

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

**MEDICAL CARE COMMISSION QUARTERLY MEETING
DIVISION OF HEALTH SERVICE REGULATION
801 BIGGS DRIVE, RALEIGH NC 27603
BROWN BUILDING CONFERENCE ROOM- 104**

May 16, 2014

9:00 AM

MINUTES

MEMBERS PRESENT	MEMBERS ABSENT
John A. Fagg, M.D., Chairperson Joseph D. Crocker, Vice-Chairperson George A. Binder, M.D. George H.V. Cecil Charles T. Frock Charles H. Hauser Elizabeth P. Kanof, M.D. Eileen C. Kugler, RN, MSN, MPH, FNP Albert F. Lockamy, Jr., RPh Paul McGill, D.D.S Mary L. Piepenbring Carl K. Rust, M.D. Robert E. Schaaf, M.D. Henry A. Unger, M.D. Margaret Weller-Stargell Paul M. Wiles <u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u> Drexdal Pratt, Director, DHSR/Secretary, MCC Christopher B. Taylor, CPA, Assistant Secretary, MCC Steven Lewis, Chief, Construction Section, DHSR Megan Lamphere, Rules Coordinator, DHSR Diana Barbry, Executive Assistant, MCC/DHSR Alice Creech, Bond Program Assistant, MCC/DHSR	Gerald P. Cox

I. CHAIRPERSON'S COMMENTS

The meeting was called to order Dr. Fagg who welcomed everybody to the meeting and requested that the members of the audience introduce themselves to the Members. Dr. Fagg then questioned the Members to see if anyone had a conflict of interest with anything coming before the Commission at the meeting. Dr. Fagg reminded the Members that in accordance with Advisory Opinion dated November 19, 2010 any Commission Member with \$10,000 or more invested in a particular bank would need to abstain from voting on a project, in which the bank was involved. It was decided that the recusals would be done at the time each project was presented for a vote.

II. PRESENTATION - Bond Financing 101John Franklin, BB&T Capital Markets

III. APPROVAL OF MINUTES from the November 15, 2013, February 18, 2014 and March 18, 2014 meetings.....Exhibit A, A/1 & A/2

Commission Action: Motion was made by Mr. Cecil seconded by Mr. Frock and unanimously approved.

IV. DIVISION DIRECTOR'S REPORT - Mr. Pratt introduced Bethany Burgon, Assistant Attorney General and the DHSR Management Team members to the Commission and gave a short overview of what each section of contributes to DHSR. He also informed the Commission that DHSR has switched over to a Virtual Computer System which should be a money saving operation for our Division.

Other items to report on are listed below:..... Exhibits B – B/6

Quarterly Report on Bond ProgramExhibit B

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

November 19, 2013 - To consider (1) a series resolution authorizing the issuance of \$88,775,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Cone Health), Series 2013A, (2) a series resolution authorizing the issuance of \$25,000,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Cone Health), Series 2013B and (3) a series resolution authorizing the issuance of \$16,410,000 North Carolina Medical Care Commission Health Care Facilities Revenue Bonds (Cone Health), Series 2013C. (Exhibit B/1)

December 19, 2013 - To authorize the execution and delivery of a First Supplemental Trust Agreement for the 2010 Bonds issued for the benefit of Arbor Acres United Methodist Retirement Community, Inc., a letter with a resolution from Womble Carlyle Sandridge & Rice related to the Wilson Memorial Hospital Defeasance and a resolution to approve the extension of the initial periods for the 2011C and 2011D Bonds for Cone Health (Exhibit B/2)

January 7, 2014 – To consider a Supplemental Resolution for Cone Health Series 2011C and Series 2011D. (Exhibit B/3)

January 24, 2014 - To consider a refunding/conversion for CaroMont Health and to provide consent to the merger of Mercy Care into Lower Care Fear Hospice, Incorporated. (Exhibit B/4)

February 27, 2014 – To approve the conversion of the Commission's Variable Rate Demand Health Care Facilities Revenue Refunding Bonds (Novant Health Obligated Group) Series 2008, consisting of Series 2008A, Series 2008B and Series 2008C to new Index Interest Rate Periods. (Exhibit B/5)

May 1, 2014 – To consider a refunding/conversion for The Presbyterian Homes at Charlotte, Inc. dba Sharon Towers, Series 2010 Bank Bought Bonds. (Exhibit B/6)

V. ADOPTION OF RESOLUTION FOR LUCY H. BODE.....Dr. Fagg

Commission Action: Motion was made by Dr. Unger seconded by Mr. Cecil and unanimously approved.

