Maverick Health Policy

MYMAVERICK RECAP

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NEWSLETTER CONTENTS

Digital Health

DIGITAL HEALTH INVESTMENTS

- Digital healthcare staffing platform **ShiftMed** raised $200M in a massive funding round, second only to Monogram Health's $375M funding round in 2023. ShiftMed connects health systems with a local pool of clinicians and part-time nurses as an alternative to pricey travel nursing staff.
- Austin-based **Frontrow Health** obtained $3M in seed funding to develop its marketplace, which allows providers to build digital stores of trusted direct-to-consumer (DTC) products.
- *Digital Health* summarized the most recent digital health funding and deals, including **Ada Health's** partnership with **Pfizer**, to develop its online COVID-19 test-to-treatment platform.

ARTIFICIAL INTELLIGENCE NEWS

- As of January 2023, the FDA has approved more than 500 healthcare AI algorithms -- mostly related to medical imaging. As the scope of products expands, the agency is considering a

revised regulatory approach that will reassess effectiveness throughout the pre-market and post-market stages.
- Just after **Microsoft** announced its adoption of ChatGPT, **Google** introduced its own chatbot, Bard, which will be integrated into the search engine , but it did not get off to a good start.
  - In contrast, a *JAMA* study found that ChatGPT provided 'largely appropriate' answers to questions about cardiovascular disease prevention.
- A study found that machine learning models using EHR data can predict physician departure with 97% accuracy.
- **Senysdia's** AI-powered cardiac performance system passed another milestone this week, completing a 225-person study at **UPMC**. The system allows for non-invasive, remote monitoring of cardiac functionalities.
- **Duke Health** announced plans to establish an Algorithm-Based Clinical Decision Support Oversight Committee to help ensure the appropriate use of AI algorithms in healthcare.

Interoperability & Health IT

FEDERAL NEWS
- Following an investigation by *STAT*, a bipartisan group of senators criticized several prominent telehealth startups – including **Monument**, **Workit Health**, and **Cerebral** – for neglecting to protect sensitive health information appropriately. These companies allegedly shared patient health data with platforms like **Facebook** and **Google**.
- CMS reminded eligible hospitals to submit their 2022 EHR data for the Medicare Promoting Interoperability Program by February 28, 2023.
- According to a report from **Janco Associates**, the U.S. economy lost 4,700 IT jobs in January 2023. This marks the first decline in IT jobs in over two years.

INDUSTRY NEWS
- Plaintiffs' lawyers lost no time in filing a class action lawsuit against **GoodRx** for allegedly violating users' privacy rights after the FTC fined the company for $1.5M for sharing personal health data with third-party platforms. More here, here.
- Digital health platform **Solve.Care** partnered with **EarthID,** a data privacy and compliance firm, to allow **Solve.Care** users to aggregate their personal health information related to their identity into one comprehensive ID safely.
- EHR vendor **Athenahealth** laid off 3% of its workforce, making it just one of a number of technology companies that have recently announced layoffs.
- Software company **CliniComp** must pay **Oracle Cerner** $925K in attorney fees, following a failed federal patent infringement lawsuit over remote health IT hosting technology.
- A recent *HealthITBuzz* article discussed the potential of utilizing EHR audit logs to address physician burnout.

PUBLIC HEALTH DATA

- More than 1,400 healthcare organizations joined the California Health and Human Services Data Exchange Framework, a first-of-its-kind statewide agreement that seeks to expand coverage and connect healthcare and social services.
- Thomas Dobbs, a former health commissioner of Mississippi, wrote an article published in *Health Affairs* that discussed the need for more coordinated public health efforts within the government to promote a stronger public health system.
- An *Annals of Family Medicine* study found that recently released hospital patients benefited from community health information exchange utilization by their primary care physicians. Reutilization of care was delayed in these cases.

DATA PRIVACY AND SECURITY

- HHS warned healthcare organizations about three cybersecurity vulnerabilities found in older versions of OpenEMR, one of the most common EHR solutions. OpenEMR recently strengthened its application following an October report by software development company **Sonar**, which alerted the company to the cybersecurity risk.
- A Kroll report found consumers expressed more concern following financial data compromises than healthcare data breaches, indicating that they may view personal health data as less important.
- The HHS settled with **Banner Health**, a nonprofit health system, following a data breach that involved the protected health information of 2.81M patients.
- **Highmark Health was the target** of an email phishing scheme that may have infiltrated the protected health information of around 300,000 members.

