



CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
MAY 30, 2018

Advocacy and Health Policy:

Federal:

- Scrutiny of the 340B Drug Pricing Program has slowed but not ceased. CHC continues to be the organization seen as the lead in developing and conveying the health center advocacy message (see attached slides).
 - Second Senate HELP Committee hearing was held mid-May with the Office of the Inspector General and the Government Accountability Office testifying as to their evaluation of covered entity compliance and needed change to the program.
 - Follow-up meetings were held with members of the SC delegation as well as targeted Committee staff on April 30th and May 1st. These meetings were intended to reinforce the message conveyed during both House and Senate hearings
 - Families USA convened a national “thought leader” meeting on Friday, April 27, in which CHC participated.
 - CHC prepared and delivered the health center 340B advocacy message at the 2018 340B World Congress and a recent client event for a health center contract pharmacy network.
 - CHC continues to work with the SCHPCA to find a constructive way to address the activities of the SC health center in SC that was terminated from the 340B program following a HRSA audit that identified major areas of non-compliance. We facilitated an initial meeting with this health center’s DC lobbyist and the NACHC health policy staff and are planning a site visit to their pharmacy to evaluate first-hand the issues that resulted in their termination from the program.
 - An independent commission has been convened to develop recommendations for legislative proposals to be presented to Congress soon after Labor Day. Hearings have been initiated beginning on June 13, 2018.
- A second regulatory issue that is heating up is scrutiny of the HRSA grantees as it relates to the Hyde Amendment, which prohibits the use of federal funds for abortion. This has resulted in Financial Management reviews of select health centers – CHC being one. Brooke Holloway is lead on the audit and we are not at risk in terms of our use of federal funds, though some written policy modifications may be required.

State:

- Other than the \$5 million remaining in the budget for federally qualified health centers, the most notable “win” for the 2018 session of the General Assembly is the passage of the Nurse Practitioner bill, which will remove administrative barriers and increase flexibility in staffing health center sites with APRNs.

CHC Staff and Leadership Development Activities:

- Dr. Vernon “Chuck” Whitley has resigned as Director of Pediatrics and voluntarily terminated his contract as a provider effective May 31, 2018. Dr. Simons and I have identified two potential candidates for the directorship from the existing pediatric medical staff and conducted interviews, both of which went very well. We are looking at a shared leadership model that would help to facilitate better integration of the two practices into one cohesive department.

Strategic and Operational Activities

- Department of Pharmacy:
 - Interview and site visit planned with PharmD graduating from a health center run pharmacy residency program. Addition of this pharmacist would enable CCP to initiate planned clinical integration with medical sites.
 - In process of onboarding contract pharmacy services with Curant Health. A primary focus of this contract arrangement is specialty pharmacy for the target population of HIV/Aids and Hep C patients.
 - In conjunction with a speaker engagement for their client event, I made a site visit to Atria, a health center led Third Party Administrator (TPA) for contract pharmacy services. We are evaluating the possibility of securing their services to continue expansion of our contract pharmacy arrangements. They have submitted a proposal to conduct an independent audit of our pharmacy as a first step in assessing the suitability of a partnership.
 - RFP for independent audit of the pharmacy has closed and we are waiting on a 4th and final proposal prior to making a final selection.
 - Continuing to evaluate pharmacy expansion possibilities in Laurens County – Paul Grogan to present preliminary data analysis...
- Department of Family Medicine:
 - Held quarterly “rounding” meeting of GHS and CHC leadership. Topics discussed included: 1) future need to expand LC4 to additional off-campus location; 2) strategies to engage high utilizers of the emergency room; 3) the feasibility of CHC pharmacy expansion into Laurens County.

- Department of Pediatrics:
 - In addition to coordinating the departure of Dr. Whitley, we have been in discussions with a Developmental Pediatrician with health center experience, who is interested in joining TCC with the intent to split her time 80/20 between general pediatrics and developmental pediatrics. This would add a much needed resource to our team, as the wait for an appointment for developmental pediatrics often exceeds 1 year and with Dr. Whitley's resignation, would fill an upcoming vacancy in the general pediatrics staffing. We anticipate a final decision as early as next week.
- Behavioral Health:
 - Brooke Holloway and I had a meeting with leadership at Beckman to identify potential growth opportunities in our partnership. Areas discussed were: 1) collaboration between the pediatric psychiatrist and developmental peds (if we make that hire); shared work around peer support systems; and 3) collaboration on the SAMSHA grant addressing early identification of adolescent psychoses.
- CIMS:
 - We have filled the position of Director of Quality and Population Health with a highly experienced individual previously employed by managed care plans. She will lead our continued efforts to coordinate and manage care in alignment with the CIMS incentive based contracts.
- Amicus:
 - Transition to a LabCorp management agreement is complete. Amicus continued to operate with a modest positive margin and cash flow.

Consulting:

- Consulting engagements completed and billed during the month: None
- Consulting engagements in process:
 - 340B Summit for the Rhode Island and Connecticut health centers is scheduled for June 5, 2018 in Mystic CT. Fee = \$2,500.
 - Currently working under contract with 340B Health – the coordinating structure for the National 340B Coalition –to plan and organize health center specific programming for the upcoming 2018 340B Coalition Summer Conference to be held July 19-22, 2018.
 - 340B Summit sponsored by the Alaska Primary Care Association is scheduled for Tuesday, June 12, 2018 in Anchorage, AK. Preparatory research is ongoing.
- Consulting agreements pending: None

Miscellaneous CEO Activity:

No miscellaneous activity to report.

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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Report of travel and personal time in April/May2018

Business travel:

April 27th –May 2nd – DC for follow-up on 340B as well as various Hill visits

May 14th – May 19th – Philadelphia and New York state for 340B World Congress (invited speaker), Atria site visit, and speaker at Atria Client Summit

Personal Time:

None taken