



**CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
AUGUST 26, 2019**

Advocacy and Health Policy:

Federal:

- Health Center funding: Though both the Senate and House have proposed appropriations bills that establish level funding for 5 years and 4 years respectively, there is growing concern that Congress move forward on appropriations legislation in time to avoid the September 30th funding cliff. According to BPHC, Congress if the September 30th deadline is not met, grants will be awarded on a month by month for project period beginning January 1st and after until an appropriations bill is passed.

In addition to the funding cliff, the health center community has concern that all proposed legislation funds the health center program at FY19 level funding with no provision for cost increases or expansion. There have been discussions about a trade-off of length of funding for increased funding, but the general consensus is to push for the longest funding period to support stability of the existing grantees.

The advocacy position of the health center community is “the most amount of funding for the longest period possible.” In order to strategize around that message and make a final push before the September 30th cliff, NACHC has convened a meeting of its Legislative Key Contacts (of which I am a member), followed by an organized Congressional “fly-in” of health centers from across the country. The meeting and fly-in is scheduled fro September 9-11, 2019. In addition, there will be a push for grass roots advocacy from the field. If members of the Board of Directors are not signed up as advocates or need assistance when responding to Action Alerts, please contact Rachel Davis by email at rdavis@carolinahealthcenters.org.

- Regulatory activity:
 - 340B Drug Pricing Program: Congressional scrutiny of the 340B Program seems to have died down; however, a lack of clarity has surfaced at the regulatory level (HRSA) as to: a) how health centers reflect contract pharmacy on their Scope of Project, and b) whether a sliding fee discount is required for contract pharmacy and if so, how it must be implemented. NACHC staff, along with key resources in the

health center 340B community are working with HRSA to establish clarity on this issue.

- Public Charge: A Final Rule on Public Charge, developed by the Department of Homeland Security, was published on August 14, 2019 and takes effect on October 15, 2019. “PUBLIC CHARGE” is a term used by U.S. immigration officials to refer to a person who is considered primarily dependent on the government for subsistence. Where this consideration applies, an immigrant may be denied admission to the U.S. or lawful permanent resident status – i.e. obtaining a “green card.” The new regulations are very complex but the two changes that have the potential to impact community health centers are: a) the inclusion of Medicaid (with exceptions) as a public benefit included under the determination of public charge; and b) new standards regarding the discretionary determination that an immigrant is “likely “ to become a public charge. These changes are already having a chilling effect on the patients of many health centers across the country, with legal immigrants choosing to drop their Medicaid coverage, thereby shifting the financial burden of caring for those patients to the health center’s sliding fee program. Because this new rule is so complex, it warrants a significant amount of education for staff and patients alike.
- Title X Final Rule: Compliance with this Final Rule, which strengthens prohibitions against abortion as a form of family planning, was required as of July 15, 2019 and applies specifically to organizations that receive Title X funding.

State: The only activity at the state level is related to the passage last session of the statute restricting discriminatory pharmacy reimbursement on the part of Pharmacy Benefit Managers (PBMs) and attempts to interpret how it will be implemented and enforced. The PCA Legislative Committee (of which I am a member) meets monthly and will be developing its agenda for the upcoming session over the next two months.

CHC Staff and Leadership Development Activities:

- The fall 2019 Corporate-wide Staff Meeting has been scheduled for Tuesday, September 24th and the agenda and material for the meeting is under development. Definitely to be included on the agenda is an overview of the upcoming Operational Site Visit and what employees might expect.
- CHC’s inability to recruit and retain clinical support staff has reached what could be considered crisis proportions. Members of the leadership team, along with HR and practice operations staff are working to identify the barriers and strategies to address them. Plans are underway to conduct a confidential survey of the incumbent staff, and we have already reached out to the nursing programs at PTC and Lander. We will be requesting that the Strategic Planning Committee include this as an immediate strategic priority, and the Finance Committee has been advised of the potential impact on personnel costs.
- Leadership Team annual performance appraisals are underway.

