

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
 MEDICAL CARE COMMISSION QUARTERLY MEETING
 PLANNING SESSION
 DIVISION OF HEALTH SERVICE REGULATION
 801 BIGGS DRIVE RALEIGH, NORTH CAROLINA 27603
 BROWN BUILDING CONFERENCE ROOM- 104
 NOVEMBER 2, 2017
 3:00 P.M.**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
 MEDICAL CARE COMMISSION QUARTERLY MEETING
 DIVISION OF HEALTH SERVICE REGULATION
 801 BIGGS DRIVE RALEIGH, NORTH CAROLINA 27603
 BROWN BUILDING CONFERENCE ROOM- 104
 NOVEMBER 3, 2017
 9:00 A.M.**

MINUTES

I. MEDICAL CARE COMMISSION PLANNING SESSION – NOVEMBER 2, 2017

MEMBERS PRESENT	MEMBERS ABSENT
John A. Fagg, M.D., Chairman Joseph D. Crocker, Vice-Chairman Robert S. Alphin, M.D. Vickie L. Beaver Eileen C. Kugler, RN, MSN, MPH, FNP Albert F. Lockamy, Jr., RPh John J. Meier, IV, M.D. Karen E. Moriarty J. William Paugh Devdutta G. Sangvai, M.D. Patrick D. Sebastian Robert E. Schaaf, M.D. Jeffrey S. Wilson	Paul R.G. Cunningham, M.D. Charles H. Hauser Linwood B. Hollowell, III Kenly P. Lewis, D.D.S.
<p><u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u></p> Mark Payne, Director, DHSR, Secretary, MCC Geary W. Knapp, JD, CPA, Assistant Secretary, MCC Steven Lewis, Chief, Construction Section, DHSR Jeff Harms, Assistant Chief, Construction Section, DHSR Megan Lamphere, Chief, Adult Care Licensure Section Azzie Conley, Chief, Acute & Home Care Licensure, DHSR Clarence Ervin, Assistant Chief, Acute & Home Care Licensure, DHSR Tom Mitchell, Chief, Office of Emergency Medical Services Wally Ainsworth, Office of Emergency Medical Services	

Beverly Speroff, Assistant Chief, Nursing Home Licensure Bethany Burgon, Assistant Attorney General, NCDOJ Nadine Pfeiffer, Rules Coordinator, DHSR Alice Creech, Executive Assistant, MCC	
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COMMISSION ACTION:

The Medical Care Commission had a planning meeting on Thursday, November 2, 2017 to review rules and a topic on the agenda for Friday, November 3, 2017. The agenda was referred without action to the Medical Care Commission meeting on November 3, 2017.

II. MEDICAL CARE COMMISSION MEETING – NOVEMBER 3, 2017

MEMBERS PRESENT	MEMBERS ABSENT
John A. Fagg, M.D., Chairman Joseph D. Crocker, Vice-Chairman Robert S. Alphin, M.D. Vickie L. Beaver Eileen C. Kugler, RN, MSN, MPH, FNP Albert F. Lockamy, Jr., RPh John J. Meier, IV, M.D. Karen E. Moriarty J. William Paugh Devdutta G. Sangvai, M.D. Patrick D. Sebastian Robert E. Schaaf, M.D. Jeffrey S. Wilson	Paul R.G. Cunningham, M.D. Linwood B. Hollowell, III Kenly P. Lewis, D.D.S.
<u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u>	
Mark Payne, Director, DHSR, Secretary, MCC Geary W. Knapp, JD, CPA, Assistant Secretary, MCC Emery Milliken, Deputy Director, DHSR Steven Lewis, Chief, Construction Section, DHSR Jeff Harms, Assistant Chief, Construction Section, DHSR Megan Lamphere, Chief, Adult Care Licensure Section Azzie Conley, Chief, Acute & Home Care Licensure, DHSR Clarence Ervin, Assistant Chief, Acute & Home Care Licensure, DHSR Tom Mitchell, Chief, Office of Emergency Medical Services Wally Ainsworth, Office of Emergency Medical Services Beverly Speroff, Assistant Chief, Nursing Home Licensure Bethany Burgon, Assistant Attorney General, NCDOJ Nadine Pfeiffer, Rules Coordinator, DHSR Kathy Larrison, Auditor, MCC Crystal Abbott, Auditor, MCC Alice Creech, Executive Assistant, MCC	

