

To: CCPA Purchasing Partners Board of Directors

From: Kena Norris, Executive Director

Re: Minutes of Monday, March 13, 2017 CCPAPP Board of Directors Meeting

Members Present

Sheri Ross, MD
Michael Siegel, MD
Tim Geleske, MD
Guy Randolph, MD
Valerie Kimball, MD
Douglas Ashley, MD
Mary Hall, MD
Jonathan Necheles, MD
Ushma Patel, MD
Rebecca Unger, MD
Alison Gehle, MD
Virginia DePaul, MD

Members Absent

Dov Shapiro, MD
Susan Sirota, MD

Others Present

Kena Norris, MJ, FACHE
Priya Stemler
Paresh Patel
Anika Walker

1. Call to order

Valerie Kimball, MD

The CCPA Purchasing Partners Board of Directors meeting was held on Monday, March 13, 2017 at McCormick and Schmick's, Skokie, IL. Dr. Valerie Kimball, President, called the meeting to order at 7:10 pm.

A. Motion 1: to approve minutes from the 01/09/2017 CCPAPP meeting. The motion was made, seconded and unanimously approved.

2. Report from the Treasurer

Kena Norris, MJ, FACHE

The YTD financial statement was reported by Ms. Norris. As of the end of January 2017, CCPAPP had approximately 3200 members, an increase of about 150 members over the past year. CCPAPP's cash on hand was approximately \$465,000 and the profit and loss report

indicated receipt of an additional \$43,000 from Merck and an additional \$14,000 from Pfizer. Ms. Norris explained that CCPAPP's advertising expenses were down due to focus on restructuring; legal fees and mailing fees were higher.

B. Motion 2: To approve Treasurer's Report for YTD Financial Statement as of 1/31/2017 (Attachment 2). The motion was made, seconded and unanimously approved.

3. Report from Executive Director

Norris, Stemler, Patel

A. GPO Strategic Plan

At the January 2017 board meeting, it was requested that CCPAPP present its 2017 strategic plan for the organization. GPO staff prepared a presentation which began with an annual update then proceeded with the review of four areas of focus which together made up the strategic plan.

2016 Annual Update:

Restructuring of CCPAPP

- A Super-majority of votes were collected from MLP and NMLP Members
- Restructuring from an LP to LLP became effective December 6, 2016
- Updated membership application, website and marketing materials

Membership & Revenue Growth

- CCPAPP current membership is currently in 25 states with 1488 former Partner Members, 1741 Former Associate Members and 3 new Members since restructuring
- CCPAPP received \$1,839,095 from vendors (90% from Merck and Sanofi Pasteur)
- CCPAPP is now a "Top 10 GPO" in terms of revenue for Sanofi Pasteur, Merck, and McKesson.

Annual Distribution

- 735 checks issued to 468 former Partners and 267 former Associates.
- Historically the largest amount distributed to members (\$1,112,192 distributed to members in 2016).

2016 Membership Survey Result

- Percentage of membership that responded between "Good" to "Great" relating to CCPAPP qualities was in the 90th percentile for nearly all categories
- Sanofi Pasteur and Merck are utilized by 87% of CCPAPP membership. McKesson is utilized by 80% and Pfizer is utilized by 57%

Ms. Stemler reviewed the top services/products that members indicated they would like CCPAPP to offer as a part of its vendor portfolio. These included answering services, collection agencies, web/marketing design, group benefits, and patient communication tools.

2017 Strategic Plan (Top Areas of Focus):

i. Member Recruitment & Retention

Ms. Stemler outlined CCPAPP's main goal of ensuring the transition of all former Associate/LP members to the new LLC class of membership by obtaining new group purchasing agreements (including all TINs for former Associate members) and/or terming non-compliant members.

Mr. Patel reviewed the timeline for recruiting members, noting that it can be a long process, often taking months for small practices and years for large associations. He also discussed three states with strong potential for membership recruitment: Georgia, Texas, and Kansas in its recruitment efforts. A pilot program was suggested by staff to incentivize current members to refer other physicians and practices to join CCPAPP. A \$100 gift card would be awarded to the referring individual (with a \$500 limit per practice). The program would begin April 1, 2017 and end on December 31, 2017.

ii. Marketing & Advertising

Mr. Patel discussed the various marketing tool and resources utilized by CCPAPP to market not only to potential members but also to current members and partner organizations.

iii. Vaccine Utilization & Compliance

Ms. Stemler reviewed the importance of vaccine compliance amongst membership and discussed a goal to increase vaccine utilization and compliance by obtaining new vaccine contracting and compliance forms from members or terming non-compliant practices.

iv. Vendor Partnerships & Offerings

As previously decided by the Board, management would be exploring, selecting, and promoting offerings through Premier, Inc. that would provide similar levels of service and savings as the previous agreements with CCPAPP smaller vendors.

B. Vendor Updates

i. Howard Ecker + Company

Ms. Norris stated that Howard Ecker is a newer real estate vendor to CCPAPP. Ms. Norris explained that business with this vendor was difficult for members to understand and also utilize since pediatric offices typically do not move frequently. Last year, Howard Ecker contacted Dr. Shapiro to express their dissatisfaction due to slow business opportunities. In response, Ms. Norris and Ms. Stemler met with Howard Ecker to discuss ways of promoting the agreement.

Howard Ecker has a formal agreement with CCPAPP for a marketing fee of \$5,000 three times per year, but the agreement had not been fulfilled by Howard Ecker. As president, Dr. Shapiro put a moratorium on their payments to CCPAPP and they have not made payments in over a year. Ms. Norris stated a decision needed to be made by the Board on whether CCPAPP would continue the partnership and allow them to forgo payments, continue the partnership under the condition that they resume payments, or terminate the partnership.

Dr. Kimball stated she should speak with Dr. Shapiro to see what he verbally agreed to prior to making a decision regarding termination. In the meantime, the Board decided that Howard Ecker should resume payment and may be terminated if future payments are not made.

ii. Medical Billing

In light of the CCPAPP annual survey in which a strong majority of members indicated little to no interest in billing companies, Dr. Kimball asked the board to discuss whether CCPAPP management should proceed with the RFP for billing companies.

Dr. Kimball asked Ms. Norris what was the level of interest in billing companies per the recent CCPAPP survey. Ms. Norris stated that 60% of members indicated they were not interested in a medical billing company and another 30% indicated that they were currently using a medical billing service. Ms. Norris shared that only 6% of membership stated they were interested in a medical billing company, which was significantly lower percentage than the other vendor service categories that members expressed an interest in CCPAPP adding to its vendor portfolio. The decision was taken to a vote.

- C. *Motion 3:* To discontinue the RFP medical billing process in order to focus on vendor categories as requested by the membership. The motion was made, seconded and unanimously approved.

Mr. Patel requested that approval of the Referral Pilot Program also be taken to a vote.

- D. *Motion 4:* To approve the CCPAPP referral pilot incentive program. The motion was made, seconded and unanimously approved.

The next meeting is scheduled for Monday, July 10, 2017 at 6:30 pm at McCormick & Schmick's.

Adjournment - Meeting was adjourned at 8:54 pm by Dr. Kimball.