



MYMAVERICK RECAP

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Digital Health

DIGITAL HEALTH INVESTMENTS

- To aid its expansion into the employer space, mental health platform **Wave Life** raised \$6M in a seed funding round.
- India-based **Vitraya Technologies**, a platform enabling automated claims decision-making for insurers and providers reimbursements, raised \$4.1M in a Series A round.
- Berlin-based **Doctorly** received \$10M to help develop an operating system for medical practices.

ARTIFICIAL INTELLIGENCE INVESTMENTS

- Chatbot-powered mental health screener **Aiberry** acquired \$8M in seed funding to launch its platform to tackle depression.

ARTIFICIAL INTELLIGENCE NEWS

- Healthcare startup **Transcarent** will acquire virtual care company **98point6** to expand into AI-powered virtual care. In return, 98point6's employers, health systems, and payer partners – which include **Boeing** and **Banner|Aetna** – will have access to Transcarent services.
- **Axios** published an article about the increased use of AI in mental health care apps and how it is scaring providers and researchers about the risk to patients and privacy.
- The University of Kansas Health System partnered with **Abridge**, an AI-powered medical documentation platform, to improve physician-patient communication. According to *Business Wire*, this is the first major rollout of generative AI in healthcare.
- Weill Cornell Medicine and **Hatchleaf**, a healthcare AI company, partnered to connect patients with the appropriate type and level of care more effectively.
- Rama Chellappa, an AI expert and engineer at Johns Hopkins, wrote about AI in *HUB*, discussing the pros and cons of using AI in clinical care.
- **Highmark Health** and its delivery network **Alleghany Health Network** partnered with **Kinsa** to use its AI-driven Illness Forecast Model to anticipate and prepare for waves of severe illness or disease more effectively.
- **Maximize Market Research**, a healthcare research firm, released a report finding that the US AI-based healthcare market will be valued at nearly \$100B by 2029.

Interoperability & Health IT

FEDERAL NEWS

- According to a new report from the ONC, 96% of U.S. hospitals and physician offices have adopted EHRs, but interoperability remains challenging.

INDUSTRY NEWS

- Speaking at a panel, **One Medical's** CEO pushed back against the FTC's health data privacy concerns, arguing the data is more secure on AWS than decentralized on the cloud.
- The Puerto Rico Department of Health announced its intention to participate in TECCA on the basis that **Health Gorilla** is designated as a Qualified Health Information Network.
- The Regenstrief Institute released its semi-annual update of LOINC, a universal interoperable language for test results, observations, and other lab information, in partnership with the FDA, CDC, and the Association of Public Health Laboratories (APHL).
- A software malfunction caused EHR vendor **Veradigm** to overstate its revenue by almost \$20M over the past six quarters.
- Q4 investments in health IT for 2022 fell almost 75% from 2021's quarterly pace, according to a report from market researcher **PitchBook**.
- A KLAS Arch Collaborative report revealed system response time as a key factor in reduced clinician EHR satisfaction.



PUBLIC HEALTH DATA

- The CDC announced two new Notices of Funding Opportunities (NOFOs) under its Overdose Data to Action (OD2A) program to advance the critical work that health departments and communities play in driving down overdose deaths.
- Experts at the 2023 State Healthcare IT Connect Summit in Baltimore discussed how a cloud-based environment authorized by the Federal Risk and Authorization Management Program can help with cost containment and scalability of public health data.

DATA PRIVACY AND SECURITY

- **Congress, both members and staff, may have had their health record data stolen because of a “significant data breach”** involving thousands of enrollees in the DC Health Link marketplace.
- The Biden Administration released its National Cybersecurity Strategy proposal, which received a positive reception from the AHA and HITRUST, and both organizations pledged their support.
 - The proposal has strong implications for the U.S. healthcare system, including the growth of industry regulatory requirements, vendor accountability, and shared responsibility for medical device security.
- The National Institute of Standards and Technology (NIST) published a draft internal report on genomic data cybersecurity to address privacy and risk management concerns. The agency is accepting public comments through April 3, 2023.
- Senators Amy Klobuchar, Elizabeth Warren, and Mazie Hirono introduced the Upholding Protections for Health and Online Location Data (UPHOLD) Privacy Act, which would prevent identifiable health data from being used for commercial purposes. More here.

Payers & Providers

DRUG PRICING

- **Eli Lilly** became the first pharmaceutical company to voluntarily cap out-of-pocket costs at \$35 for its most used insulin products, matching the price set by the IRA for Medicare recipients. According to experts, this move will save Eli Lilly millions of dollars in Medicaid rebates.
 - Senate HELP Chairman Bernie Sanders urged **Sanofi** and **Novo Nordisk** to implement the same policy.
 - HHS Secretary Xavier Becerra also released a statement praising Eli Lilly and encouraging other manufacturers to follow their example.
- The Institute for Clinical and Economic Review released a report evaluating the value of **Eisai's** Alzheimer's treatment, Lecanemab, which has a current list price of \$26,500 per year.



