

AUTHORITY NOTES

SUMMER 2023

MESSAGE FROM THE EXECUTIVE DIRECTOR

There is a cliché that says the only constant is change and so far 2023 has certainly been a year of change. Some have been welcome while others have been bitter-sweet. After more than three years of social disruption, at least 6 million hospitalizations, and an estimated 1.1 million U.S. deaths, the COVID-19 public health emergency, which started at 5:00PM Eastern Standard Time on February 2, 2020, expired on May 11th. I would be remiss if I did not mention and thank all of the dedicated individuals in the State's health care delivery system who worked so hard to treat those affected and to prevent further spread of the virus. We owe them much.

There have been other changes in the New Jersey health care landscape with several individuals very familiar to the New Jersey Health Care Facilities Financing Authority (the Authority) moving on to the next chapter in their lives after having a profound impact on their organizations, the communities they serve and the industry. Their achievements are numerous.



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The Authority Bids Farewell To Mark E. Hopkins

On April 27, 2023, the Authority celebrated the retirement of Mark E. Hopkins at the Trenton Country Club located in West Trenton, New Jersey. The retirement dinner was attended by Authority staff and board members, family and friends, as well as the Commissioner Judith Persichilli from the Department of Health.

Mark began his tenure as the Executive Director on August 2, 2004. He was appointed by Governor Jon Corzine and continued to serve in that capacity through five consecutive governor administrations. Throughout his career with the Authority, Mark helped the State of New Jersey address a number of challenging policy issues including charity care reimbursement rates, the health care stabilization fund, the hospital asset transformation program, and the statewide rationalization of health care services. He also developed new policy initiatives to maintain the Authority's competitive advantage by streamlining the municipal taxable bond process and reducing borrower fees. Mark organized retreats and symposiums to create best practices for the Authority, its borrowers, and its bondholders.



Mark's retirement dinner attendees at the Trenton Country Club

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Take Your Child to Work Day Returns to the Authority

After a three year hiatus, the Authority hosted its annual "Take Your Child to Work Day" program which was held on April 27, 2023. The program activities included a tour of the Authority, its library, and board room. The youth were also given the opportunity to shadow Authority staff within the Division of Operation, Finance and Special Projects.

The Authority thanks its staff, and the 2023 participants for a successful relaunch. We hope that the continuation of the program will help to develop future health care finance professionals.



(From Left to Right) Ankita Parikh, Accountant; Hershil (9), Alpa Patel, Controller; Ariana, Taryn Brzdek, Assistant Account Administrator; Logan (6), Noah (13) and Jessica Waite, Sr. Account Administrator

LIBOR Transition

The USD London Interbank Offered Rate, also known as ("LIBOR"), was phased out of the financial markets on June 30, 2023. Several of the Authority's outstanding bond obligations utilized LIBOR as an index rate. As a proactive measure, the Authority distributed a Request for Proposals (RFP) in order to assign bond counsel to assist these borrowers in transitioning from LIBOR to a new index rate for their affected series of Authority bonds. The State Attorney General's Office appointed Wilentz, Goldman and Spitzer to serve as bond counsel to amend certain bond documents.

The LIBOR cessation impacted over \$314 million in outstanding revenue bonds that were issued on behalf of Wiley Mission, Hunterdon Medical Center, Hackensack Meridian Health System, Princeton Healthcare System, Inspira Health, and Shore Memorial Hospital. With the approval of its board members, the Authority issued several resolutions in order to record the rate index change. These resolutions authorized the replacement of the LIBOR index rate bonds with the Secured Overnight Financing Rate ("SOFR") or the Bloomberg Short-Term Bank Yield Index rate ("BSBY").

The Authority would like to thank the Division of Project Management and bond counsel for their hard work and swift efforts to make the LIBOR transition a success.

