Maverick Health Policy

MYMAVERICK RECAP

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NEWSLETTER CONTENTS

Digital Health

DIGITAL HEALTH INVESTMENTS

- Just in time for the <u>ViVE conference</u> in Nashville, **Zus Health** -- Jonathan Bush's health data platform that wants to be "EHR's best friend" -- <u>announced</u> that it <u>raised</u> $40M in financing. The Zus Aggregated Profile (ZAP) is sold to providers, who are frustrated with the duplicative and unstructured nature of their patient data and want actionable insights. Zus also <u>partnered</u> with **Elation Health**, a company that sells its EHR to primary care providers.
- **SonderMind**, a digital mental health company, <u>purchased</u> the tech assets of **Mindstrong**, absorbing 20 of its 120 employees, but otherwise <u>closing down</u> the high-profile mental health tech startup that was based in Menlo Park, California.
- **Pear Therapeutics,** a prescription digital therapeutics company that went public via a Special Purpose Acquisition Company (SPAC) in 2021 at a $1.6B equity value, is <u>exploring</u> strategic alternatives, including sale, merger, or acquisition after its market cap shrunk to just $54M.
- **Mindset Health**, a hypnotherapy platform for chronic illness, <u>raised</u> $12M in series A funding to grow its suite of consumer apps and scale distribution.

- **Healium**, a virtual and augmented reality startup that captures wearable device biodata and allows users to see and interact with their data, raised $3.6M in a seed round.
- **Cosmos Health Inc.,** a global healthcare group, acquired **ZipDoctor**, a direct-to-consumer subscription-based telemedicine platform.

ARTIFICIAL INTELLIGENCE NEWS
- Cleveland Clinic launched the IBM Quantum System One platform, the first on-site private sector IBM-managed quantum computer to be dedicated solely to healthcare research.
  - This follows their 2021 announcement of a 10-year partnership to use quantum computers to work on several projects, including screening drugs that are targeted to specific proteins; improving prediction models for cardiovascular risk, and employing AI applications to search genome sequencing findings to develop more effective Alzheimer's drugs. More here.
- The **Health Management Company**, in partnership with **Outbound AI**, conducted a survey asking healthcare system executives about staffing issues. The study found that all executives surveyed were using AI or were thinking about using AI for clinical operations.
- At SXSW 2023, **OpenAI** co-founder and president Greg Brockman and **23andMe** CEO Anne Wojcicki discussed the potential of AI in healthcare.
- **Northwell Health** and **Ascertain** created an AI algorithm for predicting preeclampsia – which accounts for 10-15% of maternal deaths – to help address high mortality rates.
- Unlike ChatGPT, **Google's** AI chatbot, Bard – which was released to a limited number of people – tends to avoid answering medical questions.

ARTIFICIAL INTELLIGENCE INVESTMENTS
- **Artera AI, a** precision medicine company developing AI tests to personalize therapy for cancer patients, launched with $90M in funding. Artera's flagship test is the ArteraAI Prostate Test, the first test to predict therapy benefit in localized prostate cancer.
- **Protai**, an AI-powered drug discovery platform, raised $20M in seed funding to build out its oncology pipeline and expand data acquisition.
- **Apprentice.io**, a cloud-based pharmaceutical manufacturing platform, raised $65M in funding.

Interoperability & Health IT

FEDERAL NEWS
- In an interview with *Politico*, the HHS Office of Civil Rights' Director -- who enforces the HIPAA Privacy rule -- defended the agency's request to nearly double its budget in FY 2024, citing HIPAA complaints increasing fivefold over the past two decades while funding remained stagnant.
- The FDA revised guidance on the use of EHRs and electronic systems and signatures in clinical trials to better meet data integrity and security goals.

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INDUSTRY NEWS

- The CARIN Alliance, a multi-sector collaborative working to advance the consumer-directed exchange of health information, and HHS released a report summarizing lessons learned and made recommendations to create a single-sign-on system to facilitate patient access to medical records.
- In its 2022 National Progress Report, **Surescripts** announced it facilitated 21.7B secure data exchange transactions during 2022, a milestone for interoperability.
- A new study published in *JAMA* found patients prefer immediate access to test results, even before reviewing their results before providers, and regardless of normal or abnormal results.
- **Intermountain Health** launched **Culmination Bio**, a multi-modal, de-identified intelligence platform that helps analyze millions of data points to predict, prevent, and treat disease.
- **Epic** partnered with medical genetics company **Invitae** to integrate genetic test results into its EHR system.
- In its comment letter to CMS on the prior auth rule, the **HIMSS EHR Association** recommended CMS open a second comment period so stakeholders could revise their comments as necessary.

PUBLIC HEALTH DATA

- The CDC urged state and local health agencies to promote public health data interoperability that will advance surveillance and appropriate responses to emerging diseases.
- After Chinese researchers released data on an open-access Global Initiative on Sharing Avian Influenza Data (GISAID) database earlier this year, the World Health Organization (WHO) advisors urged China to release all information related to the origin of COVID-19.
  - These findings point to a new origin of the virus: raccoon dogs.

