



**CAROLINA HEALTH CENTERS, INC.  
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS  
SEPTEMBER 24, 2018,**

**Advocacy and Health Policy:**

**Federal:**

- Last week, Congressional leaders came to an agreement on FY 19 Labor-Defense-Health Care spending package that will keep the government open through December 7, and provide **\$1.63 billion in Appropriations funding for Community Health Centers** if signed into law. This represents level funding for the Health Center Program from last year's Appropriations bill, which is exactly what NACHC and health center advocates were asking for this year. The Senate is expected to pass the bill later this week, leaving it up to the House to pass the bill when they return from recess next week in order to get it to the President before the September 30 deadline. **This does not eliminate the threat of a new fiscal cliff with the FY20 federal appropriation and NACHC is gearing up its advocacy efforts to secure a long-term cliff-fix.**
- Activity around the 340B Drug Pricing Program has shifted for the near term from legislative proposals to regulatory enforcement, particularly around compliant contract pharmacy arrangements. Effective with this last quarter, the registration of a new contract may result in a HRSA request for a full review of the contract.

**State:**

- Regarding the LLR interpretation that could impact our RX delivery service: we have hoped that the SCPHCA would develop an advocacy initiative to address this issue with the General Assembly; however, this appears to be off their radar screen. We are continuing to assess the financial impact as well as the impact on access should we need to discontinue our delivery service and plan to brief Senator Nicholson in the next 30-45 days to allow for a pre-bill filing in November of necessary.
- Continue to serve on the SCPHCA Legislative Committee, which is finalizing the state agenda for the upcoming a session of the General Assembly. The agenda includes the continuation of funding for the health centers at an amount not less than \$5 million.

**CHC Staff and Leadership Development Activities:**

- Monthly senior leadership team meeting held Thursday, September 5, 2018. A primary topic of discussion was the transition plan for Ware Shoals Family Practice. Ms. Scott Whitehead, PA will assume his duties as the primary medical provider for Ware Shoals FP on October 1, 2018. Until that time, patient care will be provided on a half day schedule with the practice

being open full days to accommodate medication pick-ups, phone calls, etc. We have coordinated with the Ware Shoals Observer for keeping the community informed.

- This month's meeting of the administrative staff was held on Thursday September 13th.
- Senior team annual performance reviews are underway – 4 of 5 complete.
- The 2018 Employee Satisfaction Survey produced a 150 page report that the leadership team is continuing to digest in order to develop our response, both in terms of communication as well as suggestions we can implement. We are deferring a full report to the Board until the October meeting to allow sufficient time for discussion.
- Continuing to develop our provider recruitment support in order to adopt a more focused and proactive recruitment strategy. Kacie McCutcheon, Credentialing and Contracts Management Specialist and Personnel Coordinator Shelley Botchie have taken the reins and are actively working with medical staff leadership to identify capacity gaps and coordinate recruitment activities. They did an excellent job supporting a 2 day site visit for Dr. Jessica Blanding, a candidate for our pediatrician vacancy at Hometown Pediatrics.
- Preparations are underway for our bi-annual Corporate Staff Meeting to be held on Tuesday, October 9, 2018 at Northside Baptist Church.

### **Strategic and Operational Activities**

- Department of Pharmacy:
  - Received the final report from the independent audit of pharmacy services conducted by Atria 340B. As expected the areas suggested for improvement include:
    - Inventory management – The auditors observed that our current system is a hybrid of a physical separate inventory supported by replenishment based upon dispensation records. The auditors recommend that we conduct a unit level inventory, after which we would separate the inventory and manage purely separate 340B and non-340B inventories, or move toward a single inventory with an accumulator support replenishment process. The Pharmacy Oversight Committee has decided to adopt a physically separate inventory model while assessing options for a virtual/replenishment model. Target date is September 30, 2018.
    - Tracking clinic administered drugs and devices from purchase to patient – Baseline inventory has already been conducted and we have implemented a dispensing log that will be reconciled to inventory on a monthly basis periodically audited to patient records. Training has been conducted with clinical support staff.
    - Cash pricing policies – The auditors recommend that we reevaluate our pricing policies to ensure that we are in line with Section 330 (health center) requirements and contract terms.
  - Onboarding of our first contract pharmacy – Curant – is complete and has begun to generate modest returns. We have initiated discussions with Wellpartner, the PBM

- for CVS, which is the pharmacy with the highest outside capture rate from our practices.
  - We continue to evaluate options for a 3<sup>rd</sup> pharmacy location Clinton.
  - Active recruiting effort continues to enable to expansion of clinical pharmacy integration.
- Department of Family Medicine:
  - Primary focus has been ensuring a smooth transition at Ware Shoals Family Practice and recruiting for LC4.
- Department of Pediatrics:
  - Continue to work directly with the recruiting team on filling the vacancy at Hometown Pediatrics. Hosted a 2-day site visit with Dr. Jessica Blanding, a 3<sup>rd</sup> year resident who would be available after June 2019. All partners were pleased with the interview and a follow-up call is pending.
  - The leadership team is evaluating the need for additional medical capacity at The Children's Center based on increasing numbers of newborns and increased expectation of payers regarding well child care. Early thoughts are that we need to add a provider position; however, our current space will not accommodate another provider. We will be analyzing the demand and developing possible expansion scenarios over the next several months.
  - Dr. Shelly Brigman, developmental pediatrician, joins TCC on September 27<sup>th</sup>, filling the vacancy created by Dr. Chuck Whitley's departure.
- Behavioral Health:
  - We once again have a vacancy at The Children's Center due to the departure of the Beckman staff person. Beckman is actively recruiting for the position; however, we will also be considering the possibility of a CHC employed counselor.
  - Received a Notice of Grant Awards for the SUD – MH grant that will focus on strategies to address opioid use disorder. This will be added to the support for our multidisciplinary approach initiated with the AIMS grant.
- CIMS:
  - No activity to report.
- SCPHCA:
  - Planning for CHC participation in the upcoming SCPHCA Annual Conference and Meeting and Board Governance Training.

### **Consulting:**

- Consulting engagements completed and billed during the month: none
- Consulting engagements in progress:
  - Customized 1-day 340B Summit for the California Primary Care Association to be conducted on Monday, October 1, 2018.
- Consulting agreements pending:
  - ½ day 340B training session for Health Care Partners in Conway, SC

- 340B module for the 2019 NACHC CFO Institute
- No consulting services billed in September 2018.

**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 August/September 2018**

**Business travel:**

August 23 - 28, 2018 – Orlando, FL for 340B University (faculty) and NACHC Annual Community Health Institute

September 19, 2018 – Columbia for SCPHCA monthly meeting

**Personal Time:**

Sick Leave: September 6, 2018 (4 hours)