

**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
FEBRUARY 12, 2016
9:00 A.M.**

VIA CONFERENCE CALL

AGENDA

I. MEETING OPENS

II. ROLL CALL

III. CHAIRPERSON’S COMMENTS - Dr. John A. Fagg will comment on matters of importance to the Commission, including the undertaking of a discussion of the Commission’s policies governing the issuance of tax-exempt debt and compliance with the rules, regulations and contractual obligations created thereby. Question: Does anyone have any conflict of interest with any agenda item before the Commission today?

IV. RESOLUTION TO DESIGNATE THE SECRETARY TO THE NORTH CAROLINA MEDICAL CARE COMMISSION.....Christopher B. Taylor

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 Health 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 12th day of February, 2016.

V. APPROVAL OF MINUTES from the November 13, 2015 Medical Care Commission Meeting is requested (**Exhibit A**)

VI. MR. MARK PAYNE, ASSISTANT SECRETARY FOR AUDIT AND DIVISION OF HEALTH SERVICE REGULATION - will report on matters of interest to the Commission. Other items to report on are listed below: (**Exhibits B-B/1**)

1. Quarterly Report on Bond Program (Exhibit B).....Christopher B. Taylor

2. The Executive Committee held a telephone conference meeting on the following date:

December 3, 2015 – 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 Article that was passed out at the November 13, 2015 Commission Meeting by Allen Robertson. **(Exhibit B/1)**

VII. OLD BUSINESS:

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

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. Rules for Final Adoption**

Health Care Cost Reduction & Transparency Rules.....Nadine Pfeiffer (Exhibits D-D/2)

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

- C. Periodic Review of Existing Rules (HB 74) – Initial Category Determination (Exhibits E- E/2)**

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

VIII. REFUNDING OF COMMISSION BOND ISSUES.....Christopher B. Taylor

Recommended:

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.

IX. MEETING ADJOURNMENT