

**STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**MEDICAL CARE COMMISSION QUARTERLY MEETING  
DIVISION OF HEALTH SERVICE REGULATION  
BROWN BUILDING CONFERENCE ROOM 104  
801 BIGGS DRIVE, RALEIGH, NORTH CAROLINA 27603  
AUGUST 12, 2016  
9:00 a.m.**

**MINUTES**

**I. MEDICAL CARE COMMISSION MEETING – August 12, 2016**

<b>MEMBERS PRESENT</b>	<b>MEMBERS ABSENT</b>
John A. Fagg, M.D., Chairman Joseph D. Crocker, Vice-Chairman Robert S. Alphin, M.D. Vickie L. Beaver Charles H. Hauser Eileen C. Kugler, RN, MSN, MPH, FNP Mary L. Piepenbring Carl K. Rust, II, M.D. Devdutta G. Sangvai, M.D. Robert E. Schaaf, M.D. Henry A. Unger, M.D.	Charles T. Frock Albert F. Lockamy, RPh G. Wayne Long Paul M. Wiles
<b><u>DIVISION OF HEALTH SERVICE REGULATION</u></b>	
<b><u>STAFF PRESENT</u></b>	
S. Mark Payne, Director, DHSR / Secretary, MCC Christopher Taylor, CPA, Assistant Secretary, MCC Emery Milliken, Deputy Director, DHSR Cheryl Ouimet, Chief Operating Officer, DHSR Megan Lamphere, Chief, Adult Care Licensure Section Tom Mitchell, Chief, Office of Emergency Medical Services Wally Ainsworth, Office of Emergency Medical Services Steven Lewis, Chief, DHSR Construction Bethany Burgon, Assistant Attorney General, NCDOJ Nadine Pfeiffer, Rules Review Manager, DHSR Kathy C. Larrison, Auditor, MCC Crystal Watson-Abbott, Auditor, MCC Alice Creech, Executive Assistant, MCC	

**OTHER ATTENDANCE: (attached as Exhibit E)**

**II. CHAIRMAN'S COMMENTS:**

Dr. John Fagg called the meeting to order at 9:00 a.m. and asked the members of the public to please sign in. Dr. Fagg announced that the Dental Society has nominated another representative to serve on the Commission and that is why Dr. Paul McGill is not present today.

**III. APPROVAL OF MINUTES:** from the May 20, 2016 Medical Care Commission Quarterly Meeting was requested. **(attached as Exhibit A)**

**COMMISSION ACTION:** Motion to approve the minutes was made by Mr. Crocker, seconded by Mrs. Piepenbring, and unanimously approved.

**IV. DIVISION DIRECTOR'S REPORT:**

Mr. Payne reported on matters of interest to the Commission.

He introduced the Division of Health Service Regulation's (Division) new deputy director, Emery Milliken who joined the Division on July 11<sup>th</sup> and replaces Patsy Christian who retired on April 30<sup>th</sup>.

Mr. Payne reported that the Division fared well during the recent Short Session of the General Assembly. He referenced several noteworthy items -

Several of our Commission Members participated in a conference call on June 3<sup>rd</sup> with Senator Wells, who co-sponsored a bill that proposed several amendments to the Transparency Act (Senate Bill 825), and provided very valuable input. Senate Bill 825 was not enacted.

House Bill 667, which amended penalty statutes applicable to mental health facilities and adult care homes, was enacted.

And, the Appropriations Act repealed the North Carolina Certificate of Public Advantage (COPA) law effective on September 30, 2016 – 15 months sooner than the law enacted last year.

Mr. Payne also spoke briefly about the Department being challenged by the 2016 Budget, especially in regard to the Medicaid Budget.

**Other items reported are listed below: (see Exhibits B- B/4)**

1. Quarterly Report on Bond Program  
**(attached as Exhibit B)**

Christopher B. Taylor

2. The Executive Committee held conference calls on the following dates:

- **May 12, 2016** - To authorize the sale of bonds, the proceeds of which are to be loaned to Duke University Health System, Inc. **(attached as Exhibit B/1)**
- **June 30, 2016** - To consider preliminary approvals for refinancing transactions for Presbyterian Homes, Salemtowne, and an approval to a change in the terms of Novant Health's 2008A Bonds. **(attached as Exhibit B/2)**
- **July 22, 2016** – To consider (1) a resolution authorizing the sale and issuance of bonds with proceeds to be loaned to Deerfield Episcopal Retirement Community, Incorporated; (2) a resolution requesting preliminary approval for a refunding bond issue for Duke University Health System; (3) a resolution requesting preliminary approval for an advance refunding bond issue for Mission Health; and (4) a resolution requesting

preliminary approval for a forward settlement refunding bond issue for Mission Health.  
(attached as Exhibit B/3)

- **August 5, 2016** - To consider final approval for the sale of bonds for Duke University Health System, Salemtowne, and a refunding transaction for Halifax Regional Medical Center. (attached as Exhibit B/4)

**COMMISSION ACTION:** Motion to ratify the actions of the Executive Committee was made by Mrs. Piepenbring, seconded by Mr. Hauser, and unanimously approved.

