



## MYMAVERICK RECAP

### March 30, 2023

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## Digital Health

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### DIGITAL HEALTH INVESTMENTS

- **Gravie**, an employment-based health insurance marketplace that partners with brokers, received a \$179M equity investment to fuel growth throughout the company, including its health plan for small and medium-sized businesses.
- **Wellvana Health**, a value-based population health startup, closed \$84M in new capital to expand innovation in value-based care enablement for physicians, specialists, and health systems.
- **Bend Health**, a pediatric telebehavioral health company, secured \$32M between seed funding and a series A round to hire more clinicians.
- **Inato**, a technology platform that connects pharma companies with community-based trial sites, raised \$20M in series A2 funding.
- **Zorro**, a digital employment-based health benefits company, raised \$11.5M in seed funding.
- **DW Healthcare Partners**, a healthcare-focused private equity firm, raised \$210M for its Founders Fund focused on lower middle market healthcare investments.

## ARTIFICIAL INTELLIGENCE NEWS

- An op-ed in *JAMA Network* summarized the medical applications of technologies like ChatGPT and examined the scenarios where regulation of these technologies might be needed to ensure they are utilized safely and ethically.
- A *STAT News* article outlined the benefits and risks of using AI for clinical note-taking, stating that it may reduce administrative burdens and help address physician burnout, but it also has the potential to harm patients.
- **Microsoft** and **Syneos Health** partnered to develop a machine learning (ML) platform to increase the speed of development, implementation, and administration of clinical trials.
- Software company **LeanTaaS** released a new, AI-based service, Perioperative Transformation as a Service (TaaS), to enhance care delivery and workflow automation within healthcare systems.
- A *MedCity News* article outlined how AI can support equity in healthcare, claiming that equitable access to AI and data privacy networks can help users navigate ethical challenges.
- An article in *Axios* detailed the concerns over AI replacing human workers such as radiologists and highlighted the benefits and risks of these new technologies.
- A study in *Nature Medicine* found that an AI-based diagnostic screening system, **DeepGlioma**, can detect genetic mutations within brain cancer tumors in under 1.5 minutes.

## ARTIFICIAL INTELLIGENCE INVESTMENTS

- **Vital**, a developer of AI-based solutions making it easier for providers to communicate with and engage patients during ED and inpatient visits, raised \$24.7M in series B funding.

## Interoperability & Health IT

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### FEDERAL NEWS

- The FTC released an RFI seeking comments about cloud computing vendors' impact on competition and data privacy, with a focus on specific industries, like healthcare. The comment period closes on May 22, 2023.

### INDUSTRY NEWS

- **The Amazon Web Services** health care accelerator is not new, but there are 23 startups that just joined the latest cohort to focus on solving workforce challenges, including **Moonhub**, a virtual reality training program, and **Dropstat**, an AI-backed staffing tool.
- **Transcarent** announced it selected **CareJourney** as its provider data partner.
- **Fujitsu**, an information and communication technology provider, released a new cloud-based data platform that allows for the collection, use, and storage of health data.
- **University of Miami Health** deployed an **Epic** EHR in three mobile units-- the first time an **Epic** EHR has been utilized outside a traditional clinical setting.
- EHR vendor **NextGen** launched a cloud-based interoperability tool, Mirth Cloud Connect, aimed at addressing data exchange barriers, like high costs and accessing exchanges.



- **Boston Children's Hospital** launched a virtual food pharmacy with **Instacart Health** to expand "food as medicine" services.

## PUBLIC HEALTH DATA

- An article in *GCN* explained how properly managing public health data and standardizing collection will optimize the value of available data, which can then be used to address issues like health inequity.

## DATA PRIVACY AND SECURITY

- Several sessions at ViVE were focused on health care privacy and security challenges.
- HHS released a 6-point checklist for providers to achieve mobile device security, including HIPAA-compliant encryptions, passwords, and remote wiping capabilities.
- Following feedback from stakeholders, CISA updated its Cybersecurity Performance Goals (CPGs), a set of voluntary practices to mitigate cyber risk.
- A NYC law firm paid \$200,000 to settle allegations charged by the New York Attorney General for improperly protecting health data under HIPAA and state laws that resulted in a breach impacting 114,000 patients.
- **KLAS Research** and **Censinet** recognized 25 healthcare vendors for meeting cybersecurity preparedness, maturity, and transparency standards.
- Tennessee-based **Community Health Systems** notified nearly 1 million patients of a recent data breach from cybersecurity vendor **Fortra** through its file transfer platform.
- **UC San Diego Health** disclosed a data breach tied to its vendor **Solv Health**, which used pixel tracking without the health system's permission.
  - Law firm Harris Beach drafted an analysis of a dozen class-action lawsuits alleging providers' use of pixel tracking shared patient information with social media sites.
- In a joint advisory, federal officials warned against LockBit 3.0, the latest iteration of the ransomware-as-a-service malware, which now can dismantle detection.

