

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on February 26, 2026, 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, Michael Fahncke, Designee for the Commissioner of the Department of Banking and Insurance, Public Members Tom Sullivan and Bridget Devane,

The following *Authority staff members* were in attendance:

On-Site: Frank Troy, Ron Marmelstein, Cindy Kline, Jeff Solimando, Edwin Fuentes, Alpa Patel, Michael Solidum, Jose Lora, and Taryn Rommell. *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; Sam Kovach-Orr, Governor's Authority Unit. *Via Microsoft Teams:* Carrie Camp, Department of Health; Bernard Davis,, Attorney General's Office; John Kelly, Wilentz, Goldman & Spitzer, PA; Daniel Chazen, Jefferies, LLC; Ryan Lim, Ramirez & Co. and Robin Ford, New Jersey Hospital Association.

CALL TO ORDER

Before calling the February meeting to order, NJHCFFA's Executive Director Frank Troy introduced and welcomed Mr. Michael Fahncke, whom Susan Ochs, Acting Commissioner of the New Jersey Department of Banking and Insurance (DOBI), designated her representative at all meetings of the New Jersey Health Care Facilities Financing Authority. All welcomed Mr. Fahncke as the new DOBI designee.

Noah Glyn, Designee of the Commissioner of Health, called the February 26, 2026, 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 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

- *January 22, 2026*

The Minutes of the Authority's last regular meeting, held on January 22, 2026, were distributed to Members for review and approval before today's meeting. Mr. Glyn reminded Members that only those in attendance or who have familiarized themselves with the Minutes should vote. 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 except for Mr. Lovell and Mr. Fahnce who abstained.

2. NEGOTIATED SALES REQUEST

- *RWJBarnabas Health*

Mr. Glyn asked Edwin Fuentes to present the request for a negotiated sale in the form of a public offering on behalf of RWJBarnabas Health.

Mr. Fuentes began by reminding Members that RWJBarnabas Health, Inc. (the "Borrower") is a not-for-profit, tax-exempt corporation with its main offices located in West Orange, New Jersey. RWJBarnabas Health, Inc. is the sole shareholder of the Borrower's affiliated organizations and subsidiaries. The merger between Robert Wood Johnson and Barnabas Health in 2016 has allowed the Borrower to develop and operate a multihospital healthcare system providing a comprehensive spectrum of healthcare services, principally to the residents of New Jersey and surrounding areas.

Mr. Fuentes added that as of December 31, 2025, the Borrower has approximately \$2.06 billion of bonds outstanding with this Authority.

Mr. Fuentes then said that the Borrower has signed a Memorandum of Understanding with this Authority and requests its consideration to issue two separate series of publicly sold bonds on its behalf, in an aggregate principal amount not to exceed \$1.75 billion.

Mr. Fuentes advised Members that the proceeds of the combined Series 2026A and Series 2026B bonds would be used to reimburse the Borrower for the costs of planning, developing, acquiring, constructing, equipping, expanding, furnishing, and renovating all or a portion of various capital projects at various locations. Proceeds would also be used to acquire and install various items of capital equipment at one or more of the Borrower's locations, including infrastructure improvements, relocations, modifications, and all other work and materials necessary.

Mr. Fuentes stated that the proceeds would also be used to refund all or a portion of the following NJHCFFA RWJBarnabas Health's bonds: RWJBarnabas Health Obligated Group Issue, Series

2016A, RWJBarnabas Health Obligated Group Issue, Series 2019B-2, and/or RWJBarnabas Health Obligated Group Issue, Series 2019B-3. Finally, proceeds would be used to fund a capitalized interest and debt service reserve fund, if either are required, and to pay the related costs of issuance for both series of bonds.

Mr. Fuentes said that the Attorney General's Office has assigned Wilentz, Goldman & Spitzer P.A. to serve as Bond Counsel for this transaction. Furthermore, the Borrower has selected Jefferies, LLC as senior managing underwriter for both series of bonds.

Mr. Fuentes stated that the Borrower will seek credit ratings in connection with the proposed issuances, and is currently rated "double A minus" by S&P Global Ratings and "A one" by Moody's Investors Service.

