

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on August 28, 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); Dawn Thomas, Designee for the Commissioner of the Department of Banking and Insurance; and Public Members, Bridget Devane and Sam Maddali. ***On-Site:*** Greg Lovell, Designee for the Commissioner of the Department of Human Services.

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

On-Site: Frank Troy, Ron Marmelstein, Cindy Kline, Jeff Solimando, Edwin Fuentes, Bill McLaughlin, Jose Lora, 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; Sam Kovach-Orr, Governor's Authority Unit. ***Via Microsoft Teams:*** Robin Ford, New Jersey Hospital Association; David Gannon, PKF O'Connor Davies, Carrie Camp, Department of Health, Tamara Cunningham, RWJBarnabas Health and Sarah Best, Planned Parenthood Action Fund of New Jersey.

CALL TO ORDER

Noah Glyn, Designee of the Commissioner of Health, called the August 28, 2025, Authority meeting to order at 10:02 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

- July 24, 2025

The Minutes of the Authority's last regular meeting, held on July 24, 2025, were distributed for the Members' 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 July 24, 2025, Minutes. Mr. Maddali made the motion and 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.

2. AUDIT COMMITTEE REPORT & APPROVAL OF THE AUTHORITY'S 2024 AUDITED FINANCIAL STATEMENTS

Mr. Glyn called on Mr. Lovell to present a report from the August 11, 2025, Audit Committee meeting, and request approval of the Authority's 2024 audited financial statements on behalf of Committee Chair Manny Paulino.

Mr. Lovell began by stating that on August 11, 2025, representatives from PKF O'Connor Davies, LLP ("PKF") presented the Audit Committee with draft copies of the Authority's 2024 audited financial statements and the related required communications. Following their presentation, the Committee voted to approve the 2024 audited financial statements.

Mr. Lovell then said that he is requesting the Authority Members' approval of the 2024 audited financial statements, as well as their submission to the Governor, members of the Legislature, the Secretary of State, and the Comptroller of the Treasury, as is required by the Authority's enabling legislation.

Mr. Lovell highlighted a few key aspects of the 2024 audit engagement. PKF's audit of the Authority's financials found:

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

In light of a positive audit report and the actions by the Authority, Mr. Lovell commended the Authority Management and the Division of Operations, Finance, and Special Projects, specifically Ron Marmelstein and his team, for another year of outstanding work.

Mr. Lovell then opened the floor for any questions the Members had for the representatives from PKF (David Gannon), the Staff, or the Audit Committee.

There were no questions.

Because the Committee voted unanimously in favor of recommending approval of the audit, Mr. Lovell made a motion to authorize the approval of the 2024 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 2024 audited financial statements. Mr. Maddali 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. 2025-8-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Authority's 2024 audited financial statements.

3. CORPORATE BANKING RESOLUTION AND SIGNATURE CARDS

Mr. Glyn called on Authority Controller Alpa Patel to present a request for an approval to submit a new corporate banking resolution and updated signature cards to the Authority's bank.

Ms. Patel began by advising Members that the By-Laws of the Authority require that any checks of the Authority shall be signed by any two members of the Authority who are also officers of the Authority. Officers of the Authority authorized to sign checks include the Chairperson, Vice Chairperson, Secretary, Treasurer, and any Assistant Secretary or Assistant Treasurer (provided they are not an employee of the Authority). The checks are signed by either using the actual signatures of the Authorized Officers or the facsimile signatures, depending on the dollar amount and/or type of account.

Ms. Patel reminded Members that once the Governor appointed Mr. Jeffrey A. Brown as Acting Commissioner of Health, he automatically became the Chairperson of the Authority. Therefore, it is necessary for the Members of the Authority to adopt a "Governmental Entity Certificate of Resolution" for its two (2) accounts at TD Bank. In addition, a new "Business Account Maintenance Form" will have to be signed.

Ms. Patel concluded by stating she'd answer any questions. There were no questions.

Mr. Glyn asked for a motion to approve the submission of new corporate banking resolutions and signature cards. Mr. Lovell offered the motion. Mr. Maddali 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. 2025-8-B

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

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. Mr. Lovell made the motion to approve the expenses. Mr. Maddali 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 expenses as submitted and authorize payment.

AB RESOLUTION NO. 2025-08-C

WHEREAS, the Members of the Authority have reviewed the memoranda dated August 20, 2025, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated August 20, 2025, summarizing general operating expenses, in the amounts of \$22,000.00 and \$3,101.60 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 August's Executive Director's report.

