersey Health Care Quality Institute.

Named among "New Jersey's Top 10 Healthcare Policy Analysts and Experts" by NJ Spotlight, she received her Bachelor of Arts summa cum laude from Rowan University and her certificate in Advanced Healthcare Leadership from Seton Hall University. Sarah was also a fellow in the inaugural class of the New Jersey Healthcare Executives Leadership Academy. *(Serves during her term as Commissioner of the Department of Human Services).*



Ms. Sarah Adelman

Mr. Justin Zimmerman was appointed to lead the New Jersey Department of Banking and Insurance by Governor Philip D. Murphy in June 2023. As Acting Commissioner, he serves as the chief regulator of New Jersey's insurance industry, one of the nation's largest.

Acting Commissioner Zimmerman oversees all State-chartered banks, credit unions, and consumer finance licenses and leads Get Covered New Jersey, the State's official health insurance marketplace. He joined the department in early 2018 as its chief of staff, overseeing the executive management team and managing all aspects of the department's policy implementation under the Commissioner's direction.

During his tenure, the department developed and implemented numerous consumer protections and programs impacting countless New Jerseyans, including New Jersey's out-of-network law, student loan protections, mortgage servicers licensing, expanding access to reproductive health care, and Get Covered New Jersey. Before joining Governor Murphy's administration, he served as chief of policy and legislation to the New Jersey State Senate president pro tempore, where he expanded access to quality and affordable health care.

(Serves during his term as Acting Commissioner of the Department of Banking and Insurance).

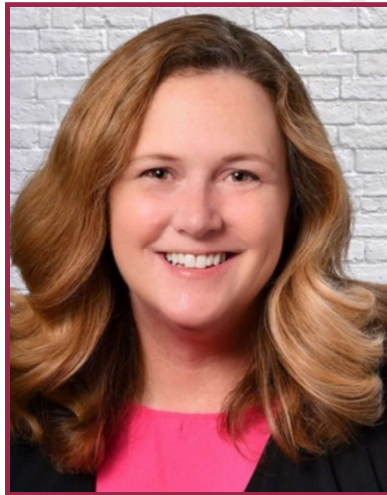


Mr. Justin Zimmerman

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NJHCFFA Designees of Ex Officio Members - 2023

A board of seven members governs the NJHCFFA, three ex officio and four public.
Nominated by the Governor with the consent of the Senate, public members serve staggered terms.



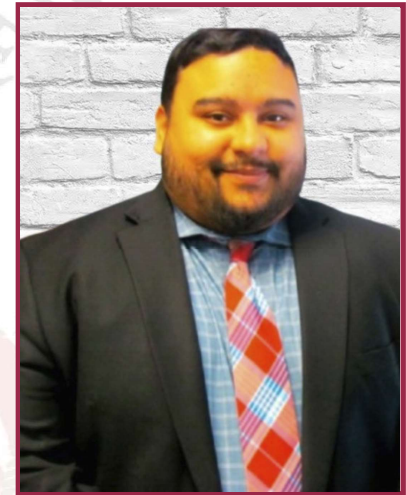
Ms. Robin C. Ford

*Deputy Commissioner, serves
as Designee for the
Commissioner of the
Department of Health*



Mr. Greg Lovell

*Aide to the Commissioner;
serves as Designee for the
Commissioner of the Department
of Human Services*



Mr. Manny Paulino

*Government Representative; serves
as Designee for the Commissioner
of the Department of
Banking and Insurance*

FYI/Did You Know? What is an Ex Officio Board Member?

An ex officio board member is a person who serves on a board of directors because of their position in or outside of the organization. The term "ex officio" is Latin for "from the office" or "by right of office." Ex officio board members are often chosen for their expertise and influence in areas where the board needs assistance. An ex officio board member can be an internal employee or external professional.

NJHCFFA Public Members - 2023



Mr. David G. Brown II

Term expires on April 30, 2024.

Mr. David G. Brown II is Ocean Township's Chief Administrative Officer. He served as the Administrator of Bradley Beach, Executive Director of the Linden-Roselle Sewerage Authority, and Administrator of the Borough of Roselle.

David held several municipal leadership positions and serves on the Board of Directors of the Association of Environmental Authorities of New Jersey.

A native of Long Branch, he served in the New Jersey National Guard and has a Bachelor of Arts degree and a Master's in Public Administration from Keane University.



Mr. Thomas J. Sullivan, Jr.

Term expires on April 30, 2025.

