# Maverick Health Policy

**MYMAVERICK RECAP**

## June 8, 2023

## NEWSLETTER CONTENTS

# Digital Health

## DIGITAL HEALTH INVESTMENTS

- **Upperline Health**, a provider network focused on specialty value-based care, raised $58M to grow Upperline Plus, its ACO REACH program.
- **Selva Ventures**, a venture capital firm, raised $34M for its second fund which will target consumer brands that promote healthier living.
- **Yuvo Health**, a health tech company focused on bringing value-based care to FQHCs, raised $20.2M.
- **Mend**, a digital life sciences company that offers behavioral health services, raised $15M in series A funding.
- **AHARA,** a personalized nutrition solution that leverages an individual's health data through at-home tests for genetic, epigenetic, and biomarkers, raised $10.25M in funding.
- **Grapefruit Health**, a remote patient monitoring company designed to address the workforce shortage, raised $1.3M in pre-seed round funding.

## ARTIFICIAL INTELLIGENCE NEWS

- Sam Altman – CEO of OpenAI, the developer of ChatGPT – is distinguishing himself from other tech leaders by demonstrating his willingness to interact with Congress and the Biden Administration about how to regulate AI.
- U.S. Senate Majority Leader Chuck Schumer informed colleagues of the need to deepen their understanding of AI and scheduled three briefings on AI, with the third briefing being classified. More here.
- Marc Andreessen, co-founder and general partner of Andreessen Horowitz, drafted a blog post describing how AI is more good than evil.
- **Google Cloud** announced a collaboration with **Mayo Clinic** to implement generative AI in healthcare, beginning with Enterprise Search in Gen App Builder – a tool that simplifies finding information for clinicians and researchers.
- Health system executives warned that Nuance Communications' AI medical scribe platform, DAX, should not be viewed as a revenue generator, but rather as a benefit for physicians.
- The National Eating Disorder Association took it's chatbot offline following reports that some of the information it provided may be harmful to patients.
- **Tempus**, an AI-enabled precision medicine company, launched Tempus One, its new voice-and-text assistant designed to provide clinicians with quick access to their patient's clinical and molecular profiles.
- **Carbon Health Technologies**, a clinic chain, launched a new tool that uses GPT-based AI to create medical records, instructions for patient care, and codes for diagnoses and billing. More here.
- **LeanTaaS** united its generative AI-enabled hospital operations system – iQueue Autopilot – with SMS text messages to proactively alert clinicians about scheduling and staffing issues.
- University of Illinois Chicago researchers developed a course to educate fourth-year medical students on AI, leading to a 36% increase in AI knowledge scores when comparing pre-course assessment results to post-course.
- ChatGPT scored a 26.7% on open-ended questions on the American Urological Association's Self Study Program.

## ARTIFICIAL INTELLIGENCE INVESTMENTS

- **Dropstat**, an AI-powered healthcare staffing solution designed to help organizations address workforce shortages, raised $5.5 million in seed funding.

# Interoperability & Health IT

## FEDERAL NEWS
- The Office of the National Coordinator for Health IT (ONC) is accepting proposals to coordinate the Trusted Exchange Framework and Common Agreement (TEFCA). In 2019, the Sequoia Project won a four-year contract and intends to reapply to continue managing the initiative.
  - ONC highlighted that over half of surveyed hospitals and health systems intend to join a health information exchange network, like TEFCA, according to an AHA survey.
- ONC published the USCDI+ Quality data element list, a harmonized set of quality measurement data elements that can be used for reporting across a variety of quality programs, for public comment.