DATA PRIVACY AND SECURITY

- On March 16, 2023, the U.S. Senate Homeland Security and Governmental Affairs Committee held its healthcare cybersecurity hearing to hear testimony from four industry leaders.
  - The industry experts advocated for government support as cyber threats continue to overwhelm the healthcare sector.
  - They identified small and rural hospitals as the most vulnerable to ransomware attacks, called for threat coordination between the industry and government, and recommended setting minimum security standards.
- The FTC called for a $160M funding boost to help the agency take on larger and more complex consumer health data infringements.
  - The agency also took a deep dive into privacy concerns regarding pixel tracking, following a crackdown on the technology across healthcare organizations.
- A **Microsoft** blog post revealed the health sector suffered between 40 to 60 distributed denial-of-service (DDoS) attacks per day in February 2023, primarily targeting web applications.
- The Health Sector Cybersecurity Coordination Center of HHS cautioned healthcare organizations against the Black Basta ransomware group in a recent threat profile. The

group is known for employing a sophisticated double extortion strategy to target large organizations.

Payers & Providers

DRUG PRICING
- A hospital coalition, including the AHA and America's Essential Hospitals, criticized the PhRMA-led group Alliance to Save America's 340B Program, claiming that it hurts the mission of the 340B program.
- **Sanofi** will join **Eli Lilly** and **Novo Nordisk** in capping out-of-pocket insulin prices at $35 for all commercially-insured patients.
- A California appellate court ruled in favor of **Medical Arts Pharmacy** and 21 other independent pharmacies in their lawsuit against **OptumRx**, agreeing that OptumRx is abusing its price-setting powers to drive small pharmacies out of business.

HEALTHCARE TRANSPARENCY
- CMS issued new guidance for the federal independent dispute resolution (IDR) process and instructed certified IDR entities to resume resolving payment disputes for the first time since the Feb. 6 Texas court decision that halted the process.
  - CMS is facing an overwhelming number of surprise billing arbitration dispute cases and is calling for improved process communication and training.
- In its latest bipartisan effort to limit pharmacy benefit managers, Congress reintroduced the Drug Transparency in Medicaid Act, which will ban spread pricing for managed care plans and require reimbursements to be consistent with pharmacy costs.

PAYERS AND PROVIDERS (M&A)
- The U.S. Department of Justice and several state attorneys general dismissed their legal challenge to the **UnitedHealth Group's** acquisition of **Change Healthcare**.
- In a recently released fact sheet, the AHA outlined the benefits of hospital acquisitions, arguing they can protect quality care, expand access, and could result in a 3.3% operating cost reduction per admission.

PAYERS
- As requested by payer groups during the proposed rule comment period, ONC's Micky Tripathi announced that the agency is exploring new certification criteria for provider EHRs to align with payer requirements for electronic prior authorization.
- In its annual report, MedPAC requested that Congress address the payment and coding differences between Medicare Advantage and traditional Medicare and improve the quality bonus program.
- On March 22, 2023, U.S. Senators Wyden and Bennet introduced the Better Mental Health Care for Americans Act to require parity for mental health services in Medicare Advantage

and Medicaid plans and require them to update provider directories every 90 days to make them more accurate. Bill text underline here.

- A *JAMA* research letter underline found that 81% of entries in provider directories for the five largest payers – **Aetna**, **Elevance**, **Cigna**, **UnitedHealthcare**, **Humana** – contained inaccuracies.
- A Peterson-KFF underline Health System Tracker report underline found 60% of privately insured patients utilized some preventative care under the ACA mandate, which is currently being challenged in federal court.
- A LeadingAge underline report underline argued that Medicare Advantage plans are wrongfully limiting access to and payment for post-acute care services for older adults and providers.
- A *NEJM* article underline showed that while **BCBS of North Carolina**'s food-aid program – the first of its kind – can mitigate short-term food insecurity, long-term efforts to combat food insecurity should use food-as-medicine models.
- **Clever Care**, an MA startup health plan offering a holistic healthcare approach, raised underline $42M in series C funding.
- **Cigna** is underline re-releasing an updated policy about claim submissions – requiring providers to submit medical records for Evaluation and Management claims (CPT 99212 – 99215).
- underline California Medical Association, AMA, and other groups are concerned the policy lacks necessary revisions and still imposes unfair administrative burdens.

