

Minutes of the New Jersey Health Care Facilities Financing Authority regular Meeting held on February 23, 2023 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, NJ.

The following *Authority Members* were in attendance:

Via telephone: David Brown, Vice Chair, Public Member (Chairing); Robin Ford, Designee of the Department of Health; Manny Paulino, Designee of the Commissioner of Banking and Insurance; Greg Lovell, Designee of the Commissioner of Human Services; Dr. Kazmir, Public Member

The following *Authority staff members* were in attendance:

Mark Hopkins, Alpa Patel, Taryn Rommell, Frank Troy, Cindy Kline, Edwin Fuentes, Kia Inman; and via telephone, Ron Marmelstein, Tracey Cameron, and Michael Solidum

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

Stephanie Gibson, Attorney General's Office; Dorian Smith, Governor's Authorities Unit; and, via telephone, John Kelly, Wilentz, Goldman, & Spitzer; Mike Zulaski, TD Bank

CALL TO ORDER

Mr. Brown called the meeting to order at 10:03 a.m. and announced that this was a regular Meeting of the Authority, held in accordance with the schedule adopted at the May 26, 2022 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, 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. Brown reminded Members on the phone to identify themselves before making or seconding a motion.

1. APPROVAL OF MINUTES **January 26, 2023 Authority Meeting**

Minutes for the Authority's January 26, 2023 Meeting were distributed for review and approval prior to the meeting. Mr. Brown asked for a motion to approve the minutes. Dr. Kazmir made the motion. Mr. Lovell seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative, except Mr. Brown who abstained, and the minutes were approved.

2. AMENDMENTS TO BOND DOCUMENTS FOR LIBOR TRANSITION

a. Wiley Mission 2012 Bonds – Lot A

b. Inspira Health Network 2017B Bonds

Mr. Brown called upon Edwin Fuentes to explain the reasons for amending the bond documents for the Wiley Mission 2012 Bonds Lot A and Inspira Health Network 2017B Bonds.

Mr. Fuentes began by stating that staff is requesting that the Members approve two resolutions set before you today. The first is entitled a “Resolution Of The New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments To The Trust Agreement Relating To Its Outstanding Variable Rate Refunding and Revenue Bonds, Wiley Mission Issue, Series 2012, And Entering Into A First Supplemental Trust Agreement In Connection Therewith” (the “Wiley Resolution”). The second resolution is entitled “Resolution Of The New Jersey Health Care Facilities Financing Authority Authorizing Certain Amendments To The Trust Agreement Relating To Its Outstanding Revenue Bonds, Inspira Health Obligated Group Issue, Series 2017B, And Entering Into A First Supplemental Trust Agreement In Connection Therewith” (the “Inspira Resolution”).

According to Mr. Fuentes, on June 30th of 2023, the USD London Interbank Offered Rate, known as LIBOR, will be phased out of financial markets. Several of the Authority’s outstanding bond obligations utilize LIBOR as an index rate. As a proactive measure, Authority staff distributed a Request for Proposals in order to assign bond counsel to assist borrowers in transitioning from a LIBOR rate to a new index rate for their affected series of Authority bonds. The Attorney General’s office approved the appointment of Wilentz, Goldman and Spitzer as bond counsel and the Authority Members approved the engagement of Wilentz, Goldman and Spitzer and paying the firm’s bond counsel fees related to the LIBOR transitions at the Authority’s June 2022 meeting. As of today, this board has approved the replacement of index rates for five out of eight outstanding series of bonds.

Mr. Fuentes explained that the Variable Rate Refunding and Revenue Bonds, Wiley Mission Issue, Series 2012 - Designated Lot A bonds issued by this Authority has approximately \$4,878,413 outstanding and currently uses LIBOR as an index rate. Wiley Mission and TD Bank, N.A., holder of the Series 2012 bonds, have agreed to use the secured overnight financing rate (“SOFR”), as administered by the Federal Reserve Bank of New York as the replacement index rate on the 2012 Lot A bonds, and now seek to amend the Trust Agreement pursuant to which the 2012 bonds were issued in order to implement the change.

Mr. Fuentes further explained that the Inspira Health Obligated Group Issue, Series 2017B bonds issued by this Authority currently have approximately \$50.3 million outstanding. Inspira Health has come to terms with TD Bank, N.A., owners of the 2017B series of bonds on replacing the LIBOR index rate with the secured overnight financing rate (SOFR). Inspira now seeks to amend the respective Trust Agreements pursuant to which the Series 2017B bonds were issued in order to implement the aforementioned changes.

