

To: CCPA Purchasing Partners Board of Directors

From: Kena Norris, Executive Director

Re: Minutes of Monday, July 8, 2019 CCPAPP Board of Directors Meeting

Members Present

Virginia DePaul, MD
Timothy Geleske, MD
Mary Hall, MD
Valerie Kimball, MD
Jonathan Necheles, MD
Ushma Patel, MD
Guy Randolph, MD
Dov Shapiro, MD
Rebecca Unger, MD

Members Absent

Douglas Ashley, MD

Others Present

Jennifer Jackson
Kena Norris, MJ, FACHE

1. Call to order and approval of minutes

Jonathan Necheles, MD

The CCPA Purchasing Partners (CCPAPP) Board of Directors meeting was held on Monday, July 8, 2019 at L. Woods Restaurant, Lincolnwood, IL. Dr. Jonathan Necheles, President, called the meeting to order at 6:40pm.

- A. **Motion 1:** *To approve minutes from the 04/8/2019 Board meeting. (Attachment 1).* The motion was made, seconded and unanimously approved.

2. Report from the Treasurer

Kena Norris, MJ, FACHE

Ms. Norris reviewed the YTD financial statement (Attachment 2). The total membership is reported as 3,391. The statement of cash flows for this period is \$18,202. The total YTD operating revenue is \$66,819 over budget.

- A. **Motion 2:** *To approve Treasurer's Report for YTD Financial Statement as of 05/31/2019 (Attachment 2).* The motion was made, seconded and unanimously approved.

3. Report from Executive Director

Kena Norris, MJ, FACHE

A. GPO Staffing Update

Ms. Norris informed the board of a new hire, Sonia Gandara, for the CCPAPP Members Relations Specialist position. Ms. Gandara has 10 years of experience in communications and has dual Master's degrees in business administration and communications.

Ms. Norris stated that Priya Stemler begins her maternity leave on August 16th. She informed the Board that a plan has been outlined and various staff members have been assigned different tasks for CCPAPP operation. A consultant has been hired to complete the year end distribution.

B. CMS and IRS notification

A pre-demand letter was recently received from the Centers for Medicare & Medicaid Services (CMS) stating that CCPAPP had one month to respond or will be fined up to \$1 million a year for not reporting to the open payment system in 2017 and 2018. Ms. Norris informed the board that CCPAPP submitted reports to the sunshine reporting system on a yearly basis before moving to the new LLC business structure in 2016. CCPAPP was advised by its attorneys that reporting was no longer required because the physician members won't have a financial interest in CCPAPP under the LLC structure. CMS was informed of CCPAPP's new business structure, but didn't make a note of this change in their system and issued the pre-demand letter to our organization. Therefore, Ms. Norris is working with the attorneys on this issue and will keep the executive committee informed.

CCPAPP received an IRS notification stating that the organization is being penalized \$14,000 for not reporting the tax identification numbers (TIN) for several member practices. The problem occurred because the IRS was looking for separate TIN numbers for every practice site location for practices that have multiple locations, but only have one TIN. CCPAPP's accountant submitted a response to the IRS. The problem has been resolved and CCPAPP does not owe the penalty per a subsequent letter issued by the IRS.

C. Business in Puerto Rico

Pfizer reached out to CCPAPP to ask if the organization is interested in providing services in Puerto Rico. Pfizer is trying to grow their Trumenba product and they are looking for opportunities to expand. The board discussed the pros and cons of pursuing the opportunity and a vote was taken.

- A. ***Motion 3: To participate in the Puerto Rico business launch with Pfizer.***
The motion was made, seconded and unanimously declined.

D. GSK agreement

Ms. Norris reviewed a sample agreement provided by GlaxoSmithKline (GSK). The agreement would be paid semiannually. Contract termination due to failure to achieve the market share would result in the CCPAPP's members being automatically enrolled into a GSK internal program. The proposed agreement included three tiers (Pediatrics, Adolescent

and Adult), which dictated the administrative payment to CCPAPP. The board discussed the pros and cons of this opportunity and a vote was taken.

- A. **Motion 4:** *To enter into a direct vendor agreement with GSK.*
The motion was made, seconded and unanimously declined.

The next meeting is scheduled for Monday, November 11, 2019 at 6:30 pm at L. Woods Restaurant.

Adjournment - Meeting was adjourned at 7:37 pm by Dr. Necheles.