

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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**NORTH CAROLINA MEDICAL CARE COMMISSION QUARTERLY MEETING  
TELEPHONE CONFERENCE CALL  
DIVISION OF HEALTH SERVICE REGULATION  
BROWN BUILDING, CONFERENCE ROOM 104  
801 BIGGS DRIVE, RALEIGH, NC 27603  
FEBRUARY 12, 2016  
9:00 A.M.**

MINUTES

**I. MEDICAL CARE COMMISSION MEETING –FEBRUARY 12, 2016:**

<b>MEMBERS PRESENT</b>	<b>MEMBERS ABSENT</b>
John A. Fagg, M.D., Chairperson Joseph D. Crocker, Vice-Chairperson Robert S. Alphin, M.D. Charles T. Frock Elizabeth P. Kanof, M.D. Albert F. Lockamy, Jr., R.Ph. G. Wayne Long Paul McGill, D.D.S. Mary L. Piepenbring Carl K. Rust, II, M.D. Devdutta G. Sangvai, M.D. Robert E. Schaaf, M.D. Henry A. Unger, M.D. Paul M. Wiles	Charles H. Hauser Eileen C. Kugler, RN, MSN, MPH, FNP
<b><u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u></b>	
S. Mark Payne, Assistant Secretary for Audit & DHSR/MCC Secretary Christopher B. Taylor, CPA, Assistant Secretary, MCC Steven C. Lewis, Chief, Construction Section, DHSR Nadine Pfeiffer, Rules Review Manager, DHSR Shelley Carraway, Chief, Planning/CON Section, DHSR Azzie Conley, Chief, Acute & Home Care, DHSR Clarence Ervin, Assistant Chief, Acute & Home Care, DHSR Cindy Deporter, Interim Assistant Chief, Acute & Home Care, DHSR Bethany Burgon, Assistant Attorney General, NCDOJ Alice Creech, Executive Assistant, MCC	

**Other Attendance:** (attached as Exhibit F)

**II. CHAIRPERSON'S COMMENTS:**

Dr. Fagg welcomed everyone to the conference call meeting. He said he always prefers face to face meetings but we did not have enough business to justify making everyone drive to Raleigh. He will personally introduce Mark Payne and will give his heart felt good byes to Drexdal Pratt at our May Meeting.

**II. MEDICAL CARE COMMISSION RESOLUTION TO DESIGNATE THE SECRETARY TO THE NORTH CAROLINA MEDICAL CARE COMMISSION**

**COMMISSION ACTION:** Motion was made by Mr. Crocker, seconded by Dr. McGill and unanimously approved.

**Whereas,** the Department of Health and Human Resources Directive Number 12, the title of which is “Delegation of Authority to Director, Division of Health Services Regulation” paragraph 11 states “The Director, Division of Health Service Regulation, may serve as Secretary of the Medical Care Commission at its discretion”; and

**Whereas,** as of January 1, 2016, the duties of the position of the Director have been assumed by the Assistant Secretary for Audit and Health Service Regulation of the North Carolina Department of Health and Human Services; and

**Whereas,** the Commission desires to have the Assistant Secretary for Audit and Health Service Regulation serve as its Secretary; and

**Whereas,** Mark Payne has been named Assistant Secretary for Audit and Health Service Regulation; and

**Now,** therefore, the North Carolina Medical Care Commission hereby designates Mark Payne as Secretary of the Medical Care Commission;

**Effective,** as of this 12<sup>th</sup> day of February, 2016.

**IV. APPROVAL OF MINUTES from the November 13, 2015 meeting was requested (attached as Exhibit A)**

**COMMISSION ACTION:** Motion was made by Dr. Rust, seconded by Dr. McGill with one correction on page 3.

**V. REPORT FROM MARK PAYNE**

Mr. Payne thanked the Members of the Commission for their service. He is very delighted to be part of the Division of Health Service Regulation and feels very fortunate to have an excellent staff of highly competent professionals. He reported that the Division will have several who will be retiring in the next few months and we are very close to announcing the successor for the OEMS Chief. He announced that the Legislature will convene on April 25<sup>th</sup> and he does not anticipate any significant changes to the budget that will impact our Division. At the request of the Joint-Legislature Oversight Committee for Health and Human Services, our Planning and CON Section Chief, Shelley Carraway, presented an overview of our 2016 State Medical Facilities Plan to the Committee. The Committee’s focus was on the need determination for adult and child/adolescent psychiatric and substance abuse beds. Shelley also presented the need determination from the 2015 Plan. The majority of the discussion was about the number of state-operated psychiatric and substance abuse beds, which are not part of our Division’s need determination. Other items to report on are listed below: **(Exhibits B-B/1)**