Mr. Fuentes noted that if the board approves these resolutions, there will be one series remaining requiring amendments for the respective replacement index rate, that being the Shore Memorial Series 2019 issue.

Mr. Fuentes then introduced John Kelly of Wilentz, Goldman, and Spitzer, Bond Counsel, to present the resolutions authorizing the amendments. He concluded by saying that, following his presentation, Mr. Kelly or he would address any issues or questions the Members had.

Mr. Kelly stated that, in order to effectuate the changes to the Trust Agreement which have been previously described, the Resolution provides for the adoption and approval by the Authority of a First Supplemental Trust Agreement for the Wiley Mission Issue, Series 2012, and authorizes the execution and delivery thereof by an Authorized Officer of the Authority. In addition, the Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the First Supplemental Trust Agreement.

Mr. Kelly also explained that, in order to effectuate the changes to the Trust Agreement relating to the Series 2017B Bonds which have been previously described, the Resolution provides for the adoption and approval by the Authority of a First Supplemental Trust Agreement for the Inspira Health Obligated Group Issue, Series 2017B bonds, and authorizes the execution and delivery thereof by an Authorized Officer of the Authority. In addition, the Resolution also authorizes the Authorized Officers of the Authority to execute and deliver such other documents and to take such other action as may be necessary or appropriate to effectuate the execution and delivery of the First Supplemental Trust Agreement.

Mr. Brown asked for a motion to approve a resolution to amend the bond documents on behalf of Wiley Mission 2012 Bonds Lot A. Dr. Kazmir made the motion. Mr. Paulino seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion was approved.

AB RESOLUTION NO. 2023-2-A

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled “RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE TRUST AGREEMENT RELATING TO ITS OUTSTANDING VARIABLE RATE REFUNDING AND REVENUE BONDS, WILEY MISSION ISSUE, OBLIGATED GROUP ISSUE, SERIES 2012, AND ENTERING INTO A FIRST SUPPLEMENTAL TRUST AGREEMENT IN CONNECTION THEREWITH”

(attached)

Mr. Brown then asked for a motion to approve a resolution to amend the bond documents on behalf of Inspira Healthcare Network 2017B Bonds. Dr. Kazmir made the motion. Mr. Paulino seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion was approved.

AB RESOLUTION NO. 2023-2-B

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled **“RESOLUTION OF THE NEW JERSEY HEALTH CARE FACILITIES FINANCING AUTHORITY AUTHORIZING CERTAIN AMENDMENTS TO THE TRUST AGREEMENT RELATING TO ITS OUTSTANDING REVENUE BONDS, INSPIRA HEALTH OBLIGATED GROUP ISSUE, SERIES 2017B, AND ENTERING INTO A FIRST SUPPLEMENTAL TRUST AGREEMENT IN CONNECTION THEREWITH”**

(attached)

3. AMENDMENT TO ZUFALL HEALTH CENTER’S FAMILY PLANNING FACILITIES UPGRADES FORGIVABLE LOAN WEST ORANGE PROJECT DESCRIPTION

Mr. Brown called upon Mark Hopkins to present the recommendation of the proposed amendment to the project related to Zufall Health Center’s First Round Application for the Family Planning Facilities Upgrade Forgivable Loan Program.

Mr. Hopkins began by reminding Members that, on December 15, 2022, when the Authority made its first round of approvals for the Family Planning Facilities Upgrade Forgivable Loan Program (the “Program”), Authority Members approved \$722,062 for construction of and equipment for the family planning portion of Zufall Health Center’s new replacement health center in West Orange. However, because Zufall had already entered into a construction contract, and that contract did not provide for payment of prevailing wage to the tradespeople involved in the construction (as required by the Authority’s enabling statute for construction projects receiving aid from the Authority), and it was too late to change or cancel the construction contract, Zufall asked to amend its project to include only items that would comply with the Authority’s enabling statute requirements as well as the requirements of the Family Planning Facilities Upgrades Forgivable Loan Program.

Mr. Hopkins explained that the proposed amendment to the project now covers three of Zufall Health Center’s facilities: (i) at West Orange, \$347,656 for medical equipment and furniture and \$203,406 for IT equipment and services to enhance security; (ii) at Morristown, \$100,000 to renovate exterior stairs/building façade to improve patient/staff safety; and (iii) at Dover, \$71,000 to install a backup generator to ensure continuity of operations in emergency situations (the

“Amended Project”). Details of the Amended Project were attached to the memo on this subject sent with the meeting materials last Wednesday.

