

STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

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

May 12, 2017  
9:00 A.M.

Minutes

**I. MEDICAL CARE COMMISSION MEETING – MAY 12, 2017**

<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 Linwood B. Hollowell, III Kenly P. Lewis, D.D.S. Albert F. Lockamy, Jr., RPh J. William Paugh Carl K. Rust, II, M.D. Devdutta G. Sangvai, M.D. Patrick D. Sebastian Robert E. Schaaf, M.D. Paul M. Wiles	Eileen C. Kugler, RN, MSN, MPH, FNP G. Wayne Long Henry A. Unger, M.D.
<p><b><u>DIVISION OF HEALTH SERVICE REGULATION STAFF</u></b></p> Mark Payne, Director, DHSR, Secretary, MCC Emery Milliken, Deputy Director, DHSR Steven Lewis, Chief, Construction Section, DHSR Megan Lamphere, Chief, Adult Care Licensure Section Jan Brickley, RPh, Adult Care Licensure Section Libby Kinsey, RN, Adult Care Licensure Section Doug Barrick, Adult Care Licensure Section Scott Ashley, Adult Care Licensure Section Azzie Conley, Chief, Acute & Home Care Licensure, DHSR Greta Hill, Acute & Home Care Licensure, DHSR Nancy Joyce, Acute & Home Care Licensure, DHSR Tom Mitchell, Chief, Office of Emergency Medical Services Wally Ainsworth, Office of Emergency Medical Services Chuck Lewis, Office of Emergency Medical Services Beverly Speroff, Assistant Chief, Nursing Home Licensure Bethany Burgon, Assistant Attorney General, NCDOJ Nadine Pfeiffer, Rules Review Manager, DHSR Kathy Larrison, Auditor, MCC	

**OTHER ATTENDANCE: (Attached as Exhibit H)**

**II. CHAIRMAN'S COMMENTS:**

Dr. John A. Fagg called the meeting to order at 9:00 a.m. and thanked the Commission for their attendance. Dr. Fagg told the Commission that since our last meeting Ms. Burgon and he had a long meeting with Novant Health concerning the work of the MCC Bylaws Subcommittee. He will provide an overview of that meeting to the Subcommittee following our Commission meeting today.

Dr. Fagg said he had the pleasure to meet with Dr. Mandy Cohen and her Deputy Director, Mr. Mark Benton. Dr. Fagg is very impressed with Dr. Cohen's qualifications and he hopes she will come to one of meetings in the future.

**III. Controlling Health-Care Costs Editorial Commentary Article.....Dr. John Fagg  
(Attached as Exhibit A)**

**IV. INTRODUCTION OF NEW COMMISSION MEMBER**

Dr. Fagg asked our new Commission Member, Mr. Linwood B. Hollowell, III to introduce himself to the Commission. Mr. Hollowell represents The Duke Endowment and replaces our retiring member Mrs. Mary L. Piepenbring.

**V. APPROVAL OF MINUTES from the February 10, 2017 Medical Care Commission Quarterly Meeting was requested (Attached as Exhibit A/1)**

**COMMISSION ACTION:** Motion to approve the Minutes was made by Mr. Crocker, seconded by Dr. Sangvai and unanimously approved.

**VI. Resolution of Appreciation for Charles T. Frock.....Dr. John Fagg  
(Attached as Exhibit A/2)**

**COMMISSION ACTION:** Motion to approve the Resolution of Appreciation for Mr. Charles Frock was made by Mr. Lockamy, seconded by Mr. Crocker, and unanimously approved.

**VII. Medicaid Block Grants and Federalism Article.....Dr. John Fagg  
(Attached as Exhibit A/3)**

**VIII. REPORT FROM MARK PAYNE, DIRECTOR OF HEALTH SERVICE REGULATION**

Mr. Payne thanked Kathy Larrison, Crystal Abbott and Alice Creech once again for their continued support of the work of the Medical Care Commission and taking on additional responsibilities over the past 4 months. Mr. Payne also thanked the Chairman and Vice-Chairman of the Commission for their guidance and support during this transition period.