1. Quarterly Report on Bond Program ( attached as Exhibit B)
2. The Executive Committee held a telephone conference meeting on the following date:

**December 3, 2015 – (1)** To authorize the sale of bonds, the proceeds of which are to be loaned to Hugh Chatham Memorial Hospital, Inc., **(2)** Series Resolution requesting final approval to authorize the sale of bonds, the proceeds of which are to be loaned to United Church Homes and Services, **(3)** Medical Care Commission Policy for Recusal, Disclosure and Participation with supporting documentation for your review and comment, and **(4)** Hospital Improvements Without Tax Money Advertisement that was passed out at the November 13, 2015 Commission Meeting by Allen Robertson. **(Exhibit B/1)**

**VI. OLD BUSINESS:**

- A. Medical Care Commission Policy for Recusal, Disclosure and Participation....Dr. Fagg and Bethany Burgon (Supporting documentation is attached as Exhibit C)**

**COMMISSION ACTION:** Motion was made by Dr. McGill, seconded by Mr. Lockamy and unanimously approved.

**Medical Care Commission Policy for Recusal, Disclosure and Participation**

The Medical Care Commission (“MCC”) Policy for Recusal, Disclosure and Participation has been developed from the guidance provided in NCGS §§ 131A-22, 14-234, 138A-31 and 138A-36. The MCC is authorized to issue tax-exempt revenue bonds for the financing, refinancing, acquiring, constructing, equipping and providing of health care facilities. The MCC does not make the decision as to the selection of the banks or financial institutions (“institution”) that will service the bonds. Many Commissioners own varying amounts of stock in institutions from above \$10,000 to \$100,000. A Commissioner’s approval of a revenue bond issue would result in a financial benefit to the institution selected to service the bonds. In most, if not all cases, those financial benefits would be greatly disproportionate to the total value of the institution in question. Accordingly, a Commissioner’s approval of a revenue bond issue would have a minimal impact, if any, upon the value of the institution and its stock. At present, a Commissioner owning stock in an institution should only discuss the merits of a health care facility’s plan of action with relationship to the bond proposed. A health care facility’s choice of institution for servicing the bonds should not be discussed if a Commissioner owns stock in an institution. Until further clarification is obtained, a Commissioner owning such stock should refrain from voting on the overall bond proposal.

- B. Nadine Pfeiffer gave updates on the Rules for Final Adoption:**

**Health Care Cost Reduction & Transparency Rules (Exhibits D-D/2)**

**COMMISSION ACTION:** Motion was made by Dr. Sangvai, seconded by Dr. Schaaf and unanimously approved.

- 1) Licensing of Hospitals, 10A NCAC 13B .2102
- 2) Licensing of Ambulatory Surgical Facilities, 10A NCAC 13C .0206

- C. Nadine Pfeiffer gave updates on the Periodic Review of Existing Rules (HB 74) – Initial Category Determination (Exhibits E- E/2)**

Comments were made by Azzie Conley.

**COMMISSION ACTION:** Motion was made by Mr. Crocker, seconded by Mr. McGill and unanimously approved.

10A NCAC 13J, The Licensing of Home Care Agencies

**VII. REFUNDING OF COMMISSION BOND ISSUES.....Christopher B. Taylor**

**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 May 20, 2016 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 May 20, 2016.

**VIII. QUESTIONS FROM THE PUBLIC - There were no questions/comments from the public.**

**IX. ADJOURNMENT – There being no further business, the meeting was adjourned at 9:45 a.m.**

  
S. Mark Payne, Secretary

02/26/2016  
Date