

These are the Minutes of the New Jersey Health Care Facilities Financing Authority's regular meeting held on September 25, 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); Greg Lovell, Designee for the Commissioner of the Department of Human Services; Manny Paulino, Designee for the Commissioner of the Department of Banking and Insurance; and Public Members, Bridget Devane, Tom Sullivan, Arthur Kapoor and Sam Maddali.

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:*** Edwin Fuentes, Jose Lora. ***Via Telephone:*** Tracey Cameron.

The following ***representatives from the State and/or the public*** were in attendance:

On-site: Brian McGarry, Attorney General's Office. ***Via Microsoft Teams:*** Aaron Creuz, Governor's Authority Unit; Carrie Camp, Department of Health and Tamara Cunningham, RWJBarnabas Health.

CALL TO ORDER

Noah Glyn, Designee of the Commissioner of Health, called the September 25, 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 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

- August 28, 2025

The Minutes of the Authority's last regular meeting, held on August 28, 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 August 28, 2025, Minutes. Mr. Lovell made the motion and Ms. Devane 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. CONSENT TO AMENDMENT TO THE VILLAGE DRIVE URBAN RENEWAL, LLC SUBORDINATED LOAN BETWEEN VILLAGE DRIVE URBAN RENEWAL, LLC AND CAPITAL IMPACT PARTNERS

Mr. Glyn called on Taryn Rommell to present a request for approval of consent to an amendment related to a subordinate loan agreement between Village Drive Healthcare Urban Renewal, LLC and Capital Impact Partners.

Ms. Rommell began by reminding Members that the Authority issued \$23 million in bonds on September 14, 2018, on behalf of Village Drive Healthcare Urban Renewal LLC (the Borrower), which was to be used with other funds to construct a low-income assisted living facility in Millville, New Jersey. Along with the \$23 million bond issue, the plan of finance included a \$5.7 million subordinate bridge loan from the Community Loan Fund of New Jersey. The Authority executed an Intercreditor and Subordination Agreement in connection with that loan.

Ms. Rommell stated that the Borrower subsequently refinanced the bridge loan with a \$6.0 million Subordinate Loan from Capital Impact Partners (the Subordinate Lender) with more favorable terms for the Borrower. To address the refinancing of the bridge loan, a Second Intercreditor and Subordination Agreement ("Second Subordination Agreement") was created, along with a Termination/Discharge of the Intercreditor and Subordination Agreement ("Termination") with the Community Loan Fund of New Jersey. The Second Subordination Agreement replaced the initial Intercreditor and Subordination Agreement dated September 1, 2018.

Ms. Rommel then said that on June 23, 2025, the Borrower requested the Authority's consent to a Third Amendment to the Loan Agreement between the Borrower and the Subordinate Lender. The First Amendment changed the maturity date of the subordinate loan from August 1, 2027, to February 1, 2028. The Second Amendment put the subordinate loan into forbearance and waived payments on the loan from May 1, 2024, through January 1, 2025. The Third Amendment memorializes the payoff of the delayed 2024 interest. The Amendment does not impact any agreement between the Authority and the Borrower.

Ms. Rommell stated that, with approval, the Executive Director would consent to the Third Amendment to the Loan Agreement between the Borrower and the Subordinate Lender. The Attorney General's Office has reviewed the attached Third Amendment to the Loan Agreement between the Borrower and the Subordinated lender and has no objection to the Authority Members' consideration.

Ms. Rommell concluded her presentation by stating that she would address any questions.

Mr. Glyn thanked Ms. Rommell for her presentation and asked Members once more if they had any questions on the information presented, to which there were none.

Mr. Glyn asked for a motion to approve consent to an amendment related to a subordinate loan agreement between Village Drive Healthcare Urban Renewal, LLC and Capital Impact Partners. Mr. Paulino offered the motion and Mr. Maddali 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. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. 2025-09-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled “**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CONSENT TO A THIRD AMENDMENT TO THE LOAN DOCUMENTS RELATED TO A SECOND INTERCREDITOR AND SUBORDINATION AGREEMENT BETWEEN VILLAGE DRIVE HEALTHCARE URBAN RENEWAL, LLC AND CAPITAL IMPACT PARTNERS RELATING TO THE ISSUANCE OF NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY REVENUE BONDS, VILLAGE DRIVE HEALTHCARE URBAN RENEWAL ISSUE, SERIES 2018.**”

(attached)

3. RECOMMENDATION FOR DOCUMENT IMAGING SERVICES

Mr. Glyn asked Alpa Patel to provide Members with the Authority's recommendation for document imaging services.