**V. PRESENTATIONS:**

1. Kathy Larrison gave an update on the Compliance Deficiencies. (attached as Exhibit C)
2. A presentation on “**ADULT CARE IN NORTH CAROLINA**” was given by Megan Lamphere, Chief of the Adult Care Licensure Section. (attached as Exhibit D)
3. DHHS Secretary Richard O. Brajer presented Dr. John Fagg with The Order of the Long Leaf Pine Award on behalf of Governor McCrory. Secretary Brajer thanked Dr. Fagg for his extraordinary service to our State and wished him the best for many more years to come in his service to our State and practicing medicine.

**VI. NEW BUSINESS:**

- A. Nadine Pfeiffer gave an update on the following rules and requested permission to move forward with the permanent rule making process:

- 1) Licensing of Overnight Respite Services Rule (Megan Lamphere & Nadine Pfeiffer)  
Adoptions for 45 rules in new Subchapter 10A NCAC 13E (attached as Exhibits F-F/3)

**COMMISSION ACTION:** Motion was made by Dr. Schaaf, seconded by Mr. Crocker, and unanimously approved to initiate rulemaking of these rules.

- 2) Adult Care Home Administrator Licensure Rules (Megan Lamphere & Nadine Pfeiffer)  
(attached as Exhibits F/4-F/7)

- a) Licensing of Homes for the Aged and Infirm  
Adoptions - 10A NCAC 13F .1702, .1703

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

**COMMISSION ACTION:** Motion was made by Mr. Hauser, seconded by Dr. Schaaf, and unanimously approved to initiate rulemaking for these rules.

- 3) Emergency Services and Trauma Rule (Tom Mitchell & Nadine Pfeiffer)  
Readoption – 10A NCAC 13P .0204 (attached as Exhibits F/8-F/11)

**COMMISSION ACTION:** Motion was made by Dr. Schaaf, seconded by Dr. Alphin, and unanimously approved to initiate rulemaking for this rule.

**B. Rules Not Required to Publish Notice of Text – G.S. 150B-21.5(a)(5)**

Nursing Home Licensure Rules (Steven Lewis & Nadine Pfeiffer)  
Amendment for typographical error - 10A NCAC 13D .3201 (attached as Exhibits G-G/1)

**COMMISSION ACTION:** Motion was made by Dr. Schaaf, seconded by Mr. Hauser, and unanimously approved to adopt the amendment to the nursing home licensure rule.

**C. Rules Not Required to Publish Notice of Text – G.S. 150B-21.5(b)(1)**

Adult Care Home Licensure Rules (Megan Lamphere & Nadine Pfeiffer)  
(attached as Exhibits H-H/3)

a) Licensing of Homes for the Aged and Infirm  
Repeal - 10A NCAC 13F .0215

b) Licensing of Family Care Homes  
Repeal - 10A NCAC 13G .0216

**COMMISSION ACTION:** Motion was made by Dr. Schaaf, seconded by Mr. Hauser, and unanimously approved to the repeal of these rules.

**VII. EXECUTIVE COMMITTEE APPOINTMENT:**

The Commission ratified the appointment by the Chairman of Eileen Kugler to serve out Dr. Paul McGill's term on the Executive Committee, which will end on December 31, 2017.

**VIII. 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

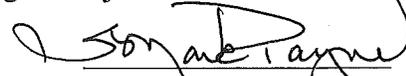
**WHEREAS**, the Commission will not meet again until November 4, 2016 in Raleigh, North Carolina;

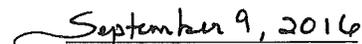
**THEREFORE, BE IT RESOLVED**, that the Commission authorize its Executive Committee to approve projects involving the refunding of existing Commission debt between this date and November 4, 2016.

**COMMISSION ACTION:** Motion was made by Mr. Crocker, seconded by Dr. Fagg, and unanimously approved to adopt the resolution.

**IX. ADJOURNMENT:**

There being no further business a motion was made by Mr: Crocker, seconded by Mr. Hauser, and unanimously approved to adjourn the meeting. The meeting was adjourned at 11:45 a.m.

  
S. Mark Payne, Secretary

  
Date