LIBOR Transition Chart

Health Care Facility	LIBOR Outstanding Revenue Bonds	Replacement Rates
Hackensack Meridian Health System	Series 2016A Bonds/\$115,579,992.67	BSBY
Hunterdon Medical Center	Series 2014D Bonds/\$3,336,024.26	SOFR
	Series 2020B Bonds/\$33,416,000	SOFR
Inspira Health Network	2017B Bonds/\$50.3 million	SOFR
Princeton Healthcare System	Series 2016B Bonds/\$65 million	SOFR
	Series 2016C Bonds/\$20 million	BSBY
Shore Memorial Health	Series 2019/\$22,240,000	SOFR
Wiley Mission	2012 Bonds Lot A/\$4,878,413	SOFR

Message From the Executive Director

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AtlantiCare President and CEO Lori Herndon retired after a 40-year career with the South Jersey health system. Ms. Herndon started as a critical care nurse and became CEO in 2016. Recently named one of Modern Healthcare's 100 most influential leaders, in 2022 she served as chair of the New Jersey Hospital Association and was named one of NJBIZ's Best 50 Women in Business in 2021.

Gary S. Horan, FACHE, retired as President and CEO of Trinitas Regional Medical Center, a position he held for over twenty years. Mr. Horan was known for his dedication to the Greater Union County region and for the talented team he assembled at the Medical Center.

RWJBarnabas Health has a new President and CEO with the retirement of Barry Ostrowsky. Mr. Ostrowsky joined the then Saint Barnabas Medical Center in 1991, assumed the CEO title at Barnabas Health in 2012 and was instrumental in the formation of RWJBarnabas Health in 2016. Mr. Ostrowsky received dozens of honors over the years and was a strong advocate for healthy communities and health equity.

Kevin Slavin, President and CEO of St. Joseph's Health since 2015, announced his retirement at the end of this year after 42 years in New Jersey health care. Under his leadership, St. Joseph's Medical Center became the first hospital in the country to launch an Alternatives to Opioids Program (ALTO), an acute pain management approach that does not use opioids and the health system worked to address social determinants of health in Paterson and Passaic County.

New Jersey Commissioner of Health and Authority Chair, Judith Persichilli, the "woman who needs no introduction" (and rightfully so) announced her retirement as well. Astute in both clinical and financial matters, Commissioner Persichilli started as a nurse and during her career led hospitals, health systems and, of course, the Department of Health. As Commissioner, her four year tenure included leading the State's response to the unprecedented COVID-19 pandemic. She was a pleasure to work with and a strong supporter of the Authority and for that we are grateful.

Mark Hopkins retired effective May 1st after almost 19 years as Executive Director of the Authority. With experience as an attorney in the Office of the State Attorney General and in private practice, Mark brought valuable expertise to the Authority. He engaged with everyone involved in health care finance – hospital and senior living management, regulators, counsel, rating agency analysts and institutional investors. Mark was also a "1st call" for the Governor's Office, legislative staff and State departments and agencies. Under Mark's leadership the Authority introduced new financing programs and responded to changes in health care finance providing flexibility for our borrowers while protecting the security of investors. More importantly, to me and the Authority staff, he was a sounding board, mentor, and friend who made everyone feel valued and important. He would never not help you (forgive the double negative). We thank Mark for his support and all he has done here and we wish him and his wife, Elizabeth, many years of health and happiness as they embark on the next chapter of their lives. He will be missed.

Two things that have not changed are the mission and focus of the New Jersey Health Care Facilities Financing Authority. We stand ready with our array of programs to provide qualifying organizations efficient, low cost financing for their capital needs whether the plan of finance includes tax exempt or taxable bonds, our Capital Asset Program ("CAP"), equipment financing or leasing. The Authority also has special loan programs for federally qualified health centers (FQHCs) and family planning services providers. Whether your project will kick-off in the near term or in the future, I invite you to reach out to us to discuss your plans.

The Authority Bids Farewell To Mark E. Hopkins

(Continued from page 1)

As the Executive Director, Mark successfully led the Authority and its staff through the COVID-19 pandemic that required swift transition and adaptation to ensure business continuity. He further pioneered the creation of the COVID-19 Emergency Loan program which allowed health care facilities to gain access to interest free loans to off-set the expenses incurred due to the pandemic until the Federal Emergency Management Administration funds were available.