Mr. Payne provided an update regarding efforts to fill the Medical Care Commission Audit Manager and Advisor position. The position was posted in February; we received over 50 applications and 18 applications met the minimum qualifications; and, Mrs. Larrison, Mrs. Abbott and Mr. Payne reviewed each of the 18 applications and identified the candidates to be interviewed. The interviews were

conducted by Mrs. Larrison, Mrs. Abbott, Mrs. Gower, our HR Manager, and Mr. Payne during the week of April 17<sup>th</sup>; and, our top candidate was identified and the request to hire was submitted for State HR approval. Mr. Payne noted that he has kept the Chairman and Vice-Chairman informed throughout the process and also has shared information about the top candidate with them. He hopes to be able to announce the new Audit Manager and Advisor before the next meeting of the Commission.

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

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

**February 24, 2017** – To consider for approval the final sale of bonds for Lutheran Services for the Aging, Inc. (Attached as Exhibit B/1)

**April 25, 2017** – To consider preliminary approval to a refunding transaction for the Forest at Duke. (Attached as Exhibit B/2)

**COMMISSION ACTION:** Motion was made by Mr. Hauser to affirm the actions of the Executive Committee, seconded by Dr. Schaaf, and unanimously approved.

**IX. Mr. Hector McEachern, President of The McEachern Group, gave a brief presentation on “The Value of Diversity & Inclusion”.**

**X. Mr. Allen Robertson of Robinson Bradshaw & Hinson, P.A., gave a presentation on the history and overview of the NCMCC Bond Financing Program. (Attached as Exhibits I & J)**

**XI. Ms. Crystal Watson-Abbott gave a brief report on Compliance Deficiencies. (Attached as Exhibit C)**

**XII. BOND PROJECT**

**A. United Church Homes and Services, Inc., Newton, NC, - Crystal Watson-Abbott & Steven C. Lewis**

**Remarks were made by Tommy Brewer, Lee Syria, and Gary Shull.**

**Remarks were made on behalf of the Commission by Dr. Fagg, Mr. Crocker, Dr. Sangvai, and Mr. Lewis.**

**Resolved:** The Commission grants preliminary approval to a project for the construction of a two story, 59,200 square foot, 78 bed skilled nursing facility on the Abernethy Laurel Campus in Newton, NC. This building will be Phase II of a two building sequence that will result in replacement facilities for the total 174 licensed skilled nursing beds. [Phase I is for 96 beds and Phase II is for 78 beds]. The Phase I building is scheduled for completion in July, 2017. Capital expenditures for routine improvements and renovations shall be included as listed below, all in accordance with a preliminary application, plans and specifications and participation as follows:

**COMMISSION ACTION:** Motion was made by Dr. Schaaf to approve the Resolution, seconded by Mr. Wiles, and unanimously approved.

### ESTIMATED SOURCES OF FUNDS

Principal amount of bonds to be issued	\$22,660,000
Equity Contribution	<u>271,110</u>
<b>Total</b>	<b>\$22,931,110</b>

### ESTIMATED USES OF FUNDS

Site costs (utility development and engineering fees)	\$110,350
Construction contracts	16,885,325
Construction contingency (4.7% of construction contract)	792,362
Architect/engineer fees and reimbursables	926,413
Moveable equipment	1,033,458
Surveys, tests, insurance	35,244
Consultants' fees related to construction	210,880
Bond Interest during Construction	1,196,100
Debt Service Reserve Fund	1,010,456
Underwriters' discount/placement fee	362,560
Underwriters Counsel	50,000
Feasibility/Auditor fees	140,000
Blue Sky Counsel fees	7,500
Legal fees for Corporation Counsel	25,000
Bond counsel	68,000
Bond Trustee Acceptance /Annual fee	3,000
Trustee Counsel fee	6,000
Title Policy	20,000
Environmental (Mortgage Related)	5,000
Printing costs	8,500
DHSR reimbursables (G.S. 131-E-2)	21,212
Miscellaneous/Contingency fee	5,000
Local Government Commission fee	<u>8,750</u>
<b>Total</b>	<b>\$22,931,110</b>

Tentative approval is given with the understanding that the governing board of United Church Homes and Services, Inc. accepts the following conditions:

1. The project will continue to be developed pursuant to the applicable Medical Care Commission guidelines.
2. Any required Certificate of Need must be in effect at the time of the issuance of the bonds or notes.
3. Financial feasibility must be determined prior to the issuance of bonds.
4. The project must, in all respects, meet requirements of G.S. § 131A (Health Care Facilities Finance Act).
5. The Executive Committee of the Commission is delegated the authority to approve the issuance of bonds for this project and may approve the issuance of such greater principal amount of the loan as shall be necessary to finance the project; provided, however, that the amount set forth above shall not be increased by more than ten percent (10%).