VI. THE LAW AND RULES GOVERNING THE MEDICAL CARE COMMISSION.....

Bethany Burgon, Assistant Attorney General, North Carolina Department of Justice

VII. MEDICAL CARE COMMISSION PROGRAMS.....Christopher B. Taylor
Megan Lamphere

VIII. OLD BUSINESS

Nursing Home Rules.....Megan Lamphere

10A NCAC 13D .2110 **Reporting and Investigating Abuse, Neglect or Misappropriation**

Commission Action: Motion was made by Mr. Frock seconded by Dr. McGill and unanimously approved.

10A NCAC 13D .2111 **Administrative Penalty Determination Process**

Commission Action: Motion was made by Dr. McGill seconded by Ms. Kugler and unanimously approved.

10A NCAC 13D .3101 **General Rules**

Commission Action: Motion was made by Mr. Cecil seconded by Mr. Crocker and unanimously approved.

10A NCAC 13D .3103 **Site**

Commission Action: Motion was made by Dr. Schaaf seconded by Dr. McGill and unanimously approved.

10A NCAC 13D .3104 **Plans and Specifications**

Commission Action: Motion was made by Dr. Rust seconded by Dr. McGill and unanimously approved.

10A NCAC 13D .3201 **Required Spaces**

Commission Action: Motion was made by Dr. Schaaf seconded by Ms. Weller-Stargell and unanimously approved.

10A NCAC 13D .3202 **Furnishings**

Commission Action: Motion was made by Mr. Cecil seconded by Mr. Lockamy and unanimously approved.

10A NCAC 13D .3301 **New Facility Requirements**

Commission Action: Motion was made by Dr. McGill seconded by Dr. Unger and unanimously approved.

10A NCAC 13D .3302 **Additions**

Commission Action: Motion was made by Dr. Schaaf seconded by Dr. Rust and unanimously approved.

10A NCAC 13D .3401 **Heating and Air Conditioning**

Commission Action: Motion was made by Dr. McGill seconded by Mr. Crocker and unanimously approved.

10A NCAC 13D .3402

Emergency Electrical Service

Commission Action: Motion was made by Mr. Crocker seconded by Mr. Schaaf and unanimously approved.

10A NCAC 13D .3403

General Electrical

Commission Action: Motion was made by Ms. Kugler seconded by Ms. Weller-Stargell and unanimously approved.

10A NCAC 13D .3404

Other

Commission Action: Motion was made by Mr. Lockamy seconded by Mr. Crocker and unanimously approved.

IX. NEW BUSINESS

Rules for Transparency in Health Care Costs.....Charles Frock

Commission Action: Motion was made by Mr. Frock seconded by Dr. McGill and unanimously approved.

X. House Bill 74 Rules Review.....Megan Lamphere

(1) Medical Care Commission – 10A NCAC 13A

Commission Action: Motion was made by Dr. Binder seconded by Mr. Cecil and unanimously approved.

(2) Nursing Homes – 10A NCAC 13D

Commission Action: Motion was made by Mr. Frock seconded by Dr. McGill and unanimously approved.

XI. CHANGE IN NEXT MCC MEETING DATE *(Change in date is because of scheduling requirements of the rule-making timeline for the Transparency in Health Care Costs rules)*

Dr. Fagg & Megan Lamphere

Commission Action: Motion was made by Mr. Wiles seconded by Dr. Rust and unanimously approved to change the next Quarterly MCC Meeting to September 11-12, 2014.

XIII. REFUNDING OF COMMISSION BOND ISSUES

Resolved:.....Christopher B. Taylor

Commission Action: Motion was made by Mr. Wiles seconded by Dr. Rust and unanimously approved.

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 September 12, 2014,

THEREFORE, BE IT RESOLVED; that the Commission authorizes its Executive Committee to approve projects involving only the refunding of existing Commission debt between this date and September 12, 2014.

XIV. MEMBER REPORT

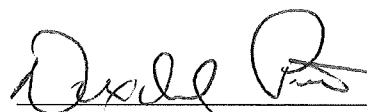
XV. REMINDER

We are asking the Executive Committee Members to meet for a conference call to approve the final sale of bonds for Sharon Towers and approval to proceed with a refunding bond issue for First Health on May 22, 2014.

XVI. ADJOURNMENT - A motion to adjourn is requested.

Commission Action: Motion was made by Mr. Crocker seconded by Ms. Kugler and unanimously approved.

THE MEETING WAS ADJOURNED @ 11:45 am.



Drexal Pratt, Secretary

6/27/14

Date