

Executive Director's Message

In his classic poem *An Essay on Man*, Alexander Pope wrote, “*Hope springs eternal in the human breast.*” After living and working under pandemic restrictions for over a year, I certainly believe that it was a communal hope of a resolution to the COVID-19 outbreak that enabled us to endure the most serious public health emergency in a century.



Now that vaccines are being administered, the number of new coronavirus cases daily has steadily declined. Hospitalizations are also down dramatically as well as the number of deaths. New Jersey is very close to being fully open and operational again. Like the rest of the state, the Authority is preparing to return to some semblance of normalcy.

The speed and impact of the pandemic caught everyone off guard, particularly the health care industry. Emergency rooms were stretched beyond their limits, hospital beds were at a premium and protective clothing and equipment became scarce. Amid the many tragedies spawned by the crisis, however, health care leaders were able to

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Moving on from COVID-19

To say that the coronavirus rocked New Jersey’s health care industry is quite an understatement. In cinematic terms, it has truly been a hospital version of “*Fast and Furious*”, albeit without Vin Diesel.

Our health care leaders acted swiftly and addressed the pandemic head-on with an unmatched effort that was infused with innovation, creativity and the highest sense of urgency. As Plato wrote in his work *Republic*, “*our need will be the real creator.*”

New Jersey’s health care providers were facing the greatest challenge of their lifetimes, and they knew they had to get it right. Pulling in all of their individual and collective resources our hospitals adapted to the situation and crafted solutions. The result has been a steady, consistent 14-month slog toward an end to the pandemic. Resources were reallocated, priorities were shifted and protocols were adjusted. In a recent interview with *NJ Spotlight News*, President and CEO of the New Jersey Hospital Association Cathy Bennett told Lilo Stainton that the hospitals put competition aside. Ms. Bennet noted, “... for this day, for this time, it really was about collaboration. It was about cooperation. It was about leadership from the highest levels of health care systems... It wasn’t about competition. It was about coming together to save lives.”

As the public health crisis subsides, one wonders, what happens now? New Jersey’s health care system has been strained, overly stressed and completely upended for more than a year. Hospitals became creative with treating their non-coronavirus patients. Virtual doctor’s appointments became the norm. Some routine surgeries were farmed out to ambulatory surgical centers. Emergency rooms diverted non-coronavirus patients. Critical supplies were shared and hospital spaces rearranged. These modifications to hospital routines served two purposes; they allowed for an efficient and effective

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identify systematic problems in the delivery of health care. Additionally, a number of endemic supply chain, staffing and capacity issues were also identified.

The health care industry is evaluating its response to the pandemic and attempting to determine how to address the major problems that arose. The Authority is ready to assist in the process.

Last September, the Authority streamlined their approval process, eliminated certain requirements and lowered the cost for issuing municipal taxable bonds. We will soon be renewing the Equipment Revenue Note funding for a quick and easy way to address your equipment needs. In addition to issuing our traditional tax-exempt bonds, we also have the Variable Rate Composite Program (“COMP”) for smaller borrowings and the Capital Asset Program (“CAP”) if you need to obtain capital quickly.

Our state, hospitals, health systems and providers are emerging from the pandemic. Armed with experiences and hard data, critical planning will ensue to prevent a future health crisis and correct problems that arose during the COVID-19 contagion. Terms like “lessons learned” and “what we found” will be converted into plans of action to move forward with hope, and confidence, that future pandemics will be prevented.

The Authority has the same hope and confidence for the future. Moreover, we have the tools to make it happen. Together, we can turn hope into reality.

- Mark E. Hopkins

Welcome to the Authority!

Thomas J. Sullivan, Jr. was nominated by Governor Murphy on December 10, 2020 and approved by the New Jersey Senate on March 25, 2021. He is a lifelong Bergen County resident. Mr. Sullivan has served on the Bergen County Board of County Commissioners since January 2015. As Commissioner, he has served on the Board's committees for: Social Services, Shared Services, Labor and Personnel, Law and Public Safety, Transportation, Public Works, Community Development and Planning and Economic Development. He was elected to serve as Vice-Chairman of the Board in 2017 and as Chairman of the Board in 2018.



