



**CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
NOVEMBER 26, 2018**

Advocacy and Health Policy:

Federal:

- The “flip” of control in the House should play favorably for health centers from both a policy and funding perspective. Congressman Jim Clyburn announced on November 8th that he would run for the position of Majority Whip and is being installed in a ceremony later this week. CHC was invited to attend and will be represented by Rudy Williams, our Governmental relations Consultant. Once again, South Carolina will have a member holding the 2nd most powerful position in the House of Representatives and one of the most influential positions in Congress. The House Majority Whip sets the floor agenda and oversees all the committee chairmen.
- 340B Drug Pricing Program: The advocacy focus has shifted from Congressional oversight to market forces that are posing perhaps the most significant threat the program has ever faced. This emerging and rapidly escalating threat has been dubbed both predatory contracting and discriminatory reimbursement. Essentially, commercial 3rd party payers and Pharmacy Benefits Managers are reducing reimbursement on 340B claims to rates that in many cases do not cover the cost of dispensing the drugs. This is effectively redirecting the savings Congress intended to support the work of the covered entities to the commercial insurance companies. These discriminatory reimbursement models are emerging at an alarming rate all across the country and have become the top priority and major focus of the health center 340B community. One health center in Florida reported just today that they project a \$2 million reduction to their bottom line as a result of discriminatory reimbursement with only 2 contracts. Absent the ability to retain 340B savings, there is no reason to participate in the 340B program. Because I serve as the chair of the NACHC Pharmacy Access Work Group, CHC has the opportunity to remain abreast of all the strategies that are emerging to address this critical issue. Strategies include:
 - NACHC has legal counsel to research any possible legal prohibitions to this practice;
 - This topic is the main focus of health center programming for the upcoming 340B Coalition Winter Conference (Sue, Dom, and Chris will be attending);
 - A legislative remedy is being carefully considered at the federal level and will likely result in a robust advocacy campaign; and
 - At least three states are working with their state legislature to enact anti-discrimination statutes at the state level.

State:

The South Carolina Primary Health Care Association has finalized its Legislative Agenda for the upcoming session of the general Assembly. The agenda includes a request for increased state funding. I continue to serve on the Legislative Committee of the SCPHCA whose meetings are held monthly by teleconference.

CHC Staff and Leadership Development Activities:

- Primary focus has been the preparation for a second-tier management retreat to be held Wednesday, November 28th from noon – 5PM. Our goal is to hold these meetings quarterly. The agenda for the upcoming meeting includes the following:
 - Review of Employee Satisfaction Survey (ESS) scores and comments specific to managers and supervisors and discussion of strategies for response and improvement;
 - Review of ESS suggestions for training and development and discussion of training plan for 2019-21;
 - The never-ending discussion of appearance and dress code;
 - Input on staff recruitment and retention; and
 - Guidance on various personnel issues.
- Year-end holiday bonus was announced in last week’s Monday Message and the senior leadership team delivered all checks out to the sites on Tuesday.
- All annual senior leadership performance appraisals are complete.

Strategic and Operational Activities

- Department of Pharmacy:
 - Along with 340B Program Compliance Manager, participated in monthly 340B Office Hours – a 1-hour operations focused telephone meeting of health centers interested in optimizing their 340B programs.
 - We are evaluating three Third-party Administrators (TPA) to assist in the expansion of our contract pharmacy initiative.
- Department of Family Medicine: No specific activity to report.
- Department of Pediatrics:
 - Issued a Letter of Intent to hire Dr. Austin Lively and we had a follow-up conversation to address questions he had about the proposed contract terms. He is returning to Clinton this weekend to tour the area and have dinner with Dr. Ashley Jenkins and her husband. We hope to have an employment decision within the next two weeks.
 - We are evaluating a course of action in response to the increased demand at The Children's Center being driven by increased births at SRH and MCO requirements for well child visits. Under consideration is expansion the physical capacity at TCC to house at least one additional pediatric provider, additional support an enabling staff, and ideally - a small pharmacy outlet. We believe there is sufficient square footage,

though it is not configured or being used in the most effective manner. To that end, we have retained a consulting firm that specializes in practice design and patient flow to conduct an assessment of the space and provide us with recommendations for optimizing the space to accommodate our short term needs as well as long term expansion.

- In alignment with potential expansion at TCC, we have been made aware of a 3rd year pediatric resident who is scheduled to interview with another Greenwood practice - assumedly with SRH. We have had an initial telephone interview and are piggy-backing a face to face interview and tour of TCC onto his already scheduled trip to Greenwood. That interview is scheduled for December 18th.
- **Behavioral Health:**
 - LC4/Hometown Pediatrics counselor is working out well.
 - Interviews for current vacancy at TCC have been disappointing. A candidate has been identified; however, she has very little experience and TCC leadership is concerned that she will not be able to handle the volume or complexity of need. They have proposed we hire three part-time counselors to job share one FT in-house counselor position. We are evaluating the feasibility in terms if billing and reimbursement.
- **CIMS:**
 - Participated in the annual meeting of the Development and Nominating Committee to prepare for the January Annual Meeting when two managing partner seats will be open for election.
 - Along with our Director of Quality and Population Health, I am participating in weekly telephone “huddles” to around a work plan to dramatically increase the number of gaps in care closed by the end of the calendar year.
- **SCPHCA:**
 - No activity to report.
- **Other:**
 - The Senior Leadership teams of GHS/Laurens campus and CHC had their quarterly rounding meeting during November. Major topics of discussion were: a) the GHS/Palmetto Health merger and any impact we should expect; b) our plans to remain in the LC4 space long-term; and c) plans to cover pediatric hospital call in light of a private physician withdrawing from the call rotation.

Consulting:

- Consulting engagements in progress:
 - Under contract with 340B Health for the design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Winter Conference. Consulting fee = \$5,000 plus waiver of \$1,000 conference registration.
 - 340B Module for 2019 NACHC CFO Institute in March, 2019 (conducted as webinar). Consulting fee = \$500

- Consulting agreements pending:
 - 2nd 340B Summit for Indiana Primary care Association scheduled for March, 12, 2019. Conducted 1st 340B Summit in 2016. Fee still under discussion.

Miscellaneous CEO Activity:

No miscellaneous activity to report.

Report of travel and personal time in October/November 2018

Business travel:

October 26th – Conway SC to conduct 340B training for leadership team at Health Care Partners of South Carolina

November 12th – Columbia for compliance planning meeting with Brooke Holloway and Jolley Law Group

Personal Time:

Sick leave: November 15th (4 hours)

If you have any questions or would like additional information on any of the above my contact information is as follows:

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