

To: CCPA Purchasing Partners Board of Directors

From: Kena Norris, Executive Director

Re: Minutes of Monday, July 9, 2018 CCPAPP Board of Directors Meeting

Members Present

Virginia DePaul, MD
Valerie Kimball, MD
Jonathan Necheles, MD
Ushma Patel, MD
Michael Siegel, MD
Rebecca Unger, MD

Members Absent

Douglas Ashley, MD
Alison Gehle, MD
Tim Geleske, MD
Mary Hall, MD
Guy Randolph, MD
Sheri Ross, MD
Dov Shapiro, MD
Susan Sirota, MD

Others Present

Jennifer Jackson
Kena Norris, MJ, FACHE
Paresh Patel
Priya Stemler

1. Call to order

Valerie Kimball, MD

The CCPA Purchasing Partners (CCPAPP) Board of Directors meeting was held on Monday, July 9, 2018 at L. Woods Restaurant, Lincolnwood, IL. Dr. Valerie Kimball, President, called the meeting to order at 7:49 pm.

A. Motion 1: *To approve minutes from the April 9, 2018 meeting (Attachment 1).*

The motion was made, seconded and unanimously approved. *Note: There was not a quorum present so approval is still needed at the November 2018 board meeting.*

2. Report from the Treasurer

Michael Siegel, MD

Dr. Siegel reviewed the YTD financial statements. CCPAPP has 3,340 members as of May 31, 2018. The statement of cash flows shows that CCPAPP has over \$1.3 million in the bank which includes a check in the amount of \$450,726 from Sanofi. Dr. Siegel reviewed the profit and loss report and pointed out that staff salaries is not reflected because CCPAPP has yet to receive an invoice to reimburse Lurie Children's Hospital.

- A. **Motion 2:** To approve Treasurer's Report for YTD Financial Statement as of 05/31/2018 (Attachment 2). The motion was made, seconded and unanimously approved.

3. Report from Executive Director

Kena Norris, MJ, FACHE

Ms. Norris informed the Board that CCPAPP is fully staffed. Melissa Romey is currently on medical leave and CCPAPP's new Sr. Administrative Assistant is Jennifer Jackson, who is present at the meeting. Jennifer introduced herself to the Board and provided details of her previous employment and background. Ms. Norris indicated that the GPO's annual update and 2018 strategic plan would now be presented by Priya Stemler and Paresh Patel.

- A. Annual Update & 2018 Strategic Plan (Attachment 3)

Annual Update

i. **Membership and Revenue Growth**

Mr. Patel reported to the Board that CCPAPP's 2017 membership included 26 states and 3,318 members. Revenue from vendor partners is over \$2 million with Merck and Sanofi bringing in the majority of the revenue. CCPAPP is a top 10 physician buying group for Sanofi, Merck and McKesson. Pediatrics and Internal Medicine makes up the majority of the membership. Internal Medicine is experiencing growth in the vaccine business as large practices (i.e. DuPage Medical Group) continue to acquire smaller offices. Revenue has consistently increased from 2008 to 2017. The annual distribution decreased for individual members from 2016 to 2017 due to the distribution to the IPA increasing from \$200K in 2016 to \$500K in 2017.

Membership has steadily increased from 2008 to 2017. The current strategic plan includes growing new business, maintaining the existing business, and minimizing vaccine purchase leakage (ensuring that members are 100% compliant with vaccine purchasing terms), and growing CCPAPP's existing contracts by encouraging members to utilize all of CCPAPP's vendors.

ii. **Annual Distribution**

Ms. Stemler reported to the Board that CCPAPP distributed 799 checks to member practices in 2017 compared to 735 checks in 2016. CCPAPP achieved the largest vendor revenue as well as the largest net income which was \$1,477,625 in its history. The breakdown in distribution was \$505K to CCPA and \$972,625 to CCPAPP's members, and the 2017 distribution procedure and timeframe goal was met.

