

Virtua Acquires Lourdes

On July 1, 2019, Virtua Health System completed its acquisition of Lourdes Health System. Lourdes, previously owned by Pennsylvania-based Maxis Health System, was a subsidiary of Trinity Health.

Virtua's purchase included Our Lady of Lourdes Medical Center in Camden, Lourdes Medical Center of Burlington County in Willingboro, Lourdes Medical Associates, and Lourdes Cardiology Services.

The integration of the two (2) non-for-profit systems enabled Virtua to enhance its current level of quality care with Lourdes' advanced expertise in specialty areas such as cardiovascular surgery, complex neurosurgery, and transplant services. Moreover, Virtua now offers a full spectrum of services to meet the needs of South Jersey residents, particularly those in low-income, underserved neighborhoods.

The acquisition dramatically expanded Virtua's South Jersey footprint. The combined health system includes five hospitals, 280 care locations and 100-plus buildings. Virtua now employs more than 13,000 health care professionals, including 2,850 clinicians. Virtua projections are to deliver approximately 8,600 babies, treat 325,000 visitors in its emergency rooms and schedule more than 600,000 outpatient appointments annually.



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Commissioner of Banking & Insurance

Public Members

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*The Authority currently has two
Public Member vacancies.*

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MESSAGE FROM THE EXECUTIVE DIRECTOR

August 2nd marked my 15th year as the Executive Director of the Authority. During my tenure, the Authority has issued over \$12 billion of bonds on behalf of New Jersey health care facilities.



That total exceeds the amount issued by the Authority during its previous 31 years. During the same time, the Authority was ranked as the 76th largest bond issuer in the country and the 2nd largest issuer of solely health care bonds.

Even more amazing are the changes that have taken place with New Jersey's acute care hospital system. When I came aboard, New Jersey had 90 hospitals, we now have 71. There were 20 hospital systems and 30 stand-alone hospitals. Today we have 15 systems and only 15 stand-alone facilities. New Jersey's largest systems, Hackensack Meridian Health and RWJBarnabas have 12 and 11 hospitals respectively. The number of for-profit hospitals has

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NJHCFFA's First Hospital CFO/Bond Analyst Roundtable Wrap-up

The New Jersey Health Care Facilities Financing Authority's staff hosted the Authority's first Hospital CFO/Bond Analyst Roundtable on Tuesday, June 4th at the Forsgate Country Club. The all-day event was attended by 12 New Jersey nonprofit hospitals or health care systems, representing over 50% of New Jersey nonprofit hospitals: Atlantic Health System, AtlantiCare Health System, CentraState Healthcare System, Deborah Heart and Lung Center, Englewood Health, Holy Name Medical Center, Hunterdon Healthcare System, RWJBarnabas Health, St. Joseph's Health, St. Peter's Healthcare System, University Hospital and Virtua Health. Analysts from ten investment firms attended, representing holders of over 25% of the Authority's total outstanding bonds: BlackRock, Capital Research, Citi, Eaton Vance, Fidelity, Mellon, MetLife, PGIM, T. Rowe Price and Vanguard.

The event started with a two-hour morning roundtable to discuss Authority policies. There was a second two-hour roundtable in the afternoon to discuss issues suggested by both hospitals and analysts prior to the event. Nine of the hospitals or

health systems participated in half-hour breakout sessions where the analysts were able to pose questions specific to that hospital or health system. Fourteen of the Authority staff members also attended to assist and observe.

About half of the organizations represented responded to a post-Roundtable survey seeking feedback. Of those responses, 50% found the Roundtable "Extremely Useful" and 50% found it "Very Useful." None found it "Not Useful," "Somewhat Useful" or "Moderately Useful." All the respondents agreed that a similar Roundtable should be held every two or three years.

The discussion throughout the event was cordial, lively and informative. As a result of the discussions, Authority staff is considering proposing to Authority Members for consideration several more changes to the Authority's policies, including items discussed such as: (i) increased flexibility on the Days Cash on Hand and Debt Service Coverage Ratio requirements; (ii) expansion of eligible investments for the Construction Fund; (iii) reducing the amount of required title insurance; (iv) accom-

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increased from one to eleven.

As impressive as the number of health care organizations we have helped with low-interest financing are, I believe that our other contributions to the health of New Jersey has been equally remarkable. In 2000, the Authority's mission was expanded to include "providing assistance in the health care system of the State." Under that mandate, the Authority has been a considerable ally to the Department of Health, and ultimately, the State of New Jersey.

The Authority played an active role in the 2008 New Jersey Commission on Rationalizing Health Care Resources, which was the seminal study on how health care resources should be distributed throughout the state. Similarly, the Authority commissioned two (2) Navigant reports to determine the optimal hospital coverage for Hudson County in 2011 and Newark in 2015. More recently, the Authority commissioned a consultant for the Department of Health to evaluate the State's psychiatric hospitals.