Mr. Sullivan has had a long professional career in Local 164 of the International Brotherhood of Electrical Workers (IBEW). Starting out as an Apprentice Electrician, Mr. Sullivan learned the value of hard work and the opportunities it brings. Through many years of innovation and commitment to his career, he became a Journeyman Electrician, and was subsequently elected Vice President of Local 164 in 2010 and President in 2013, a position he currently holds today.

Mr. Sullivan's previously served on Bergenfield's Borough Council from 1998 until 2002 and Montvale's Borough Council from 2005 until 2008. He also has an impressive history of community volunteerism.

Mr. Sullivan and his family currently reside in Montvale.

New Jersey Hospitals Boost Our Economy

- **Serving nearly 15 million patients annually**
- **Have nearly 120,000 full-time equivalent jobs and employ over 154,000 full- and part- time jobs**
- **Pay over \$9 billion in annual salaries**
- **Made over \$3.7 billion in purchased services**
- **Had over \$ 24.7 billion in total expenditures**

Source: New Jersey Hospital Association 2020 Economic Impact Report

Hunterdon Medical Center

On December 23, 2020, the Authority issued \$78,557,000 of bonds on behalf of Hunterdon Medical Center. The bonds were issued in 2 series: Series 2020A, a federally taxable series totaling \$44,460,000 and Series 2020B, a federally taxable series convertible to tax-exempt bonds in the amount of \$34,097,000. The bonds were rated A+ by Fitch and A minus by Standard & Poor's.



The proceeds of the Series 2020A bonds were used to: reimburse the Hunterdon Medical Center for all or a portion of the costs of the development, acquisition and construction of various capital improvements and equipment previously paid by the Institution from its own funds, including, without limitation, the expansion of, and renovations to, various health care related facilities at the Institution's campus, information technology upgrades and replacements, and laboratory and cafeteria renovations and improvements; and pay all or a portion of the costs incurred in connection with the issuance and sale of the Series 2020A Bonds. Morgan Stanley was the underwriter

for the Series 2020A issue.

The Series 2020A bonds were structured as three fixed rate term bonds maturing in 2030, 2040, and 2050. The all-in-true interest cost was 3.550245%. The final coupons for the Series 2020A bonds were 2.568% for the July 1, 2030 maturity; 3.361% for the July 1, 2040 maturity; and 3.511% for the July 1, 2050 maturity.

The Series 2020B bonds were directly placed with TD Bank. The Series 2020B

bonds were structured as a federally taxable monthly variable rate series which may be converted to federally tax-exempt on or after April 2, 2024. This structure is commonly referred to as "Cinderella Bonds." The proceeds of the Series 2020B bonds will be used to: refund, redeem, retire and/or legally defease the outstanding 5% coupon maturities of the Authority's Hunterdon Medical Center Obligated Group Issue, Series 2014A Bonds, and pay all or a portion of the costs incurred in connection with the issuance and sale of the Series 2020B Bonds. The initial rate for the Series 2020B bonds was 1.41%.

The all-in-true interest cost was of the Series 2021B bond was 2.18389% resulting in a present value savings of \$6,137,949.92. The present value of 1 basis point change was \$44,526.20.



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treatment of coronavirus patients, and, they demonstrated new ways to deliver and administer health care to huge volumes of patients.

For example, many of the previous concerns regarding virtual health care have been dispelled. In fact Hackensack Meridian Health recently announced the start of a virtual lung cancer screening program at Hackensack University Medical Center. To alleviate hospital bed shortages, Jefferson Health began experimenting with hospital care at home. Deborah Heart and Lung Center recognized the staffing shortages exposed by the pandemic and began a nursing internship program design to get high school students interested in nursing as a career. Finally, President Biden is proposing \$1 billion in new funds to update and modernize community health centers because of the critical role they played in keeping non-coronavirus patients away from hospitals.

New Jersey's health care system is coming out of the pandemic more efficient, more accessible and definitely stronger. Several of our hospitals and systems are discussing new construction, expansions or renovations. Others are contemplating major information technology enhancements. They are definitely using the coronavirus experience to move forward and improve service for our residents.

Through the centuries, Plato's words have evolved into the more commonly known phrase, "*necessity is the mother of invention.*" The coronavirus provided the impetus; New Jersey's health care leaders did the rest. ☚



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The Authority has one Public Member Vacancy.