## INDUSTRY NEWS
- Members of the Digital Medicine Society proposed a new framework / buyer's guide called Evidence DEFINED to help payers and providers evaluate digital health tools.
- The "digital front door" -- digital tools that are supposed to help patients schedule a doctor's appointment and verify insurance coverage -- are not working well, according to an Experian report.
- **Bayer**, a pharmaceutical company, launched a precision health unit that will prioritize developing consumer-facing digital solutions.
- **CancerX**, a public-private partnership focused on cancer innovation, announced 91 founding member organizations – including representation from payers, providers, digital health firms, and pharmaceutical companies.
- **Apple** launched new health and privacy features this week for three of its devices, including the Mindfulness app – its new mental health tracking feature.
- **MedTech Innovator**, an accelerator program, named 61 startups selected to participate. The purpose of the program is to identify the best medical device, diagnostic and digital health startups developing innovative tools to improve patient care.
- Lauren Riplinger was promoted to chief public policy and impact officer at the American Health Information Management Association.

## PUBLIC HEALTH DATA
- There is a lack of Native Hawaiian and Pacific Islander (NHPI) disaggregated data, according to a report from KFF. Urgent disaggregation of Asian and NHPI datasets is necessary to ensure health equity and target health interventions appropriately. More on how health systems can accurately collect race and ethnicity data to ensure data equity here.
- The Government Accountability Office (GAO) released a report reiterating its recommendations to help HHS address deficiencies in its preparedness for public health emergencies. One issue is the poor progress on implementing a nationwide public health situational awareness capability through an interoperable network of systems to help ensure timely and complete collection of public health data to aid a response.

**Maverick Health Policy**

- - On June 13, 2023, the House Energy & Commerce Subcommittee on Health will hold a hearing on public health security threats, including a proposal about how to better collect and share public health data to respond to public health emergencies.
- Chronic disease EHR data sharing between healthcare providers and public health officials will likely drive advancements in chronic disease surveillance and interventions, according to Brian Dixon from Regenstrief Institute's Clem McDonald Center for Biomedical Informatics.

## DATA PRIVACY AND SECURITY

- **Managed Care of North America**, the largest dental insurer in the U.S. for government-sponsored plans, announced a data breach impacting over 8.9 million people.
- Healthcare data privacy is an illusion, as patients cannot trust that their personal information will remain private unless technologies seek permission for sharing and inform patients of the risks of sharing information, according to an opinion piece from influencer and Yale medical school professor Harlan Krumholz.
- Law firm Greenberg Traurig explained how the new Washington state health data privacy law (My Health My Data Act) is making the understanding of what constitutes "consumer health data" difficult. The law firm Quarles & Brady published a series of explainers about the new law here.
- *Becker's Hospital Review* highlighted the costs of cyberattacks for three health systems.

# Payers & Providers

## HEALTHCARE TRANSPARENCY

- The momentum to force hospitals to publicly-post prices continues:
  - Colorado Governor Jared Polis signed Senate Bill 252 into law, mandating Colorado hospitals adhere to federal price transparency rules; the law includes strengthened enforcement and penalties for noncompliance.
  - An influential right-leaning policy expert at the Heritage Foundation authored a blog post about how price transparency is "key" for value-based care.
  - A Pennsylvania state representative wrote an op-ed urging the state's health care cost containment council to make price transparency its top priority.
- **Merck,** a pharmaceutical company, sued HHS to block the Inflation Reduction Act's Medicare drug price negotiations, alleging the law is unconstitutional.
  - A new *Health Affairs* article explains how the negotiations will work, addresses the Merck lawsuit, and predicts future legal attacks on the new program.
  - A separate *Health Affairs* article complains about the Inflation Reduction Act's failure to define "therapeutic alternative" and why it is problematic for drug negotiations.

## PAYERS

- CMS announced it would cover costly drugs for patients enrolled in Medicare Part B who meet coverage criteria, including Alzheimer's drugs.