6. The bonds or notes shall be sold in such a manner and upon such terms and conditions as will, in the sole judgment of the Executive Committee of the Commission, result in the lowest cost to the facility and its residents.
7. If public approval of the bonds is required for the purpose of Section 147(f) of the Internal Revenue Code of 1986, as amended ("Section 147(f)"), this tentative approval shall constitute the recommendation of the Commission that the Governor of the State of North Carolina (the "Governor") approve the issuance of such bonds, subject to the satisfaction of the requirements of Section 147(f) concerning the holding of a public hearing prior to the submission of such recommendation to the Governor.
8. The borrower will comply with the Commission's Resolution: Community Benefits/Charity Care Agreement and Program - Description for CCRC's as adopted.
9. The borrower will furnish, prior to the sale of or reissuance of the bonds or notes or execution of the leases, evidence that it is in compliance with the covenants of all of its outstanding Medical Care Commission debt.

Based on information furnished by applicant, the project is -

- |  |   |     |       |    |       |     |
|--|---|-----|-------|----|-------|-----|
| 1. Financially feasible                          | ✓ | Yes | _____ | No | _____ | N/A |
| 2. Construction and related costs are reasonable | ✓ | Yes | _____ | No | _____ | N/A |

**Notes:**

**1) Information from 2016 Audit of United Church Homes and Services, Inc.**

Operating income (A)	(\$3,573,745)
Change in unrestricted net assets	\$5,238,623
Change in net assets	\$2,795,544
Net cash provided by operating activities	\$9,452,499
Change in cash	\$340,149

(A) Primarily due to a decrease in skilled nursing revenue due to a decrease in the skilled nursing census at all three facilities and an increase in Independent Living Unit refurbishment costs.

**2) Ratings:** United Church Homes and Services, Inc. is not rated

**3) Community Benefit Percentage G.S. 105 = 20.76%, which qualifies United Church Homes and Services, Inc. for 100% property tax exemption.**

**4) Long Term Service Coverage Ratios**

Actual	FYE	2016	1.97
Forecasted	FYE	2017	1.84
Forecasted	FYE	2018	2.10
Forecasted	FYE	2019	1.95

**5) Transaction Participants**

Underwriter/Placement Agent	Ziegler
Bond counsel	McGuire Woods LLP
Corporation Counsel	Ellinger & Carr, PPL
Bond Trustee	The Bank of New York Mellon Trust Company
Bond Trustee Counsel	Nexsen Pruet
Feasibility Consultant	Dixon Hughes Goodman LLP
Bank Purchaser	TBD
Bank Counsel	TBD

**6) Other Information**

**(a) Board diversity**

Male:	15
Female:	<u>6</u>
Total:	21

Caucasian:	15
African American:	5
Asian & Pacific Islander:	<u>1</u>
Total:	21

**(b) Diversity of Residents at United Church Homes and Services, Inc.**

**UNITED CHURCH HOMES AND SERVICES  
Resident Diversity Report  
As of March 2017**

**Obligated Group:  
Abernothy Laurels (CCRC) Newton, NC**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	200	71 (35.5%)	129 (64.5%)	199 (99.5%)	0 (0%)	0 (0%)	1 (0.5%)
Assisted Living	17	3 (17.7%)	14 (82.4%)	17 (100%)	0 (0%)	0 (0%)	0 (0%)
Healthcare (SNF)	143	36 (25.2%)	107 (74.8%)	133 (93%)	9 (6.3%)	1 (0.7%)	0 (0%)
<b>Total</b>	<b>360</b>	<b>110 (30.6%)</b>	<b>250 (69.4%)</b>	<b>349 (97%)</b>	<b>9 (2.5%)</b>	<b>1 (0.3%)</b>	<b>1 (0.3%)</b>

**Piedmont Crossing (CCRC) Thomasville, NC**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	196	67 (34.1%)	129 (65.9%)	192 (98%)	1 (0.6%)	0 (0%)	3 (1.6%)
Assisted Living	16	2 (12.5%)	14 (87.5%)	16 (100%)	0 (0%)	0 (0%)	0 (0%)
Healthcare (SNF)	101	25 (24.8%)	76 (75.2%)	99 (98%)	2 (2%)	0 (0%)	0 (0%)
<b>Total</b>	<b>313</b>	<b>94 (30.1%)</b>	<b>219 (69.9%)</b>	<b>307 (98%)</b>	<b>3 (1%)</b>	<b>0 (0%)</b>	<b>3 (1%)</b>