Mr. Fuentes then advised Members that the Borrower has asked that the Authority permit the use of a negotiated sale based on the: sale of a complex credit; sale of a complex financing structure including those transactions that involve the simultaneous sale of more than one series, with each series structured differently; volatile market conditions; large issue size; and a sale that may involve one or more variable rate transactions. These reasons are considered under the Authority's policy regarding Executive Order #26 (Whitman), to be justifications for the use of a negotiated sale; therefore, staff recommends the consideration of the resolution, included in your meeting materials, approving the use of a negotiated sale and forwarding a copy of the justification in support of said resolution to the State Treasurer.

Mr. Fuentes said that proposed RWJBarnabas Health Series 2026 Bonds would be special and limited obligations of the Authority and are not a debt, liability, or a pledge of the faith and credit of the State of New Jersey, or any political subdivision thereof or the Authority, and would be payable solely from the funds and revenues pledged to the payment thereof pursuant to the Trust Agreement. Please note, approval of the negotiated sale resolution presented today does not commit the Authority to the financing.

Mr. Fuentes concluded by stating that it is expected Authority staff will conduct an informational presentation and seek approval of a contingent sale of bonds on behalf of the Borrower at our next regularly scheduled meeting in March. He then advised Members he would be happy to address any questions or concerns.

Mr. Glyn thanked Mr. Fuentes and asked if there were any questions or comments on the material presented. Mr. Glyn then asked for a motion to approve a negotiated sale in the form of a public offering on behalf of RWJBarnabas Health. Mr. Sullivan offered the motion. Mr. Lovell seconded.

Mr. Glyn asked if there were any questions or comments on the motion. Mr. Sullivan commented on the use of prevailing wage. Fuentes responded that these projects are for previously paid capital improvements of the borrower. There were other 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. 2026-02-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled **RESOLUTION OF INTENT TO ISSUE REVENUE BONDS BY NEGOTIATED TRANSACTION PURSUANT TO EXECUTIVE ORDER NO. 26 (WHITMAN)**

3. APPOINTMENT OF CO-MANAGERS

- *RWJBarnabas Health; Series 2026*

Mr. Glyn called on Edwin Fuentes to present the appointment of co-managers for the RWJBarnabas Health transaction.

Mr. Fuentes began by advising Members that under current policy, co-managing underwriter assignments are awarded on a rotational basis that will consider the firms demonstrated ability to distribute New Jersey securities of comparable credit quality, capital sufficiency and borrower preference.

Mr. Fuentes said that in consultation with the Borrower, and given the expected combined not to exceed par amount of \$1.75 billion for the bonds, staff is recommending the assignment of eight co-managers. Staff supports the Borrower's recommended appointments of J.P. Morgan Securities LLC as a co-senior managing underwriter, as well as BofA Securities, Inc., Piper Sandler & Co., and Barclays Capital Inc., as co-managing underwriters. Staff also proposes adding Truist Securities, AmeriVet Securities, Essex Securities LLC, and Stifel, Nicoulas & Company, incorporated into the transaction as co-managing underwriters.

Mr. Fuentes explained that each firm has been qualified by this Authority to serve in the role of co-managing underwriter, has demonstrated the ability to distribute New Jersey securities and has sufficient capital to participate in the transaction.

Mr. Fuentes concluded by advising Members that he would be pleased to answer any questions they may have.

Mr. Glyn thanked Mr. Fuentes and then asked Members if they had any questions on the material presented. Mr. Glyn then asked for a motion to approve the appointment of Jefferies, LLC, to serve as senior managing underwriter, J.P. Morgan Securities LLC as a co-senior underwriter, BofA Securities, Inc., Piper Sandler & Co., and Barclays Capital Inc. as co-managing underwriters and adding Truist Securities, AmeriVet Securities, Essex Securities LLC, and Stifel, Nicoulas & Company to the transaction as co-managing underwriters for the proposed RWJBarnabas Health, Series 2026 transaction. Mr. Lovell offered the motion. Ms. Devane seconded.

Ms. 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 was approved.

