



**CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
OCTOBER 28, 2019**

Advocacy and Health Policy:

Federal:

- Health Center funding: No specific activity or progress to report.
- 340B Drug Pricing Program: Through the work of the NACHC staff and members of the 340B Strategic Advisory Council there is a high degree of confidence that the 340B specific language will be removed from H.R. 3 - the bill referenced last month which posed significant threat to the program. We continue to seek clarity at the regulatory level (HRSA) on the following issues: 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.
- MIECHV/Early Childhood Services: As previously reported it is the goal of HRSA to promote greater alignment between the Bureau of Primary Health Care and the Maternal Child Health Bureau, with the ultimate result being more health centers implementing programs with integrated early childhood services such as those that have been part of the CHC model for years. Over the last 30 days there has been congressional interest in developing a legislative proposal that would expand authorization and potentially create new funding for the alignment. Consequently, I have been involved in a series of phone meetings and CHC may be asked to be an active participant in this process.
- General: Rudy Williams, governmental relations consultant for CHC attended the following events, during which he spoke with members of the South Carolina congressional delegation on our behalf: 1) the monthly meeting of the South Carolina business Council; 2) the memorial service for the wife of Congressman James Clyburn; and 3) the memorial event for Congressman Elijah Cummings.

State:

- In addition to preparing its campaign to secure state funding for the health centers, the SCPHCA is following policy issues:
 - H3020 – the Fetal Heartbeat Bill: This bill would make all abortion services illegal once a licensed provider detects a fetal heartbeat. The concern with this bill from a healthcare perspective is its potential chilling effect on women seeking medical services following suspected conception. Update: The Bill was amended and two of the three reasons that would allow an abortion to be performed were removed from the Bill. The exceptions that were removed are in cases of incest and rape. The only

remaining exception for performing an abortion would be in cases where the life of the mother is at risk. The Bill will now go to the full Senate Medical Affairs Committee where it is expected to pass and be placed on the Senate Calendar in January. Given the amount of concern about removing these exceptions, we should expect a long floor debate in the Senate. This means there is the potential for a “legislative log jam” with very limited legislation moving through the Senate until this matter is resolved.

- Multi-state provider licensing compact: No progress to report.
- S359: This is the Senate bill which passed last session that prohibits PBMs from discriminatory reimbursement of independent pharmacies. We are following the Department of Insurance’s development of the PBM Regulations as mandated by Senate Bill 359, which were scheduled to be posted last Friday. These regulations will determine the force with which we can expect this protective statute to be enforced.

CHC Staff and Leadership Development Activities:

- The fall 2019 Corporate-wide Staff Meeting was held on Tuesday, September 24th with full attendance and active participation among all break-out sessions.
- Leadership Team annual performance appraisals are underway. Self-evaluations have been distributed to all, four of which have been completed the process is complete three of the senior team member. The fourth will be completed by the end of this week with the fifth pending.
- Plans are underway for a senior leadership team-building and planning day to be held following the completion of our operational site visit and prior to the end of the year. I have been conducting preliminary assessments and research in preparation for that meeting.

Strategic and Operational Activities

- Administration:
 - Primary focus of administration has been preparation for the upcoming operational site visit.
 - Due to an unexpected complication, the new board member orientation that was scheduled for October 16 will be rescheduled for early January.
- Department of Pharmacy:
 - Continuing to monitor growth of affiliated pharmacy business.
- Department of Family Medicine:
 - No specific activity to report.
- Department of Pediatrics:
 - No specific activity to report
- Behavioral Health:

- Newly hired behavioral health coordinator is in the process of conducting an assessment of the needs of our patients and the current resources in place. We plan to have a report of her findings to go over with the senior leadership team in January with the expectation that those findings along with our strategic plan recommendations will be presented to the board no later than March 2020

Partnerships and Affiliations:

- **CIMS:**
 - Participation in regularly scheduled meetings of the Development and Nominating Committee and Managing Partners.
- **SCPHCA:**
 - Attended the 36th Annual Conference and Board Governance retreat of the SCPHCA on Friday, October 11th through Sunday, October 13th along with three board members – Gregory Bullard, Abby Banks, and Donna Hutchinson – and four members of the senior leadership team.

Consulting:

- Consulting engagements completed and billed during the month:
 - Meeting with the leadership of the 10 states that make up the Northwest Regional Primary Care Association (NWRPCA) and the Community Health Association of the Mountain and Plains States (CHAMPS) to discuss strategies in support of greater integration of pharmacy with the primary care medical home. Fee = \$750.
 - Speaking engagement on The Essential Role of Finance and Operations in Optimizing Health Center Pharmacy Programs for the NACHC FOM/IT Annual Conference.
 - Facilitated preparation for monthly NACHC 340B Office Hours in the absence of the NACHC staff assigned to the project.
- 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 two webinars are complete and received positive reviews and the 3rd is scheduled for this current week.
 - Design and coordination of Community Health Center Expert Sessions for the 340B Coalition 2020 Winter Conference. Negotiations secured an increase in the health center programming to three sessions. Consulting fee = \$6,875 plus waiver of \$1,000 conference registration.

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 September 23, 2019 – October 28, 2019

Business travel:

Tuesday, October 1st – Columbia, SC for CIMS Care Coordination meeting

Friday, October 4th – Tuesday, October 8th – Seattle WA for NWRPCA/CHAMPS meetings

Tuesday, October 15th – Columbia, SC for CIMS Managing Partners meeting

Friday, October 11th – Sunday, October 13th - Columbia, SC for SCPHCA conference and gala

Tuesday, October 22nd – Saturday, October 26th – Chicago, IL for NCHC FOM/IT

Personal Time:

None taken.