- ○ Critics argue that CMS' new policy on Alzheimer's drugs will not increase drug accessibility due to the restriction of the coverage with evidence development.
- A ruling is expected soon from the federal appeals court that heard arguments this week on whether to lift its temporary injunction on a lower court decision that would change how preventive care services are covered.
  - ○ The administration and public health advocates have warned that allowing the decision to stand -- which would strike down the requirement for insurers and employers to cover preventive services without cost-sharing -- would decrease access to common preventive screenings for more than 150 million people.
  - ○ For now, the Fifth Circuit Court of Appeals is only considering whether to allow the lower court ruling to take effect right away while it decides whether to uphold the decision. It will determine at a later date whether the lower court's holding is the correct interpretation of the law.
- **Friday Health Plans**, an insurtech company that was trying to compete with **Oscar** and **Bright Health**, ceased operations due to insufficient funding.
  - ○ Regulators in every state where the company operates – Colorado, Georgia, Nevada, New Mexico, North Carolina, Oklahoma, and Texas – took action to prevent Friday Health from enrolling additional members due to its unstable finances.
- **CVS Health / Aetna** cannot hire a former **Cigna** executive because a federal court upheld the non-compete clause in her contract.
- An editor for *HealthLeaders* wrote an op-ed about how prior authorization in the Medicare Advantage program is "harming everyone."
- Beneficiary satisfaction with commercial health plans decreased year-over-year due to dissatisfaction with customer service, coverage benefits, provider choice, and information availability, among other things.
- Bowing to pressure, **UnitedHealthcare** retracted its prior authorization proposal to require the advance submission of patient data prior to non-screening and non-emergent colonoscopies.
- Self-insured employers are struggling to manage growing healthcare costs, according to a National Alliance of Healthcare Purchaser Coalitions survey.

## PROVIDERS
- **Oak Street Health**, a recent CVS health acquisition, announced plans to expand to four more states this year – Arkansas, Iowa, Kansas, and Virginia.
- **UnitedHealth Group / Optum** made an unsolicited $3.26 billion all-cash offer to purchase **Amedisys** despite already agreeing to a $3.6 billion all-stock takeover by **Option Care Health**. Amedisys is a Louisiana-based company that provides home health, hospice and palliative care services with approximately 18,000 employees and 522 care centers in 37 states.
- Hospital finances broke even in April while volume dropped and length of stay increased, according to a Kauffman Hall report.
- **Kaiser Permanente** invested $10 million in Denver Health, a safety net hospital, to increase access to low-acuity care closer to residents' homes.
- Massachusetts-based provider **Compass Medical** closed suddenly on May 31, prompting a class-action lawsuit alleging negligence, as the shutdown blindsided patients and employees.

- **Allina Health System**, a system with over 100 hospitals and clinics with $4 billion in annual revenue, rejects patients with debt, according to a *New York Times* article.
- **Tenet Healthcare** agreed to pay nearly $30 million to settle claims it provided kickbacks in exchange for patient referrals at its Detroit Medical Center subsidiary.
- Numerous hospitals and health systems announced layoffs, up 65% year over year, according to a **Challenger, Gray, and Christmas** report.
  - Acadia Healthcare will lay off 288 employees.
  - Duke University Health System will lay off 280 employees.
- Nurses experience a high prevalence of racism and discrimination from patients and colleagues and claim their education reinforced stereotypes and failed to teach about racial bias, according to a Robert Wood Johnson Foundation report.

## PAYERS AND PROVIDERS (M&A)
- **Evernorth** and **CarepathRx Health System Solutions (CHSS)** partnered to integrate specialty pharmacy care with CHSS' over 600 hospitals, health systems, and physicians.
- **UnitedHealth Group's Optum** entered a bidding war with **Option Care Health** to acquire home health and hospice organization **Amedisys** with the hopes of expanding its home health capabilities.
- **BJC Healthcare of St. Louis** and **Saint Luke's Health System of Kansas City** are considering merging to create a 28-hospital academic health system valued at $10 billion.

## VALUE-BASED CARE
- Redesigning value-based payment using a set of coordinated strategies is the only way to promote equity alongside clinical, quality, and cost-efficiency outcomes, according to a new *Health Affairs* blog post series. See part 1 and part 2.
- Despite eliminating requirements for healthcare workers to be vaccinated against COVID-19, CMS is enhancing its focus on vaccine-based quality measures linked with reimbursement policies.
- **Strive Health**, a value-based kidney care provider, received $166 million to expand its market and refine its value-based initiatives.
- **Carrum Health** received $45 million to support its value-based care program treating acute conditions.