Payers & Providers

DRUG PRICING

- In his State of the Union speech, President Biden highlighted Democrat's recent passage of the Inflation Reduction Act (IRA), which contained several provisions meant to lower the cost of drug prices.
  - One of the provisions in the IRA included a $35 per month cap on Medicare beneficiaries out-of-pocket costs. President Biden urged Congress to pass legislation extending that cap to all Americans, including those enrolled in private health plans.
- Several pharmaceutical companies announced plans to limit sales of 340B-discounted products to contract pharmacies. This announcement comes after last week's appellate court rulings on the 340B program, which stipulated that drugmakers are allowed to limit 340B drug discounts to contract pharmacies at safety net hospitals.
  - The American Hospital Association sent a letter to HHS requesting information on remedial repayment options following the court's ruling. A shorter summary of the letter is available here.
  - · The HHS Office of Inspector General just recommended that the state of North Carolina refund the federal government millions of dollars after failing to comply with

Medicaid requirements for invoicing manufacturers for rebates for physician-administered drugs.

HEALTHCARE TRANSPARENCY

- As part of the ongoing legal challenges to the No Surprises Act, a federal district judge ruled in favor of the Texas Medical Association (TMA), because the federal arbitration process that outlines how plans and providers settle reimbursement disputes was skewed in health plans' favor.
  - Just last week, TMA filed an additional lawsuit challenging the No Surprises Act interim final rule, the fourth such lawsuit from the group.
- After a four-year collaboration of health care experts, the *Health Affairs'* Council on Health Care Spending & Value released its Road Map for Action, which includes recommendations on administrative streamlining, price regulation, and value-based payment.
  - The 21-member council was co-chaired by former U.S. Senate Majority Leader Bill Frist and former FDA Commissioner Margaret Hamburg.
- Patient Rights Advocate released a report which found that only 25% of hospitals complied with a rule requiring them to post pricing information for all items and services.
- A *Health Affairs* article analyzed the impact of the Transparency in Coverage rule that applies to health plans, highlighting industry-wide benefits of accessible pricing information and calling for improved identification of the providers and plans that influence costs.

PAYERS

- CMS released the 2024 Medicare Advantage and Part D Advance Notice. It proposed a slight increase in payment to MA and Part D plans, included significant changes to the risk adjustment model, and would also create a universal foundation of quality measures. Payers reactions here, here.
- According to a Kaiser Family Foundation (KFF) issue brief, Medicaid Advantage (MA) insurers received over 35M prior authorization requests and fully or partially denied more than 2 million. The KFF analysis used 2021 self-reported plan data derived from 515 Medicare Advantage contracts representing 23 million MA enrollees.
- Providers complained that plans' utilization management processes posed a barrier to essential health benefits (EHBs) in response to a CMS Request for Information on EHBs that is required to be part of comprehensive insurance coverage under the Affordable Care Act. Payers took issue with service mandates. The NAIC supports a more standardized EHB package. More here, here.
- Georgetown professor Sabrina Colette published an assessment of the Biden administration's progress on expanding insurance coverage.
- **MyndVR**, a VR company that offers therapeutic care for seniors, is now covered under **CareWell**, a Medicare Advantage plan. It is the first company to obtain coverage of VR technology through an MA plan.
- According to its 2022 earnings report, **Centene** lost $213M during the fourth quarter while maintaining $144.5B in revenue.

PROVIDERS

- Reinforcing President Biden's State of the Union focus on behavioral health worker shortages, a new survey of behavioral health experts released earlier, showed that professional mental health staff shortages will be the most significant problem in 2023.
- Rick Pollack, the CEO of the AHA, wrote an op-ed in *The Hill*, calling on the federal government to support the 340B program, advance equity, strengthen the healthcare workforce, and relieve providers of regulatory and administrative burdens.
- A new study and the AMA reported that 4,511 physicians died -- several hundred more than normal mortality rates -- during the early phase of the COVID-19 pandemic.
- VMG Health reports that ambulatory service centers' volume of cases in 2022 exceeded pre-pandemic levels.
- The U.S. Department of Justice charged operators of several home health agencies in the Detroit metropolitan area for submitting more than $60M in fraudulent claims for services that were never rendered to CMS. More here.
- According to a report from the Council for Affordable Quality Healthcare (CAQH), the U.S. healthcare system spent $60B on administrative tasks in 2022, up $18B from 2021.
- Marcus Osborne, the long-time Senior Vice President of **Walmart Health**, was appointed CEO of **RightMove,** a startup that provides virtual physical therapy.
- An Accenture survey found that younger generations are more comfortable switching providers when they feel their needs are not met. Across all respondents, access and trusted referrals are the top drivers for choosing a new provider.
- **Intermountain Health** appointed Nannette Berensen as its new COO.

