

**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
 PLANNING SESSION
 May 19, 2016
 3:00 P.M.**

**MEDICAL CARE COMMISSION QUARTERLY MEETING
 NORTH CAROLINA MEDICAL SOCIETY
 222 NORTH PERSON STREET #200
 RALEIGH, NORTH CAROLINA 27601
 May 20, 2016
 9:00 A.M.
MINUTES**

I. MEDICAL CARE COMMISSION PLANNING SESSION– May 19, 2016

MEMBERS PRESENT	MEMBERS ABSENT
John A. Fagg, M.D., Chairperson Robert S. Alphin, M.D. Charles T. Frock Charles H. Hauser Eileen C. Kugler, RN, MSN, MPH, FNP (Via Conference Call) Albert F. Lockamy, Jr., RPh G. Wayne Long Paul A. 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	Joseph D. Crocker, Vice-Chairperson Elizabeth P. Kanof, M.D. Vickie L. Beaver
<p><u>DIVISION OF HEALTH SERVICE REGULATION</u></p> <p><u>STAFF</u></p> S. Mark Payne, Assistant Secretary for Audit & Health Service Regulation/Secretary, MCC Christopher Taylor, CPA, Assistant Secretary, MCC Cheryl Ouimet, Chief Operating Officer, DHSR Azzie Conley, Chief, Acute & Home Care Licensure, DHSR Beverly Speroff, Assistant Chief, Licensure & Certification, DHSR Jeff Harms, Assistant Chief, DHSR Construction Megan Lamphere, Chief, Adult Care Licensure Section Tom Mitchell, Chief, Office of Emergency Medical Services Bethany Burgon, Assistant Attorney General Nadine Pfeiffer, Rules Review Manager, DHSR Alice Creech, Executive Assistant, MCC	

COMMISSION ACTION:

The Medical Care Commission held its planning meeting on Thursday, May 19, 2016 to review rules on the agenda for Friday, May 20, 2016. The agenda was referred without action to the Medical Care Commission meeting on May 20, 2016.

II. MEDICAL CARE COMMISSION MEETING –May 20, 2016

MEMBERS PRESENT	MEMBERS ABSENT
<p>John A. Fagg, M.D., Chairman Robert S. Alphin, M.D. Vickie L. Beaver Charles T. Frock Charles H. Hauser Eileen C. Kugler, RN, MSN, MPH, FNP (Via Conference Call) Albert F. Lockamy, Jr., RPh Paul McGill, D.D.S. Mary L. Piepenbring Carl K. Rust, M.D. Devdutta G. Sangvai, M.D. Robert E. Schaaf, M.D. Henry A. Unger, M.D. Paul M. Wiles</p> <p><u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u> S. Mark Payne, Assistant Secretary for Audit & Health Service Regulation/Secretary, MCC Christopher Taylor, CPA, Assistant Secretary, MCC Cheryl Ouimet, Chief Operating Officer, DHSR Amy Sawyer, Strategic Planner, DHSR Azzie Conley, Chief, Acute & Home Care Licensure, DHSR Megan Lamphere, Chief, Adult Care Licensure Section Tom Mitchell, Chief, Office of Emergency Medical Services Wally Ainsworth, Office of Emergency Medical Services Beverly Speroff, Assistant Chief, Licensure & Certification, DHSR Jeff Harms, Assistant Chief, DHSR Construction Bethany Burgon, Assistant Attorney General Nadine Pfeiffer, Rules Review Manager, DHSR Alice Creech, Executive Assistant, MCC</p>	<p>Joseph D. Crocker, Vice-Chairman Elizabeth P. Kanof, M.D. G. Wayne Long</p>

OTHER ATTENDANCE: (Attached as Exhibit G)

III. CHAIRMAN’S COMMENTS

Dr. John Fagg called the meeting to order at 9:00 A.M. He welcomed everyone to the meeting and asked the members of the public to please to sign in. Dr. Fagg introduced Mark Payne, who was elected the Secretary of the Medical Care Commission at the last meeting. He also announced that Dr. Kanof would not be standing for reappointment and noted that her picture was on the wall in the Board Room of the Medical Society. He stated he would miss her and she has been a very good member of this Commission.