Ms. Patel began by reminding Members that the current archiving contract for document imaging services was awarded to Alternative Micrographics after a Request For Proposal (“RFP”) process in July 2020.

Ms. Patel advised that the contract is set to expire on October 8, 2025, and as a result, the Authority issued an RFP for document imaging processing services on July 28, 2025.

Ms. Patel stated that Staff had sent RFP's to a list of 17 vendors and also posted the RFP on the State and Authority websites. The Authority received proposals from two vendors, Alternative Micrographics and FileBank.

Ms. Patel said that the RFP and contract were designated as a Set-Aside Contract for small businesses under the NJ Set-Aside Act. It was determined that both of the vendors were compliant with the requirements of the RFP, however based on both pricing analysis and sample billing information received from the two vendors, Alternative Micrographics, Inc. was deemed to be the lowest responsible bidder. Therefore, Staff recommends that a five-year contract for document imaging processing services be awarded to Alternative Micrographics, Inc.

Ms. Patel concluded by saying that she or Cindy Kline would address any questions, to which there were none.

Mr. Glyn asked for a motion to adopt the resolution awarding the contract for document imaging services to Alternative Micrographics, Inc. Ms. Devane made the motion. 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. All Members voted in the affirmative and the resolution was approved.

AB RESOLUTION NO. 2025-09-B

WHEREAS, the Members of the Authority have reviewed the memorandum dated September 17, 2025 regarding the contract for document imaging services;

NOW, THEREFORE, BE IT RESOLVED, that the Members of the Authority hereby approve the contract with Alternative Micrographics, Inc., for the Authority's document imaging for a period of five (5) years.

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. Sullivan 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. 2025-09-C

WHEREAS, the Members of the Authority have reviewed the memoranda dated September 17, 2025, summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and the memorandum dated September 17, 2025, summarizing general operating expenses, in the amounts of \$8,500.00 and \$11,069.58 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 September's Executive Director's report.

Mr. Troy reported the following:

1. Please note there is no Legislative Update as the Legislature has been on recess since July 25th.
2. New Jersey Hospital News
 - a) University Hospital ("University") unveiled a \$20 million expansion of its emergency department, private treatment rooms, a waiting area and a redesigned entrance and lobby. University is a Level 1 trauma center and handles over 100,000 emergency cases annually.
 - b) In other University news, community groups are concerned about the upcoming merger of the Newark-based medical school with the Robert Wood Johnson Medical School in New Brunswick saying the Newark campus will have "second-class status".
 - c) Hackensack Meridian Health's ("Hackensack") School of Medicine is offering financial incentives to students who commit to a primary care specialty and work there including tuition scholarships, a relocation stipend and help with living expenses. This is in response to a growing shortage of primary care physicians in the United States.

- d) Hackensack's Blake Recovery Center at the Carrier Clinic was #1 on *Newsweek's* list of "Best Addiction Treatment Centers in New Jersey."
- e) Inspira Health ("Inspira") CEO, Amy Mansue, was interviewed by *Chief Healthcare Executive* magazine about the challenges of serving rural communities without meeting the federal definition of a rural provider and, therefore, not receiving enhanced reimbursement.
- f) Hackensack and Atlantic Health System ("AHS") were included in *Fortune* magazine's annual "Best Workplaces in Health Care." Hackensack was #4 and AHS was #6.
- g) Hackensack, AHS and a number of other New Jersey hospital and health systems were among *Forbes's* "2025 Best-in-State Employers list."
- h) AtlantiCare Health System was honored by the American Hospital Association for 100 years of membership. Founded in 1898 as a single hospital, AtlantiCare now has over 100 locations.

