



CAROLINA HEALTH CENTERS, INC.
PRESIDENT/CEO REPORT TO THE BOARD OF DIRECTORS
JUNE 24, 2019

Advocacy and Health Policy:

Federal:

- Health Center Funding: The Senate Health, Education, Labor and Pensions (HELP) introduced the Lower Health Care Costs Act, which is divided into the following four areas:
 - Title I: Ending Surprise medical Bills
 - Title II: Reducing the Price of Prescription Drugs
 - Title III: Improving Transparency in Health Care
 - Title IV: Improving Public Health
 - Title V: Improving the Exchange of Health Information

The majority of Title V is applicable either directly or indirectly to community health centers, but most notably, extends the mandatory funding for health centers and for the teaching health center program by 5 years. If this bill were to pass, and the senate Appropriations Bill aligns with the House Appropriations Bill, which includes roughly \$1.68 billion for health centers, health center funding would be stabilized through 2024. The Senate bill includes several other provisions of interest and a section-by-section analysis provided to us by Senator Tim Scott's office is attached to this report. The majority of Title II dealing with reducing the price of prescription drugs are improvements that occur at the manufacturer, distribution, and payer points in the supply chain. However, in Title III there is a provision that prohibits inflated pricing strategies currently used by pharmacy benefit manager (PBM).

- 340B Drug Pricing Program: Following serious 340B audit finding in 2016 that resulted in their expulsion from the 340B Drug Pricing Program, one of South Carolina's health centers filed suit against HRSA in Federal District Court. Since its original filing, a final determination has been delayed by a series of stays; however, the court has determined that the parties are unable to resolve their dispute and the case will be decided by the court on Friday, January 28, 2019. This suit has taken on national significance as the plaintiff's newest compliant filed in May 2019 challenges HRSA's authority to conduct audits. There is concern about the long-term consequences should the plaintiff prevail. In anticipation of the court's ruling, there have been a series of telephone meetings over the last two-weeks to determine the appropriate messaging from health centers across the country. In addition, a meeting of NACHC's 340B Strategic Advisory Council has been set for early next week, following the anticipated court decision.
- Federal Poverty Level: last month, the Office of Management and Budget requested public input on potential changes to the inflation factor that is used to update federal Poverty Levels.

Some of the options under consideration – including the one receiving the most attention, a switch the “Chained CPI” – would decrease the inflation adjustments, potentially resulting in hundreds of thousands of fewer enrollees in programs such as Medicaid and SNAP over the next 10 years. Decreasing the number of individuals eligible for these benefits will increase the financial demands on safety net providers and likely, the out-of-pocket costs for our patients. NACHC has provided comments to OMB and issued guidance for health centers to respond individually as well. CHC provided comment consistent with those issued by NACHC.

State:

- Session is adjourned – no activity to report.

CHC Staff and Leadership Development Activities:

- Other than routine leadership meetings and OSV prep, most meeting and developmental activities have been deferred until the EPIC conversion is complete.
- Initiated contact with potential board member candidate on behalf of Development Committee of the Board of Directors. Communicated results to the committee chair and tentatively scheduling a lunch meeting of the committee with the candidate for August 2, 2019.

Strategic and Operational Activities

- Department of Pharmacy:
 - A surprise inspection by DHEC resulted in determination that effective immediately CCP is unable to deliver controlled substances to the outlying medical sites. I was initially involved and will likely assist with any activity at the state level; however, our Chief Pharmacy Officer is now working with the SCPHCA Pharmacy Network to develop a response and argument in favor of reversing this determination.
- Department of Family Medicine: No specific activity to report.
- Department of Pediatrics:
 - Directly involved in the recruiting efforts for two pediatricians. To date, negotiations with one have been successful. Dr. Christin Chard from Lauren, MS will be joining Hometown Pediatrics in late August/early September. On offer is on the table for the other candidate and his response is pending.
 - Discussions with GHS/Prisma about increased support for pediatricians in the form of both recruitment incentives and additional premium call pay due to the hospital’s resulted in an offer to adjust the MOA for hospital call, providing CHC with an additional \$28,000 per year in support in exchange for complete responsibility for call coverage. Though we are waiting to see the proposed written agreement, leadership is in agreement that the additional support is not sufficient to offset the potential financial risk associated with any unexpected gaps in call coverage.

- Behavioral Health:
 - Awaiting notification of the Integrated Behavioral Health Services grant application.

Partnership and Affiliation Activities

- CIMS:
 - Participated in the 1st session of CIMS strategic planning.
- SCPHCA:
 - Attended the SCPHCA monthly meetings in person.
 - Unable to attend the SCPHCA Annual Strategic Planning retreat planned for July 15th – 17th due to conflict with the 340B Coalition Summer Conference for which we are responsible for programming. Paul Grogan will attend the SCPHCA meeting on behalf of CHC. Paul will also be attending the SCPHCA Annual Financial Management Conference the week before the strategic planning retreat.
 - I am serving on the planning committee for the 2019 Annual Conference and Board Governance Training. The Annual Conference will occur October 11th – 13th in Columbia with gala planned for the 40th Anniversary of the SCPHCA.
- Amicus, LLC:
 - Meetings of the partnership – separate report to be provided by the Finance Committee.

Consulting:

- Consulting agreements completed:
 - 340B webinar conducted on June 19, 2019 in collaboration with Mike Glomb of Feldesman, Tucker, Leifer, Fidell for the Health Care Compliance Association. No fee charged.
- Consulting engagements in progress:
 - Under contract with 340B Health for the design and coordination of two CHC Expert Sessions for the 340B Coalition 2019 Summer Conference. Consulting fee = \$5,000 plus waiver of \$1,000 conference registration.
 - All session planning is complete.
 - The date and location of the meeting is July 15-17, 2019 in Washington, D.C.
 - Staff meeting presentation on Integrated Approach to Promoting the Value of 340B for Low Country Health Care System scheduled for Wednesday, May 22nd. No fee/honorarium at the discretion of our neighboring health center.
 - 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 with deadline for completion of July 15, 2019
 - First webinar scheduled for July 25, 2019

Miscellaneous CEO Activity:

No miscellaneous activity to report.

Report of travel and personal time in April/May 2019

Business travel:

- Columbia, SC - June 18-19, 2019 for CIMS and SCPHCA meetings

Personal Time:

Annual leave: 6 hours on throughout the time period

Sick leave: 8 hours throughout time period

If you have any questions or would like additional information on any of the above my contact information is as follows: sveer@carolinahealthcenters.org or 864-554-7102