



**CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
AUGUST 20, 2018**

Advocacy and Health Policy:

Federal:

- Ongoing oversight of the 340B Drug Pricing Program:
 - Preparing for 340B related activities during the upcoming NACHC Community Health Institute:
 - Speaker for conference briefing
 - Coordinating meeting of the Pharmacy Access Work Group (formerly 340B Work Group)
 - Briefings to be presented at Legislative and Health Policy Committees
 - Congressional focus has shifted to investigation of contract pharmacy models. The Government Accountability Office (GAO) issued a report on contract pharmacy arrangements and the House Energy and Commerce Committee has issued detailed requests for information from 9 major contract pharmacy providers.

State:

- No new developments to report on the LLR interpretation that could impact our RX delivery service; however, we are assessing the financial impact as well as the impact on access should we need to discontinue our delivery service. This data will serve to support our message should legislative intervention become necessary. We are also evaluating a possible work-around be cross training one patient service representative (PSR) at each site as a registered pharmacy technician.

CHC Staff and Leadership Development Activities:

- Monthly senior leadership team meeting held Tuesday, August 14th.
- We have initiated a monthly meeting of the administrative staff, which this month was held on Thursday August 16th. This has proven to be an excellent channel for leadership to be kept in the loop as to things that are going on across divisions, which may not necessitate being on the leadership team meeting agenda, but have significant impact on the organization. For example, much of the work of the Information Technology Department occurs behind the scenes and may be invisible to all. However, this month Tim Anderson shared that they are negotiating discounts on our internet service that could amount to

thousands of dollars in savings per month. This is an obvious benefit to the entire organization and speaks well to the performance of that department.

- Senior team annual performance reviews are underway – 2 of 5 complete.
- We took action to centralize support for our provider recruitment activities in order to adopt a more focused and proactive recruitment strategy. Kacie McCutcheon, who is our Credentialing and Contracts Management Specialist will be taking the lead in developing a proactive recruitment strategy and, with the assistance of Personnel Coordinator Shelley Botchie providing a system of support for this important work. We will be looking at a medical capacity plan that includes current opportunities, projected opportunities, and even those opportunities that may occur in the future as the result of possible expansion plans. Kacie and Shelley will be responding to those providers and recruiters that contact us directly, as well as reaching out proactively to various residency programs in order to introduce them to opportunities with Carolina Health Centers. They plan to set up a provider employment opportunity voice mailbox where “cold-calls” from recruiters may be sent for future follow-up, and they will be responsible for coordinating all interview activities. I really appreciate their willingness to add this important work to their scope of responsibilities and look forward to working with them to equip CHC to meet the growing demand for high-quality primary and preventive care in the communities we serve.

Strategic and Operational Activities

- Department of Pharmacy:
 - Completed the onsite portion of our independent audit of the pharmacy program, with the final written report expected in 30 days. During the exit conference we were notified of three areas with recommendations for enhanced compliance, with the first two being the highest priority: 1) inventory management; 2) tracking clinic administered drugs and devices from purchase to patient; and 3) cash pricing policies. Operations has already initiated activity in collaboration with pharmacy leadership to address the clinic administered drug tracking and we will be working with the auditors to develop a plan for addressing deficiencies in the inventory management system.
 - Onboarding of our first contract pharmacy – Curant – continues.
 - We continue to evaluate options for a 3rd pharmacy location Clinton. Paul Grogan is lead on this and has continued negotiations with the owners of the property previously reported as the most desirable location.
 - Active recruiting effort continues to enable to expansion of clinical pharmacy integration.
- Department of Family Medicine:
 - .No specific activity to report.
- Department of Pediatrics:
 - Continue to work directly with the recruiting team on filling the vacancy at Hometown Pediatrics; however, Drs. Jenkins and Bonetti are actively involved and

taking more of a lead. Two potential candidates have passed the telephone interview stage and Kacie is working to schedule site visits and in-person interviews.

- **Behavioral Health:**
 - No specific activity to report.
- **CIMS:**
 - Attended CIMS Mid-Year Partners meeting July 29-31, 2018.

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: None
- No consulting services billed in August 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 July/August 2018

Business travel:

July 29-31, 2018 – Charleston, SC for CIMS Annual Mid-Year Meeting

August 15, 2018 – Columbia for SCPHCA monthly meeting

August 17, 2018 – Columbia, SC for meeting with CIMS CEO

Personal Time:

Annual Leave: August 1-3, 2018 (24 hours)