Mark officially entered into retirement on May 1, 2023, after serving as the Executive Director for nearly 19 years. During this time period, the Authority issued over \$13.9 billion in financings for New Jersey's health care organizations. To commemorate Mark's leadership as the Executive Director, the Authority issued a "Resolution of Appreciation" at its May 2023 board meeting.

We, at the Authority appreciate Mark's contributions to the Authority and to the New Jersey health care and financing industries. We congratulate him for his successful career as Executive Director, and bid him farewell on his well-deserved retirement.



Commissioner Judith Persichilli congratulates Mark Hopkins on his retirement.



(From Left to Right) Mark E. Hopkins and Robin Ford from the Department of Health

simplify your financing

NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY CAPITAL ASSET PROGRAM

The **Capital Asset Program ("CAP")** is a "revolving pool" of \$50 million which is available to make loans to health care facilities wishing to finance or refinance major moveable equipment, renovations to existing plants, minor construction and additions, parking garages and bridge financing. The **CAP** was designed to take advantage of bonds issued prior to the 1986 tax law changes. Loans made under the **CAP** are continuously repaid, making fresh funds available for other borrowers. Because program costs are shared and the program benefits from variable interest rates backed by an "Aa" rated letter of credit, the effective interest rate goes down as more borrowers participate.

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

SIMPLE BENEFITS OF THE PROGRAM

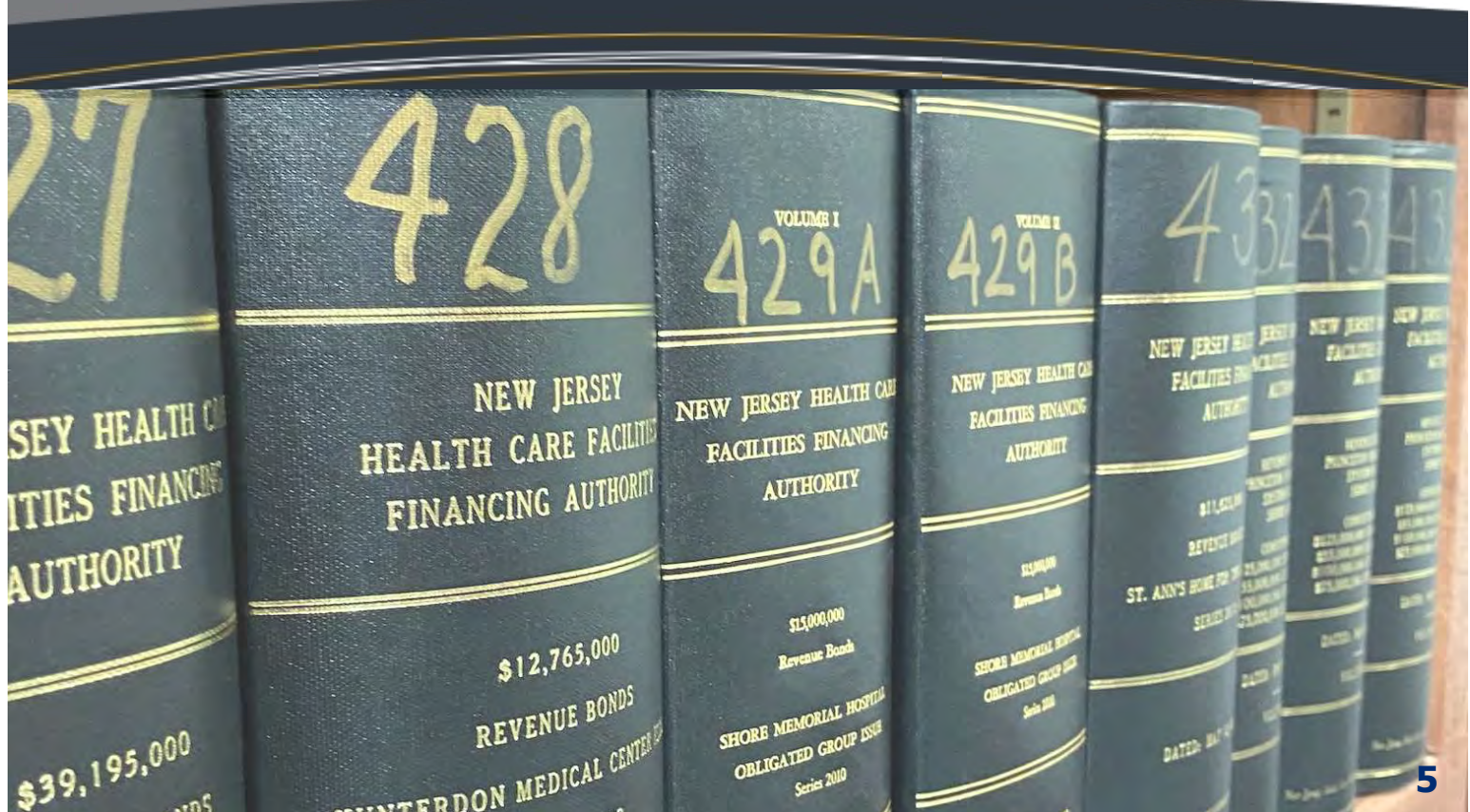
- Quickly approved loan applications
- Straightforward, uncomplicated terms negotiated directly between the borrower and the credit enhancer
- Security provided through equipment liens or master indenture notes
- No required arbitrage rebate
- Available funds for certain "bad money" uses
- Standardized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