**Lake Prince Woods (CCRC) Suffolk, VA**

	Number of Residents	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Residential (Independent Living)	199	69 (34.7%)	130 (65.3%)	197 (99%)	2 (1%)	0 (0%)	0 (0%)
Assisted Living	42	9 (21.5%)	33 (78.5%)	40 (95.2%)	2 (4.8%)	0 (0%)	0 (0%)
Healthcare (SNF)	32	14 (43.8%)	18 (56.2%)	29 (90.7%)	3 (9.4%)	1 (0.7%)	0 (0%)
<b>Total</b>	<b>273</b>	<b>92 (33.7%)</b>	<b>181 (66.3%)</b>	<b>266 (97.5%)</b>	<b>7 (2.6%)</b>	<b>1 (0.4%)</b>	<b>0 (0%)</b>

**Non-Obligated Group Affiliates:**

**Carolina SeniorCare (Program of All-Inclusive Care for the Elderly (PACE)), Lexington, NC**

	Number of Participants	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Participants	206	56 (27.2%)	150 (72.8%)	163 (79.1%)	41 (19.9%)	2 (1%)	0 (0%)

**Affordable Housing Communities**

	Number of Tenants	Male	Female	White	Black or African American	Hispanic or Latin American	Asian or Pacific Islander
Covenant Place, Chapel Hill	39	4 (10.3%)	35 (89.7%)	23 (77%)	5 (13%)	1 (2%)	3 (8%)
The Willows, Burlington	39	3 (7.7%)	36 (92.3%)	29 (77%)	8 (20%)	2 (5%)	1 (2%)
NOAH, New Bern	37	5 (13.5%)	32 (86.5%)	22 (59%)	13 (35%)	0 (0%)	0 (0%)
St. Joseph's Place, Durham	32	6 (18.8%)	26 (81.2%)	0 (0%)	27 (84%)	0 (0%)	0 (0%)
Matthew's Place, Albemarle	34	7 (20.6%)	27 (79.4%)	21 (62%)	11 (32%)	0 (0%)	0 (0%)
Emmanuel's Place, Statesville	37	5 (13.5%)	32 (86.5%)	27 (73%)	8 (22%)	0 (0%)	0 (0%)
Carolina Senior Living, Lexington	30	4 (13.3%)	26 (86.7%)	20 (66%)	9 (33%)	1 (3%)	2 (6%)
<b>Total</b>	<b>248</b>	<b>34 (13.7%)</b>	<b>214 (86.3%)</b>	<b>143 (58%)</b>	<b>81 (33%)</b>	<b>4 (1%)</b>	<b>6 (2%)</b>

\*total may not equal 100 due to non-reporting of race by some tenants



7) Fee Schedules

Abernathy Laurels						
Unit Type		Number of Units/Beds	Square Footage	(2017 \$'s)	(2017 Entrance Fees)	
				MSF	Fully Declining	50% Refund
<b>Independent Living</b>						
<b>Apartments</b>						
<i>Pavllion</i>						
Studio A		16	240	\$4,988	\$35,887	\$50,242
Studio B		4	240	\$4,745	\$41,675	\$58,345
Efficiency Apartment		21	400	\$2,738	\$48,000	\$67,200
Efficiency Deluxe Apartment		2	410	\$2,995	\$48,000	\$67,200
One-Bedroom Apartment		17	500	\$3,479	\$60,197	\$84,276
<i>Village</i>						
One Bedroom Apartment		2	800	\$1,362	\$83,599	\$117,039
One Bedroom Apartment		8	900	\$1,362	\$90,929	\$127,301
Two Bedroom Apartment		17	1,100	\$1,470	\$97,420	\$136,387
Two Bedroom Apartment		6	1,100	\$1,470	\$100,323	\$140,452
Two Bedroom Apartment		4	1,100	\$1,470	\$102,890	\$144,046
Two Bedroom Apartment		4	1,100	\$1,470	\$119,610	\$167,454
Total/WA Apts		101	648	\$2,800	\$76,174	\$106,643
<b>Villas/Cottages</b>						
Cottage		26		\$1,579	\$155,447	\$359,157
Villa		62		\$1,720	\$100,909	\$289,370
Subtotal Cottages		88	1,524	\$1,678	\$170,225	\$238,314
Total ILUs/Weighted Averages		189	1,056	\$2,278	\$125,147	\$175,206
Second Person Fee - Pavllion				\$1,046		
Second Person Fee - Village				\$647		
<b>Assisted Living</b>						
Private	Sq. Feet	Number	MSF	Daily Fee		
Low	240	18	\$4,745	\$156		
High			\$4,988	\$164		
Total ALUs/Weighted Averages		18				
Second Person Fee						
<b>Nursing</b>						
Private	Sq. Feet			Daily Fee		
	206 -					
	249	28		\$271 - \$278		
	224 -					
Semi-private	256	146		\$244 - \$253		
Total SNF/Weighted Averages		174		\$248		
<b>TOTAL UNITS</b>		<b>381</b>				