AB RESOLUTION NO. 2026-2-B

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution appointing Jefferies, LLC, to serve as senior managing underwriter, J.P. Morgan Securities LLC as a co-senior underwriter, BofA Securities, Inc., Piper Sandler & Co., and Barclays Capital Inc. as co-managing underwriters and adding Truist Securities, AmeriVet Securities, Essex Securities LLC, and Stifel, Nicolaus & Company to the transaction as co-managing underwriters for the RWJBarnabas Health, Series 2026 transaction.

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 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 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. 2026-2-C

WHEREAS, the Members of the Authority have reviewed the memoranda dated February 18, 2026, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated February 26, 2026, summarizing general operating expenses, in the amounts of \$10,500.00 and \$33,382.50, 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 December Executive Director's report.

Mr. Troy reported the following:

1. Authority Members, their designees and Authority staff are reminded that the State disclosure season has begun. Thank you in advance for completing the Annual Outside Employment Questionnaire for Special State Officers and the Annual Personal & Business Relationship Disclosure Form on a timely basis. If you ever have any ethics-related questions, please contact Robin Piotrowski, the Authority's Ethics Liaison Officer or me.
2. New Jersey Hospital News
 - a) Sister Jane Frances Brady, a member of the Sisters of Charity of Saint Elizabeth for 67 years, passed away in January at age 90. Sr. Jane devoted more than three decades of her life to Saint Joseph's Hospital and Medical Center in Paterson. Beginning as an administrative assistant, she advanced through positions of increasing responsibility, serving as Administrator and later as President and Chief Executive Officer. She gained notoriety for exposing "Rad-scam" in the 1980's, a kick-back scheme involving radiology film at several North Jersey hospitals. Sister Jane received many honors in her lifetime, including her induction into the New Jersey Hall of Fame in 2020.
 - b) According to the New Jersey Hospital Association, the State's hospitals have an economic impact of \$34.6 billion, support 162,000 jobs, and serve 15 million patients. County and hospital-specific information can be found on the Association's website.
 - c) Twelve New Jersey hospitals were among America's 250 Best Hospitals according to *Healthgrades*. They are Ocean University Medical Center, Princeton Medical Center, Jersey Shore University Medical Center, Riverview Medical Center, Bayshore Medical Center, Robert Wood Johnson University Hospital Somerset, Overlook Medical Center, Morristown Medical Center, Cooperman Barnabas Medical Center, Hackensack University Medical Center, Chilton Medical Center, and Valley Hospital.

- d) Saint Peter's CARES Surgicenter was ranked the #1 ambulatory surgery center in New Jersey by *Newsweek*. It is the sixth time in a row that the center made the magazine's list of best centers.
- e) Hackensack Meridian Health's ("Hackensack") nursing vacancy rate is 4% according to *Becker's Hospital Review*. Per ChatGPT, the national average was 9.6% in 2024.
- f) In other Hackensack news, CEO Robert Garrett was recently interviewed by *NJ-Biz* about the challenges and opportunities in health care.
- g) Capital Health will pay \$4.5 million as part of a settlement related to a 2023 data breach that compromised the private information of patients and employees. Affected individuals can receive a cash payment of up to \$5,000 and three years of credit monitoring.

3. Ratings Agency Actions and Publications

- a) S&P Global Ratings ("S&P") affirmed Virtua Health's ("Virtua") AA- rating, which is high investment grade, and revised the outlook to Positive from Stable. S&P cited Virtua's strong balance sheet, stable operating margins and revenue diversity. Virtua now has a Positive outlook from both S&P and Fitch Ratings ("Fitch").
- b) S&P affirmed Thomas Jefferson University's ("Jefferson") A rating, which is upper medium investment grade, but revised the outlook to Negative from Stable due to recent operating losses and decreased debt service coverage. Jefferson, parent of the former Kennedy Health System, now has Negative outlooks from the three major rating agencies.
- c) Fitch affirmed University Hospital's ("University") rating at BBB+, which is considered lower medium investment grade. Fitch cited University's strong relationship with the State. The outlook is Stable.
- d) A compilation of New Jersey hospital ratings and outlooks was included in this month's articles distributed to Members.

4. New Jersey Health Care News

- a) Governor Sherrill's Affordable Healthcare Action Team released a report on addressing Washington's Medicaid cuts. The report acknowledges the One Big Beautiful Bill Act will result in reductions in federal funding, lost Medicaid coverage, more expensive Affordable Care Act premiums and the State's persistent health disparities. The Action Team developed a number of recommendations to respond to these threats.

