

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on March 27, 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 of the Commissioner of Health (Chairing); Greg Lovell, Designee of the Commissioner of Human Services; Manny Paulino, Designee of the Commissioner of the Department of Banking and Insurance; and Public Members Bridget Devane, and Tom Sullivan.

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

On-Site: Frank Troy, Ron Marmelstein, Cindy Kline, Jeff Solimando, Taryn Rommell and Alpa Patel. ***Via Microsoft Teams:*** Jose Lora ***On the phone:*** Tracey Cameron.

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:*** Garspar Urso, Gaspar Fathom and Kaitlyn Wojtowicz.

CALL TO ORDER

Noah Glyn, Designee of the Commissioner of Health, called the March 27, 2025, Authority meeting to order at 10:01 a.m. by announcing that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 23, 2024, 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* and 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 Authority Communications Specialist Jeff Solimando to call the roll and establish attendance; however, before the roll was called, Mr. Glyn asked voting Members to turn their cameras on as they vote. Mr. Sullivan advised everyone that he was participating via telephone. After the roll was called, a quorum was established.

1. APPROVAL OF MINUTES

- **February 27, 2025**

The Minutes of the Authority's last regular meeting, held on February 27, 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 February 27, 2025, Minutes. Mr. Sullivan made 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 or comments. Mr. Glyn then called for a vote. All Members voted in the affirmative, and the motion was approved.

2. 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. 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 or comments.

Mr. Glyn 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. 2025-03-A

WHEREAS, the Members of the Authority have reviewed the memoranda dated March 19, 2025, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated March 19, 2025, summarizing general operating expenses, in the amounts of \$71,729.00 and \$29,180.00 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.

3. STAFF REPORTS

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

Mr. Troy reported the following:

1. Authority Members, their designees and certain Authority staff will soon receive a request to complete the annual Financial Disclosure Statement pursuant to Executive Order No. 2 (Murphy 2018). Thank you in advance for your prompt attention to this matter. If you have any ethics-related questions, please contact Robin Piotrowski, the Authority's Ethics Liaison Officer or me.
2. New Jersey Hospital News
 - a) University Hospital ("University") President and CEO Edward Jimenez has been appointed to the same position at Main Line Health in Pennsylvania effective June 6, 2025. Mr. Jimenez served University in that role since December 2022. We wish him well in his new post.
 - b) In other University news, the Murphy administration has proposed \$20 million for capital improvements funded by the Cannabis Regulatory, Enforcement Assistance and Marketplace Modernization Fund, bringing total State fiscal year 2026 funding to just under \$90 million. University received \$157 million in 2025.
 - c) Bayonne Medical Center's ("Bayonne") internal medicine residency program recently failed an Accreditation Council for Graduate Medical Education review and will shut down June 30. Hudson Regional Hospital, which is awaiting State approval to take over Bayonne, has indicated it will apply for a new program and hopes to keep many of the 36 current residents.
 - d) CarePoint Health's ("CarePoint") Chapter 11 exit plan was the subject of three days of hearings in U.S. Bankruptcy Court. At the end of the hearings, two parties had objections to the plan, CarePoint's captive insurance company and Maple Healthcare, LLC which is controlled by former owners of the system. Acceptance of the plan would allow CarePoint to emerge from bankruptcy. The judge has yet to rule on this matter as of close of business, March 26, 2025.
 - e) Hackensack Meridian Health will partner with "disruptor" Amazon One Medical to open three New Jersey locations offering primary care. The first opened in Edgewater on March 12th, with Jersey City and Englewood to open later this year.
 - f) Twelve New Jersey hospitals recently received Healthgrades Patient Safety Excellence awards: Penn Medicine Princeton Medical Center, Ocean University Medical Center, Saint Peter's University Hospital, Jersey Shore University Medical Center, Bayshore Medical Center, JFK University Medical Center, Riverview Medical Center, St. Luke's Hospital-Warren, Overlook Medical Center, Newark Beth Israel Medical Center, Chilton Medical Center and Hackensack University Medical Center.
 - g) RWJBarnabas Health held the grand opening of its new, 15-story ambulatory care medical pavilion in New Brunswick. The facility will serve as a hub for clinical experts from Rutgers Health.

- h) Virtua Health has announced plans for \$1 billion in projects including a six-story patient tower at Virtua Our Lady of Lourdes Hospital in Camden and a multi-year renovation project at Virtua Mount Holly.
- i) Jefferson Health, parent of the former Kennedy Health System, is now out of network with Cigna after the two failed to reach a new contract agreement. Each side blamed the other, but they continue to negotiate.

