

**MINUTES OF THE APRIL 2, 2012, MEETING OF THE HEALTHCARE COMMITTEE OF THE BOARD
OF DIRECTORS OF THE ILLINOIS FINANCE AUTHORITY**

The Board of Directors (the “Board”) of the Illinois Finance Authority (the “IFA”), pursuant to notice duly given, held a Healthcare Committee (the “Committee”) Teleconference Meeting at 1:00 p.m. on April 2, 2012, at the Chicago Office of the Illinois Finance Authority, 180 North Stetson Avenue, Suite 2555, Chicago, IL 60601.

IFA Staff Participants:

Board Members Participating:

Others Participating:

Dr. William J. Barclay, Committee
Chairman
Michael W. Goetz
Heather Parish
Brad Zeller (joined at 1:14 pm)

Christopher Meister, Executive Director
Pam Lenane, Vice President/Acting General
Counsel
Nora O’Brien, Legal/Financial Analyst

Courtney Shea, Acacia Financial Group
Anthe Mitrakos, Crains Chicago Business
Rob Walton, Marj Halperin Consulting

GENERAL BUSINESS

I. Call to Order and Roll Call

Chairman Dr. Barclay called the Committee meeting to order at 1:11 p.m. with the above Board Members, IFA staff and other participants present. The Chairman asked Ms. O’Brien to call the roll. There being three members present, Chairman Dr. Barclay declared a quorum had been met. Brad Zeller joined the meeting at 1:14p.m.

II. Review and Approval of the February 7, 2012 Minutes

The Minutes from the Healthcare Committee meeting held on February 7, 2012, were reviewed. Mr. Goetz moved to approve the minutes and Ms. Parish seconded the motion. By voice vote, the Committee agreed to approve the minutes.

III. Review and Approval of the March 5, 2012 Minutes

The Minutes from the Healthcare Committee meeting held on March 5, 2012, were reviewed. Mr. Goetz moved to approve the minutes and Ms. Parish seconded the motion. By voice vote, the Committee agreed to approve the minutes.

III. Project Approvals

Ms. Lenane presented the following project:

Item A: Ascension Health Alliance - \$600,000,000 – Final Resolution

Ascension Health Alliance is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$600,000,000. Bond proceeds will be used by Ascension Health Alliance (“Ascension Health” or the “Borrower”) (i) finance various capital expenditures at the Alexian Brothers Health System, (ii) refund certain Alexian Brothers Health System Bonds, (iii) refund certain Ascension Health Alliance commercial paper which may be issued to fund the redemption of certain Alexian Brothers Health System Bonds and/or tender of certain Alexian Brothers Health System Bonds, if deemed necessary or advisable, and (iv) refund certain Ascension Health Series 2002 Bonds.

Mr. Goetz asked if there had been a determination to use MBE/WBE underwriters on the transaction. Ms. Lenane responded that she had discussed the Board's policy with many members of the financing team. Ascension has used Citigroup and Morgan Stanley as their underwriters for a long time and will continue to do so. Mr. Goetz replied that it appears that a good faith effort was made to make them aware of the Board's policy encouraging participation of MBE/WBE underwriters. Dr. Barclay responded that that is all we can do.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

Ms. O'Brien presented the following projects:

Item B: Northwestern Medical Faculty Foundation – Final Resolution

Northwestern Medical Faculty Foundation is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$70,000,000. Bond proceeds will be used to (i) refund **Northwestern Medical Faculty Foundation** ("NMFF", the "Facility", the "Corporation" or the "Borrower") IHFA Series 1998 Bonds and (ii) pay associated cost of issuance.

The Committee did not have any questions regarding this project.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

Item C: Rockford Memorial Hospital – Final Resolution

Rockford Memorial Hospital is requesting approval of a Final Bond Resolution in an amount not-to-exceed \$40,000,000. Bond proceeds will be used to (i) current refund **Rockford Memorial Hospital** ("Rockford Memorial" or the "Borrower") IHFA Series 1997 Bonds and (ii) pay costs of issuance.

Chairman Dr. Barclay and Mr. Goetz did not have any questions regarding this project.

There was discussion by the Committee regarding BMO Harris Bank, N.A. as the direct purchaser. Ms. Lenane stated it was good to see an additional bank in the direct purchase arena and the competition would lead to lower interest rates for the borrowers.

Chairman Dr. Barclay asked for a motion to approve the above project. Mr. Goetz moved to approve the above project and the motion was seconded by Mr. Zeller. By voice vote, the Committee agreed that this project be recommended for Board approval.

IV. Other Business

Chairman Dr. Barclay asked if there was any other business before the Committee.

Ms. O'Brien responded that there will be an Advocate Resolution to amend the Bond Indenture to permit the Series 2008A-3 Bonds to be remarked at a premium or a discount.

Ms. Lenane stated that she met with Jacob Stuckey of CMS regarding the Medicaid Vendor Payment Program. CMS is still working out some technical issues regarding payment and IT systems. IFA is staying in touch and ready to proceed when needed.

Director Meister mentioned that Governor Quinn asked all State agencies, including the IFA, to recognize the central challenges in this legislative session and upcoming budget. These challenges are the unsustainable growth of pensions and Medicaid. He thought the recent editorial, "Come off the sidelines", in the *Chicago Tribune* on April 2, 2012 articulated the issues well. Director Meister stated that the Board Members would receive a copy of the article in their Board Meeting packages.

Director Meister congratulated Ms. Lenane in her new role as President of the National Association of Health and Education Facilities Finance Authorities ("NAHEFFA"). He stated it was good for IFA, for Illinois, for staff, for the Board and for the Borrowers.

Dr. Barclay asked for a motion to congratulate Ms. Lenane on her new role and to thank her for all of her hard work in the business, organizational, healthcare and legal areas at IFA. Ms. Parish seconded the motion. By voice vote, the Committee approved the motion.

V. Adjournment

Dr. Barclay asked for a motion to adjourn. Mr. Zeller moved to adjourn and Mr. Goetz seconded the motion.

The meeting adjourned at 1:33 p.m.

Minutes submitted by:
Nora O'Brien
Legal/Financial Analyst