- b) According to the *Financial Channel*, families across the U.S. use online reviews to voice concerns about nursing home care. Research conducted by Beca Life Settlements looked for reviews that mention issues such as falls, neglect, understaffing, abuse, cleanliness problems, theft, or bedsores. New Jersey is rated fourth highest in safety concerns. New Mexico had the most, Wyoming had the least.
- c) According to a report issued under the State's Health Care Affordability, Responsibility and Transparency (HART) Program, per-person total health care expenditures increased 6.1% from 2022 to 2023, rising to \$11,319. The State's target was 3.5%. Prices, not just usage, drove the increase.
- d) With a severe nursing shortage looming, the State's educational institutions are working to increase enrollment. According to a *New Jersey Business Magazine* article, the number of applicants to nursing programs is not the issue, but the number of seats is. In 2023, 13,334 prospective students applied for 7,780 available spots.

5. National Health Care News

- a) Research published in *Health Affairs* noted about 28% of doctors enrolled in the Medicaid program did not treat a single Medicaid patient in 2021. Another 10% treated less than ten Medicaid patients. Psychiatrists were most likely to "ghost" patients with primary care and cardiologists the least likely.
- b) Medicare site neutrality seems to be gaining traction as a way to reduce spending. Research conducted by FTI Consulting found that site-neutral payment cuts would result in a loss of \$182 billion in hospital payments over ten years, equivalent to an 8% cut in Medicare payments for the average hospital.
- c) Payers are now the number one concern of revenue cycle professionals, surpassing internal challenges like staffing as the largest risk to revenue growth according to a recent survey. The number and complexity of denials and payer contract terms were the most frequently cited issues.
- d) The Centers for Medicare & Medicaid Services ("CMS") continues to look to reduce spending driven by states' provider taxes. A new rule would prohibit higher tax rates on Medicaid than on non-Medicaid businesses to ensure states do not exploit an inadvertent mathematical loophole to realize increased federal matching funds. It is my understanding New Jersey's taxes are uniform. California, however, may be the most egregious example with Medicaid managed care organizations' tax rates at \$274 per member, per month (PMPM) for Medicaid while comparable commercial member months are taxed at \$1.75 per member per month.
- e) In other CMS news, the proposed federal fiscal year 2027 Medicare Advantage plan rate increase of 0.09 is drawing considerable criticism from insurers who said they would be forced to cut benefits or exit markets. Maybe they will cut out the greens fees and ski passes that were reported on in December.

6. Bond and Tax Legislation and Regulatory News

The *Bond Buyer* released the results of its Predictions 2026 survey.

Top findings from the report are:

- At least 65% of all respondents predict growth within their organizations and across the industry;
- Interest rate cuts are a highly certain trend for 2026;
- The majority of respondents predict the effective fed funds rate to land between 3% and 3.67% at the end of the year; and
- Municipal finance professionals see issuance volume increases that could surprise people

7. Other News

The Federal Reserve held the main interest rate steady in late January, at a range of 3.50% to 3.75%. Policymakers noted a growing economy, stable unemployment and somewhat elevated inflation. The elevated inflation concern may suggest rates may remain stable for some time.

8. Authority News

- a) Congratulations to the Authority's Senior Human Resources Manager and Ethics Liaison Officer Robin Piotrowski on the birth of her granddaughter Vera Ann Clark.
- b) Two of the Authority's Public Members were recently recognized for their achievements. Bridget Devane was among *Insider NJ's* "Powerful Women of New Jersey." Thomas J. Sullivan will be honored at the Archdiocese of Newark Cardinal's Annual Business & Labor Recognition Reception. Congratulations!
- c) The next regular Authority meeting will be Thursday, March 26, 2026, at 10:00 AM.

6. ADJOURN

As there was no further business, questions, or comments, Mr. Glyn asked for a motion to adjourn. Mr. Sullivan 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 10:25 a.m.

I HEREBY CERTIFY THAT THE
FOREGOING IS A TRUE COPY OF THE
MINUTES OF FEBRUARY 26, 2026.

Cindy Kline, Assistant Secretary