



**CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
MARCH 25, 2019**

Advocacy and Health Policy:

Federal:

- The federal focus has shifted to health center funding in the dual categories of annual discretionary appropriations and the \$4.0 billion mandatory health center fund, which expires September 30, 2019. Policy papers have been developed by NACHC for both these issues, along with two others that address funding for workforce development and a variety of other policy issues. These 4 policy papers serve as the foundation for messaging at the upcoming NACHC Policy and Issues Forum, when nearly 2,000 health center advocates will converge on the Hill. (Policy papers are attached and will be uploaded to board portal)
- The NACHC Policy and Issues Forum will be held March 27 – 31, 2019 in Washington DC. Brooke Holloway, and Rachel Davis, and I will be representing CHC. By coincidence, board member Abby Banks will be in Baltimore, MD the week of P&I and has agreed to join us for the Thursday Hill visits.
- 340B Drug Pricing Program: Though CVS Caremark has retracted their plan to impose discriminatory contract terms on for health centers participating in the 340B program, the various strategies being used by third parties in the supply chain to divert savings from the health centers continue to pose perhaps the greatest threat the program has ever faced. As a result, NACHC senior leadership has convened a high level 340B Strategic Advisory Council comprised of approximately 10-12 individuals considered to be thought leaders in the 340B world. This group will be responsible for proposing strategic initiatives in response to threats to the program and will be expected to carry the message on the Hill if this becomes necessary. As a result of the leadership role CHC has played in 340B over the last several years, I have been asked to participate and perhaps chair this Advisory Council.

State:

- SC DHHS has retained consultants to assess the state's pharmacy reimbursement methodology with the stated intent being to optimize revenue to both the state and pharmacy providers. An initial meeting of the state leadership and consultants with community health center pharmacy programs was coordinated by the South Carolina Primary Health Care Association. I was asked to attend, along with pharmacy leadership from two other health centers. The purpose of this meeting, held earlier this month, was for the consultants to gain an understanding of the pharmacy programs operated by health centers in the state. This will be followed by claims analysis to determine the degree of "spread pricing" – or the amount

pharmacy benefit managers (PBMs) are retaining above the amount paid to pharmacy providers. The anticipated time frame for the consultant's work is 18 months.

- State Medicaid Director Josh Baker requested a meeting with the health centers CEOs to discuss the strategic direction of the Agency. Director Baker affirmed his, and the Agency's desire to increase collaboration between the Agency and the health centers, with the goal being more Medicaid patients directed to health centers. Director Baker also spoke about strategic initiatives on the drawing board. Most notable was the Agency's desire to see Medicaid Assisted Treatment (MAT) integrated into primary care rather than being provided by "pop-up clinics". He indicated that we could expect to see guidance and funding in the near future and his intent would be to reach out to health centers as the state's preferred partner.

CHC Staff and Leadership Development Activities:

- Focus continues to be on organizational performance improvement – reported separately.
- Met with Board Development Committee. Based on their input, developed draft Board Development Plan, which has been distributed to the committee for their response.

Strategic and Operational Activities

- Department of Pharmacy:
 - Contract pharmacy executed with CVS to be fully implemented by July 1, 2019.
 - Pharmacy Oversight Committee meeting held on Friday, March 22nd. Primary discussion focusing on changes to the RX billing practices with three core components (below) under consideration to bring CCP into full compliance. Recommended revisions to the billing practices reported to the Finance Committee.
 - Default to billing 3rd party payer when coverage is available;
 - Adjust cash pay pricing structure to ensure income-based discounts are only available to those \leq 200% of the federal poverty level; and
 - Evaluate loyalty and other discount programs.
- Department of Family Medicine:
 - Input solicited from staff at practice sites with low productivity and evaluation of interventions underway.
- Department of Pediatrics:
 - Recruitment efforts for Hometown have continued to be unsuccessful. Met (today) with lead provider to discuss contributing factors and will be evaluating her input to determine new approaches.
- Behavioral Health:
 - Joint leadership meeting held – program review conducted. BCMH will be submitted monthly, encounter data to be included as a Distribution Only item on the Board Agenda.
 - Dominic Mellette, Brooke Holloway, and I met with Cornerstone to discuss collaboration with their community distribution of emergency reversal agents. Dr.

Mellette is conducting research and developing protocols to support this effort at CCP.

- **CIMS:**
 - Participated in meetings as the co-chair of the newly formed CIMS Development Committee. The charge of the committee is two-fold: 1) perpetuate the leadership of CIMS through outreach and education of current partners; and 2) expand the partnership through outreach, education, and evaluation of potential new partners.
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- **SCPHCA:**
 - No additional activity to report.

Consulting:

- Consulting engagements completed:
 - Design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Winter Conference. Consulting fee = \$5,000 invoiced and paid.
 - Facilitated Strategic Planning and Staff Development retreat for the Florida Association of Community Health Centers. Executive Summary completed and submitted. Consulting fee = \$2,000 invoiced and payment pending.
 - 340B Summit for Indiana Primary Care Association on March, 12, 2019 was transferred to a colleague.
- Consulting agreements pending:
 - 340B Module for 2019 NACHC CFO Institute in March, 2019 (conducted as webinar). Consulting fee = \$500
 - 340B Health has indicated intent to issue MOA for design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Summer Conference in July. Negotiations underway.

Miscellaneous CEO Activity:

No miscellaneous activity to report.

Report of travel and personal time in March 2019

Business travel:

February 27th – March 1st - Callaway Gardens for FACHC Strategic Planning Retreat

March 14th – Columbia, SC for RX meeting at SC DHHS

March 20th – Participated in SCPHCA meetings and meeting with Medicaid Director via conference call

Personal Time:

Annual leave:

March 15th – 8 hours

Sick leave:

March 4th – 4 hours

If you have any questions or would like additional information on any of the above my contact information is as follows: sveer@carolinahealthcenters.org or 864-554-7102