OTHER ATTENDANCE: (See Exhibit H)

III. CHAIRMAN'S COMMENTS: Dr. John A. Fagg called the meeting to order at 9:00 a.m. and thanked everyone for their attendance. Dr. Fagg briefly discussed the *New York Times* article included in the agenda packet. He also announced tentative plans for a Commission retreat in the spring to review policies, procedures, and the potential future direction of the Commission. Finally, Dr. Fagg emphasized the Commission's policy regarding conflict of interest. Specifically, a member with a financial interest in any party to a proposed transaction that comes before the Commission must recuse themselves from any vote regarding that matter. However, that member may participate in the discussion regarding the entity in spite of the recusal requirement.

IV. APPROVAL OF MINUTES from the August 11, 2017 Medical Care Commission Quarterly Meeting and the September 11, 2017 Full Commission Conference Call Meeting is requested (See Exhibit A/1 and Exhibit A/2).

COMMISSION ACTION: Motion to approve the minutes was made by Dr. Devdutta Sangvai, seconded by Dr. Robert Schaaf, and unanimously approved.

V. DR. FAGG INTRODUCED THE FOLLOWING NEW COMMISSION MEMBERS:

- Dr. John J. Meier, IV, Raleigh, NC
- Mr. Jeffrey S. Wilson, Wilmington, NC
- Mrs. Karen E. Moriarty, Raleigh, NC

VI. NORTH CAROLINA BOARD OF ETHICS LETTERS WERE READ INTO THE MINUTES FOR THE FOLLOWING NEW MEMBERS:

- Dr. John J. Meier, IV (See Exhibit A/3)
- Mr. Jeffrey S. Wilson (See Exhibit A/4)

VII. RESOLUTIONS OF APPRECIATION WERE GIVEN TO THE FOLLOWING RETIRING MEMBERS:

- Dr. Carl Rust – August 11, 2017 (See Exhibit A/5)
- Dr. Henry Unger – November 3, 2017 (See Exhibit A/6)
- Mr. Paul Wiles – November 3, 2017 (See Exhibit A/7)

COMMISSION ACTION: Motion was made to approve the resolutions by Mr. Charles Hauser, seconded by Mr. Al Lockamy, and unanimously approved.

VIII. DIVISION DIRECTOR'S REPORT (S. MARK PAYNE):

Mr. Payne provided notice of two upcoming hospital closures to the Commission. FirstHealth of Hamlet, formerly known as Sand Hills Regional Medical Center, will cease operations on November 3, 2017. Also, Our Community Hospital of Scotland Neck, located in Halifax County, will be closing their acute beds and only operate as a skilled nursing facility. The NCMCC does not have any outstanding obligations related to the two facilities.

Further, Mr. Payne reported on the recent deployment of DHSR's mobile disaster hospital. In September, DHSR sent the mobile disaster hospital to Marathon Florida in response to damage to Fisherman's Community Hospital caused by Hurricane Irma. Additionally, DHSR provided six EMS staff for over a week to set up the mobile disaster hospital. Mr. Payne recognized Roger Kiser, Ronnie Murtagh, Zack Stutts, Rob Glover, David Ezzell, and Charles Tripp (DPS) for their hard work, sacrifice, and service. Mr. Payne also recognized Tom Mitchell (Section Chief), who was in Key West with the North Carolina Baptist Men serving 12,000 meals a day in very difficult conditions in the aftermath of Hurricane Irma, for his hard work, sacrifice, and service. Additionally, Mr. Payne noted that Roger Kiser is currently in Puerto Rico helping coordinate the emergency management response and will remain in Puerto Rico for at least sixteen days. Mark Payne stated that it was a privilege and honor to work with people with such a high level of commitment to serving others.