## Payers & Providers

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## DRUG PRICING

- The U.S. Senate Commerce Committee advanced the PBM Transparency Act of 2023 which, if passed, would address PBM practices like "spread pricing." According to an article in *Politico*, GOP resistance to this legislation may prevent it from passing.
  - The Ohio Attorney General filed a lawsuit against three large PBMs – **Humana**, **Prime Therapeutics**, and **Cigna** - alleging they fixed prices for several drugs and shared drug pricing information.
  - On March 30, the U.S. Senate Finance Committee will hold a hearing to discuss the impact of PBMs on patients and the healthcare system. More on this here.
- **Moderna** CEO Stéphane Bancel testified to the U.S. Senate HELP Committee in defense of the company's price hike of its COVID-19 vaccine, which will soon cost up to \$130 per dose – four times its original price. More on this here.



- In an *amicus* brief filed in the *HIV and Hepatitis Policy Institute* federal district court case, AHIP is supporting the HHS copay coupon accumulator rule, which allows plans to determine whether they should count drug manufacturers' direct financial assistance toward a patient's annual cost-sharing limit.

## HEALTHCARE TRANSPARENCY

- In response to the U.S. Senate Finance Committee's criticism of HHS' implementation of the No Surprises Act, Secretary Becerra stated that 'frivolous' claims have caused several issues.
- During a hearing this week, House lawmakers asked experts how to improve hospital compliance with price transparency rules. The experts suggested creating better incentives and standardizing how to submit files.
  - The AHA submitted a statement to defend hospitals' compliance with price transparency rules.
- *Kaiser Health News* published a progress report on hospital price transparency compliance.
- **Clarify Health**, a healthcare analytics company, announced that it made a breakthrough with its price transparency intelligence software product, so payers and providers can generate reports on market prices in seconds.
  - Niall Brennan, who was the Chief Data Officer of CMS and former MedPAC staff and is now at Clarify Health, will be leading a session at HIMSS in April to describe Clarify Health's analysis of the quality of price transparency data from 5,600 hospitals and 65+ payers.
- **Trilliant Health** launched a digital price transparency tool that gives payers and providers access to what providers are being paid for services, spurring concerns about 'information asymmetry.'

## PAYERS AND PROVIDERS (M&A)

- Senator Elizabeth Warren asked FTC to review the **CVS-Oak Street deal** in a letter, expressing concerns about growing health industry consolidation.
- **Oak Street Health** partnered with **Interwell Health** to establish **OakWell**, a provider of primary care at dialysis centers for end-stage kidney disease patients.
- The DOJ dismissed its lawsuit challenging **UnitedHealthcare's** \$7.8B acquisition of **Change Healthcare**, a legal effort initially halted after a federal judge approved the merger.
- Home-based care provider **PurposeCare** acquired **Home Sweet Home In-Home Care**, to expand comprehensive care for those in the Medicare and Medicaid dual-eligible population.

## PAYERS

- In recent hearings, the U.S. Senate Finance Committee criticized CMS's advanced notice payment rule for Medicare Advantage plans, while HHS Secretary Becerra defended the rule -- saying that it does not cut benefits and that CMS is working to increase MA transparency.
  - Senators Elizabeth Warren and Jeff Merkley criticized payers' resistance to proposed MA cuts, stating executives still receive 'exorbitant' salaries and can afford large shareholder payouts.