Piedmont Crossing

Unit Type	Number of Units/Beds	Square Footage	(2017 \$'s)		(2017 Entrance Fees)	
			MSF	Fully Declining	50% Refund	
<b>Independent Living</b>						
<b>Apartments</b>						
<i>Pavillon</i>						
Studio	10	500	\$2,220	\$46,750	\$65,450	
One Bedroom	26	640	\$2,674	\$59,840	\$83,776	
Two Bedroom	8	950	\$3,028	\$73,500	\$102,900	
<i>Gallery Apartments</i>						
One Bedroom	4	650	\$1,922	\$62,998	\$88,198	
One Bedroom	8	675	\$1,997	\$62,998	\$88,198	
Two Bedroom	24	975	\$2,150	\$90,997	\$127,396	
<i>Veranda B</i>						
One Bedroom	4	800	\$1,439	\$62,998	\$88,198	
Two Bedroom	25	1,100	\$1,533	\$90,997	\$127,396	
<b>Total/WA Apts</b>	<b>109</b>	<b>838</b>	<b>\$2,159</b>	<b>\$74,112</b>	<b>\$103,756</b>	
<b>Villas/Cottages/Patio Homes</b>						
<b>Patio Homes</b>						
Patio Home - Ver C	1	800	\$1,478	\$73,440	\$102,816	
Patio Home - Ver C	6	1,100	\$1,591	\$105,754	\$148,055	
Patio Home - Kenn Court	4	780	\$1,478	\$73,440	\$102,816	
Patio Home - Kenn Court	8	1,152	\$1,591	\$105,754	\$148,055	
<b>Cottages</b>						
Cottage - Shuler	3	1,339	\$1,675	\$149,084	\$208,718	
Cottage - Shuler	3	1,339	\$1,675	\$153,816	\$215,342	
Cottage - Frank Circle	1	1,425	\$1,675	\$167,206	\$234,088	
Cottage - Frank Circle	1	1,425	\$1,675	\$169,036	\$236,651	
Cottage - Frank Circle	1	1,425	\$1,675	\$185,198	\$259,277	
Cottage - Frank Circle	1	1,425	\$1,675	\$199,200	\$278,880	
Cottage - Flick Circle	1	1,564	\$1,675	\$194,696	\$272,956	
Cottage - Flick Circle	6	1,589	\$1,675	\$197,699	\$276,778	
Cottage - Pierce	1	1,622	\$1,675	\$226,231	\$316,724	
<b>Villas/Cottages/Patio Homes</b>						
Villa - Frank Circle	4	1,288	\$1,547	\$133,038	\$186,253	
Villa - Frank Circle	7	1,288	\$1,547	\$138,217	\$193,504	
Villa - Frank Circle	1	1,425	\$1,547	\$144,883	\$202,836	
Villa - Flick Circle	5	1,430	\$1,547	\$166,232	\$232,725	
Villa - Flick Circle	6	1,430	\$1,547	\$171,372	\$239,921	
Villa - Flick Circle	1	1,478	\$1,547	\$173,943	\$243,319	
Villa - Flick Circle	1	1,478	\$1,547	\$187,371	\$262,319	
<b>Subtotal Cottages</b>	<b>62</b>	<b>1,298</b>	<b>\$1,589</b>	<b>\$144,346</b>	<b>\$202,088</b>	
<b>Total ILUs/Weighted Averages</b>	<b>171</b>	<b>1,005</b>	<b>\$1,952</b>	<b>\$99,577</b>	<b>\$139,409</b>	
Second Person Fee - Pavillon				\$607 - \$816		
Second Person Fee - Village				\$610		
Semi-Private	350	6	\$3,650	\$120		
<b>Total ALUs/Weighted Averages</b>		<b>20</b>	<b>4,502</b>	<b>148</b>		
Second Person Fee						
<b>Nursing</b>						
Private w/shower	Sq. Feet			<b>Daily Fee</b>		
Private w/o shower	280	54		\$244		
Private w/o shower	280	28		\$244		
Semi-private	280	32		\$230		
<b>Total SNF/Weighted Averages</b>		<b>114</b>		<b>\$240</b>		