PAYERS AND PROVIDERS (M&A)

- The U.S. Department of Justice's Antitrust Division withdrew three "outdated" policies formerly used to set parameters for acceptable competitor collaborations, particularly regarding sharing price-related information and joint purchasing. The DOJ claims that it will be better able to evaluate mergers and conduct in healthcare markets using a case-by-case enforcement approach. The sudden removal of safe harbors is causing uncertainty in the industry. See more here, here, here, here, here, here.
- An *Axios* story claims there is increased state-based scrutiny of Catholic health system mergers.
- Several news outlets are reporting that the FTC appears to be reviewing **Amazon's** $3.9B acquisition of **One Medical**, a primary care provider.
- **CVS Health** is reportedly seeking to acquire **Oak Street Health,** a Chicago-based primary care network, for $10.5B. This is the pharmacy's second multi-billion-dollar acquisition within the past seven months.
- **Pitchbook** reported private equity investments in 2022 were the second-highest-ever for the healthcare industry but fell short of 2021 investment levels. Investments in behavioral health declined significantly, and are generally expected to continue to slow in 2023.

VALUE-BASED CARE
- CMS published a perspective article in the *New England Journal of Medicine*, calling for a 'universal foundation' of quality measures focused on outcome-based services across CMS centers.
- The Advisory Board published an infographic to show the motivations of each stakeholder to lean into value-based care models.

HEALTH EQUITY & SDOH
- Brookings called on President Biden to create a plan for equitable public health policies after the PHE ends.
- A new *Health Affairs* analysis of maternal health found deep disparities in preterm birthweight across racial and ethnic data. The researchers highlighted the need for more detailed subcategorization in SDOH data to address inequities in infant outcomes.
- Research in JAMA Health Forum questioned the effectiveness of social risk benefits financed through increased capitated payments for high-risk members. The report called for meaningful partnerships with community-based organizations and case-by-case considerations for healthcare organizations' involvement in social risk management.
- A recent *Health Affairs* study found that in 2022 many providers worked to implement digital strategies to improve digital equity.

MEDICAID
- A **Commonwealth Fund** article highlighted the implications of the Georgia Medicaid work requirements on Section 1115 Waivers and the potential for other states to adopt similar requirements.
  - Another **Commonwealth Fund** article identified potential risks in Medicaid payment strategy, specifically adjusting payments to account for patients' social risks to improve patient health outcomes.

Virtual Health

FEDERAL NEWS
- A bipartisan group of U.S. House members reintroduced the Telehealth Benefit Expansion for Workers Act, a bipartisan legislation that would keep stand-alone telehealth benefits separate and in addition to major medical insurance plans. More here, here.

NEW LAUNCHES AND PARTNERSHIPS
- **Albertsons**, a grocery store chain, released its Sincerely Health App, which allows people to manage their health. Using the app, patients can make telehealth appointments, manage prescriptions, and schedule vaccines.
- **Moffitt Cancer Center** plans to expand virtual care options after finding there was a 5,000 percent increase in the use of telehealth since the beginning of the pandemic.

- **Memorial Healthcare System** <u>expanded</u> its telehealth services – which received a 97% patient satisfaction rating – to 61 programs, allowing working families and patients with chronic conditions to access care and increase drug adherence more easily.
- **MSU Health Care** <u>partnered</u> with virtual musculoskeletal care company **RecoveryOne** to provide virtual physical therapy for over 200 conditions.
- **WellSpan** <u>partnered</u> with **KeyCare** to provide virtual health visits for their patients through MyChart.
- **Bronson Healthcare** <u>launched</u> MyChart Bedside, an app that enables physicians to coordinate inpatient care.
- After receiving $100M from **CVS** during a funding round, **Carbon Health** <u>launched</u> its new virtual health platform for patients across the state of Massachusetts.

OTHER TELEHEALTH NEWS
- **Wheel**, a virtual care company, <u>laid</u> off 26% of its workforce.
- Chatbot, a virtual care tool adopted by **University Hospitals**, has <u>developed</u> into a multiuse digital tool that assists with virtual doctor-patient communication and remote patient monitoring and screening.
- Following the announcement of the end of the PHE, telepsychiatry professionals <u>encouraged</u> providers to develop a contingency plan to ensure that patients – especially those with opioid use disorder (OUD) - can receive the care they need.