IV. INTRODUCTION OF NEW COMMISSION MEMBERS

Dr. Fagg announced the following new members to the Commission and asked them to introduce themselves:

- Vickie L. Beaver
- Dr. Devdutta G. Sangvai

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

- Dr. Robert S. Alphin (attached as Exhibit A)
- Vickie L. Beaver (attached as Exhibit A/1)
- Dr. Devdutta G. Sangvai (attached as Exhibit A/2)

VI. **RESOLUTION OF APPRECIATION WAS PRESENTED TO DREXDAL PRATT (attached as Exhibit A-3)**

VII. **APPROVAL OF MINUTES** of the February 12, 2016 Medical Care Commission Quarterly Meeting Conference Call was requested (attached as Exhibit A-4).

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

VIII. **REPORT FROM MARK PAYNE, ASSISTANT SECRETARY FOR AUDIT AND HEALTH SERVICE REGULATION**

Mr. Payne reported that one of the Division of Health Service Regulation's deputy directors, Patsy Christian, retired effective April 30th. He anticipates having a new deputy director in place in the near future.

Mr. Payne noted that Medicaid reform continues to be a high priority for the Department and it is on track to submit the waiver to CMS by June 1st. Also, the Governor's Task Force on Mental Health and Substance Abuse met their May 1st target date for releasing its report and the Governor's Budget proposes \$30 million in support of their recommendations. And, the Secretary continues to work to facilitate LME-MCO mergers.

He also informed the Commission that the Department and Division are focused on matters of interest pending before the General Assembly. Of particular interest to the Division is the House Budget proposal for using some of the proceeds from the sale of the Dix Campus to fund rural hospitals converting acute care beds to psychiatric beds and the Division's role in inspecting these hospitals every six months and investigating all complaints; in response to which, the Division has proposed that inspections and investigations conform to CMS' standards. Mr. Payne referenced the discussion of Senate Bill 825 at the Planning Session yesterday, which proposes to substantially amend GS 131E-214.14 (commonly known as the "Transparency Act") to require hospitals and ambulatory surgical facilities to provide public access and submit certain financial information to the Division, and Chairman Fagg's request for certain Commission Members to talk with the Bill Sponsors to understand their objectives and offer its insights based on the Commission's previous work implementing the Act.

Other items to report are listed below (see Exhibits B-B/2):

1. Quarterly Report on Bond Program (attached as Exhibit B)
2. The Executive Committee telephone conference meetings on the following dates:

March 22, 2016 - (1) To consider a resolution approving the appointment of Wells Fargo Bank, National Association as Successor Remarketing Agent for Moses Cone Health System, Series 2001A Bonds and Series 2001B Bonds, **(2)** Resolution granting preliminary approval to a project for Duke University Health System, and **(3)** Resolution granting preliminary approval to a project for United Methodist Retirement Homes. (attached as Exhibit B/1)

April 19, 2016 – (1) To authorize the sale of bonds, the proceeds of which are to be loaned to The Presbyterian Homes, Inc. and Glenaire, Inc. and **(2)** To correct and amend the amortization schedule for the North Carolina Medical Care Commission Health Care Facilities First Mortgage Revenue Refunding Bonds (The Presbyterian Homes Obligated Group), Series 2015, **(3)** To rescind a preliminary approval for a transaction for Duke University Health System, Inc. dated March 22, 2016 and to consider preliminary approval to refund the outstanding balance of the North Carolina Medical Care Commission \$180,000,000 Health Care Facilities Revenue Refunding Bonds for Duke University Health System, Inc. Series 2005, outstanding in the amount of \$322,140,000 and **(4)** Resolution authorizing the sale of bonds, the proceeds of which are to be loaned to United Methodist Retirement Homes (UMRH) with a copy of the pricing summary (**attached as Exhibit B/2**).