- The Senators sent letters to **UnitedHealthcare, Humana, Centene, Cigna, Elevance Health, Molina Health, and Aetna CVS Health** to express their concerns.
- Don Berwick and Rick Gilfillan co-authored yet another blog post in *Health Affairs* that asserts most MA overpayments result from risk score gaming and inflated benchmarks. They coined the term “induced utilization” to explain how MA plans generate additional funding for “free-to-the-member” benefits.
  - o Earlier, MedPAC Chair Michael Chernew and other authors published an analysis in *Health Affairs* asserting that lower MA benchmark payments would lead to higher MA enrollee premiums and decrease MA plans’ supplemental benefit offerings.
- The *New York Times* reported that payers are spending ‘buckets’ of resources and money on lobbying efforts to push back against CMS’s proposed MA rate changes.
- A *Brookings* article investigated the impacts of increasing MA plan consolidation, outlining how the Medical Loss Ratio allows plans to circumvent regulatory requirements.
- An **eHealth** report found that although MA beneficiaries face more financial barriers compared to Medicare Supplement beneficiaries, 89% of individuals were still satisfied with their care.
- Insurtech **Oscar Health** announced former **Aetna** CEO Mark Bertolini will become CEO to lead the development of the new operating platform targeting the consumer experience.
- After it filed public comments with CMS on the electronic prior authorization proposed rule, the AMA promoted prior authorization reform.
- *ProPublica* investigated **Cigna’s** utilization review process, focusing on how auto denials caused many necessary treatments to be initially denied until approved upon appeal.
- A Kaiser Family Foundation brief analyzed Medicare’s impact on people with HIV, examining how changing drug prices and fund distribution schemes will impact beneficiaries.

## PROVIDERS

- According to an analysis from **Altarum**, the pandemic-related healthcare labor shortage may be over, as healthcare employment levels have returned to pre-pandemic levels.
  - o While there has been employment growth in outpatient settings like ambulatory care centers, employment in nursing and residential care facilities is still below pre-pandemic levels.
- AHA criticized MedPAC’s March report to Congress, claiming the Commission recommended a ‘totally insufficient’ pay bump after failing to consider the pressures hospitals face, such as inflation and expense spikes.
- Nearly 30 provider groups urged CMS to establish a hybrid payment system that integrates fee-for-service with prospective payments to primary care physicians in an attempt to strengthen the workforce and incentivize value-based care.
- The AHA and Federation of American Hospitals (FAH) published an analysis supporting the ban on physician-owned hospitals – passed as part of the ACA in 2010 – as the debate continues about whether physician-owned hospitals hurt health equity and cost of care.
- HHS announced \$120M+ in funding to support Certified Community Behavioral Health Clinic (CCBHC) expansion to improve mental health and substance use disorder care.
- A new study from AHA assessed payment disparities between hospital outpatient departments (HOPDs) and other ambulatory care settings for Medicare beneficiaries.



- o HOPDs treat more sick and low-income patients compared to other care sites, highlighting the need for better reimbursement to maintain access for these vulnerable populations.
- According to a national survey from **Holon**, the majority of healthcare workers experienced burnout, citing issues with workforce shortages, increased administrative workloads, and technology challenges.
- Researchers found that brain MRIs are more expensive in nonprofit, public, and rural hospitals than in for-profit hospitals due to their offsetting the costs of other necessary but less profitable services.
- A study in *JAMA* found that married female physicians with children are paid almost \$3.1M less than their male counterparts. It also found that female physicians generally make 21-24% less per hour.
- **Walgreens Boots Alliance Inc.**, a drugstore chain and healthcare company, increased revenue even as their quarterly profit decreased due to reduced demand for COVID-19 vaccines and tests.
  - o Their primary care services at **VillageMD** and **Summit Health** grew by 30%, and their home care services at **CareCentrix** grew by 25%.

## VALUE-BASED CARE

- CMS announced it will extend the MA Value-Based Insurance Model through 2030 and outlined changes to the model that will consider social determinants.
- **CVS** will close its acquisition of **Signify Health** for \$8B later this week.
- **Aledade** announced it will provide **Cigna** MA members with value-based care in Maryland, Delaware, and D.C.
- An article in *Behavioral Health Business* explored how **Optum** and **CVS Health's** attempts to create a “payvider” model demonstrate how difficult it is to create value-based care models.
- According to *Behavioral Health Business*, value-based care models could help reduce costs for eating disorder treatment and cultivate trust between providers and those seeking care.