Mr. Hopkins noted that the Loan Evaluation Committee has reviewed the proposed amended project and has agreed to recommend the amendment for approval by the Authority Members at this meeting.

Mr. Hopkins informed Members that a proposed resolution canceling the December 15, 2022 approval of the original forgivable loan for Zufall Health Center’s original West Orange project, and authorizing a forgivable loan in the amount of \$722,062 to Zufall Health Center, Inc. for the Amended Project, which was provided last Wednesday with the meeting materials and a revised proposed resolution incorporating the Attorney General Office comments was distributed to the Members on Tuesday, February 21st.

Mr. Hopkins concluded by stating that, on behalf of the Loan Evaluation Committee, he recommends the Authority Members approve the resolution authorizing the Loan and the Loan Agreement with Zufall Health Center which includes the Amended Project. He then offered to answer any questions the Members had.

Mr. Brown asked for a motion to approve the resolution to amend Zufall Health Center’s project and approve a forgivable loan in the amount of \$722,062 for upgrades at its family planning facilities in Dover, Morristown, and West Orange. Dr. Kazmir made the motion. Mr. Paulino seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown called for a vote. All Members voted in the affirmative and the motion was approved.

AB RESOLUTION NO. 2023-2-C

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby adopts the resolution entitled, “A RESOLUTION AUTHORIZING A FORGIVABLE LOAN IN THE AMOUNT OF \$722,062 TO ZUFALL HEALTH CENTER FOR ITS AMENDED PROJECT, INCLUDING UPGRADES AT ITS FAMILY PLANNING FACILITIES IN DOVER, MORRISTOWN AND WEST ORANGE, APPROVING ENTERING INTO A LOAN AGREEMENT WITH ZUFALL HEALTH CENTER FOR ITS AMENDED PROJECT, AND CANCELING THE FORGIVABLE LOAN FOR ITS ORIGINAL PROJECT APPROVED ON DECEMBER 15, 2022”

(attached)

4. AUTHORITY EXPENSES

Mr. Brown referenced a summary of Authority expenses and invoices provided to the Members. Dr. Kazmir made the motion to approve the expenses. Mr. Paulino seconded. Mr. Brown asked if there were any questions or comments on the motion. There were no questions or comments. Mr. Brown then called for a vote. All Members voted in the affirmative. The resolution was approved to approve the bills and to authorize their payment.

AB RESOLUTION NO. 2023-2-D

WHEREAS, the Members of the Authority have reviewed the memoranda dated February 15, 2023 summarizing expenses incurred by the Authority in connection with Trustee/Escrow Agent/Paying Agent fees and general operating expenses in the amount of \$42,907.00 and \$28,303.94, 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. Brown thanked staff for the Project Development Summary, Year-End Budget Report and Cash Reconciliation Report.

Mr. Brown then asked Executive Director Hopkins to present his Executive Director's report.

Mr. Hopkins reported the following:

1. Thank you to all Authority Members for completing the required disclosure forms entitled the "Personal and Business Relationships Disclosure Form" and the "Annual Outside Activity Questionnaire."
2. COVID News
 - a. On January 30, 2023, the Biden administration announced it will be ending the national emergency and the public health emergency declarations on May 11, 2023. The dual emergencies were instigated by the COVID-19 pandemic. The expansion of Medicaid coverage due to the pandemic was already set to expire April 1, 2023. Other policies enabled by the emergency declarations will expire on May 11th, including possible out-of-pocket costs for testing and the vaccine for people with private insurance, an increase in the cost of the vaccine because the federal government will no longer be purchasing vaccines, and hospitals will no longer get enhanced payments for treating COVID patients. On the same day, the World Health Organization said COVID remains a global health emergency but a key

panel of the organization noted that the pandemic may be nearing an “inflection point” where higher levels of immunity can lower virus-related deaths.

- b. Studies have shown that long COVID has had a significant impact on the workforce. The Government Accountability Office estimated that 7.7 to 23 million people have been affected by long COVID requiring medical attention or absence of work for 60 or more days. Hackensack Meridian Health has a COVID Recovery Center at Hackensack University Medical Center which has treated nearly 400 patients for long COVID. Common symptoms include brain fog, fatigue and shortness of breath.