HEALTHCARE TRANSPARENCY

- An [op-ed](#) from *STAT News* analyzed CMS's newly-released hospital compliance report – which found that most hospitals are compliant with price transparency rules – highlighting several issues with their findings.

PAYERS AND PROVIDERS

- President Biden's proposed budget, always more of a wish list rather than a realistic legislative agenda, will be released today. It is expected to include a funding ask to [eliminate](#) hepatitis C, and a suggestion to [raise taxes](#) for wealthy Americans, and expand the number of drugs eligible for Medicare price negotiations. One of the goals is to [extend](#) Medicare solvency for at least 25 years. More on this [here](#), [here](#), and [here](#), including this *STAT News* [interview](#) with Medicare chief Meena Seshamani about the new drug price negotiation timelines.
- MedPAC met last week to [discuss](#) MA [payment](#) policy, [Medicare Part B drugs](#), and reforming the [wage index](#) part of hospital payment systems.
- Several patient advocacy groups [wrote](#) letters to the [IRS](#) and [Consumer Finance Protection Bureau](#) calling for more action to address medical debt issues. More on this [here](#).
- A [thoughtful article](#) by *Axios* offers a thorough review of how big retailers are changing the health care consumer experience, including the recent announcement that Best Buy is [launching](#) a hospital-at-home program with Atrium Health.

PAYERS

- Last week, CMS Administrator Chiquita Brooks-LaSure [met](#) with senior executives of health insurance plans and associations to discuss Medicaid unwinding and other topics.
- In a [letter](#) to CMS, AHIP [urged](#) the agency to withdraw its proposed MA risk adjustment changes, claiming they threaten care for seniors and individuals with disabilities.
- The HHS's OIG [published](#) a [report](#) recommending CMS require MAOs to identify denied patient service claims, so fraud and waste investigations will not be hindered.
- According to a *Morning Consult* survey, two in five U.S. adults [reported](#) that they would not schedule preventative care if they lose ACA coverage, due to the high cost of these services.
- The Commonwealth Fund [analyzed](#) Medicare's coverage of mental health conditions, identifying gaps in MA programs and highlighting recent expansions.
- A *Becker's* article [outlined](#) how states and MCOs are preparing for the PHE end, how beneficiaries are being contacted, and the states' redetermination timelines.
- An analysis from **Moody's Investor Services** [projected](#) that insurers' growth will slow in 2023 and their revenue will decrease by \$9B after redeterminations resume on April 1.
- **Highmark Health** is [partnering](#) with health technology company **Kinsa** to use data analytics to predict disease outbreaks and to address staffing shortages and bed availability.
- **Oscar Health** [announced](#) the [renewal](#) of its PBM agreement with **CVS Caremark** through 2026.
- **Accenture Federal Services** [won](#) a \$628M award from CMS to continue supporting Healthcare.gov.
- **Aetna** [settled](#) a \$3.4M class-action [lawsuit](#) claiming the payer wrongfully denied proton beam therapy as a treatment for cancer patients, arguing it was too experimental.



- **Bright Health, Clover Health, and Oscar Health** – the top three insurtechs in the country – experienced a total \$2.35B operating loss in 2022.
- **Atrium Health** partnered with **Best Buy Health** and will use its consumer electronics to expand its hospital-at-home program and ensure patients have telehealth access.

PROVIDERS

- According to Kaufman Hall, hospital finances improved in 4Q 2022 and early 2023 performance is promising but lags behind 2021.
- In its formal comment letter, the American Medical Group Association (AMGA) pushed back against Medicare Advantage risk adjustment changes, joining insurance companies in opposition to the proposed payment rule.
- The FTC extended the comment period for its proposed rule to ban noncompetes. Comments are now due by April 19.
- Several health systems – including **UPMC, Cleveland Clinic, and Ascension** – joined the Patient-Centered Outcomes Research Institute’s (PCORI’s) \$50M initiative to support comparative clinical effectiveness research.
- **Atrium Health** and **Best Buy Health** partnered to offer a new hospital-at-home solution that will extend post-PHE.
- **MetroHealth System** released an audit report finding its former CEO authorized nearly \$2M in self-paid bonuses while several executives were aware of this indiscretion.
- **BetterHelp**, a mental health therapy app owned by **Teladoc**, reached a \$7.8M settlement with the FTC after allegedly misleading consumers and sharing their private health information with companies like Facebook and Snapchat.
- **During 2024, Walmart Health** will open 28 new clinics in Texas and two new states – Missouri and Arizona – paving the way for retailers’ expansion into primary care.
- An article in *Axios* examined how major retailers are impacting healthcare, highlighting developments such as **Amazon’s** acquisition of **One Medical** and the launch of **Albertson’s** digital health platform. More here.