Contact us for more information:

Jessica Waite

Capital Asset Program Manager

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NJHCFFA STAFF NOTES

Congratulations to Frank Troy, CPA who was promoted to the Executive Director of the Authority. Prior to his promotion, he served as the Director of the Division of Research, Investor Relations and Compliance. Frank has worked with the Authority since 2014.

Congratulations to Frank on his well-deserved promotion. We wish you the best in your new role as the Executive Director.



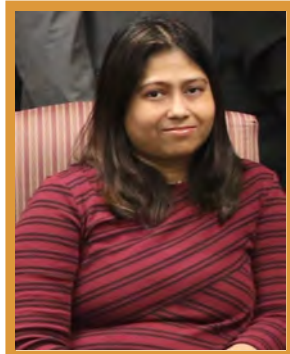
Frank Troy

Congratulations to Taryn Rommell who was promoted to Director of the Division of Research, Investor Relations and Compliance. Taryn has worked with the Authority since 2018 and was the former Assistant Director of the Division of Research, Investor Relations and Compliance. She also celebrated her 15th anniversary at the Authority in March 2023. Congratulations to Taryn for your hard work and dedication to the Authority.



Taryn Rommell

The Authority welcomes Accountant Ankita Parikh, to the Division of Operations, Finance & Special Projects. Ankita joined the Authority in March 2023, adding a wealth of accounting experience to the unit.



Ankita Parikh

Employee Milestones



In May 2023, Senior Assistant Account Administrator Diane Johnson celebrated her 30th anniversary at the Authority.

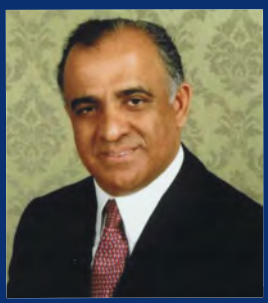


In June 2023, Controller, Alpa Patel celebrated her 5th anniversary at the Authority.



Congratulations to Edwin Fuentes, Project Management and Assistant IT Technology Specialist who graduated from Rider University with a Master of Business Administration degree in May 2023.

The Authority's Board Embraces Change



Dr. Munr Kazmir

The Authority bids farewell to Public Member Dr. Munr Kazmir. Dr. Kazmir was confirmed by the Senate as a member of the Authority on June 27, 2011 during Governor Chris Christie's administration. While serving on the Board for more than twelve years, Dr. Kazmir served in various elected positions including that of Vice Chairperson, Treasurer, and Chairperson of the Authority's Finance Committee and Evaluation Committee.