**Lake Prince Woods**

Unit Type		Number of Units/Beds	Square Footage	(2017 \$'s)	(2017 Entrance Fees)	
				MSF	Fully Declining	50% Refund
<b>Independent Living</b>						
<b>Apartments</b>						
Studio		4	425	\$1,215	\$73,356	\$102,698
Studio Combo		1	850	\$2,003	\$125,988	\$176,383
One Bedroom - One Bath		18	660	\$1,932	\$90,678	\$136,470
One Bedroom - Bay		4	700	\$1,932	\$105,154	\$147,216
One Bedroom - Grand		4	803	\$2,052	\$120,505	\$168,707
One Bedroom/Living/Dining		4	965	\$2,052	\$141,339	\$197,874
Two Bedroom/Den/Two Baths		3	965	\$2,127	\$131,478	\$184,069
Two Bedroom/Den/Two Baths		25	965	\$2,127	\$141,339	\$197,874
Two Bedroom/Bay		8	1,000	\$2,132	\$149,014	\$208,620
Two Bedroom/Two Baths		12	1,075	\$2,132	\$156,690	\$219,366
Two Bedroom Deluxe		2	1,107	\$2,132	\$167,655	\$234,717
Two Bedroom Contemporary		4	1,158	\$2,252	\$176,427	\$246,998
Two Bedroom/Study		1	1,256	\$2,252	\$174,318	\$244,045
Two Bedroom/Study		3	1,256	\$2,252	\$187,392	\$262,349
Total/WA Apts		93	904	\$2,046	\$132,230	\$186,965
<b>Cottages/Villas</b>						
Villas		34	1,350	\$1,712	\$171,599 - \$271,343	\$240,239 - \$379,880
Cottage		51	1,535	\$1,988	\$200,738 - \$312,970	\$281,033 - \$438,157
Subtotal Cottages		85	1,461	\$1,878		
<b>Total ILUs/Weighted Averages</b>		<b>178</b>	<b>1,170</b>	<b>\$1,965</b>	<b>\$175,480</b>	<b>\$246,634</b>
Second Person Fee - Apartments				\$656		
Second Person Fee - Cottage				\$656		
<b>Assisted Living</b>						
	Sq. Feet	Number	MSF	Daily Fee		
Studio	300	32	\$4,563	\$150		
One Bedroom	300	4	\$6,235	\$205		
Memory Care (studio)	300	16	\$6,357	\$209		
<b>Total ALUs/Weighted Averages</b>		<b>52</b>	<b>5,243</b>	<b>\$172</b>		
Second Person Fee						
<b>Nursing</b>						
	Sq. Feet			Daily Fee		
Private	300	4		\$260		
Semi-private	300	36		\$218		
<b>Total SNF/Weighted Averages</b>		<b>40</b>		<b>\$222</b>		

**8) Compliance**

Upon a review of the routine annual and quarterly document filings for United Church Homes and Services, Inc., the CCRC had findings for FYE 2015 and FYE 2016. However, based upon that review, United Church Homes and Services, Inc. is in compliance with the Medical Care Commission Policy on Compliance by Borrowers as they have demonstrated a full year of compliance from April 5, 2016 to present. In addition, United Church Homes and Services, Inc. is in compliance with the Long Term Debt Service Coverage Ratio and Days Cash on Hand requirements. At the time the in depth compliance examinations for FYE 2015 and 2016 are completed, other findings may be identified that are not routine and typical.