Other items to report on are listed below:

1. Quarterly Report on Bond Program (See Exhibit B)
2. The following notices and non-action items were received by the Executive Committee:

September 1, 2017 – Hugh Chatham 2008 (Conversion)

- Change in bank holding period

September 29, 2017 – Deerfield, Series 2008B (Redemption)

- Outstanding Balance - \$30,350,000
- Funds were provided by Cash on Hand

October 2, 2017 – Wake Forest Baptist, Series 2012C (Redemption)

- Outstanding Balance - \$50,355,000
- Funds were provided by Wells Fargo

October 2, 2017 – Wake Forest Baptist, Series 2012D (Conversion)

- Change in interest rate and bank holding period

October 18, 2017 (Notice) – Cape Fear Valley Health System, Series 2008A (Redemption)

- Outstanding Balance – \$152,000,000
- Funds provided by tax-exempt bonds issued by the Public Finance Authority (Wisconsin)

October 3, 2017 (Notice) – Masonic and Eastern Star Home (Whitestone), Series 2011A (Redemption)

- Outstanding Balance – \$21,495,000
- Funds provided by tax-exempt bonds issued by the Public Finance Authority (Wisconsin)

3. The Executive Committee held telephone conference call meetings on the following dates:

October 18, 2017– The Executive Committee gave final approval to a Tax-Exempt Lease Program for Duke University Health Systems. (See Exhibit B/1).

COMMISSION ACTION: Motion was made to approve the October 18, 2017 Executive Committee actions by Mr. Joseph Crocker, seconded by Dr. John Meier, and unanimously approved with the recusal of Dr. Devdutta Sangvai.

IX. EDUCATIONAL PRESENTATIONS:

- A. Mr. Gary Austin of PDR Advisors gave a presentation on bonds to the Commission. He provided a PowerPoint presentation. (See Exhibit I)
- B. Mr. Robert Newman of the NC Department of State Treasurer & Debt Management Section gave a presentation on bond pricing.

X. BOND PROJECTS

A. **Southeastern Regional Medical Center**.....Geary W. Knapp & Steven C. Lewis

Mrs. JoAnn Anderson, Chief Executive Officer of Southeastern Regional requested the Commission for a waiver of its compliance policy.

COMMISSION ACTION: Motion was made to approve the waiver to the compliance policy by Mr. Bill Paugh, seconded by Dr. Devdutta Sangvai, and unanimously approved.

Mrs. JoAnn Anderson thanked the Commission for granting Southeastern the waiver.

Statements were given by Mrs. JoAnn Anderson, Mr. Joe Parslow, Mr. Thomas Johnson, Mr. Kenneth Rust, Mr. Joe Crocker, Dr. Robert Schaaf, Dr. Devdutta Sangvai, and Dr. John Meier. (See Exhibit J)

Resolved: The Commission grants preliminary approval to a project for Southeastern Regional Medical Center, Inc. to provide funds to refund the (1) \$20,000,000 North Carolina Medical Care Commission Variable Rate Demand Hospital Revenue Bonds (Southeastern Regional Medical Center) Series 2005 outstanding in the amount of \$17,000,000 and (2) to fund a number of completed or to be completed projects including renovation of the inpatient surgery department, replacement of three air handlers, re-roofing of several main campus buildings, Woodhaven Short Term Rehab addition and renovation, installation of EPIC system, and various other capital improvement and equipment purchases totaling approximately \$41,460,000, of which \$32,622,000 was financed with a taxable loan and is being refinanced all in accordance with a preliminary application, plans, and specifications as follows:

ESTIMATED SOURCES OF FUNDS

Principal Amount of Bonds to be Issued	\$57,940,000
Series 2005 Construction and Cost of Issuance Funds	1,337,470
Interest Earned on Bond Proceeds	<u>59,351</u>
Total	\$59,336,821

ESTIMATED USES OF FUNDS

Construction Costs	\$5,026,850
Construction Contingency (less than 5% of construction contracts)	613,842
Moveable Equipment	3,197,915
Amount Required to Refund Series 2005 Bonds	17,000,000
Amount Required to Refund Taxable Construction Loan	32,622,000
Bond Interest during Construction	471,166
Borrower Counsel	45,000
Bond Counsel	107,866
Bank Counsel	60,000
Trustee Fee	12,000
DHSR Reimbursable	27,519
Local Government Commission Fee	8,750
Agreed Upon Procedures Consultant	50,000
Financial Advisor	<u>93,913</u>
Total	\$59,336,821

Tentative approval is given with the understanding that the governing board of Southeastern Regional Medical Center accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required certificate of need must be in effect at the time of the issuance of the bonds or notes.
3. Financial feasibility must be determined prior to the issuance of bonds.
4. The project must, in all respects, meet requirements of G.S. § 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).
6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its patients.
7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the "Governor") approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.

8. The borrower will provide the Commission annually a copy of the Advocacy Needs Data Initiative (ANDI) form it files with the North Carolina Hospital Association (NCHA) in accordance with a resolution passed by the Commission on February 9, 2007 adopting the NCHA Community Benefits reporting format and methodology for hospitals reporting to the Commission.
9. All health care facilities and services directly or indirectly owned or controlled by the health care organization, including physician practices, shall be available to Medicare and Medicaid patients with no limitations imposed as a result of the source of reimbursement.
10. The borrower will furnish, prior to the sale of or reissuance of the bonds or notes or execution of the leases, evidence that it is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is:

- | | | | | | | |
|--|---|-----|-------|----|-------|-----|
| 1. Financially feasible | ✓ | Yes | _____ | No | _____ | N/A |
| 2. Construction and related costs are reasonable | ✓ | Yes | _____ | No | _____ | N/A |

See **Exhibit C** for compliance and selected application information.

COMMISSION ACTION: Motion was made to approve the project by Mrs. Eileen Kugler, seconded by Dr. Devdutta Sangvai, and unanimously approved with Dr. John Fagg abstaining from the vote.

B. Cone Health System.....Geary W. Knapp & Steven C. Lewis

Mr. John Miller, Chief Information Officer and Treasurer of Cone Health System requested the Commission for a waiver of its compliance policy.

COMMISSION ACTION: Motion was made to approve the waiver to the compliance policy by Mr. Charles Hauser, seconded by Dr. John Meier, and unanimously approved.

Statements were given by Dr. Fagg, Mr. Joe Crocker, Geary Knapp, Crystal Abbott, Charles Hauser, Dr. Sangvai, Dr. Meier, John Miller, Karen Moriarty and Steven Lewis.

(See Exhibit K)

Resolved: The Commission grants preliminary approval for a project for The Moses H. Cone Memorial Hospital to **(1)** refund the \$47,500,000 North Carolina Medical Care Commission Hospital Revenue Bonds (Moses Cone Health System) Series 2004A outstanding in the amount of \$46,065,000, **(2)** refund the \$47,980,000 North Carolina Medical Care Commission Hospital Revenue Refunding Bonds (Cone Health) Series 2011B outstanding in the amount of \$45,135,000, **(3)** construct a new 220,000 sq. ft. facility to unite women’s services at Woman’s Hospital & Children’s Services with Moses H. Cone Hospital, renovate Wesley Long Hospital

and replace 14 ORs with 10 larger OR suites and, (4) capital spending throughout all campuses in the amount of \$25,000,000 all in accordance with a preliminary application, plans, and specifications as follows:

ESTIMATED SOURCES OF FUNDS

Principal Amount of Bonds to be Issued	<u>\$276,890,000</u>
Total	\$276,890,000

ESTIMATED USES OF FUNDS

Construction Contracts	\$113,602,668
Architect Fees	7,842,605
Construction Contingency (1% of construction contract)	1,136,027
Total Movable Equipment	1,860,508
Surveys, Tests, Insurance, etc.	1,102,966
Consultants' Fees related to Construction	3,555,242
Financial, Legal & Admin related to Construction	4,531,372
Escrow Amount to Refund Series 2004A Series Bonds	46,137,594
Escrow Amount to Refund Series 2011B Series Bonds	45,207,593
Routine Capital Spending	25,000,000
Bond Interest during Construction	4,986,116
Debt Service Reserve Fund	19,777,305
Underwriter's Discount/Placement Fee	1,038,338
Feasibility Fees	40,000
Accountant's Fees	100,000
Corporation Counsel	75,000
Bond Counsel	200,000
Rating Agencies	300,000
Trustee Fees	10,000
Printing Costs	10,000
DHSR Reimbursable	122,917
Local Government Commission Fee	8,750
Financial Advisor	120,000
Underwriter's Counsel	<u>125,000</u>
Total	\$276,890,000

Tentative approval is given with the understanding that the governing board of Moses H. Cone Memorial Hospital accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required certificate of need must be in effect at the time of the issuance of the bonds or notes.
3. Financial feasibility must be determined prior to the issuance of bonds.

4. The project must, in all respects, meet requirements of G.S. § 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).
6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its patients.
7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the "Governor") approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.
8. The borrower will provide the Commission annually a copy of the Advocacy Needs Data Initiative (ANDI) form it files with the North Carolina Hospital Association (NCHA) in accordance with a resolution passed by the Commission on February 9, 2007 adopting the NCHA Community Benefits reporting format and methodology for hospitals reporting to the Commission.
9. All health care facilities and services directly or indirectly owned or controlled by the health care organization, including physician practices, shall be available to Medicare and Medicaid patients with no limitations imposed as a result of the source of reimbursement.
10. The borrower will furnish, prior to the sale of or reissuance of the bonds or notes or execution of the leases, evidence that it is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is -

- | | | | | | | |
|--|------------|-----|-------|----|-------|-----|
| 1. Financially feasible | ✓
_____ | Yes | _____ | No | _____ | N/A |
| 2. Construction and related costs are reasonable | ✓
_____ | Yes | _____ | No | _____ | N/A |

See **Exhibit D** for compliance and selected application information.

COMMISSION ACTION: Motion was made by Dr. Sangvai to approve the project, seconded by Dr. Meier, and unanimously approved.

XI. OLD BUSINESS

A. Rules for Adoption.....Rules and Comments.....Nadine Pfeiffer

- 1. Home Care Rules (Nadine Pfeiffer & Azzie Conley)
Readoption of 8 rules following Periodic Review:
10A NCAC 13J .0901, .1004, .1007, .1107, .1110, .1202, .1402, and 1502
(See Exhibits E-E/3)

COMMISSION ACTION: Motion was made by Mrs. Eileen Kugler to approve the readoption of the Home Care Rules, seconded by Mr. Albert Lockamy, and unanimously approved.

- 2. Emergency Medical Services and Trauma Rules (Nadine Pfeiffer & Tom Mitchell)
Adoption of rules for Ground Ambulance Manufacturing Standards and Medical Oversight for Air Medical Programs: 10A NCAC 13P .0224 & .0410
(See Exhibits E/4-E/6)

COMMISSION ACTION: Motion was made by Mrs. Kugler to approve the adoption of the Emergency Medical Services and Trauma Rules by Mrs. Eileen Kugler, seconded by Mr. Joe Crocker, and unanimously approved.

