

Chronic Disease Fund, Inc.
d/b/a Good Days

Independent Accountant's Report

December 31, 2019

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The Board of Directors
Chronic Disease Fund, Inc.
d/b/a Good Days

We have examined management of Chronic Disease Fund, Inc.'s d/b/a Good Days (Good Days) assertion that they complied with the requirements of Section 5.(a). of the Program Audit Parameters (Exhibit B) in the *Donation Agreement* by performing the procedures enumerated in the attachment to this report for the year ended December 31, 2019. Good Days' management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material of management's assertion, whether due to fraud or error. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on Good Days' compliance with specified requirements.

In our opinion, management's assertion that they complied with the requirements of Section 5.(a). of the Program Audit Parameters (Exhibit B) in the *Donation Agreement* during the year ended December 31, 2019, is fairly stated, in all material respects.

This report is intended solely for the information and use of Good Days' Board of Directors and management, the Office of Inspector General, donors and potential donors, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

Fort Worth, Texas
September 10, 2020

Chronic Disease Fund, Inc.
d/b/a Good Days
Requirements, Procedures and Conclusions
December 31, 2019

Good Days and certain donors, including pharmaceutical manufacturers, adopted the *Donation Agreement* whereby the donors provide monies to Good Days for assistance in paying or reimbursing patient deductibles, co-payments and co-insurance.

The requirements listed below are from the Program Audit Parameters included in Section 4.(a). through (o). of Exhibit B in the *Donation Agreement*. The procedures and conclusions are as follows (Capitalized terms used in the requirements are defined in the *Donation Agreement*):

1. **Requirement:** The Foundation is a *bona fide*, non-profit organization that serves the interests of patients with particular diseases or conditions.

Procedure: Obtain the 2018 information tax return (Form 990) filed with the Internal Revenue Service (IRS) and note whether Good Days filed as a *bona fide*, tax-exempt, non-profit organization as described in Code Section 501(c)(3). Obtain a copy of the determination letter received from the IRS confirming Good Days' tax-exempt status.

Conclusion: Good Days complies with this requirement, as it qualifies as a charitable organization described in Internal Revenue Code Section 501(c)(3) as a public charity described in Code Section 509(a).

2. **Requirement:** The Foundation is independent of any donor to the Program, including Donor (collectively, the Program Donors). For purposes of determining independence, no members of the Foundation's governing body will be employed by a Program Donor.

Procedure: Obtain a list of Good Days' Board of Director and their employers as well as a complete list of donors to Good Days. Cross-reference the two lists to list any donations made by Board members or their employers.

Conclusion: Good Days complies with this requirement. All individual Directors appear to be independent with respect to the Program Donors, evidencing Good Days' independence.

3. **Requirement:** The Program receives referrals from a number of sources, including physicians, suppliers, patient advocacy groups, other relevant third-party organizations and Program Donors (*e.g.*, through Program Donors' patient assistance programs).

Procedure: Obtain list of referrals to Good Days' patient assistance programs. Select 65 patient files and notate the referral source for the patient selected.

Conclusion: Good Days complies with this requirement by having many different referral sources, specifically 320 in 2019. We tested 4 of these referral sources, which included physicians, suppliers and other organizations in connection with our testing of 65 patient files.
4. **Requirement:** The Foundation's determination of whether to provide assistance does not consider the source that referred the patient to the Program.

Procedure: Obtain list of patients who were denied assistance and select 10% of population and notate the cause of their denial. Interview five patient care specialists, and determine if they have the ability to deny assistance.

Conclusion: Good Days complies with this requirement. The patient care specialists confirmed that the income parameters entered into the software system determine whether a patient is accepted for assistance. The parameters do not consider a patient's referral source in awarding assistance. The patients who were denied assistance all had valid reasons for denial of assistance based upon qualifications for assistance (as opposed to the patient's referral source).
5. **Requirement:** The Foundation bases all financial eligibility determinations on its own established criteria and does not take into account the identity of a provider, supplier or treatment that the patient may use or the identity of a Program Donor whose services or products are used by the applicant.

Procedure: Obtain Good Days eligibility policy, including the formula and criteria used to determine financial eligibility and test 65 patient files for compliance with criteria.

Conclusion: Good Days complies with this requirement. The formula that it uses to determine eligibility, which is proprietary, does not take into account the identity of any provider, supplier, treatment or Program Donor. The formula was consistently applied to all 65 patient files tested.

6. **Requirement:** Assistance is available to financially needy beneficiaries who meet the Foundation's income and/or asset criteria, for a period of up to one year, after which each beneficiary's eligibility is reevaluated.

Procedure: Using the same 65 patient files in five above, determine if beneficiary was re-evaluated in accordance with Program requirements after one year.

Conclusion: Good Days complies with this requirement. Of the 65 patients tested, 35 had been patients in 2018. All 35 of these patients were re-evaluated at the beginning of 2019 in accordance with Program requirements to ensure that assistance is awarded to financially needy beneficiaries who meet the Foundation's criteria. Of the 65 patients tested, 37 were approved for 2020, 12 were cancelled due to the patient's treatment plan being closed as the disease is no longer funded and 16 who did not have a treatment plan on file and needed to reapply.

7. **Requirement:** Patient requests for assistance under the Program are reviewed on a first-come, first-served basis to the extent funding is available.

Procedure: Interview five patient care specialists and software programmer to determine how eligibility is reviewed and review for compliance with Good Days' policy of awarding on a first-come, first-served basis.

