Maverick Health Policy

MYMAVERICK RECAP

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NEWSLETTER CONTENTS

Digital Health

DIGITAL HEALTH INVESTMENTS

- **LexisNexis Risk Solutions** acquired **Human API**, a company with over 30,000 health data integrations that aims to make health data accessible and useable for consumers, facilitate better access to healthcare data, and improve care coordination.
- **MedShift**, a Charlotte NC-based medical technology company, raised $108M in funding to expand its clinic management software.
- **Memora Health**, an AI-enabled platform that helps providers manage complex care needs and automates workflows, raised $30M round of new funding led by General Catalyst.
- **Neteera**, a remote patient monitoring company, raised $13M in series B funding.
- **TympaHealth**, a U.K.-based hearing health startup, raised $23M in series A funding to expand its operations into the U.S.
- At HIMSS23, executives shared that hospitals are still looking to invest, but using more due diligence to ensure they can save money or add revenue immediately.

ARTIFICIAL INTELLIGENCE NEWS
- This week, U.S. House Speaker Kevin McCarthy and House Minority Leader Hakeem Jeffries hosted a briefing with AI experts, including MIT professors and Sam Altman from OpenAI.
  - Speaker McCarthy asked MIT to develop a course to educate Congress about AI, noting that China is "not going to slow down" and "whatever country captures AI and quantum first has an advantage."
- **Moderna** partnered with **IBM** to explore quantum computing and leverage AI to accelerate mRNA research through predictive molecular modeling.
- **Intermountain Health** medical informaticists launched an FHIR-enabled interoperable clinical decision support platform and to help providers deliver individualized care.

ARTIFICIAL INTELLIGENCE INVESTMENTS
- **Augmedix**, an AI-powered solution that turns conversations into medical documentation, raised $12M and will partner with **HCA Healthcare** to help streamline hospital workflows.
- **Generative AI Solutions Corp. (GenAI)** announced its intent to acquire **Global AI Billing** and its primary assets, including partial ownership of a proprietary AI billing technology.
- **Trustible**, a software company that helps organizations accelerate AI governance to maximize trust and manage risk, raised $1.6 million in its first institutional round.

Interoperability & Health IT

FEDERAL NEWS
- A U.S. Government Accountability Office (GAO) survey found that while electronic health information exchange among hospitals and physicians has been steadily increasing, disparities will still exist if rural and small hospitals are not able to afford to participate.
- In a joint announcement by the Consumer Financial Protection Bureau, the DOJ, the Equal Employment Opportunity Commission, and the FTC, regulators warned that they already have the authority to tackle harms caused by artificial intelligence bias.

INDUSTRY NEWS
- **Rock Health** recognized digital health leaders as part of its annual Top 50 in Digital Health awards.
- **Athenahealth** announced a new tool, Patient Digital Engagement Index, that gives providers insight into how their patients are using digital technologies when receiving care.
- **Samsung** launched Samsung Health Stack 1.0, an open-source project that allows researchers to build new digital health solutions on the Android and Wear OS operating systems.
- **Truveta**, a data collective with 28 health system partners, expanded its data sets to include over 2.5 billion clinician notes and 45 attributes of social determinants of health.
- **Oura**, the developer of a smart ring that uses sensors to track a variety of health metrics, announced its first U.S.-based retail partnership with **Best Buy**.

- **Apple** is continuing its efforts in healthcare by developing an iPhone app for journaling to address mental and physical health. The tech company is also developing an AI-powered health coaching service – codenamed Quartz – to improve motivation to exercise, eating habits, and sleep.
- There are several personnel changes in the industry:
  - **Oracle** named former CMS Administrator Seema Verma senior vice president of life sciences.
  - **CareEvolution** named Bronwyn Harris, former Carbon Health VP, as its chief technology officer.
  - **Kaiser Permanente** promoted Narayanan Gopala to chief digital officer of Kaiser Foundation Health Plan and Hospitals.
  - **Optum** named Genevieve Morris, previously senior director of interoperability at Change Healthcare, as its new vice president of interoperability strategy for its medical network group.
  - **GoodRx** announced that former GoDaddy executive Scott Wagner is replacing co-founders Doug Girsch and Trevor Bezdek as the top leaders of the company.