- 3. Nursing Home Licensure Rules (Nadine Pfeiffer & Beverly Speroff)
Amendment to Administrator rule: 10A NCAC 13D .2201
(See Exhibits E/7-E/9)

COMMISSION ACTION: Motion was made By Mr. Joe Crocker to amend the administrator rule for Nursing Home Licensure Rules, seconded by Dr. John Meier, and unanimously approved.

- 4. Hospital Construction Rules (Nadine Pfeiffer & Steve Lewis)
Replace with American Society of Healthcare Engineering's Facility Guideline Institute (FGI) guidelines pursuant to Session Law 2017-174:
(See Exhibits E/10-E/16)

a) Repeal of 29 rules: 10A NCAC 13B

COMMISSION ACTION: Motion was made to repeal the 29 rules by Mr. Joe Crocker, seconded by Dr. John Meier, and unanimously approved.

b) Temporary Rules: 10A NCAC 13B .6003, .6105, and .6228

COMMISSION ACTION: Motion was made to approve the temporary Hospital Construction Rules by Mr. Joe Crocker, seconded by Dr. John Meier, and unanimously approved.

B. Periodic Review of Existing Rules (HB 74) – Final Category Determination....N. Pfeiffer

1. 10A NCAC 13F, Licensing of Adult Care Homes of Seven or More Beds
Comments review, final report approval (Nadine Pfeiffer & Megan Lamphere)
(See Exhibits F-F/4)

COMMISSION ACTION: Motion was made to approve the final Category Determination by Dr. Devdutta Sangvai, seconded by Dr. John Meier, and unanimously approved.

XII. NEW BUSINESS

A. Rules for Initiating Rulemaking Approval (Rules & Fiscal Note).....Nadine Pfeiffer

1. Emergency Services and Trauma Rules (Nadine Pfeiffer & Tom Mitchell)
Amendments to update standards and incorporate changes in practice settings:
10A NCAC 13P .0102, .0201, .0222, .0301, .0505, .0506, .0904, .1502, and .1505
(See Exhibits G-G-2(a))

COMMISSION ACTION: Motion was made by Mrs. Eileen Kugler to initiate the rule making process for the Emergency Services and Trauma Rules, seconded by Mr. Lockamy, and unanimously approved.

XIII. THREE MEMBERS NOMINATED TO SERVE ON THE EXECUTIVE COMMITTEE:

- Mrs. Eileen Kugler
- Dr. Robert Schaaf
- Mr. Albert Lockamy

COMMISSION ACTION: Due to the fact only 3 Commission Members were nominated to serve on the Executive Committee, no vote was necessary. The three members nominated were unanimously approved to serve on the Executive Committee.

XIV. THE CHAIRMAN APPOINTED THE FOLLOWING MEMBER TO SERVE OUT THE REMAINING TERM OF THE VACATED SEAT OF MR. PAUL WILES ON THE EXECUTIVE COMMITTEE:

- Dr. Devdutta Sangvai
- Term of appointment will end December 31, 2018
- Vacated seat (Wiles) was one of two seats in accordance with 10A NCAC 13A.0101, which states two members shall be appointed by the Chairman of the Commission at the November meeting of each **even** year.

XV. BOND ATTORNEY APPROVAL PROCESS.....Geary W. Knapp

North Carolina General Statute § 147-17 requires the Governor's approval for the employment of counsel. The Governor's approval is contingent on the advisement of the Attorney General.

In order to become compliant with § 147-17, a list of bond counsel has been provided to the Attorney General to begin the approval process.

COMMISSION ACTION: No action required.