Mr. Troy reported the following:

1. I would like to compliment PKF O'Connor Davies for their professionalism in conducting their audit of the Authority's 2024 financial statements and acknowledge the audit committee along with Ron Marmelstein and his team for another successful year with a "clean" opinion.

2. New Jersey Hospital News

- a) Authority staff has recently learned that former CarePoint Health System CFO Shamiq Syed has been appointed CFO of Secaucus University Hospital (formerly Hudson Regional Hospital) and interim CFO of the recently formed Hudson Regional Health.
- b) Atlantic Health System and the University of Pennsylvania Health System, parent of Princeton Medical Center, were included in *Becker's Hospital Review* ("Becker's") list of 55 health systems with strong finances. The list was based on AA credit agency ratings.
- c) Frank Pipas, Executive Vice President and CFO of RWJ Barnabas Health, is a 2025 "CFO to Know" according to Becker's.
- d) Holy Name Medical Center received what is believed to be the second-largest gift ever from a single benefactor to a New Jersey hospital, a \$75 million donation from the Douglas M. Noble Family Foundation. The largest was a \$100 million gift from the Cooperman Family Foundation to the former Saint Barnabas Medical Center.
- e) *U.S. News & World Report* released its 2025-2026 Best Hospital regional rankings. Hackensack University Medical Center was ranked number one in the State and was also one of the top hospitals in the country.
- f) A recent *New Jersey Business Magazine* article highlighted some of the cutting-edge innovations happening in the State's hospitals.
- g) CMS Administrator, Mehmet Oz, M.D., recently toured AtlantiCare Health System facilities.
- h) Virtua Health, RWJBarnabas Health, and Hackensack Meridian Health were named to *Newsweek's* "America's Greatest Workplaces 2025".
- i) Several hospitals in New Jersey have been recognized for their social responsibility. Inspira Medical Center Vineland was ranked number 9 out of 2,700 U.S. hospitals for equitable care by the Lown Institute. RWJBarnabas Health was recently recognized for advancing workplace disability inclusion.

- j) The New Jersey Hospital Association released its latest community impact report showing the State's hospitals provided \$7 billion in community benefit, \$4.6 billion in charity care, and accounted for 158,000 jobs.

3. Ratings Agency Actions and Publications

- a) Moody's Ratings ("Moody's") affirmed RWJBarnabas Health's rating of A1 (equivalent to Fitch Ratings ("Fitch") or S&P Global's ("S&P") A- ratings), citing extensive statewide coverage, its academic partnership with Rutgers, and New Jersey's only NCI-designated cancer center. The outlook is Stable.
- b) Moody's also affirmed St. Joseph's Healthcare System's Baa3 rating (equivalent to Fitch or S&P's BBB-) with a Stable outlook. The investment grade rating reflects the system's leading market position, large scale, and vital role as a safety net provider.
- c) Fitch affirmed its A+ rating on Hunterdon Medical Center's bonds and revised the outlook to Stable from Negative based on improved cash flow.
- d) An updated compilation of New Jersey acute care ratings and outlooks was included with this month's articles.
- e) Fitch released their 2025 U.S. not-for-profit hospital and health system medians based on audited 2024 data. The median operating margin was 1.1%, up from 0.4% in 2023. Days cash on hand was 215.1, also an improvement over 2023's 211.3. For comparison purposes, the statewide 2024 Apollo System median operating margin was 2.1%, and day's cash on hand was 98.3. Fitch cited the significant structural changes to federal health care spending under the *One Big Beautiful Bill* Act as the greatest near-term threat to the sector.
- f) S&P upgraded New Jersey's rating one notch to A+ citing an increased surplus and lower long-term liabilities. This was the 8th upgrade in just over three years.

4. New Jersey Health Care News

- a) Former Deputy Commissioner of Health Robin Ford recently joined the New Jersey Hospital Association as Vice President of Healthcare Reimbursement. We wish her well in her new role.
- b) *NJBIZ* published its "2025 People to Watch in Health Care" list, which included a number of the State's hospital and health system executives.