PUBLIC HEALTH DATA
- At the end of the PHE on May 11, 2023, public health departments will no longer be required to share COVID-19 exposure data. The change is of concern to immunocompromised people and public health experts who rely on notifications to control the virus.

DATA PRIVACY AND SECURITY
- The U.S. House Energy & Commerce Subcommittee on Innovation, Data, and Commerce announced a hearing titled "Addressing America's Data Privacy Shortfalls" scheduled for April 27, 2023. It is expected that the Subcommittee will reconsider whether to move the American Data Privacy and Protection Act (ADPPA) that may preempt the growing patchwork of state privacy laws with a comprehensive national law.
- Adding to the list of state comprehensive data privacy laws (California, Colorado, Virginia, Utah, Connecticut, Iowa, and Indiana), the Washington State passed one specific to health data -- My Health My Data Act.
  - The law, which is expected to be signed this week by Governor Inslee, creates new consumer rights and obligations for business relating to the collection, sharing, and use of consumer health data.
  - The Act, effective on March 31, 2024, would be enforceable by the Washington Attorney General and via a private right of action. See more here.
  - Law firm Wilmer Hale believes that Montana and Tennessee will be next.
- BSA |The Software Alliance, which represents companies like **Microsoft, Adobe, IBM,** and **Oracle**, told CNBC that it is going to lobby Congress to pass the American Data Privacy and Protection Act, which includes a starting framework for regulating privacy, cybersecurity, and AI.
- In a study sponsored by eight health systems to assess how aligned the industry is with standards established by the National Institute of Standards and Technology (NIST) and Health Industry Cybersecurity Practices (HICP), researchers discovered the amount of email

phishing had declined; however, hospitals lacked alignment with HICP guidance in data protection, loss prevention, and network management categories.

- NIST published its Discussion Draft of the NIST Cybersecurity Framework (CSF) 2.0 and is seeking feedback and suggestions about improvements to the draft.
- Research firm Cognitive Market Research predicted the healthcare cybersecurity industry will hit over $52 billion by 2030.

Payers & Providers

HEALTHCARE TRANSPARENCY

- The U.S. House Energy and Commerce Committee held a hearing on 17 proposals related to cost and transparency. The proposals include making of PBMs more transparent and instituting site-neutral payments, among other items.
  - o At the hearing, CMS Administrator Chiquita Brooks-LaSure announced that the agency will be issuing corrective action plans for hospitals that fail to post their prices according to the Hospital Price Transparency rule. The four hospitals that have paid penalties are listed here.
  - o Fat Joe, a hip hop star who is representing Power to the Patients, a nonprofit that advocates for healthcare price transparency, is planning to meet with congressional leadership and White House officials this week. He will also headline a performance hosted by the nonprofit next Thursday, before the White House Correspondents' Association dinner in Washington.

PAYERS

- AHIP launched a seven-figure ad campaign targeting Big Pharma for its role in rising drug prices. Press release here.
  - ○ AHIP's ad campaign against Pharma came on the same day that U.S. Senate HELP Chair Bernie Sanders and Ranking Member Bill Cassidy announced a package of bills that would require Pharmacy Benefit Managers (PBMs) to create a more transparent and competitive business model for generic drugs.
- **Eli Lily** anticipates that CMS will reverse its current course and decide to fully cover its Alzheimer's drugs under Medicare as more evidence established clinical effectiveness at reducing plaques in brain tissue.
  - ○ Medicare does not cover drugs to treat obesity, but manufacturers of weight loss drugs are lobbying to get Medicare to cover the costly prescriptions. A perspective piece published by the *New England Journal of Medicine* noted that even covering a small population's obesity drugs would create significant costs for Medicare.
- Last week, we reported on the decision to stay the federal district court ruling to block the ACA preventative care coverage requirements pending appeal. Since then, health plan trade associations and employer benefit groups reaffirmed their commitment to offering free preventative care services while the lawsuit moves forward.

- Healthcare spending and utilization rose 13% and 15%, respectively, from 2020 to 2021 – signaling a return to pre-pandemic growth patterns, according to a report from the Health Care Cost Institute (HCCI).
- **Centene** reported $1.1 billion in Q1 profits and **Elevance Health** posted $2 billion in Q1 profits.
- **Clover Health** faces potential Nasdaq delisting after its stock failed to trade over $1 for 30 consecutive days. This news follows the insurtech company's $22 million settlement in one of several lawsuits alleging the company misled investors.
- A new type of health account similar to a health savings account (HSA) but it can be attached to more than just high deductible health plans (HDHP), is gaining momentum. It is backed by 83% consumer support according to a survey from Employee Benefit Research Institute (EBRI.)