3. New Jersey Hospital News

- a. On February 9th, University Hospital released a preliminary draft of its new facility master plan. The preliminary plan, prepared by Gensler, a global architecture, planning and design firm, will be reviewed and refined by the University Hospital board, with input from the community, the city, the county, the State and other stakeholders over the next several months. It is estimated to cost \$1.8 billion and take up to ten years to reach fruition. The preliminary design includes a new surgical platform, a critical care tower with private patient rooms and a farmers market. The existing facility is 43 years old and is designed for 60,000 patients a year, however, University Hospital sees over 90,000 patients per year. It is unclear where funding will come from as University Hospital is an entity of the State. The State had previously committed \$200 million to improvements at the hospital.
- b. Commissioner of Health Judith Persichilli attended the ribbon cutting held in the last month, adding Salem Medical Center as an affiliate of Inspira Health. Inspira CEO Amy Mansue said the full integration of Salem into Inspira will take 12 to 24 months. Inspira acquired the assets of Salem Medical Center in December. The acquisition included the hospital building, an ambulatory surgery center and physician offices.
- c. NJBiz published an article on the continued growth of Cooper University Health Care, noting its recent letter of intent to partner with Cape Regional Health System, its plans to build a \$2 billion facility in Camden which was announced last fall, and its ratings upgrades over the last few months into the “A” category from Moody’s Investors Service and S&P Global Ratings.
- d. On February 2nd, the State Health Planning Board voted to recommend the approval of CarePoint Health’s application to convert to a substantially nonprofit ownership structure. The Commissioner of Health has 120 days to approve or reject the conversion. Any approval is likely to contain conditions. CarePoint Health owns the operations of Bayonne Medical Center, Christ Hospital and Hoboken University Medical Center. Alaris Health owner Avery Eisenreich purchased and owns the property of Christ Hospital and Hoboken University Medical Center. Mr. Eisenreich also purchased the property of Bayonne but subsequently sold it to an

affiliate of Hudson Regional Hospital controlled by Yan Moshe. Dr. Achintya Moulick is CarePoint's CEO and his plan to bring the nonprofit conversion to fruition is the subject of a February 6th article on NJ.com about his vision for the future of the transformed organization.

- e. AtlantiCare has entered into a joint venture with Select Medical to own and operate a new inpatient rehabilitation hospital in Galloway and 13 outpatient physical therapy centers. Select Medical, which operates long-term acute care and inpatient rehabilitation hospitals, will be the majority owner and managing partner of the joint venture. While the rehabilitation hospital will be new construction, the 13 outpatient physical therapy centers will come from Select Medical's existing centers under its NovaCare Rehabilitation brand.
- f. Saint Peter's University Hospital was recognized as one of the top 100 hospitals providing excellent service to women by the Women's Choice Awards. It also received eight other honors putting them in the top 10% of hospitals in the country for areas including patient safety, stroke care, cancer care and women's services.
- g. The hack that stole data from CentraState Medical Center in December impacted 617,000 individuals and included some Social Security numbers. The hospital temporarily had to halt admissions and divert patients for several days after the hack. CentraState brought in a forensics firm to investigate and reported the incident to the FBI. It determined that an unauthorized person obtained a copy of an archived patient database on December 29, 2022. The hospital has notified the impacted patients.
- h. Hackensack Meridian Health's CEO Robert Garrett was the subject of a NJBiz article on February 13th about how the system is making strides in health care equity. He was also interviewed by Becker's Hospital Review, on health care equity, during which he espoused his appreciation for "Jersey straight talk" from leaders.
- i. Atlantic Health System, CentraState Healthcare System, Holy Name Medical Center, Hunterdon Health, Saint Peter's Healthcare System, Valley Health System and Virtua Health are part of The Healthcare Transformation Consortium, which was formed in 2018. The Healthcare Transformation Consortium is now partnering with Wildflower Health to launch a statewide value-based maternity care initiative to transform the delivery and financing of maternity care. Wildflower will provide a package of comprehensive digital tools to help doctors, nurses and other caregivers assist patients with care needs running the gamut from prenatal to postnatal. The digital platform will help them engage with, support and remotely monitor patients between visits.
- j. A recent NJ Business Magazine article highlights the award-winning services delivered by many New Jersey hospitals over the last year. It includes mention of awards from varying organizations for the likes of Valley Hospital, Hackensack

Meridian Health, Virtua Health, Saint Peter's Healthcare System, RWJBarnabas Health, Englewood Health, Atlantic Health System, Bergen New Bridge Medical Center, Holy Name Medical Center and University Hospital.