3. Ratings Agency Actions and Publications

A recent Fitch Ratings (“Fitch”) Wire stated the obvious, noting major cuts to Medicaid could negatively affect not-for-profit hospital margins, especially the “safety net” hospitals.

4. New Jersey Health Care News

Governor Murphy’s 2026 budget includes \$1.39 billion for the Department of Health, a decrease of \$27.7 million, or 2%, from 2025. The entire 611-page budget detail can be found at <http://www.nj.gov/treasury/omb/>.

5. National Health Care News

- a) According to an analysis by Premier, Inc., health systems, hospitals and post-acute care providers spent over \$25.7 billion on claim denial adjudication in 2023. Premier found that about 70% of denials are reversed suggesting nearly \$18 billion was spent unnecessarily.
- b) Tech giant Microsoft is launching Dragon Copilot, an artificial intelligence (“AI”) assistant that will help clinicians by creating a structured note after a patient visit, automate referral letters and help find medical records information. Dragon Copilot will work with Microsoft’s existing medical AI products.
- c) The American Hospital Association (the “AHA”) released its 2025 Hospital Statistics. According to the AHA, there are 6,093 hospitals in the U.S. Only 31% of community hospitals are independent versus system-affiliated (16% of New Jersey hospitals are independent). 58% of community hospitals are not-for-profit.
- d) Kaufman Hall has revised the presentation of operating margins in its monthly National Hospital Flash Report. The report will show the median operating margin for just hospital operations and the margin including allocated/shared services such as administration, information technology and physician practices. For the calendar year 2024, the median operating margin without those allocations, just hospital operations, was 5.0%. The median with allocations was down to 2.1%.
- e) Medicaid is receiving significant attention, both in New Jersey and nationally. According to an article in NJ Spotlight, the Office of the State Comptroller identified

more than \$1 billion in Medicaid fraud and excluded over 2,000 providers from the program from 2014 to 2024. Cases involving a clear intent to commit fraud are referred to the Attorney General's Office.

- f) Nationally, a number of foundations, think tanks, etc. have developed estimates of the effects of, as yet, unspecified cuts to Medicaid. For example, the Urban Institute estimates a cut to the funding for Medicaid expansion could lead to an \$80 billion reduction in provider revenues in 2026.

6. Bond and Tax Legislation and Regulatory News

- a) Authority staff continues to monitor the threat to the tax-exempt status of private activity bonds. According to a Bloomberg article, Stephen Moore, an informal economic advisor to President Trump, said in a recent interview that the removing the tax-exemption "is in play". I will be attending our trade association's spring conference in early April and I expect maintaining tax-exemption will be the subject of much formal and informal discussion.
- b) An Assembly bill introduced in late February would attempt to curb soaring hospital and health care costs by establishing an 18-member Health Care Cost Containment and Price Transparency Commission (the "Commission"). It would be in, but not of, the Department of Health. Supporting the Commission would be an Office of Health Care Affordability and Transparency, also in the Department of Health which would have an executive director appointed by the Governor. The duties of the Commission would include setting a cost growth benchmark for health care entities based on the Healthcare Affordability, Responsibility, and Transparency program, as well as a price growth benchmark for each hospital. The bill includes monetary penalties for non-compliant hospitals.

7. Other News

According to a recent study, patients who underwent surgery on Friday had "a significantly increased risk of complications, readmissions and mortality compared with those treated after the weekend". The research team analyzed data on approximately 430,000 patients who had surgery between the years 2006 through 2019 and found a nine percent increase in death 30 days following Friday surgery compared to five percent for pre-Friday surgical patients.

8. Authority News

- a) There are two work anniversaries to note. Jessica Rinderer, Administrative Assistant in the Operations, Finance & Special Projects Division, observed five years with the Authority on March 9th. Database Administrator Nino McDonald, of the Research, Investor Relations and Compliance Division, will observe ten years on the 31st.

- b) The parking facility next to the Authority offices has installed a new payment system which scans license plates. If you plan to attend meetings in person and, if you have not already done so, please forward Cindy Kline your plate number so she can enter your vehicle in the system.
- c) The next regular Authority meeting will be Thursday, April 24th, 2025, at 10:00AM. For planning purposes, the Authority's annual meeting will be held on Thursday, May 22nd, also at 10:00AM. Officers will be elected and committee roles assigned. It is very likely the proposed Series 2025 New Jersey Department of Health Lease Revenue Bonds will also be on the agenda. The proceeds would fund energy efficiency projects at two of the State's psychiatric hospitals.

Thank you.

4. ADJOURN

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

Mr. Glyn then called for a vote. All members voted in the affirmative, and was the meeting adjourned at 10:16 a.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 MARCH 27, 2025.

Cindy Kline, Assistant Secretary