



MYMAVERICK RECAP

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Digital Health

DIGITAL HEALTH INVESTMENTS

- **Optum Startup Studio**, located on Carnegie Mellon's campus in Pittsburgh, dissolved after three years. The health startup incubator was funding early-stage health care tech start-ups and graduated roughly 100 health tech companies.
- A CNBC report said the FemTech sector will soon be worth \$1 trillion, but women's health is taboo and difficult to fund.
 - **Bunni**, a personal health record and fertility care navigation platform, shut down this week after failing to secure funding.
 - **Pomelo Care**, a digital maternity care platform, launched with \$33M in seed and series A funding, which will be used to expand its partnerships with health plans.
 - **Oova**, a provider of women's health and fertility solutions, raised \$10.3M in series A funding.
- **Syntax Health**, a provider of a software-as-a-service solution that allows payers and providers to collaborate on value-based contracts, raised \$7.5M in seed funding to launch publicly.

- **Significo**, a personalized health recommendation API tool provider for digital health companies, raised \$12M in series A funding to enhance its offerings.
- **BeMe**, a digital behavioral health startup, raised an undisclosed sum bringing total fundraising to \$17M.

ARTIFICIAL INTELLIGENCE NEWS

- Huma Therapeutics, a British-based software company that lets clinicians monitor patients remotely through a mobile app, received FDA approval for its Software-as-a-Medical Device (SaMD) platform.
 - Before the clearance, the platform was only compiling data -- but now it can offer clinical recommendations to doctors. Huma's risk score algorithm, the same one used by Bayer Aspirin, takes demographic and health data from wearable devices to determine whether an individual may develop cardiovascular disease.
- Former FDA Commissioner Scott Gottlieb drafted an article in *JAMA Health Forum* urging the FDA to develop regulations for AI in health care like they do for over-the-counter drugs, rather than using existing frameworks for approving medical products through prospective trials.
 - Dr. Gottlieb is suggesting that AI regulation should define prospective criteria to guide the safe development of products and the appropriateness of the data sets on which AI tools would be trained.
- In the absence of federal guidance, hospitals and physicians are self-regulating the use of AI in health care:
 - The American Medical Association's House of Delegates voted to study AI's benefits and unforeseen circumstances and work with federal organizations to protect patients.
 - When a free version of ChatGPT became available, doctors started using it to learn how to improve their communications -- particularly to learn how to express empathy -- with patients, according to a New York Times article.
 - Health system leaders were interviewed by *STAT* to ask how they are disclosing their use of AI to the patients, noting that Epic customers are piloting the AI feature to draft messages to patients.
 - Stanford launched RAISE-Health (Responsible AI for safe and Equitable Health) to address ethics and safety in AI innovation in health and medicine.
 - Hospitals are telling nurses to defer to AI-powered alerts, overriding them only with physician approval, according to a new *Wall Street Journal* report.
- **McKinsey released a new report on generative AI's economic potential** and privacy implications in the health care sector.

ARTIFICIAL INTELLIGENCE INVESTMENTS

- **BurstIQ**, a healthcare data solutions company, acquired OliveAI's business intelligence solution called LifeGraph Intelligence. The software saves health systems money by reducing clinical variation with insights gathered from electronic medical records, cost data, and medical literature.



- **Carta Healthcare**, an AI-powered clinical data abstraction platform provider, raised \$25M in series B funding.
- **Laudio**, an operations management software company, raised \$13M in series B funding for its AI clinical productivity solution to scale growth and product development.
- **Beaconcure**, an AI-powered clinical data platform, raised \$14 million in series B funding to bring its platform to market.
- **Normal Computing**, a startup building a generative AI model for enterprise applications powered by probabilistic AI, raised \$8.5M in seed funding to support the R&D of its application development platform and Probabilistic AI technology.

Interoperability & Health IT

FEDERAL NEWS

- ONC staff published a study about why providers believe other providers are blocking health information, based on information gleaned from AHA's 2022 Information Technology survey.
- Why are health systems suddenly interested in joining TEFCA, ONC's Trusted Exchange Framework and Common Agreement (TEFCA) that is designed to be a nationwide interoperable health care network? John Lynn, publisher of *Healthcare IT Today*, explains in a new post.
- The Office of Management and Budget published the Spring 2023 Federal Unified Regulatory Agenda, which outlines the next 12 months of proposed and final regulations. It includes:
 - ONC regulations on certification requirements for the ONC Certification Program, enhancements for information sharing, and algorithm transparency.
 - Amendments to the No Surprises Act pertaining to the Independent Dispute Resolution process.
 - CMS regulations on healthcare attachment standards to support claims and prior authorization transactions.