- k. As mentioned last month, nine New Jersey hospitals were named in Healthgrades top 250 hospitals in the country. Atlantic Health System's Morristown Medical Center and Overlook Medical Center were in the top 50. Valley Hospital was in the top 100 hospitals. Included in the top 250 hospitals were Hackensack Meridian Health's Hackensack University Medical Center, Jersey Shore University Medical Center and Bayshore Medical Center, and RWJBarnabas Health's Cooperman Barnabas Medical Center, Penn Medicine's Princeton Medical Center and Atlantic Health System's Chilton Medical Center.

4. Ratings Agency Actions and Publications

None

5. New Jersey Health Care News

- a. The Centers for Disease Control and Prevention ("CDC") has awarded an \$80.5 million grant to the New Jersey Department of Health. The Department stated that a portion of the funds will be used to facilitate recruitment, advancement and retention within the public health workforce through planning and professional development. Grant funds will also be used to help State efforts to expand the Department's Centralized Data and Analytics Hub. Some of the funds will be used to bolster health equity in policy, programs and practices through the Department's Office of Minority and Multicultural Health. Other grant funds will be used to improve reproductive health, reduce health disparities and address social determinants of health. The bulk of the funds will be made available in the first year but additional funds will be released over five years based on progress.
- b. The New Jersey Collaborating Center for Nursing said a study it conducted suggests that 6% of registered nurses, 4% of licensed practical nurses, and 3% of advanced practice nurses intend to leave the profession in the next three years. The estimations of new nurses is significantly lower than what would be needed to replace the suggested nurses leaving the profession, which is likely to result in a drastic shortage of nurses in the near future.
- c. The federal government is looking to New Jersey's successful efforts to improve maternal health under its NurtureNJ campaign championed by First Lady Tammy Murphy. Carole Johnson, who was formerly the New Jersey Commissioner of Human Services, is now the head of the federal Health Resources & Services Administration. She has complimented New Jersey on its use of COVID funds to train doulas. She also applauds New Jersey's policy allowing Medicaid funds to be used to pay doulas and for covering women's health care for one year after

giving birth. According to Ms. Johnson, the latter has been adopted by 29 states with another six considering it.

6. National Health Care News

- a. Using 2020 and 2021 data from the Organization of Economic Cooperation and Development (“OECD”), a study from the Commonwealth Fund found that the United States has the worst health outcomes among 38 high-income countries despite having the highest spending on health care. The U.S. had the lowest life expectancy at birth, the highest rate of avoidable deaths, the highest rate of infant mortality and the highest rate of people with multiple chronic conditions. The U.S. spends 17.8% of its gross domestic product on health care, nearly twice the average of all 38 countries in the Organization of Economic Cooperation and Development. There was also high rate of racial and ethnic disparity in life expectancy in the U.S. The U.S. is the only country that does not guarantee health coverage for residents and, as a result, had an uninsured rate of 8.6% in 2021.
- b. Kaufman Hall’s latest National Hospital Flash Report showed that 2022 was the worst year for hospitals since the pandemic with the only month showing a positive median margin being December, at just 0.2%. Approximately half of U.S. hospitals had a negative margin in 2022. Labor expenses continued to be a large driver of increased costs.
- c. With the end of the COVID public health emergency on May 11, 2023, there will no longer be 20% added to the normal Medicare reimbursement to hospitals for treating patients with COVID. Those additional payments started in January of 2020
- d. The American College of Healthcare Executive’s (“ACHE”) latest annual survey shows that labor issues are still the largest concern for hospital CEOs. Ninety percent of the CEOs cited shortages of nurses as a top concern along with 83% citing shortages of technicians, 80% citing burnout of non-physician staff and 70% citing a shortage of therapists. The previous ACHE survey also had labor ranked as the top issue. For the 16 years prior to the surveys this year and last year, financial challenges were cited as the most pressing issue facing hospital CEOs. Financial issues were the second highest concern in each of the last two years.
- e. In a Fitch Wire last week, Fitch Ratings said that the U.S. debt ceiling policy actions will be consequential for public finance credit. While it believes the government will raise or suspend the debt limit to avoid a default, the way it resolves the debt limit issue could affect the risk profiles of state and local governments as well as public finance revenue supported entities. If resolution of the debt ceiling materially reduces federal spending, those that rely on federal funding for health care services, such as hospitals, could be affected.

