

To: CCPA Purchasing Partners Board of Directors

From: Kena Norris, Executive Director

Re: Minutes of Monday, November 12, 2018 CCPAPP Board of Directors Meeting

Members Present

Douglas Ashley, MD
Virginia DePaul, MD
Alison Gehle, MD
Tim Geleske, MD
Valerie Kimball, MD
Jonathan Necheles, MD
Ushma Patel, MD
Guy Randolph, MD
Dov Shapiro, MD
Michael Siegel, MD
Susan Sirota, MD
Rebecca Unger, MD

Members Absent

Mary Hall, MD

Others Present

Jennifer Jackson
Kena Norris, MJ, FACHE
LaVonna Swilley, MBA

1. Call to order and approval of minutes

Valerie Kimball, MD

The CCPA Purchasing Partners (CCPAPP) Board of Directors meeting was held on Monday, November 12, 2018 at L. Woods Restaurant, Lincolnwood, IL. Dr. Valerie Kimball, President, called the meeting to order at 6:39pm.

- A. Motion 1: To approve minutes from the 04/09/18 and 07/09/18 Board meeting. (Attachment 1 & 2). The motion was made, seconded and unanimously approved.*

2. Report from the Treasurer

Michael Siegel, MD

Dr. Siegel reviewed the YTD financial statement. The statement of cash flows states that CCPAPP has over \$1.7 million in the bank. Dr. Siegel reviewed the 2018 EOY budget (attachment 4) and pointed out that the organization is within 1% over budget for its operating revenue. Dr. Siegel mentioned that Merck and Sanofi Pasteur revenue was over the budgeted amount, but Pfizer was less than budgeted amount. CCPAPP's operating expenses are \$260K below budget, which has resulted in \$1.6 million in profit for the Group Purchasing Organization (GPO). Distribution to the members and CCPA will be discussed later. Dr. Siegel pointed out that the distribution checks from 2011-2017 that were not cashed by the practices have been written off. Therefore, approximately \$158K will be redistributed to the members. A concern was presented about the total amount of uncashed

checks. After Board discussion, a decision was made to establish a baseline that warrants further follow up with the practice before making a decision to write off uncashed checks.

A. Motion 2: To approve Treasurer's Report for YTD Financial Statement as of 09/30/2018 (Attachment 3). The motion was made, seconded and unanimously approved.

B. Motion 3: To set a baseline of \$1500 on uncashed distribution checks; an email and/or phone call will be made to the practice before writing it off. The motion was made, seconded and unanimously approved.

3. Report from Executive Director

Kena Norris, MJ, FACHE

A. LCH transition from PTO to ATO (Attachment 5)

Ms. Norris informed the Board that Priya Stemler received an email from Ann & Robert H. Lurie Children's Hospital of Chicago stating that the hospital is moving from PTO (paid time off) to ATO (allowed time off). All directors and above will no longer accumulate PTO. Therefore, the hospital will make a one-time payment for all leadership according to the time that has already been accrued. Lurie Children's adapted this ATO policy last year for Senior Directors and above, however, Ms. Norris was not included in the transition. Therefore, Ms. Stemler and Ms. Norris has stopped accruing PTO time as of today, November 12th. Preliminary calculations show that Ms. Norris has about 140 hours and Ms. Stemler has approximately 190 hours, which translates to about \$18,856 that will be paid this year and the final accrual tally will added to the end of year financials.

B. Staff Update – FMLA Member Relations Specialist

Ms. Norris informed the Board that Melissa Romey, Member Relations Specialist for the GPO has been on medical leave for more than 6 months and due to ADA protection is out indefinitely. Ms. Norris submitted a letter of hardship to Lurie Children's due to the impact of this vacancy on such a small staff. The legal counsel at Lurie Children's approved the replacement of Ms. Romey. The hospital will attempt to find a position in another department to accommodate Ms. Romey. If a placement is not found, Lurie Children's may terminate her.

C. Merck - Class action lawsuit; vaccine shortages

Ms. Norris explained that all physician buying groups that have partnered with Merck have been mentioned in a class action suit. The filing is regarding Merck's price bundling, which has created an obstacle for GSK to enter the market. To date, the GPO has spent about \$4000 in legal fees regarding the class action lawsuit, but we currently do not anticipate that our organization will be named as a co-defendant.

Ms. Norris mentioned that there still is a shortage issue with Hepatitis B. The GPO has noticed significant leakage and compliance is becoming an issue. Lowest compliance so far is 89%. The baseline is 80% or above. No compliance has been enforced to GPO members until the above legal matter is resolved.

D. Potential vendor – Gallagher Insurance

(Attachment 6)

A number of requests have been received from our members for us to provide health care insurance. As of October 2018, new legislation allows insurance coverage across state lines and associations to create health plans. Gallagher is the 4th largest consultant and insurance brokerage group in the world. They also have a working relationship with various managed care payors. Therefore, Gallagher will work for CCPAPP to explore the creation of an Association Health Plan (AHP) program. Typically, the cost to an organization is about \$10,000 in legal fees to set up governance.

Ms. Norris requested the Board members provide their information on a signup sheet if their practice would like to participate in the AHP pilot process. The purposes of this is to review the process with Gallagher before opening the process up to general membership.

A. Motion 4: *To approve the pilot process for an AHP program for GPO members (Attachment 6).* The motion was made, seconded and unanimously approved.

E. 2018 Distribution Update

The GPO 2018 distribution calculations are in process. Practices will receive their distribution reports in December. They have approximately two weeks to review the report and contact the vendor about any discrepancies regarding their sales reports. Checks and 1099 forms will be mailed in January 2019. This timeline and process was approved by a prior board decision.

F. Time for a Checkup – November 15th at Café la Cave

(Attachment 7)

Ms. Norris stated that Elizabeth Woodcock and Karen A. Zupko are the speakers for Time for a Checkup. The event will be held at Café la Cave on November 15, 2018. There is currently 98 registrants scheduled to attend.

The next meeting is scheduled for Monday, January 14, 2018 at 6:30 pm at L. Woods Restaurant.

Adjournment - Meeting was adjourned at 7:35 pm by Dr. Kimball.