IX. PRESENTATIONS:

- A. Robert W. Seligson, MA, MBA, Executive Vice President, CEO of the NC Medical Society showed a video to the Commission on the Origin of Medicare. He handed out a Wall Street Journal Article, which is **attached as Exhibit B/3**.
- B. Crystal Watson-Abbott gave an update on the Compliance Deficiencies (**attached as Exhibit C**).

X. OLD BUSINESS:

A. RULES FOR FINAL ADOPTION

Nadine Pfeiffer gave a report on the following rules:

XI. READOPTION OF 6 NURSING HOME RULES FOLLOWING PERIODIC REVIEW
(**attached as Exhibit D**) (**Chart 1 & Chart 2 is attached**)

10A NCAC 13D .2001
10A NCAC 13D .2210
10A NCAC 13D .2303
10A NCAC 13D .2402
10A NCAC 13D .2503
10A NCAC 13D .3201

COMMISSION ACTION: Motion was made by Dr. Unger, seconded by Dr. McGill and unanimously approved to readopt these rules.

XII. NEW BUSINESS:

A. RULES FOR INITIATING RULEMAKING APPROVAL

- 1. Health Care Cost Reduction & Transparency Permanent Rules
(**attached as Exhibit E-E/3**) (**Rule Charts 3 & 4 is attached**)
 - (a) Licensing of Hospitals, 10A NCAC 13B .2102
 - (b) Licensing of Ambulatory Surgical Facilities, 10A NCAC 13C .0206

COMMISSION ACTION: Motion was made by Mr. Frock, seconded by Mr. Wiles and unanimously approved to initiate rulemaking of these rules.

2. Emergency Medical Services and Trauma Rules (**attached as Exhibits E/4-E/6**)
(**Rule Charts 5 & 6 is attached**)

- (a) Readoption of 28 rules following Periodic Review (10A NCAC 13P)
- (b) Amendment and Adoption of 18 rules (10A NCAC 13P)

COMMISSION ACTION: Motion was made by Mr. Hauser, seconded by Dr. McGill and unanimously approved to initiate rulemaking of these rules with the removal of rule 10A NCAC 13P.0204.

3. An Update was given by Megan Lamphere on Adult Care Home Licensure Rules.

- (a) Licensing of Homes for the Aged and Infirm (Adoptions)
(**attached as Exhibits E/7-E/9**) -10A NCAC 13F.1702, .1703

- (b) Licensing of Family Care Homes (Adoptions and Repeal)
10A NCAC 13G .0401, .1501 - .1503

B. Periodic Review of Existing Rules (HB 74) – Initial Category Determination Report (**Rule Chart 7 is attached**)
10A NCAC 13B, Licensing of Hospitals (**attached as Exhibits F-F/1**)

COMMISSION ACTION: Motion was made by Mr. Wiles, seconded by Mr. Lockamy and unanimously approved the initial category determination report.

XIII. REFUNDING OF COMMISSION BOND ISSUES

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 August 12, 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 August 12, 2016.

COMMISSION ACTION: Motion was made by Dr. Unger, seconded by Mr. Lockamy and unanimously approved to adopt resolution.

XIV. MEETING DATE CHANGE

The MCC Meeting date was changed to November 3-4, 2016 to accommodate rule making procedures and bond projects.

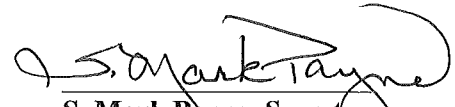
XV. MEMBER REPORT

Dr. Fagg reminded the Commission Members to please complete their ethics training.

Mr. Hauser recommended that the Commission consider utilizing electronic meeting materials. Dr. Fagg noted that most of the organizations he was involved with have gone paperless and that use of electronic meeting materials would save time and money. Dr. Fagg stated that he would meet with Chris Taylor, Amy Sawyer and Alice Creech over the next few months to discuss this issue at length.

XVI. ADJOURNMENT

There being no further business, the meeting was adjourned at 10:40 a.m.


S. Mark Payne, Secretary

06/08/2016
Date