PAYERS AND PROVIDERS (M&A)

- **Transcarent**, Glen Tullman’s (Allscripts, Livongo) latest entrepreneurial adventure that helps self-insured employers offer easier-to-navigate employee health benefits, will acquire part of virtual care company **98point6** for \$100M.
- **Presbyterian Healthcare Services** and **UnityPoint Health** announced their exploration of a merger and formation of an \$11B health system. UnityPoint operates hospitals in Iowa, Illinois, and Wisconsin, while Presbyterian serves New Mexico.
- **VillageMD**, a company majority-owned by **Walgreens**, acquired the 30-location physician group **Starling Physicians** to focus on specialty services.

VALUE-BASED CARE

- **Humana** and **Aledade** announced a 10-year partnership to expand value-based care programs for Humana’s MA members, building on the companies’ efforts to provide high-quality care.



- o **CareFirst BCBS** is also partnering with **Aledade** to strengthen value-based care and combine its network of physicians with the consultant's business platform and technology.
- A **PitchBook** health IT report concluded that as value-based care grows, more patient-centered records and longitudinal data centers that can be easily updated will be needed.

HEALTH EQUITY & SDOH

- A *Health Affairs* article identified the growing consensus that population-based payments in primary care be used to promote health equity by using innovative payment incentives and primary care investments.
- *NEJM* released a framework to help organizations improve healthcare equity, suggesting they use tools that are proximal to outcomes, actionable, and measurable at individual levels.
- As part of their Health Equity Initiative, **Amazon Web Services** selected the non-profit alliance **DirectTrust** to develop health equity solutions using secure health data exchanges and synthesizing data to mitigate disparities.
- NCQA recognized UnitedHealthcare Community Plan for its health equity efforts to support Black and brown communities and partner with community-based organizations.
 - o NCQA also awarded **Priority Health** with Health Equity Accreditation for showing its commitment to providing affordable, equitable, and high-quality health care.

MEDICAID

- CMS released a timeline anticipating when states will begin terminating Medicaid coverage following the redetermination period, which starts on April 1.
- North Carolina legislators – one of the 11 states that did not expand Medicaid under the ACA - announced their agreement to pass a Medicaid expansion bill.
- The AHA and other hospital associations sent a letter to Congressional leaders expressing concern about potential Medicaid DSH cuts, as they could cost hospitals \$8B for Medicaid underpayments and uncompensated care.
- KFF analyzed and identified the groups that will be at risk following the end of continuous enrollment on March 31, 2023.

Virtual Health

FEDERAL NEWS

- In its latest move to protect data privacy, the FTC reached a \$7.8M settlement with virtual counseling service **BetterHelp**, alleging that the company mislead consumers and sold their private health information to companies like **Facebook** and **Snapchat**.
- Providers expressed concern surrounding the DEA's proposed rules on the regulation of controlled drugs, including buprenorphine – a drug that treats opioid use disorder – arguing that despite a new law intended to make it easier for providers to prescribe these medications, the DEA's strict regulations will make it harder to prescribe these life-saving drugs.



- As part of these proposed rules, patients would need to have an in-person visit before receiving their prescriptions. Previously, physicians were allowed to prescribe these drugs via telehealth.

NEW LAUNCHES AND PARTNERSHIPS

- **Pfizer** and at-home diagnostic innovation company **Cue Health** partnered to provide virtual informational resources, testing, and care for patients at high risk of developing a severe COVID-19 infection.
- **Hello Heart**, a digital heart health coaching app, released the “My Meds” tool to improve medication adherence.
- **WeightWatchers** acquired telehealth prescription company **Sequence** for \$132M. The partnership will connect patients with weight-loss management services.
- **NextMed**, which previously focused on COVID-10 testing, changed its business model to allow virtual prescriptions of weight-loss drugs like Ozempic.
- **Wave Life**, a virtual mental health platform, received an initial investment of \$6M to expand its services to employers by providing access to therapists and wellness coaching.

OTHER TELEHEALTH NEWS

- The annual ATA conference featured nurses who work in virtual care settings and what is needed to better support them.
- An article in *Fierce Healthcare* analyzed the future of hybrid care, noting an increase in the number of health system-digital health platform partnerships.
- A study published in the *Journal of the American College of Cardiology* found the efficacy of heart failure treatment significantly improved with a virtual care team.
- **Color**, a health technology company, laid off 300 employees in a shift to provide telehealth services for government programs.
- An analysis by **Guidehouse** found that 95% of health executives project an increase in outpatient volumes and digital health efforts and expenditures. More here.