- f. The U.S. Department of Justice and the Federal Trade Commission filed 10 lawsuits last year to block mergers and acquisitions they deemed anti-competitive, which was a record. In 2021 they moved to block six transactions. Some of the blocked transactions included hospitals and health systems, including RWJBarnabas Health's proposed merger with Saint Peter's Healthcare System.
- g. Ponder & Co. published a review showing merger activity for nonprofit and for-profit hospitals dropped for the fifth consecutive year in 2022. Last year there were 55 mergers, down from 73 in 2021, 80 in 2020, 86 in 2019, 117 in 2018 and 118 in 2017.
- h. Fitch Ratings warned in a February 3rd Fitch Wire that the increase in cyber-attacks on nonprofit hospitals and health systems signals greater risks to the sector. It noted, however, that the risk is unlikely to result in any downgrades at this time, as they have not had any material or operational effect on the targeted hospitals due to their brief and relatively superficial impact. More sophisticated cyber weapons may eventually have a more serious impact on the sector.
- i. In related news, the U.S. Department of Health and Human Services recently warned that the pro-Russian hacktivist group Killnet is actively targeting the U.S. health system with distributed denial of service attacks, which could cause service outages that last hours or days.
- j. Ken Kaufman, Managing Director and Chair of Kaufman Hall, offered his insights on the hospital industry on February 1st. He noted 2022 "was a big mess," with Kaufman Hall estimating 55% of hospitals will lose money from operations. Additionally, hospital margins have fallen 31% since 2019. The cause, he observes, is that inpatient revenue is flat but expenses have increased by 8% in the past year. Labor expenses have increased a whopping 23% since 2019. Mr. Kaufman decries what he called the "productization" of health care, with what were formerly health care services becoming products, such as urgent care, mammography, dermatology, ambulatory surgery, imaging centers, Walmart primary care, Walgreens primary care and CVS primary care. He argues that hospitals are not equipped to sell products, they are geared to providing health care services. Large corporations are better equipped to sell products, with sophisticated packaging and mass marketing.
- k. The average hourly wage and salaries for registered nurses from each of the 50 states, according to U.S. Bureau of Labor Statistics data from 2021 was \$39.78 per hour and \$82,750 annual salary. New Jersey registered nurses averaged \$43.12 per hour and \$89,690 annual salary.

7. Bond and Tax Legislation and Regulatory News

- a. In 2022, municipal bond issuance plunged 19.5% from 2021. Rising interest rates caused lower issuance of refunding bonds and taxable bonds. \$389.094 billion was issued over 9,231 deals in 2022 compared to \$483.358 billion over 13,130 deals in

2021. Tax-exempt issuance fell 9.9% and taxable issuance fell 55.4%. New money issuance fell 3.8% while refundings fell 56.6%. Issuance of revenue bonds fell 19.4%

- b. The Municipal Securities Rulemaking Board (“MSRB”) held its first quarterly meeting of the calendar year in late January and discussed its market transparency initiatives. It discussed the Financial Data Transparency Act, passed in December of 2022, which will eventually require issuers to adopt a machine-readable form of disclosure, similar to what is required for stocks. It also discussed its pending requests for comments on Rule G-47, requiring dealers to disclose to customers all material information known about a transaction at the time of the trade, and Rule D-15, defining the term “sophisticated municipal market professional.”
- c. Municipal advisory and broker-dealer firms broadly support MSRB’s proposed amendments to its Rule G-3, which will ease the process by which a former municipal advisor can rejoin the profession, allowing those who have been out of the profession for two years or less to rejoin the profession without retaking and passing the Series 50 exam normally required, under certain conditions. The market participants asked for some clarifications.

8. Authority News

Last month I failed to mention the passing of Michael T. Kornett, the immediate past Executive Director of the Authority. Michael passed away on December 23, 2022. Michael served as Executive Director of the Authority from November 2002 to March 2004. He went on to become the CEO of the Medical Society of New Jersey. Prior to joining the Authority, he was Chief Executive Officer of Oxford Health Plans, Passaic General Hospital and JFK Medical Center. He is survived by his wife Bernadette and four children, Craig, Lauren, David and Jeff, as well as six grandchildren. Our thoughts are with his family.

Mr. Brown thanked Mr. Hopkins for his report.

As there was no further business, Mr. Brown asked for a motion to adjourn. Dr. Kazmir made the motion and Mr. Lovell seconded. All Members voted in the affirmative. The meeting was adjourned at 10:36 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 FEBRUARY 23, 2023.

Cindy Kline, Assistant Secretary