INDUSTRY NEWS

- Digital health tools that helped hospitals deal with the COVID-19 pandemic will be subjected to increased scrutiny and turnover, according to a report from Panda Health.
- **Amazon Web Services** added three updates to its Amazon HealthLake designed to improve interoperability and maintain compliance with ONC and CMS rules.
- **Tata Consultancy Services** issued the TCS Digital Twindex, a report highlighting the potential use of digital twin technology in health care – like enabling highly personalized treatments.
- **AMN Healthcare**, a provider of video remote language interpretation services, integrated with **Epic** to improve accuracy and efficiency in data collection.
- The **Marshfield Clinic Health System** became one of the first health systems with an EHR that collects patient occupation data to analyze how occupations can affect health.
- **Artera**, a patient communication platform, launched Artera Harmony – its new tool that integrates disparate digital vendors into one channel to improve messaging workflows.



PUBLIC HEALTH DATA

- Health Information Exchanges (HIEs) may help collect SDOH information to support public health activities, according to Dr. Marc Rabner, recently named chief medical officer of CRISP Shared Services, a Baltimore-based nonprofit that provides technology to six HIEs.
- Republicans in the House Energy and Commerce Oversight and Investigation Subcommittee announced they would not give the CDC more authority to improve data reporting from states and medical providers until the agency gives Congress more information on how it plans to overhaul itself.
- **Bon Secours Mercy Health** in Cincinnati launched a health data hub that will analyze data and develop strategies to address public health threats facing communities. Mercy Health also released a Community Health Data Hub that provides public health officials with access to data that will help target and improve community health interventions.

DATA PRIVACY AND SECURITY

- Nevada's state legislature passed a law (awaiting the Governor's signature) imposing new restrictions on the collection, use and sale of consumer health data. It is the third state law directly impacting health data privacy: Washington State's My Health My Data and Connecticut's Data Privacy Act are the other two.
- Complying with data privacy rules is a challenge for companies, who may prioritize their review of consumer health data with a risk-based approach described here by the International Association of Privacy Professionals.
- **Intellihartx**, a healthcare revenue cycle management firm, revealed that nearly 490,000 patients were impacted by a data breach involving third-party vendor **Fortra's** file transfer software called GoAnywhere, exposing personal and medical information.
- Health systems are being sued for alleged violations relating to health data privacy.
 - **Harvard Pilgrim Health Care** and **Point32Health** face multiple class action lawsuits after a ransomware attack compromised the health information of over 2.5 million people.
 - **Kaiser Permanente** faces a proposed class-action lawsuit alleging that it allowed tech companies to intercept patient data through its websites.
 - **Trinity Health** is facing a class action lawsuit for a data breach in Iowa.
- **St. Margarets Health**, a rural Illinois hospital is closing, marking the first time hospital leadership attributed the closure of a hospital to a ransomware incident.
- The Health Sector Cybersecurity Coordination Center identified North Korea and China as state actors that are sponsoring hackers to target the healthcare system.
- **Cynerio**, a healthcare cybersecurity company, partnered with **Microsoft** to address the growing security challenges of healthcare.



Payers & Providers

HEALTHCARE TRANSPARENCY

- It is not just rapper Fat Joe anymore... Before the 2023 [Congressional Baseball Game](#) kicked-off this week, non-profit advocacy group Power to the Patients [engaged](#) the 1990s rock band [Everclear](#) to perform at an event promoting health care price transparency.
- The Biden Administration [announced](#) new initiatives to make drugs under Medicare Part D more affordable, including expanding eligibility and enrollment in [Extra Help](#), a low-income subsidy program.
- As part of its ongoing probe into PBM transparency, the FTC [issued](#) orders to **Emisar Pharma Services** to provide information on its business practices.
- **Allina Health System** [announced](#) a temporary halt on its controversial billing practices to reassess its approach following allegations that it inappropriately handled patients who have unpaid medical bills.

PAYERS

- Four weeks ago, the U.S. Fifth Circuit Court of Appeals [granted a stay](#) in the court case challenging ACA preventative care coverage requirements, meaning that HHS may continue to enforce the mandate that health plans and employers must offer preventive screenings without cost-sharing while the case proceeds. This week, the Fifth Circuit [approved](#) the parties' [agreement](#) to continue the stay until the merits of the case are decided, so long as the federal government agreed to refrain from penalizing the plaintiffs for refusing to cover HIV prevention in the future (regardless of the ultimate decision).
 - Several analyses explain why the mandate being struck down would decrease access to preventive services to 10 million people: [here](#), [here](#), [here](#), and [here](#).
- The CMS Office of the Actuary [released](#) its [2022-2031 National Health Expenditure projections](#):
 - Medicare: 7.5% growth.
 - Medicaid: 5% growth.
 - Private health insurance: 5.4% growth.
 - More in a *Health Affairs* post [here](#), showing that Medicare spending will reach \$1 trillion this year due to costly prescription drugs and an increase in baby boomer enrollment.
 - KFF data [also showed](#) that Medicare spending may increase to \$1.7 trillion by 2033 due to program enrollment and cost per beneficiary increases. More [here](#).
- Health plans [remain](#) hesitant to cover costly GLP-1 weight-loss drugs as consumer popularity and demand rise. The Pharmaceutical Strategies Group (PSG), a pharmaceutical management consulting company, released its [2023 drug benefits survey](#) of more than 180 health plans, finding a common concern among executives.
- Payers could [save](#) between \$13.1 billion to \$545.6 billion over 17 years by providing comprehensive Medicare coverage for Alzheimer's medication, according to a University of Chicago study.