## HEALTH EQUITY & SDOH

- Influencers from the American Board of Family Medicine drafted a *Health Affairs* blog post that analyzed how Medicare and Medicaid payments can integrate social risks, explaining that insurers need the ability to include social needs in Medical Loss Ratio (MLR) calculations.
- BCBSA and the National Minority Quality Forum released an issue brief exploring four potential changes the Office of Management and Budget (OMB) could make to improve data collection standards for marginalized groups.
- The **UnitedHealth Foundation** donated \$2M in a three-year grant partnership to improve access to mental health services for BIPOC and LGBTQ+ Minnesota youth, connecting them to support and improving SDOH services.
- A *JAMA* study found Black and Hispanic patients are less likely to be prescribed statins than their white and Asian counterparts despite being at a higher risk of cardiovascular disease, highlighting disparities in access to care.



## MEDICAID

- An [issue brief](#) from the Commonwealth Fund [revealed](#) uninsurance rates were nearly halved in states that implemented Medicaid expansion and showed a reduction in coverage disparities for minority residents.
- **UPMC** Health Plan's Medicaid managed care plan is [partnering](#) with **Fabric Health**, a community-based organization, to allow members to access healthcare support services like SNAP at certain laundromats across Pennsylvania.
- A *New York Times* article [explained](#) that Mississippi, along with ten other states with Republican-led legislatures, are not using federal funding to expand Medicaid access, thus causing even more financial pressure on hospitals.
- An *NEJM* article [outlined](#) the Medicaid unwinding and predicted what will happen following the end of the continuous Medicaid enrollment provision.
- The Substance Abuse and Mental Health Services Administration (SAMSHA), [awarded](#) 15 states \$1M grants to boost funding for the implementation of Medicaid demonstration programs for certified community behavioral health clinics (CCBHCs).

## Virtual Health

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### FEDERAL NEWS

- Reps. Abigail Spanberger and Brian Fitzpatrick [introduced](#) the *Connecting Students with Mental Health Services Act*, a bill authorizing [funds](#) to provide telehealth services for elementary and high school students, expanding access to mental and behavioral health care. More [here](#).
- Rep. Doggett, ranking member of the House Ways & Means Committee Health Subcommittee, introduced [The Preventing Medicare Telefraud Act](#), that would establish requirements for the provision of lab testing and durable medical equipment via telehealth.

### NEW LAUNCHES AND PARTNERSHIPS

- **Everly Health** [launched](#) its new virtual care model that combines at-home lab testing and telehealth visits to provide comprehensive, efficient, and more cost-effective care. More [here](#).
- **Intermountain Primary Children's Hospital** [released](#) a telehealth initiative to connect Intermountain providers to NICU providers in four locations. The partnership allows clinicians to better monitor infants with neurological conditions. More [here](#).
- Telehealth company **Ontrak** [partnered](#) with **MyndYou** to incorporate MyndYou's MyEleanor AI conversational platform to engage patients and coordinate care. More [here](#).
- **Philips** [launched](#) its virtual care management portfolio to alleviate pressure on health systems and providers and reduce emergency department visits. More [here](#), [here](#).
- **Parsley**, a virtual-first primary medical provider start-up, [announced](#) that it is in-network with several health plans in California and New York.



## OTHER TELEHEALTH NEWS

- Telehealth utilization declined by 76% in 2021, according to a new [Fair Health report](#).
- According to a [new study](#) in *JAMA Psychiatry*, the expanded availability of opioid use disorder-related telehealth services and medications during the COVID-19 pandemic [reduced](#) fatal drug overdose among Medicare beneficiaries.
- *The Atlantic* [published](#) an article about how the pandemic changed the nature of interacting with your doctor, particularly virtual communications.
- A [survey](#) from **Panda Health** found that 68% of hospital executives report having difficulty navigating the digital health landscape [resulting](#) in fewer digital health solutions being implemented.
- In a recent *Healthcare IT* article, the vice president of the Heart & Vascular Institute at **Geisinger** [emphasized](#) how important virtual cardiac rehab models are to expand access to care and address the heart disease crisis in the U.S.
- According to Chief Clinical Officer of Trinity Health, Dr. Syed Hussain, telehealth and home-based services [help](#) the healthcare system retain its workforce, but further investment in workforce growth and retainment is needed. More [here](#).
- After the tornadoes in Mississippi, **Teladoc** stated it will [provide](#) virtual care, free of cost, to residents who specifically need prescription refills for non-narcotic drugs. More [here](#).

