

# Attachment 1



To: Children's Community Physicians Association Purchasing Partners, L.P.  
Board of Directors

From: Kena Norris, Executive Director

Re: Minutes of Monday, July 13, 2015, CCPAPP Board of Directors Meeting

## **Members Present**

Douglas Ashley, MD  
Virginia DePaul, MD  
Alison Gehle, MD  
Timothy Geleske, MD  
Mary Hall, MD  
Diane Holmes, MD  
Valerie Kimball, MD  
Ushma Patel, MD  
Guy Randolph, MD  
Sheri Ross, MD  
Dov Shapiro, MD  
Michael Siegel, MD  
Susan Sirota, MD  
Rebecca Unger, MD

## **Others Present**

Kena Norris  
LaVonna Swilley

### **1. Call to order**

**Diane Holmes, MD**

The Children's Community Physicians Association Purchasing Partners Board of Directors meeting was held on Monday, July 13, 2015 at McCormick and Schmick's, Skokie, IL. Dr. Diane Holmes, President, called the meeting to order at 6:46 p.m.

- A. *Motion 1: To approve the minutes from the March 9, 2015 Board meeting (Attachment 1).* The motion was made, seconded and unanimously approved.

### **2. Report from the Treasurer**

**Michael Siegel, MD**

Dr. Siegel reviewed the Treasurer's Report for YTD Financial Statement as of 5/31/2015. There are 2951 members as May 2015 versus 2355 as of May 2014. Revenue is higher than expected for several of our vendors as based on prior years, we conservatively budgeted revenue increases this year. In addition, expenses are currently lower in several line items.

- A. *Motion 2: To approve Treasurer's Report for YTD Financial Statement as of 5/31/2015 (Attachment 2).* The motion was made, seconded and unanimously approved.

### 3. Report from Executive Director

Kena Norris, MJ, FACHE

#### A. Vendor Contract Updates:

##### i. Pfizer/McKesson - Trumenba

Ms. Norris reported that an agreement between Pfizer and CCPAPP has been signed for Trumenba. McKesson had an issue with the initial discounted price loading for the Trumenba for CCPAPP members. In addition, in a separate meeting with McKesson reps, they disclosed that McKesson is unable to continue to honor Pfizer's discounted pricing. This issue prompted Pfizer to create a direct purchasing option for CCPAPP members that will result in a discount of 5%. There is an additional promotional of discount 4% totaling a 9% discount for members through September 10, 2015. Another benefit with Pfizer direct purchase is that they also have an extra discount of 2% for prompt pay when invoices are paid within 90 days.

##### ii. Sanofi Pasteur

Ms. Norris explained that CCPAPP has executed another three year agreement with Sanofi Pasteur with no major changes to the contract except the addition of Quadracel. CCPAPP remains the only GPO in the country with a three year agreement with Sanofi.

#### B. Potential Vendors:

##### i. Howard Ecker & Company

Ms. Norris stated that the CCPAPP team met with Howard Ecker & Company, a commercial tenant representation company and brokerage firm, and began working on a contract agreement. The first agreement that Howard Ecker & Company proposed was giving CCPAPP a percentage of their commission, which sharing commission would not be permissible as confirmed by Rob McCann, Esq. Therefore, it was decided that a marketing fee would best fit the needs of both parties. Howard Ecker & Company is proposing paying a flat fee in installments to CCPAPP during the first year of the contract. After the first year, Howard Ecker & Company can lower or increase the marketing fee depending on the number of CCPAPP members who utilize their services.

Ms. Norris acknowledged Dr. Shapiro for suggesting Howard Ecker & Company and she explained that there is no cost to members to use the vendor's services and that the landlord is responsible for paying the Howard Ecker & Company fees.

There was a brief discussion about CCPAPP process of finding vendors for the purchasing partner's portfolio. Ms. Norris explained that usually CCPAPP receives information about a vendor through our members or from vendors marketing their products or services. CCPAPP staff then request proposals from vendors in the same market space for comparison of pricing and services and typically invites 2-3 vendors to formally meet to discuss their proposal. Once the staff makes their decision about which company best fit the needs of the members, the information is brought to the CCPAPP board for final approval. After the board's approval, the contract is then executed by the vendor and CCPAPP's executive director.

ii. Televox

Ms. Norris stated that the CCPAPP staff met with a Televox representative to discuss the possibility of them becoming a CCPAPP vendor. Televox proposed discounting the initial set-up fee for patient reminders from \$990 to \$499, initial set-up fee for satisfaction surveys from \$1,990 to \$990 and reduce the price of notifications and survey calls from \$0.20 to \$0.15. CCPAPP members who have had a Televox contract for more than 36 months can participate in the CCPAPP discounted rate. However, the members with less than 36 months will not qualify for the discount, but will receive the discount pricing once their initial contract period ends.

C. Distribution Update

i. Formal process to engage Rob McCann's services

Mr. McCann recommended the following process:

- 1) Board members will email a request to the executive committee and copy the executive director on why they want to contact Mr. McCann.
- 2) The executive committee will make a decision and copy the executive director.
- 3) If the request is approved, the executive director will notify Mr. McCann that a board member will contact him and give a brief explanation of the legal matter in question.

*A. Motion 3: To approve the formal process to engage Rob McCann Services.* The motion was made, seconded and unanimously approved.

D. Restructuring of CCPA Purchasing Partners

Restructuring CCPAPP will give the organization flexibility to change the distribution percentage given to CCPA at the end of the year, particularly as the membership grows, allowing the GPO to distribute more money back to the members. It also eliminates the need to register and report on a state-by-state basis so that we can more readily add new members nationally.

CCPAPP will be restructured into a non-profit corporation, which will take a few successive steps in Illinois. The CCPA/PP Board will continue to act as the governing body of the restructured organization. The biggest challenge will be obtaining a super majority vote from members, which Ms. Norris previously proposed to CCPAPP staff that voting by proxy may be an option, but this will need to be confirmed by legal counsel. If not, CCPAPP staff will need additional help so temporary staff may be hired to assist with the voting process. Ms. Norris stated that we also still need to verify with Rob McCann the tax implications of restructuring. If proceeding with the restructure is approved by the board, Ms. Norris to follow up on the above issues with legal counsel.

*A. Motion 4: To approve the restructuring of CCPAPP.* The motion was made, seconded and unanimously approved.

**Action:** Ms. Norris will follow up with Mr. McCann on the following items:

- 1) The use of voting by proxy for CCPAPP member ballots.
- 2) Determine the tax implications of restructuring CCPAPP to a non-profit corporation.

**4. Adjournment**

**Diane Holmes, MD**

The CCPA Board of Directors meeting was adjourned at 7:47 pm.