5. National Health Care News

- a) July 30, 2025, marked the 60th anniversary of the signing of the Medicare and Medicaid Act by former President Lyndon Johnson. When it was signed, seniors

- made up 9% of the U.S. population; the life expectancy for males was 66 years, and for females, it was 73 years. Medicare spending was 7% of the gross domestic product (“GDP”). Today, the average life expectancy is 79 years for both males and females, and it is predicted that 20% of the population will be enrolled in Medicare by 2030, with spending expected to approach 20% of the GDP.
- b) Recent studies suggest that acquisition of physician practices by hospitals leads to lower competition, lower quality, and higher prices for consumers. The American Hospital Association disputes the findings.
 - c) Not-for-profit hospitals are spending millions on naming rights for stadiums and sports arenas, despite looming cuts in federal spending and economic uncertainty. Hospitals claim it ties them to the community and increases name recognition. Detractors maintain the money would be better spent on improving quality and access to care.
 - d) Uncompensated care has increased substantially from 2022 to 2024, according to Strata Decision Technology. Charity care deductions increased 30% over that time period, and bad debt increased 18%. Reasons cited include an increase in emergency department usage by uninsured patients and higher denial rates by insurers.
 - e) Kaufman Hall’s June 2025 National Hospital Flash Report also noted higher bad debt/charity care year over year, particularly in the Northeast/Mid-Atlantic. The region’s increase was 28% compared to a 2% decrease nationally.
 - f) The Office of the Inspector General (“OIG”) released the findings of its most recent audits of COVID-19 Provider Relief Funds received by hospitals. Eleven of the thirty hospitals (37%) reviewed claimed either unallowable expenditures, inaccurately reported lost revenues, or both. With potential recoveries in the millions, if not billions, it is likely the OIG will continue such audits.
 - g) According to a *Chief Healthcare Executive* article, hospital mergers are down in the first six months of 2025 compared to 2024. Merger and acquisition activity is expected to pick up in the second half of the year and will likely include ambulatory surgery centers, urgent care centers and home-based care providers as the shift to outpatient care continues.

6. Bond and Tax Legislation and Regulatory News

- a) A recent *Tax Advisor* article outlined the requirements imposed on tax-exempt hospitals under Internal Revenue Code Section 501(r), including the completion of a community health needs assessment (or CHNA) every three years and maintaining an effective financial assistance policy for those unable to pay for services.
- b) The Economic Policy Innovation Center, a conservative think tank, recently sent a memo to members of Congress with suggestions for raising revenue and cutting costs in the next budget reconciliation bill, including repealing the municipal bond tax exemption. The Authority and its trade association, NAHEFFA, will monitor the situation

7. Other News

- a) The Children’s Hospital of Philadelphia (“CHOP”) recently acquired the site of a former movie theater in Hamilton, Mercer County, New Jersey for a new medical complex. CHOP paid \$17.5 million for the 42-acre site.
- b) The Federal Reserve held rates steady at its July meeting, citing “elevated” inflation. The decision was not unanimous, however, as two governors called for a quarter-point cut. While the financial markets expect a September rate cut, the recent increases in core inflation and the producer price index may temper expectations.

8. Authority News

- a) I received a very nice letter from former Public Member, David G. Brown II, thanking us for the Resolution of Appreciation we sent and the article about him in the spring 2025 issue of *Authority Notes*.
- b) A preliminary analysis of our 2026 State health coverage suggests employee contributions will increase 40% overall. Those with family coverage will see an average increase of over 42%. We are exploring ways to offset some of the impact, such as increasing our eye care reimbursement and implementing a similar dental reimbursement policy. These will be discussed in detail when the Members consider the Authority’s 2026 cash budget.
- c) The next regular Authority meeting will be held on Thursday, September 25, 2025, at 10:00 a.m.

Have a nice Labor Day weekend. Thank you.

6. ADJOURN

Mr. Lovell asked to comment before adjournment. He addressed Mr. Marmelstein, asking him how many years the Authority had achieved clean audits and how many years he had been the Authority’s Director of Operations.

Mr. Marmelstein responded that the Authority achieved clean audits throughout his fifteen-year tenure as Director of Operations and that the Authority had experienced the same results for several years before he entered his current position.

Mr. Lovell commended and applauded Mr. Marmelstein and his team for their consistently successful efforts, announcing to the board that they should all be recognized for their hard work and achievements.

Mr. Glyn agreed with Mr. Lovell’s comments.

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

Mr. Glyn then called for a vote to adjourn. All members voted in the affirmative, and the meeting was adjourned at 10:22 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 28, 2025.

Cindy Kline, Assistant Secretary