The Authority also welcomes a new Public Member to its governing body: Sam Maddali of Bernardsville, New Jersey. Mr. Maddali was nominated by Governor Murphy to replace former Authority Member Dr. Munr Kazmir. He was confirmed by the Senate on March 20, 2023.

Mr. 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. Mr. Maddali was also awarded the NJ Pharmacist of the Year award by Senator Vin Gopal for his advocacy for the rights of independent, community pharmacies.

Mr. Maddali is passionate about giving back, and has been an active member of Rotary International for nearly three decades. He serves on the board of directors for the Eye Foundation of America, a not-for-profit organization dedicated to eliminating avoidable blindness in underserved countries of the world, and is a trustee for Gift of Life, providing life-saving heart surgeries to children worldwide. Mr. Maddali received his Bachelor of Pharmacy degree from Long Island University. Although a pharmacist by trade, Mr. Maddali's business interests have expanded to include business development, entrepreneurship, and he is also a real estate professional.



Sam Maddali

The Authority congratulates Thomas Sullivan on his reappointment as an Authority Board Member for an additional four-year term. Mr. Sullivan's new term will expire on April 30, 2026.

Congratulations to two of the Ex-Officio members on their new endeavors. Judith Persichilli, RN, BSN, Commissioner of Health and Authority Chair, retired in August 2023, and Marlene Caridad, Esq., Commissioner of Banking and Insurance was appointed to the position of a judge with the New Jersey Superior Court. The newly appointed Acting Commissioner of Banking and Insurance will serve as an Ex-Officio member of the Authority, and the newly appointed Acting Commissioner of Health will serve as an Ex-Officio member and the Authority's Board Chair.

The Authority Approves Applications For The Family Planning Forgivable Loan

During the 2023 State Fiscal Year, the Department of Health (the Department) was appropriated \$10 million funded by a grant in aid from the State. The Department signed a Memorandum of Agreement with the Authority to administer the Family Planning Facilities Upgrades Forgivable Loan program. The loan program was created to provide financial resources to facilities licensed by and in good standing with the State of New Jersey that provided a full spectrum of reproductive health services to facilitate family choice.

The loan program offered each applicant up to \$750,000, as a one (1) year zero-percent interest rate forgivable loan, for expenditures exclusively for eligible family planning and reproductive health purposes; such as equipment improvements, upgrades for facility acquisition, interior renovations and improvement, new equipment, and new or expanded information technology services for expenses incurred prior to the June 30, 2023. After two rounds of applications, the Authority approved \$9.7 million of forgivable loans to eight organization for 23 family planning facilities.

We, here at the Authority were excited to launch this innovative program and are pleased that the program will continue in State Fiscal Year 2024.

IN MEMORIAM

On March 24, 2023, our friend and former Communications Specialist, Chris Kniesler, passed away unexpectedly. Chris retired just over one year ago in 2022, after almost eight years of working with the Authority. Prior to joining the Authority, Chris held several other positions within State and County government, including the Deputy Director of the NJ Division of Motor Vehicles and Deputy Director for Marketing and Sales at the NJ Lottery.

Chris is survived by his wife Kathy, his parents Frederick and Bernice "Bunny" Kniesler and his siblings Gregory and Maria.



Chris Kniesler



We were saddened to learn of the passing of our Lieutenant Governor Sheila Y. Oliver. We extend our heartfelt condolences and deepest sympathy to the Oliver family.

The Authority will treasure her legacy of public service through our efforts to address the financing needs of the health care industry in New Jersey.



NJHCFFA MEMBERS

Ex-Officio Members

Kaitlan Baston, M.D.

Acting Commissioner of Health

Sarah Adelman

Commissioner of Human Services

Justin Zimmerman

Acting Commissioner of Banking & Insurance

Public Members

David G. Brown II

Thomas J. Sullivan, Jr.

Bridget Devane, MSW

Sam Maddali

SENIOR STAFF

Frank Troy

Executive Director

Taryn Rommell

Director, Division of Research, Investor Relations & Compliance

Ron Marmelstein

Director, Division of Operations, Finance & Special Projects

William McLaughlin

Director, Division of Project Management

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