The new distribution schedule was implemented to allow members time to review their sales data for errors and to address any discrepancies with the vendors before receiving their checks. This year there were no in-person deliveries which allowed all members to receive their checks sooner and around the same time in which they received their 1099 documents. Lastly, it was noted that CCPAPP would void all uncashed distribution checks from previous years by the end of 2018 and the income would be included in the following distribution.

iii. **2017 Membership Survey Results**

Ms. Stemler reported to the Board that they are pleased with the overall membership participation of the 2017 annual survey. The percentage of membership with responses of “Good” to “Great” relating to CCPAPP’s qualities has increased across the majority of the categories. The percentage of membership who utilize CCPAPP’s largest vaccine vendors increased since last year.

Member suggestions for additional product categories include vaccine refrigerators, answering services, patient communication tools, scrubs & uniforms and VOIP.

2018 Strategic Plan

i. Member Recruitment and Retention

Mr. Patel reported to the Board that reorganizing from a Limited Partnership to a Limited Liability Company has allowed CCPAPP to recruit new members in other states and has made the execution of the new Group Purchasing Participation Agreement easier. The current breakdown, types of vaccine contracts offered by GPOs and potential challenges as an organization were reviewed. The approximate sales timeline to recruit a new member is 6 months to 2 years. Working with ACOs/IPAs is a target but they often request referral fees. One major benefit is that ACOs allow recruitment to occur on a larger scale and more quickly. If CCPAPP chooses to pursue business with an ACO, they may request a referral fee so their membership would have to be large enough to be beneficial to CCPAPP. The referral fee would be handled on a case by case basis and approved by the Executive Committee. Ms. Norris reported that nearly all independent physicians are already on a GPO agreement and if CCPAPP wants to maintain or grow its membership, we should look explore targeting ACOs. Mr. Patel also indicated that the states he is targeting for 2018 are Georgia, Texas, Kansas, and Missouri.

ii. Marketing & Advertising

Mr. Patel reported that CCPAPP previously focused efforts and budget for advertising in Illinois, Indiana, Michigan, and Missouri. The increased budget for 2018 and 2017 is the result of targeted recruitment in other states, updates to marketing materials, and leadership conference attendance.

iii. Vaccine Utilization & Compliance

Ms. Stemler reported that CCPAPP requires members to be 100% compliant with vaccine purchases which prevents leakage. CCPAPP staff remain diligent in following up to ensure compliance. For CCPAPP’s flu agreement with Sanofi, the administrative award is based on retention from the previous year. Staff follow up aids in compliance, which includes customized emails and phone calls to member practices who have not yet confirmed doses. As a result of staff efforts, flu reservation confirmations increased from 25% in February 2018 to 97% in April 2018 which met the retention goal.

iv. Vendor Partnerships & Offerings

Ms. Stemler reported that Sanofi, Merck and Pfizer represent 92.1% of the Vaccine Direct agreements. Premier doesn’t represent a significant portion of revenue but aids as a recruitment tool. Short and long term goals were reviewed including CCPAPP continues to work on transitioning smaller vendors to Premier to increase member

discounts. Ms. Stemler reported that its newest Premier business partner, US PAY, which has members already experiencing savings of up to 77%.

v. ***Practice Management Solutions***

Ms. Stemler reported to the Board that CCPAPP's Time for a Checkup event will be held this year on November 15th. A new feature to the CCPAPP website, which we are currently promoting, is the ability to view full speaker presentation videos from Time for a Checkup. Another website features is that potential members can complete the CCPAPP agreements via the join portal.

vi. ***Presentation & Meeting Conclusion***

Mr. Patel and Ms. Norris concluded the presentation by outlining actions the Board and other CCPAPP members could take to help the growth and success of the organization. Suggestions included referring practices to join CCPAPP, promoting CCPAPP to colleagues, and communicating the value of CCPAPP to other members. Time was given for questions; however, there were no questions asked nor any further comments made.

The next meeting is scheduled for Monday, November 12, 2018 at 6:30 pm at L. Woods Restaurant.

Adjournment - Meeting was adjourned at 9:02 pm by Dr. Kimball.