**9) MCC Bond Sale Approval Policy Information**

United Church Homes and Services, Inc.  
 Series 2017 Bond Project Financing  
 NC Medical Care Commission Bond Sale Approval Policy

	Time of Preliminary Approval If Public Offering	Time of Preliminary Approval If Bank-Placement
- Estimated Interest Rate	6.00%	4.00%
- All In True Interest Cost	6.25%	4.16%
- Maturity Schedule Interest	2017 - 2047	2017 - 2047
- Maturity Schedule Principal	2038 - 2047	2038 - 2047
- Estimated NPV Savings (\$)	\$0	\$0
- Estimated NPV Savings (%)	0.00%	0.00%

**XIII. OLD BUSINESS**

There was no old business to report.

**XIV. NEW BUSINESS**

**A. Rules for Initiating Rulemaking Approval (Rules & Fiscal Note).....Exhibits D-D/3**

1. Home Care Rules.....Nadine Pfeiffer & Greta Hill  
 Readoption of 8 rules following Periodic Review:  
 10A NCAC 13J .0901, .1004, .1007, .1107, .1110, .1202, .1402 and .1502

2. Emergency Medical Services and Trauma Rules .....Nadine Pfeiffer & Tom Mitchell  
**Exhibits D/4-D/6**  
 Adoption of rules for Ground Ambulance Manufacturing Standards and Medical  
 Oversight for Air Medical Programs: 10A NCAC 13P .0224 & .0410

Remarks were made on behalf of the Commission by Dr. Fagg, Dr. Schaaf, Dr. Rust, and Mr. Paugh.

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

10A NCAC 13F, Licensing of Homes for the Aged and Infirm  
(Adult Care Homes) Nadine Pfeiffer, Megan Lamphere & Steven Lewis

**C. Rules Not Required to Publish Notice of Text – G.S. 150B-21.5 (b)(1).....Exhibits F-F/2**

Nursing Home Licensure Rule.....Nadine Pfeiffer & Beverly Speroff  
Repeal of Administrative Penalty Determination Process: 10A NCAC 13D .2111

**COMMISSION ACTION:** Motion was made by Mr. Wiles, seconded by Dr. Schaaf, and unanimously approved to adopt all of the rules and determinations referenced above.

**XV. Draft Proposal for Paperless Agendas for Medical Care Commission Meetings .....Amy Sawyer**

The paperless system would offer our organization many benefits including increased employee efficiency, productivity and information security. Upon approval by the Commission the following options will be available:

- 1) An email will be sent to Commission Members to identify who would like to continue receiving an agenda packet in the mail or who would like to receive an agenda packet via electronic mail.
  - a. Commission Members are asked to notify the Executive Assistant to the Medical Care Commission by July 28, 2017 as to their decision for paper or electronic agenda packets beginning with the August 2017 Quarterly Commission meeting.
- 2) Commission Members who have elected to receive the agenda packet via electronic means, will receive the packet in a PDF format one week before each quarterly Commission meeting.
  - a. The staff would ensure the meeting room has a wireless connection so Commission members can access the meeting information.
  - b. Members would need to bring their own electronic devices to the meetings to view the documents.
- 3) The Commission staff will provide certain documents (i.e. regulations, etc.) in a printed format to allow for easier review. These documents would be at each member's seat on the day of the meeting to facilitate their review.
- 4) The Commission staff will provide the agenda documents to the Commission Members on a screen in the meeting room the day of the meeting.

This policy shall be effective this 12<sup>th</sup> day of May, 2017.

**COMMISSION ACTION:** Motion was made to approve the Policy by Mr. Crocker, seconded by Dr. Alphin, and unanimously approved.

**XVI. REFUNDING OF COMMISSION BOND ISSUES.....Kathy Larrison**

**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

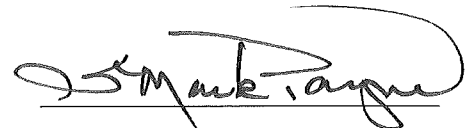
**WHEREAS**, the Commission will not meet again until August 11, 2017 in Raleigh, North Carolina;

**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 11, 2017.

**COMMISSION ACTION:** Motion was made in favor of the Resolution by Mr. Crocker, seconded by Mr. Lockamy, and unanimously approved.

**XVII. ADJOURNMENT**

There being no further business, a motion was made to adjourn the meeting by Mr. Crocker, seconded by Mr. Lockamy, unanimously approved. The meeting was adjourned at 11:30 a.m.



S. Mark Rayne, Secretary

06/14/2017

Date