Mr. Thomas J. Sullivan, Jr. has served on the Bergen County Board of County Commissioners since January 2015. As a Commissioner, Tom has served on the Board's Social Services, Shared Services, Labor and Personnel, Law and Public Safety, Transportation, Public Works, Community Development, and Planning and Economic Development committees. Tom is also a passionate supporter of community volunteerism.

Mr. Sullivan and his family currently reside in Montvale.



Ms. Bridget Devane

Term expires on April 30, 2025.

Ms. Bridget Devane is the Public Policy Director for the Health Professionals and Allied Employees (HPAE), New Jersey's largest health care union, representing registered nurses and health care professionals in acute care, long-term care, psychiatric, blood bank, and medical laboratory facilities.

Before HPAE, Bridget worked at New Jersey Citizen Action, a statewide consumer advocacy organization, working with patients to protect the financial interests of health care consumers.

She has a Bachelor's degree in Social Work from Ramapo College and a Master's in Social Work from Hunter College.



Mr. Sam Maddali

*Term expired on April 30, 2023.**

Mr. Sam Maddali is the Chairman and founder of United Pharmacy Network, a group purchasing organization for independent pharmacies. He has served on various boards, including the Bouvé Strategic Advisory Council at Northeastern University, the Foundation for Morristown Medical Center, and the Governor's Council on Mental Health Stigma.

Advocating for the rights of independent, community pharmacies earned Mr. Maddali the NJ Pharmacist of the Year Award, presented by Senator Vin Gopal.

A pharmacist by trade, Mr. Maddali earned his Bachelor of Pharmacy from Long Island University.

Complete Authority biographies can be found here: <https://www.nj.gov/njhcffa/about/members/index.html>

**Public Members continue to serve until reappointed or replaced.*

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2023 Financings - The Year in Review:

AtlantiCare Regional Medical Center



AtlantiCare's Mainland Campus. Photo courtesy of: AtlantiCare

On September 13, 2023, the Authority closed on \$61,705,000 privately issued tax-exempt Series 2023 bond financing on behalf of AtlantiCare Regional Medical Center.

AtlantiCare Regional Medical Center is a 593-licensed-bed, acute care, not-for-profit hospital facility with two campuses in Atlantic City and Galloway Township, New Jersey. AtlantiCare Health Systems, Inc., the parent company, is currently rated AA- by both S&P Global and Fitch Ratings on their long-term, public debt.

T.D. Bank N.A. directly purchased the 2023 bonds.

The proceeds of this transaction were used, among other things, to reimburse the borrower for the costs of planning, development, acquisition, construction, equipping, expansion, furnishing, and renovation of all or a portion of various capital projects of the borrower and its affiliates.

Additionally, proceeds were used to pay costs incurred with issuing and selling the Series 2023 bonds. The transaction was structured as one fixed rate maturity, with sinking fund installments from 2025 to 2053. The yield on the Series 2023 bonds is 4.27%, maturing on July 1, 2053.

It is estimated that the borrower saved approximately \$11 million by using a tax-exempt financing structure versus a taxable one.

Simplify

Your Health Care Financing

The New Jersey Health Care Facilities Financing Authority's (NJHCFFA) Capital Asset Program (CAP) is a "revolving pool" that makes loans to healthcare facilities wishing to finance or refinance major moveable equipment, renovations to existing plants, minor construction and additions, parking garages, and bridge financing.

The NJHCFFA's CAP was designed to take advantage of bonds issued before the 1986 tax law changes. Loans made under the CAP are continuously repaid, making fresh funds available for other borrowers.

Backed by an Aa rated letter of credit, the CAP has historically low rates. Loans through CAP are not subject to arbitrage rebate and can be repaid without penalty. As a result of using standardized documents, the entire loan process can be expedited in 45 to 90 days.



Benefits of NJHCFFA's Capital Asset Program (CAP) include:

- ✓ Quickly approved loan applications.
- ✓ No required arbitrage rebate.
- ✓ Straightforward, uncomplicated terms negotiated directly between the borrower and the credit enhancer.
- ✓ Available funds for certain "bad money" uses.
- ✓ Security provided through equipment liens or master indenture notes.
- ✓ Standardized documents to save time and reduce fees.

Take advantage of this unique loan program today with an issuance fee of only \$500!

For more information, contact:

Jessica Waite
Capital Asset Program Manager
jwaite@njhcffa.com - (609) 789-5639

FIND US ON THE WEB: WWW.NJHCFFA.COM

The New Jersey Health Care Facilities Financing Authority. Serving New Jersey's Healthcare Industry Since 1972.