## HEALTH EQUITY & SDOH
- **SCAN Group** and **CareOregon**, which are merging soon, are going to **donate money** to RIP Medical Debt so thousands of patients' medical debt worth $110M will be erased.
- Senator Tammy Baldwin is calling for LGBTQ information to be included in federally funded surveys, with a particular focus on mental health issues.
- Rise to Health: A National Coalition for Equity in Health Care launched under the leadership of organizations, including the **American Medical Association** and the **American Hospital Association**, to create collective accountability in advocating for health equity.
- Racial bias in the software testing for lung function led to the underdiagnosis of lung issues for black men by up to 40%, according to a study published in *JAMA Network Open*.

- **OptumRx**, a PBM owned by UnitedHealth Group, underlined established initiatives to address health equity by expanding services at community and rural pharmacies – including connecting pregnant women with diabetes to social services.

## MEDICAID
- Nearly 600,000 people were disenrolled from Medicaid at this point during the post-pandemic Medicaid unwinding period, with high rates of procedural disenrollments – those where people are disenrolled because they did not complete the enrollment process – according to Kaiser Family Foundation.
    - Florida significantly surpasses all states with approximately 250,000 disenrollments.
- At least eight states are seeking federal approval to extend postpartum Medicaid coverage past two months to a full year.
- Over 50% of people who are uninsured are eligible for financial assistance through Medicaid/CHIP or the Marketplace, and those who are uninsured are more likely to be adults, people of color, and live in a Medicaid expansion state, according to a Kaiser Family Foundation report.

# Virtual Health

---

## FEDERAL NEWS
- The U.S. State Department selected **Northwell Direct** to assist in providing specialty telehealth services to U.S. government employees stationed overseas.
- U.S. House Committee on Ways & Means approved six telehealth bills yesterday, moving them out of committee and to consideration for a floor vote. *AxiosPro* article here.

## NEW LAUNCHES AND PARTNERSHIPS
- **Transcarent**, an employee healthcare navigation company, partnered with **Viewfi**, a virtual care company that specializes in delivering orthopedic care, to provide Transcarent members with access to virtual at-home exams and appointments with orthopedic specialists.
- The University of Florida Health (UF Health) launched a mobile stroke unit that utilizes telehealth services to improve stroke treatment access and efficiency.
- **Inbound Health** announced the launch of an at-home post-surgery care platform that will provide patients with the option of recuperating in their homes while doctors, nurses, and therapists continuously monitor their health and facilitate their rehab progress.
- **NorthShore-Edward-Elmhurst Health** partnered with **Motiv** to launch a virtual cardiac at-home care program.

## OTHER TELEHEALTH NEWS
- The U.S. Department of Veterans Affairs awarded a $1 billion remote patient monitoring and home telehealth contract to four health tech companies – **Cognosante, DrKumo, Medtronic Care Management Services,** and **Valor Healthcare.**

- **Care.ai** partnered with **Samsung** to use Samsung's healthcare-grade displays that will implement high-definition instant virtual visits on patient room displays.
- The University of Alabama at Birmingham (UAB) health system's telehealth and RPM program succeeded in increasing the census and case mix index of rural hospitals and improving access to care not just in rural areas, but across the region as well.
- Access to a diverse selection of telehealth services is key to building patient engagement and addressing the mental health crisis among Generation Z, according to the CEO of student-focused virtual app **TimelyCare**.
- **Apple** launched new health and privacy features this week for three of its devices, including the Mindfulness app – its new mental health tracking feature.
- National telehealth utilization saw a minimal increase of 1.8% in March following a decline in February, according to data from the FAIR Health Monthly Telehealth Regional Tracker.
- Medical assistants (MAs) transitioned well to virtual care and contributed to building clinic efficiency, but there is an increasing need for further education and training for MAs, according to a report from the Washington Center for Health and Workforce Studies.