Conclusion: Good Days complies with this requirement. The patient care specialists receive phone calls and submit the information into the system and the system determines whether assistance is available. The programmer of the software developed the system with only one entry point to check the disease state fund balance and award funds. Per conversations with the programmer, if multiple patient care specialists were to initiate qualification and

funding status at the same time, the software would take the first request and lock out subsequent requests until the first request for funds has been completed. Once the funds have been depleted, the patient is denied due to lack of funds.

8. **Requirement:** The Foundation informs patients that they are free to change providers, suppliers or treatments at any time and will not lose their assistance as a result (unless they become ineligible for other reasons).

Procedure: Interview five patient care specialists and inquire how they inform patients of their rights to change providers, suppliers or treatments at any time without losing their assistance (unless they become ineligible for other reasons).

Conclusion: Good Days complies with this requirement. The patient care specialists inform the patients of their rights to switch providers, practitioners, suppliers or specialty therapeutics at any time without losing their assistance if asked by the patient. Additionally, the enrollment forms that the patient care specialists send to patients to confirm, sign and return before funding is awarded states, “You understand that you are free at any time to switch providers, practitioners, suppliers or specialty therapeutics within the Good Days from CD Fund formulary for your diagnosis without affecting your continued eligibility for assistance.”

9. **Requirement:** The Foundation does not refer patients to, or recommend, a particular provider, supplier or product.

Procedure: Interview five patient care specialists and listen to 10 incoming phone calls from patients and verify that Good Days does not refer patients to, or recommend, a particular provider, supplier or product.

Conclusion: Good Days complies with this requirement. The patient care specialists are required to obtain the doctor name, diagnosis and medication prescribed in order to determine if Good Days has funds to provide for assistance. On the 10 calls we observed, we heard the specialists ask these questions and document the answers. Our procedures confirmed that patient care specialists do not refer patients to, or recommend, a particular provider, supplier or product.

10. **Requirement:** The Foundation does not inform patients of the identities of Program Donors.
- Procedure:** Interview five patient care specialists and inquire about their knowledge of Program Donors.
- Conclusion:** Good Days complies with this requirement. The patient care specialists were not aware of the Program Donors, and the only information they could tell patients was that the money came from anonymous and private donors.
11. **Requirement:** To the extent feasible, the Foundation furnishes assistance under the Program to the provider, supplier or insurer on behalf of the patient, and where assistance is furnished directly to the patient, the Foundation obtains proof from the patient that the assistance is to satisfy qualifying expenses.
- Procedure:** Select 60 disbursements (to patient and non-patient entities based on pro rata expenses by classification) and obtain documentation that the assistance was for qualifying expenses.
- Conclusion:** Good Days complies with this requirement. All tested payments were supported by documentation that assistance was for qualifying expenses.
12. **Requirement:** The Foundation has a process to receive donations for the Program from a multitude of sources.
- Procedure:** Obtain donor solicitation policy of Good Days and interview the President regarding the various processes for solicitation to determine compliance with policy.
- Conclusion:** Good Days complies with this requirement. Per conversations with the President, Good Days uses many methods to enable solicitation of funding sources such as internal constituent lists, manufacture grant requests, targeted lists and events. Good Days will utilize as many solutions as possible to achieve its funding goals such as direct mail and cold calls in addition to those methods mentioned above.

13. **Requirement:** The Foundation uses commercially reasonable efforts to publicize the availability of the Program to patient advocacy organizations, other relevant third parties and patients, consistent with the requirements of Section 10 of the *Donation Agreement*.
- Procedure:** Obtain communications to patient advocacy organizations and relevant third parties and test compliance of such communications with the requirements of Section 10 of the *Donation Agreement*.
- Conclusion:** Good Days complies with this requirement. We obtained all four of the newsletters sent to different patient advocacy organizations, pharmacies and other relevant parties during 2019. The communications list the disease state, the approved drugs and the maximum amount of assistance available per patient and the status of the funds.
14. **Requirement:** The Foundation uses donations solely for purposes of providing financial assistance to eligible, qualifying patients and for Administrative Expenses consistent with Section 5 of the *Donation Agreement*.
- Procedure:** Using the same disbursements in 11 above and a sample of the lesser of 20% or 60 administrative expenses, review support to test Good Days compliance with Section 5 of the *Donation Agreement*.
- Conclusion:** Good Days complies with this requirement. Of the 4,000 non-patient expenses, 60 were tested. All tested payments were supported by documentation that the expenses were for the purposes of administering the Program and providing financial assistance to eligible patients. The payments were reasonable and necessary for the operation of the Foundation and the Program and did not appear to be in excess of fair market value.
15. **Requirement:** The Foundation provides Monthly Reports to Program Donors in accordance with Section 11(b) of the *Donation Agreement*.
- Procedure:** Select the lesser of 20% or 60 monthly reports to Program Donors and test compliance with section 11(b) of the *Donation Agreement*.

Conclusion: Good Days is in compliance with this requirement. Of the 58 reports sent, 12 were tested. All tested reports included the number of applications received for the Program, the number of applications accepted for the Program, the number of applications denied for the Program, the average amount paid to recipients in the Program for cost sharing obligations (*e.g.*, copayments, co-insurance), total amount paid out by the Program (by month and year-to-date) and the total amount allocated to enrolled patients in the Program but not yet paid out. Additionally, the reports included the amount of funding remaining for use.