Strategic and Operational Activities

- Administration:
 - Paul Grogan and I attended the 2019 NACHC Community Health Institute where I served as faculty for 340B University, participated in the three committees I am a member of (Legislative, Health Policy, and Rural Health), conducted the bi-annual f2f meeting of the NACHC 340B Work Group, and served as moderator and a speaker for a 340B educational session. Paul and I both attended the general sessions and during the break-out sessions, Paul focused on finance and operations and I focused on federal and health policy updates. A major take-away from the health policy sessions was HRSA's plans for health center growth in the areas of a) ending the HIV epidemic; b) integrated behavioral health; and c) treatment of substance use disorder including medication assisted treatment. If expansion funds are appropriated, we can expect them to be directed to these three initiatives.
 - Funding updates:
 - CHC received notification of approval of our grant application for the Integrated Behavioral Health Services funding in the amount of \$167,000. Continuation of this funding into future years will be contingent upon our performance during the initial grant period.
 - CHC received a one-time HRSA Health Center Quality Improvement Award in the amount of \$116,421 for our performance on quality measures for the 2018 calendar year.
- Department of Pharmacy:
 - Continuing to monitor growth of affiliated pharmacy business.
 - Along with Paul Grogan, I am continuing to consult with pharmacy leadership regarding adjustments to charges and billing practices with a focus on compliance and improvement in operating margin.
- Department of Family Medicine:
 - No specific activity to report.
- Department of Pediatrics:
 - Continued participation in provider recruitment efforts with the goal of adequate staffing to maintain capacity in the event of provider absences. Dr. Haresh Baxi joined CHC as a part time provider at TCC on August 5th and will assist with coverage at Hometown Pediatrics during Dr. Jenkins upcoming maternity leave. Christine Chard joins CHC at Hometown Pediatrics this week and the recruitment team is in preliminary discussions with two other candidates.
- Behavioral Health:
 - The above referenced IBHS grant funding will support the addition of a Behavioral Health Coordinator. Work is underway to develop the position description after which recruitment efforts will be initiated.

Partnerships and Affiliations:

- **CIMS:**
 - Along with Dr. Locke Simons, Paul Grogan, Miriam Ferguson, and Terri Woodrome, I attended the mid-year meeting of the CIMS partners held in Charleston July 28-30, 2019, which focused on strategies for improving performance on our value based contracts. CHC was recognized as a best practice for collaboration between our pharmacy leadership, population health staff, and a 3rd party payer that has increased medication adherence.
 - I continue to serve on the Development and Nominating Committee as well as ex officio to the managing Partners.
- **SCPHCA:**
 - The 36th Annual Conference and Board Governance retreat of the SCPHCA is scheduled for Friday, October 11th through Sunday, October 13th with the 40th Anniversary Gala scheduled for Saturday evening October 12th. The conference and gala are being held in Columbia and one of CHC's Board members – Abby Banks – will be participating on a panel about the board's role in advocacy. We have purchased a sponsorship that allows for ten seats at the gala. Conference registration is \$275 per person and the conference room rate at the Marriott is \$149 per night and the most recent draft agenda is attached to this report. Please let Paul Grogan or I know if you are interested in attending.

Consulting:

- Consulting engagements completed and billed during the month:
 - Design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Summer Conference. Consulting fee = \$5,500 plus waiver of \$1,000 conference registration.
- Consulting engagements in process:
 - Under contract with the Pennsylvania Association of Community Health Centers to develop a comprehensive statewide 340B training program that will consist of several topic specific webinars and conclude with a face-to-face capstone summit in January 2020. Total fees = \$7,500
 - Needs assessment survey developed and distributed to membership on July 15, 2019 and initial analysis and research complete.
 - First webinar scheduled for September 5, 2019.
- Total billed and collected in August 2019 = \$5,500

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 July 22 – August 26, 2019

Business travel:

Sunday, July 28th – Tuesday, July 30th: Charleston for CIMS Partners Meeting

Thursday, August 15th – Wednesday, August 21st: Chicago for 340B University, NACHC Committee meetings, and NACHC Community Health Institute

Personal Time:

Intermittent sick leave for medical appointments = 12 hours