Financing Options Designed to Meet the Special Borrowing Needs of New Jersey's Health Care Organizations

Stand-Alone Bond Financings

The Authority's most frequently used financing option includes publicly offered bond issues and private placement of bonds or notes. Bond issues can be structured with fixed or variable interest rates and with or without credit enhancement or ratings.

Master Leasing Program

The Master Leasing Program is designed to meet the unique needs of New Jersey's health care systems, although stand-alone facilities may also participate. In the case of a System, the various members of the System can access tax-exempt equipment leases through a pre-arranged master lease financing. The Authority approves the System for a total dollar amount, and the System's members enter into leases for up to a 10-year period, aggregated up to the pre-approved dollar amount. If the System would like more than one equipment lessor, it can enter into a master lease agreement with each separate lessor/equipment vendor.

COMP Program

The Variable Rate Composite Program (COMP) is designed to lower the costs of issuance for smaller borrowings. Under the program, bonds can be marketed for several borrowers at once, yet each borrower is only responsible for its own series of bonds. The standardization of documents and simultaneous marketing of the bonds reduces the costs of issuance for access to capital markets.

FQHC Loan Program

The Federally Qualified Health Center (FQHC) Loan Program is designed to help start-up FQHCs cover the costs needed to get up and running at a lower rate than available through conventional bank borrowing.

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Looking for more information about what financing resources the NJHCFFA provides? Call us at (609) 292-8585

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Your NJHCFFA Team:

OFFICE OF THE EXECUTIVE DIRECTOR

Frank Troy
Executive Director

Cindy Kline
Executive Assistant / Office Manager

Robin Piotrowski
PHR, SHRM-CP, Senior Human Resource Manager
& Ethics Liaison Officer

John Johnson
Network Administrator

Jeff Solimando
Communications
& Government Relations Specialist

DIVISION OF RESEARCH, INVESTOR RELATIONS AND COMPLIANCE

Taryn Rommell
Director of Research,
Investor Relations and Compliance

Jose Lora
Assistant Director of Research,
Investor Relations and Compliance

Neetu Thukral
Compliance Manager

Nino McDonald
Database Analyst

DIVISION OF PROJECT MANAGEMENT

William McLaughlin
Director, Project Management and Chief Diversity Officer

Edwin Fuentes
Project Manager

Tracey D. Cameron
Administrative Assistant

DIVISION OF OPERATIONS, FINANCE & SPECIAL PROJECTS

Ron Marmelstein
Director, Operations, Finance & Special Projects

Alpa Patel
Controller

Bill Lohman
Construction Compliance Officer

Jessica Waite
Senior Account Administrator

Michael Solidum
Account Administrator

Diane Johnson
Senior Assistant Account Administrator

Taryn Brzdek
Assistant Account Administrator & Custodian of the Record

Ankita Parikh
Accountant II

Jessica Rinderer
Administrative Assistant

Total Authority Financings - 1973 - 2023:

*Providing Financing Options to New Jersey
Health Care Organizations for more than a Half-Century*

1973: \$ 12,950,000	1990: \$ 612,185,000	2007: \$ 849,066,000
1974: \$ 141,970,000	1991: \$ 531,859,333	2008: \$1,272,380,000
1975: \$ 5,400,000	1992: \$ 329,703,375	2009: \$ 830,840,000
1976: \$ 32,375,000	1993: \$ 497,295,000	2010: \$ 916,972,666
1977: \$ 95,893,000	1994: \$ 789,204,390	2011: \$ 987,865,000
1978: \$ 109,410,000	1995: \$ 56,305,200	2012: \$ 488,800,148
1979: \$ 182,117,200	1996: \$ 162,385,000	2013: \$ 937,123,243
1980: \$ 137,762,500	1997: \$ 475,395,000	2014: \$ 434,103,000
1981: \$ 329,223,913	1998: \$1,390,732,857	2015: \$ 513,384,950
1982: \$ 580,381,998	1999: \$ 536,745,442	2016: \$1,828,447,500
1983: \$ 382,288,200	2000: \$ 412,263,588	2017: \$1,200,700,000
1984: \$ 200,184,027	2001: \$ 474,775,000	2018: \$ 23,000,000
1985: \$ 933,336,287	2002: \$ 529,082,005	2019: \$ 841,000,000
1986: \$ 79,985,000	2003: \$ 684,800,000	2020: \$ 97,657,000
1987: \$ 414,336,984	2004: \$ 506,700,000	2021: \$1,014,277,000
1988: \$ 324,685,000	2005: \$ 414,650,000	2022: \$ 183,215,000
1989: \$ 279,034,283	2006: \$ 813,674,654	2023: \$ 61,705,000



*Thank you for considering the NJHCFFA
to service your health care financing needs.*

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