PROVIDERS

- In its annual underline report, MedPAC underline recommended Congress should slightly increase base physician payment rates by 1.45% for 2024, underline because current physician payments "appear adequate," tying physician payments to the Medicare Economic Index. More underline here.
    - The Commission suggested that Congress underline provide add-on payments for safety-net providers and redistribute current payments to safety-net hospitals through the Medicare Safety-Net index.
    - Several physician groups, including the Medical Group Management Association and AMA, underline praised MedPAC for attempting to reform the Medicare payment system.
    - The AMA and 134 other health organizations underline drafted a letter to Congress, urging them to consider a full inflation-based update.
- After caring for low-income patients, a group of 40 hospitals underline sued HHS, claiming the delay in correcting Medicare DSH payments cost them "tens of millions" of dollars.
- *Axios* underline outlined the difficulties hospitals are facing during the worst drug shortages in ten years. According to experts, the shortage comes as a result of quality control issues, plant closures, and other manufacturing issues.
- An article in *KHN* underline examined all aspects of the recently-passed underline MOBILE Health Care Act, which allows federally qualified health centers to direct their funding toward implementing mobile health clinics in underserved communities.
- *Medical Economics* underline guided physicians on how to protect themselves and their practices following the collapse of Silicon Valley Bank.
- An article in *Chief Healthcare Executive* underline highlighted the benefits and challenges of hospital-at-home programs.

VALUE-BASED CARE
- Aledade, a public benefit company with a large independent primary care network, announced that Cigna's MA customers will receive value-based care from Aledade's network of independent primary care practices in Delaware, Maryland and the District of Columbia.
- Digital primary care provider **Babylon Health** launched personalized value-based care programs to support people with chronic conditions, aiming to reduce costs, acute events, and hospitalizations.

HEALTH EQUITY & SDOH
- The Commonwealth Fund reported that while ACA subsidies allowed five million people to gain coverage between 2020 and 2022, post-PHE reforms will limit these benefits, especially for marginalized groups.
- The Commonwealth Fund analyzed inequities in health insurance coverage for Black and Hispanic communities, recommending Medicare expansion, automatic enrollment, and premium subsidy extension for these groups.
- HHS grants for Certified Community Behavioral Health Clinics (CCBHC) will ensure more equitable and comprehensive behavioral health care is provided in the 15 states selected for the grants.
- An Executive for Health Innovation (EHI) report discovered the impact of guidance and measurement of SDoH markers on health outcomes in vulnerable communities and found that it is fiscally and physically advantageous to collect SDoH data in the long run.

MEDICAID
- The Medicaid and CHIP Payment and Access Commission (MACPAC) released proposals for Congress as part of its March 2023 report. The Commission recommended that under Medicaid, Congress limit state coverage of accelerated approval drugs that have not completed clinical trials.
- In anticipation of the end of the PHE, KFF published a report exploring state policies for renewal, enrollment, Medicaid, and CHIP eligibility.
- A KFF brief found the majority of state Medicaid programs covered at least half of all behavioral health services in 2022. The highest coverage rates were for substance use disorder and outpatient services.
- An AHIP-funded study found that most individuals who will lose Medicaid coverage will transition to employee-sponsored insurance, and about 3.8M individuals are likely to become uninsured.

Virtual Health

FEDERAL NEWS
- In its March Report to Congress, MedPAC acknowledges that audio-only visits were used more often than video visits.

- The Alliance for Connected Care is circulating a sign-on letter to ask congressional appropriators to include a $14M request for the Telehealth Resource Centers program in the HHS's Health Resources and Services Administration (HRSA) budget.
- The Telehealth Benefit Expansion for Workers Act of 2023, if passed, will ensure telehealth benefits remain for patients in employer-sponsored health plans after the PHE ends.
- Organizations, including lobbying coalitions like the Health Innovation Alliance, signed a stakeholder letter expressing support for passing the bill.

NEW LAUNCHES AND PARTNERSHIPS

- In-home care company **MedArrive** and maternal virtual health company **Ouma Health** partnered to provide virtual maternal care to Medicaid populations. More here, here.
- Virtual care and remote safety monitoring company **AvaSure** will launch its virtual classroom to educate RNs about the role of the virtual nurse, as well as teach about professional certification and best hiring practices.
- **Redesign Health** launched **Iron Health** to support OBGYNs with a virtual extension. The start-up received $4.5M in seed funding.

OTHER TELEHEALTH NEWS

- *STAT News* reports on a potential class action against mental health app Cerebral's marketing practices.
- Supermarket chain Woolworth Group's health and wellness subsidiary HealthyLife is offering same-day telehealth services, using a virtual platform to connect patients to nutritionists and other practitioners.
- Following a CMS ruling, **AppliedVR's** RelieVRx, a VR-based medical device that helps treat chronic back pain, became the first one to receive Breakthrough Device Designation.
- *FastCompany* published an article about what will happen to telehealth services at the end of the PHE.
- A Seattle Children's Hospital app – which offers virtual care services - aims to mimic ChatGPT by incorporating a ChatGPT-like extension that streamlines data exchange and user experience.
- According to a new RFI, the CDC is searching for vendors to provide a digital mindfulness app to help its federal employees improve their resilience and well-being. More here.
- **HealthTap**'s CEO Sean Mehra expects telemedicine to become the default means of patient care within five to ten years, resulting in cost and time-saving for both patients and providers.
- A Global Market Study estimated the virtual care market will reach a value of $122.33B by 2033 due to the increasing demand for virtual care and digital technology.