3. Ratings Agency Actions and Publications

- a) Fitch Ratings ("Fitch") upgraded Valley Hospital's ("Valley") rating one notch from A+ to AA- which is considered high investment grade. The upgrade reflects Valley's successful transition to the new hospital in Paramus and expanded outpatient services. The outlook was revised to Stable.
- b) Fitch affirmed its AA- rating on Inspira Health Center's bonds with a Stable outlook. Fitch cited improved cash flow and the successful integration of Inspira Medical Center of Mannington, the former Salem Medical Center.
- c) S&P Global Ratings ("S&P") affirmed St. Joseph's Health, Inc.'s BBB- rating with a Stable outlook. S&P also affirmed Atlantic Health System's AA- rating and Stable outlook. The ratings reports are currently unavailable.

4. New Jersey Health Care News

- a) Several northeastern states including New Jersey and America's largest city announced the Northeast Public Health Collaborative, a voluntary regional coalition of public health agencies and leaders, brought together to share expertise, improve coordination, enhance capacity, strengthen regional readiness, and promote and protect evidence-based public health.

5. National Health Care News

- a) Kaufman Hall's July 2025 "National Hospital Flash Report" noted that patient volumes and revenue are increasing but expense growth is outpacing revenue growth, particularly non-labor expense. Bad debt and charity care continue to be elevated.
- b) The Centers for Medicare & Medicaid Services ("CMS") began providing states with monthly lists of Medicaid beneficiaries whose citizenship or immigration status could not be confirmed using federal databases. States are expected to take "appropriate actions".

- c) Data science, research and consulting firm, Omniscient Health, suggests a two-tier Medicare system may be developing. Growing Medicare Advantage (“MA”) plan enrollment and surging operating costs are causing many physicians and health systems to drop certain MA plans that offer inadequate reimbursement. Physicians may also shift their practice focus away from seniors.
- d) CMS’s proposed acceleration of removing procedures from the Medicare Inpatient Only List (the “IPO”) could have a significant impact on skilled nursing facilities (“SNFs”). In 2026, 286 procedures, mostly musculoskeletal, will be dropped from the list. Some SNF operators say these procedures lead to 20% to 50% of their admissions. If a procedure is done on an outpatient basis there can be no three-day qualifying hospital stay and, therefore, no Medicare Part A coverage for any related SNF admission.

6. Bond and Tax Legislation and Regulatory News

- a) The tax-exemption of not-for-profit hospitals was the focus of a House Ways and Means Subcommittee meeting on September 16th. Speakers were critical of the amount of community benefit hospitals provide compared to the benefit of being tax-exempt. Hospitals were also criticized for their billing and debt collection practices.
- b) A group of senators has submitted a bill to prevent large payers from buying up certain clinics. The Patients Over Profits Act (the “Act”) would bar large insurers and their subsidiaries from owning certain clinics participating in Medicare, in what a press release described as a move to “pad their own pockets and leave patients out in the cold.” UnitedHealthcare’s Optum seems to be the target of the Act as it has bought up a string of clinics across the Senators’ home states. According to a *Fierce Healthcare* article, UnitedHealth employs or contracts with over 90,000 doctors, or about 10% of the U.S. physician workforce.

7. Other News

The Federal Reserve trimmed the benchmark interest rate by a quarter point to a range between 4% and 4.25%, citing weakness in the job market and forecasted two more quarter-point cuts this year. Inflation has picked up, however, and the current mix of faster inflation and slower hiring complicates efforts by the Fed to meet its dual congressional mandate to ensure both stable prices and maximum employment.

8. Authority News

- a) Last month I mentioned the significant increase in the cost of employee health coverage and how it will affect next year’s budget. Also keep in mind that 2026 will be one of those 27 pay period years which happen every 11. Since our budget is prepared on a cash basis rather than accrual, that extra pay will account for a portion of the increase in salary expense year-over-year. We will break this out separately in our budget presentation.
- b) The next regular Authority meeting will be Thursday, October 23, 2025, at 10:00 AM.

6. ADJOURN

As there was no further business, questions, or comments, Mr. Glyn asked for a motion to adjourn. Mr. Lovell made the motion, and Mr. Sullivan 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 10:19 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 SEPTEMBER 25, 2025.

Cindy Kline, Assistant Secretary