PROVIDERS
- Last week, HHS announced that it is releasing ownership information for all Medicare-certified hospice and home health agencies. After releasing ownership data for 7,000 hospitals in December, anyone can also find detailed information on the ownership of more than 6,000 hospices and 11,000 home health agencies.
- The U.S. House Appropriations Subcommittee on Labor, Health and Human Services and Education will hold a hearing this week on "Provider Relief Fund and Healthcare Workforce Shortages." Carole Johnson, administrator of the Health Resources and Services Administration, is scheduled to testify.
- The State Department issued a pause on international nurse green card applications after reaching its annual 40,000-visa limit for the EB-3 subcategory. This action removes a key relief for hospitals and health systems during the ongoing nurse shortage.
- The AHA released a financial stability report revealing a 17.5% increase in the cost of care between 2019 and 2022 against the period's 7.5% increase in Medicare reimbursement. The group pointed to several issues creating this disparity in expenditures but highlighted rising drug, service, and labor costs.
- In a letter, the American Academy of Family Physicians (AAFP) urged the FTC to include all health professionals in the final rule of the agency's proposed noncompete ban. The Academy cited the negative effects of noncompete clauses on patient access.
- **Kaiser Foundation Hospitals** and **Geisinger Health** announced the launch of a new nonprofit organization called "Risant Health." As a corporate affiliate of Kaiser, the new entity will focus on value-based care and intends to acquire additional community-based health systems like Geisinger. More here.
- **HCA Healthcare**, the largest for-profit hospital system in the U.S., reported $1.36 billion in Q1 profit. The health system plans to use the funds for land acquisition and M&A.
  - o HCA is in the middle of litigation with the FTC about its merger deal with Louisiana Children's Medical Center, disagreeing that the deal requires premerger notification paperwork. The FTC quickly counter-sued, asking a federal court for a temporary restraining order to stop LCMC from absorbing its newly acquired hospitals from HCA. This fight comes after the FTC successfully challenged HCA's merger deal with Texas-based Steward Health Care System in 2022.

- **Elevance Health**'s care delivery arm, **Carelon**, opened its first integrated healthcare site in Fayetteville, N.C. that will offer advanced primary care and virtual care and in-person options for complex chronic diseases. The facility will accept individuals with Blue Cross Blue Shield North Carolina Medicare plans, traditional Medicare, Tricare, Military OneSource, and Healthy Blue Medicaid.
- A fraudulent scheme that took advantage of the national shortage of nurses is receiving widespread attention: *National Public Radio* is reporting on two nursing school operators in the Fort Lauderdale area that pled guilty to offering fake diplomas to ~7,600 students after an FBI sting operation called Operation Nightingale.

PAYERS AND PROVIDERS (M&A)
- **AmeriSourceBergen**, a drug distribution company, and private equity firm TPG, announced that they plan to buy Nashville-based **OneOncology**, which operates a network of independent community oncology practices. AmeriSourceBergen's move is an effort to compete with **McKesson**, which operates US Oncology, one of the country's largest networks of community-based oncologists.
- **Kaiser Permanente** is acquiring 10-hospital **Geisinger Health**, in a deal that is being described less as a merger or acquisition and more like a first step in a newly-launched multi-system value-based care organization.
- **Louisiana Children's Medical Center** filed a lawsuit against the FTC arguing that it wrongfully blocked the health system's acquisition of three Tulane University hospitals. The lawsuit alleges that the deal is shielded from antitrust law because of its state-issued Certificate of Public Advantage. More here.
- **UnitedHealth**'s newly acquired home health firm **LHC Group** announced its acquisition of Delaware-based Summit Home Health for an undisclosed amount.

