



**North Carolina Department of Health and Human Services  
Division of Health Service Regulation  
Office of the Director**

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Secretary DHHS  
  
Drexdal Pratt  
Division Director

**MEMORANDUM**

**TO:** John A. Fagg, M.D.  
Chairman, N.C. Medical Care Commission

**FROM:** Charles T. Frock  
Chairman, Transparency in Health Care Costs Workgroup; Member, N.C. Medical Care Commission

**DATE:** October 24, 2014

**RE:** Proposed Adoption of Temporary Transparency Rules

I am sorry I cannot be at the Commission meeting this month, but wish to pass on my comments regarding the proposed adoption of temporary Transparency rules, first presented and adopted by the Commission at the September 12<sup>th</sup> meeting.

First, in light of the changes made by the General Assembly at the end of the short session, I agree with the approach Nadine Pfeiffer will describe regarding the sequence and use of temporary and permanent rules for us to consider and ensure compliance with the General Statutes. We have had questions from the field, but believe all understand after an explanation.

Second, we continue to have representation and engagement by the stakeholders in developing these rules and implementation guidelines. We met on September 29<sup>th</sup> and October 21<sup>st</sup> and plan on continuing meetings until all the rules are finalized. A memo was sent to all providers on September 16<sup>th</sup> detailing the quarterly deadlines for reporting for the next two years. Based on this schedule, we expect the first website publication to be in early January, 2015 for hospital DRGs.

Third, you will see we have received three written comments and no comments from two public hearings. This information will be summarized by staff and I concur with their recommendations that no changes be made to the proposed rules. We have developed, however, a reporting method for qualifying facilities without data to report that will not require a contract nor payment to the statewide data processor, Truven Health Analytics.

Thank you for your continued leadership and support of this process.

Cc: Drexdal Pratt, Director, DHSR  
Azzie Conley, Chief, Acute and Home Care Licensure and Certification Section  
Nadine Pfeiffer, Rule-making Coordinator, MCC



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