XVI. RESOLUTION AUTHORIZING THE TRANSFER OF NCMCC 1985 & 1986 POOL FUNDS

WHEREAS, the North Carolina Medical Care Commission (hereafter called the "Commission") holds funds in an investment account with the Bank of New York Mellon Trust Company, and

WHEREAS, the North Carolina Medical Care Commission is authorized to deposit at interest or invest all or part of the cash balance of any fund in accordance N.C.G.S § 159-30, and

WHEREAS, the North Carolina Medical Care Commission desires to reduce costs, increase earnings, and comply with accounting reporting standards, and

WHEREAS, the North Carolina Department of Treasurer offers investment accounts that will reduce costs, increase earnings, and meet accounting reporting standards; now, therefore

BE IT RESOLVED, the Commission approves the transfer of all the funds in the investment account of Bank of New York Mellon Trust Company to the investment fund(s) of North Carolina Department of Treasurer in the following allocation:

100%	Short Term Investment Fund
%	Bond Index Fund
%	Equity Index Fund

BE IT FURTHER RESOLVED, that the Chairman, Vice-Chairman, Secretary or any Assistant Secretary be authorized to execute any and all documents required to carry out the purposes of this resolution.

COMMISSION ACTION: Motion was made to approve transfer of the NCMCC 1985 & 1986 Pool Custodian Funds by Dr. John Meier, seconded by Mr. Joe Croker, and unanimously approved.

XVII. APPOINTMENT OF ASSISTANT SECRETARY.....Dr. John Fagg

Resolved:

WHEREAS Chapter 131A of the General Statutes of North Carolina, the same being the Health Care Finance Act, empowers the North Carolina Medical Care Commission (hereafter called the "Commission") to finance health care facilities for public and nonprofit agencies within the State of North Carolina; and

WHEREAS, prior to and subsequent to the initial approval of a project by the Commission, a substantial amount of work and documentation is required to be completed and executed for and on behalf of the Commission in connection with effectuation of such financings, including the

completion of financing documents and the execution and certification of various legal documents and the execution of any bonds issued under said Act; and

WHEREAS, the Commission deems it advisable to appoint an Assistant Secretary to complement the Secretary in the performance of such duties and to exercise such other functions as the Commission may hereafter authorize; now, therefore

BE IT RESOLVED, by the Commission that effective November 3, 2017 Geary W. Knapp, JD, CPA is hereby appointed Assistant Secretary to the North Carolina Medical Care Commission, to hold such office at the will of the Commission.

COMMISSION ACTION: Motion was made to appoint Geary W. Knapp as Assistant Secretary by Mr. Joe Croker, seconded by Mr. Lockamy, and unanimously approved.

XVIII. THE FOLLOWING DATES WERE UNANIMOUSLY APPROVED FOR THE QUARTERLY COMMISSION MEETINGS IN 2018:

DATES	LOCATIONS
February 8-9, 2018	Division of Health Service Regulation 801 Biggs Drive Conference Room 104 Raleigh, NC 27603
May 10-11, 2018	Duke Health Pavilion Durham, NC
August 9-10, 2018	Division of Health Service Regulation 801 Biggs Drive Conference Room 104 Raleigh, NC 27603
November 1-2, 2018	Division of Health Service Regulation 801 Biggs Drive Conference Room 104 Raleigh, NC 27603

XIX. REFUNDING OF COMMISSION BOND ISSUES.....Geary W. Knapp

Resolved:

WHEREAS, the bond market is in a period of generally fluctuating interest rates, and

WHEREAS, in the event of decline of rates during the next quarter, refunding of certain projects could result in significant savings in interest expense thereby reducing the cost of health care to patients, and

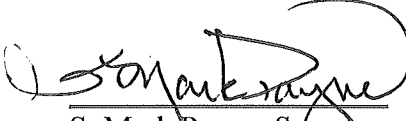
WHEREAS, the Commission will not meet again until February 9, 2018 in Raleigh, North Carolina;

THEREFORE, BE IT RESOLVED; that the Commission authorize its Executive Committee to approve projects involving the refunding of existing Commission debt between this date and February 9, 2018.

COMMISSION ACTION: Motion was made by Mr. Bill Paugh, seconded by Mr. Joe Crocker, and unanimously approved.

XX. The meeting was adjourned at 12:55 p.m.

Respectfully Submitted,


S. Mark Payne, Secretary

12/1/17
Date