VALUE-BASED CARE
- *JAMA*-published research indicated participants in CMMI's Bundled Payment for Care Improvement – Advanced (BPCI-A) would have needed to reduce clinical spending by 3.8% in the first two performance periods for CMS to break even, a significant jump from the 0.53% savings participants saw in Model Year 1 & 2.
- AHIP updated its drug pricing data comparing consumer costs from hospitals and physician offices to that of specialty pharmacies, which lower costs by preventing providers from buying certain medicines to upcharge patients. The updated research found hospitals charged the most, averaging 118% more than specialty pharmacies for the same drug.
- At a recent palliative care conference, CMMI Deputy Director Ellen Lukens affirmed CMS's interest in integrating ACOs or similar payment models into end-of-life services.
- **CVS Health** partnered with Long Island-based **Catholic Health** Physician Partner's ACO to assume joint accountability for nearly 40,000 Medicare beneficiaries under the ACO REACH program.

HEALTH EQUITY & SDOH
- WHO launched its Health Inequality Data Repository, a comprehensive disaggregated data repository looking at social drivers of health that can highlight differences in disease outcomes between low-income and high-income countries.
- A *Health Affairs* article highlighted the challenges of using remote patient monitoring in an FQHC in Brooklyn, New York; low-income, non-English speaking patients had the most difficulty utilizing and accessing the technology.
- An *AJMC* article discussed the No One Left Alone (NOLA) initiative from Carolina Blood and Cancer Center that began conducting SDOH screenings for their patients and saw improvements in reduced costs, connection to care, and health outcomes for low-income patients of color.

MEDICAID
- HHS proposed expanding healthcare access for DACA recipients to Medicaid and ACA marketplace plans.
- After Speaker McCarthy proposed a debt ceiling package that would impose Medicaid work requirements, the Congressional Budget Office estimated that it would cause about 600,000 people to become uninsured.
- An analysis published by the Kaiser Family Foundation highlights how states are trying to maintain access to Medicaid HCBS programs for individuals and the potential challenges that arise with the ending of the PHE.
- An analysis published by the Kaiser Family Foundation explores how states' Medicaid Section 1115 Waivers for work requirements impact Medicaid recipients and their health outcomes.

Virtual Health

FEDERAL NEWS
- The bipartisan Expanding Care Act would improve access and reimbursement for in-home care for Medicare beneficiaries, especially those unable to afford out-of-pocket care but unqualified for Medicare.
- With the final ruling regarding the legality of prescribing mifepristone, telehealth providers are prepared to provide misoprostol virtually, a different abortion pill with less effectiveness and more side effects.

NEW LAUNCHES AND PARTNERSHIPS
- **AthenaHealth** released the Patient Digital Engagement Index which helps providers understand how their patients use digital tools to work towards a technology-enabled experience with better care.
- **Cleveland Clinic** partnered with **Genentech** to release a telehealth program for neurological healthcare for patients of low socioeconomic status in rural areas.
- I**ntermountain Primary Children's Hospital** released a neurological telehealth program where NICU neurologists can provide care throughout the hospital system.

- **Mark Cuban Cost Plus Drug** partnered with **Binx Health** to provide in-home diagnostic testing and prescription medications to improve access and affordability of health. More here.
- **CVS Health**'s **Aetna Better Health** collaborated with **Mae**, a virtual health company, to provide culturally competent doula services for Black expectant mothers. More here.
- **CHI Saint Joseph Hospital** incorporated virtual registered nursing home technology from **CommonSpirit Health** to alleviate staffing shortages and improve the quality of care. More here.
- **Cadence** partnered with **Providence** to incorporate remote patient monitoring with virtual care, allowing providers to check vitals from clinics while patients remain at home More here.
- **MetroHealth** partnered with **Fern Health**, a wellness company, to offer comprehensive digital pain management in combination with traditional pain management programs. More here.

OTHER TELEHEALTH NEWS
- A Brooklyn, New York-based FQHC clinical team addressing hypertension offered lessons learned in a *Health Affairs* blog post about how to adopt virtual health and remote patient monitoring services by screening and training patients in digital health literacy.
- Families of ICU patients felt that **myVisit**, a telehealth communication app, saved time at 96% and saved money and effort at 74%.
- Joseph DeVivo is leaving his position as **Teladoc**'s head of hospitals and health systems to become CEO at **Butterfly Network**, a portable ultrasound machine company.
- The **University of Alabama Birmingham** received $3.3M to research the efficacy of telehealth cardiovascular exercise programs for the health of people in wheelchairs.