On a regular basis, we perform a number of tasks to help the Department of Health monitor the state's hospitals and other health care facilities. We collect quarterly data on all of our hospitals regarding the occupancy rates and financial data. The Authority maintains this database and provides the Department with quarterly analyses. We also administer the monthly early warning system for the Department on any impending financial problems a hospital may have. And, the Authority shares its

architect with the Department two days a week. We also provide the Department with quarterly reports on the financial condition of Federally Qualified Health Centers and we provide quarterly reports to the Department of Human Services on the financial condition of long-term care facilities.

I am very proud of what this Authority has accomplished during my directorship. I owe much to our hardworking and dedicated staff, as well as to the bright and talented Authority Members who have guided the Authority through the years. I am also grateful for the support I have received from all of the commissioners, governors' staff members and Attorneys General with whom I have worked.

It's been a great 15 years and I can't wait to see what we accomplish next!

Commissioner Elnahal Accepts New Post



On May 1, 2019, the Board of Directors for University Hospital in Newark voted unanimously to appoint NJ Health Commissioner Shereef Elnahal, MD as the new President and CEO of the hospital. He began serving in his new post on July 22, 2019.

Capital Asset Program Loans

Hackensack Meridian Health

On May 21, 2019, the Authority closed on a **Capital Asset Program*** loan for Hackensack Meridian Health. The loan, in an amount not to exceed \$27,000,000, will be used to reimburse the Borrower for major moveable medical and computer equipment at JFK Medical Center, HMH Hospital Corporation, Jersey Shore University Medical Center, and Hackensack University Medical Center.

John Brooks Recovery Center

On August 20, 2019, the Authority closed on an \$11,800,000 **Capital Asset Program*** loan to partially finance the costs associated with the construction of a new 55,000 square foot, 120-bed, in-patient substance abuse rehabilitation facility located at Hamilton Business Park, in Mays Landing, New Jersey.

* **Capital Asset Program Loans** are made from the pooled revolving proceeds of the Authority's Capital Asset Program Series 1985 A and B bonds. TD Bank, NA, who is the credit provider for the bonds approved the loans.

Governor Murphy Nominates Persichilli to lead Health Department

On June 25, 2019, Governor Phil Murphy announced his intention to nominate Judith M. Persichilli to be the next Commissioner of Health. On August 5, 2019, Ms. Persichilli replaced Dr. Shereef Elnahal, who became the President and CEO of University Hospital on July 22, 2019.

Prior to leading the department, Ms. Persichilli served as the Acting Chief Executive Officer (CEO) of University Hospital in Newark.

Ms. Persichilli was president emerita of CHE Trinity Health, the health ministry formed in May 2013 by the consolidation of Catholic Health East and Trinity Health of Livonia, MI. She previously served as the interim president and CEO of CHE Trinity Health. Prior to this appointment, Ms. Persichilli was President and CEO of Catholic Health East. Ms. Persichilli joined CHE in 2003 as the Executive Vice President of the Mid-Atlantic Division. She was promoted to Executive Vice President of acute care for the system in 2008 and then to Executive Vice President and Chief Operating Officer in December 2009 before assuming the role of CEO.

Prior to joining CHE's System Office, Ms. Persichilli served for eight years as CEO at St. Francis Medical Center in Trenton.

Ms. Persichilli received her nursing diploma from the St. Francis Hospital School of Nursing, a Bachelor of Science in Nursing, summa cum laude from Rutgers University and

a Master of Arts in Administration, summa cum laude from Rider University. She also received an honorary Doctor of Health degree from Georgian Court University in 2009. In May 2011, Ms. Persichilli received an honorary Doctor of Humane Letters from Sacred Heart University in Fairfield, CT.

In 2006, Ms. Persichilli was inducted into the New Jersey State Nurses Association Hall of Honor. She also received the Catholic Charities, Diocese of Trenton's highest honor when she was awarded the 2008 Richard J. Hughes Humanitarian Award. In 2011, Ms. Persichilli was named one of the 50 most powerful people in New Jersey health care by NJBiz and was selected by KYW Newsradio as a recipient of its annual Women's Achievement Award.

Ms. Persichilli also received the 2011 Edward J. Ill Excellence in Medicine Award for Outstanding Medical Executive. In September 2011, Ms. Persichilli was awarded the Benemerenti Medal, a papal honor bestowed on her by Pope Benedict XVI. In October 2011, the Philadelphia Business Journal's inaugural Healthcare Innovation Awards program named Persichilli as the recipient of the Lifetime Achievement Award. Ms. Persichilli was named to Becker's Hospital Review's "300 Hospital and Health System Leaders to Know" list in 2012, which recognizes individuals leading prominent American health care organizations. Ms. Persichilli cofounded the Catholic Foundation of Greater Philadelphia, which provides



fundraising support to many organizations throughout the Greater Philadelphia region. In April 2013, Modern Healthcare named Persichilli to its 2013 list of Top 25 Women in Healthcare. ☘

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plishing approval of Authority financings in one meeting; (v) approving a Contingent Bond Sale without certain final approvals under specific circumstances; (vi) adding a requirement of quarterly investor calls and management discussions and analysis upon certain triggers; (vii) quarterly reports on construction for substantial construction projects; (viii) annual disclosure of borrower's budgets; and (ix) annual disclosure of Board Members including, relevant experience. ☘