- The Medicare Payment Advisory Commission (MedPAC) announced that Jim Mathews, the current staff director, is leaving at the end of August after devoting more than 16 years to the Commission. Paul Masi, a current Congressional Budget Office economist and former MedPAC Assistant Director, will be the new MedPAC Executive Director.
- The Alliance for Community Health Plans, the trade association for non-profit, regional health plans that are owned or closely aligned with health systems, launched Medicare Advantage for Tomorrow, making recommendations to CMS and Congress to overhaul quality measures, restructure marketing parameters and broker compensation, and realign the risk adjustment system. These suggestions come amid new criticisms of the MA program from experts:
 - A USC Schaeffer Center for Health Policy and Economics study, led by the former co-chair of MedPAC, estimates that Medicare Advantage plans were overpaid by as much as \$75 billion in 2023. The authors explain their findings in a recent *Health Affairs* blog post.
 - An economist at the American Enterprise Institute explains the implications of MA enrollment growth on future competition and the costs of Medicare's prescription drug benefit.
- AHIP's annual conference is underway in Portland, Oregon. The three-day conference features 250 speakers, including **SCAN Health Plan** CEO Sachin Jain, Dr. Anthony Fauci, and **Kaiser Permanente** CEO Greg Adams.
- **UnitedHealthcare** stocks fell this week after the insurance company said older adults are undergoing procedures they delayed during the COVID-19 pandemic, raising medical costs for payers.
- The National Committee on Vital and Health Statistics, an HHS advisory committee, voted against changes to health care claim forms — including a medical device identifier (like drug codes) that would help payers better monitor how much they spend on medical devices.
- **SCAN** and **CareOregon** allocated funds to the organization **RIP Medical Debt** to eliminate \$110 million in debt from individuals in Arizona, California, Texas, Oregon, and Nevada.
- High-spending group health insurance members often share five chronic diseases: heart disease, respiratory conditions, musculoskeletal conditions, nervous system conditions, and skin disorders.

PROVIDERS

- HHS announced a new \$15 million loan repayment program to bolster the pediatric healthcare workforce and address shortages in pediatric medical professionals.
- In a comment letter to CMS, the AHA claimed the 2.8% increase in physician compensation under the Inpatient Prospective Payment System FY 2024 Proposed Rule (IPPS) is inadequate.
 - A group of U.S. senators backed the AHA's concerns, submitting a separate comment letter urging CMS to re-evaluate the final rule.
- Several influential experts are urging CMS to streamline quality measures, including re-thinking some of the Universal Foundation principles, in a recent *Health Affairs* blog post.



- The AMA adopted several policies on the first day of its annual meeting covering a range of topics, including telehealth, diversity in medicine, healthcare access for underserved populations, and the elimination of non-compete clauses in physician contracts.
 - Additionally, the AMA called for a comprehensive campaign for Medicare payment reform.
- Nonprofit hospitals in the United States are providing less charity care despite experiencing increased profits according to a study published in *Health Affairs*.

PAYERS AND PROVIDERS (M&A)

- **Walgreens Boots Alliance** finalized its separation from **Option Care Health**, a home infusion provider, selling its remaining stake for approximately \$330 million.
- The FTC wrote a letter expressing concerns about North Carolina legislation that grants antitrust exemptions to UNC Health, highlighting potential negative impacts on competition and healthcare costs.
- On June 8, 2023, the U.S. Senate Finance Committee held a hearing to explore site-neutral payments and using data to effectively curb health system consolidation.

VALUE-BASED CARE

- CMMI introduced a new primary care model, Making Care Primary, in 8 states to advance value-based care for smaller, independent primary care physicians by improving care coordination and accessibility and providing funding to build infrastructure.
 - CMMI summarized its primary care strategy in this blog post.
- **Morgan Health** released a policy platform to advance value-based care within employer markets, focusing on advancing data quality and mitigating provider workforce shortages.
- **Syntax Health** launched a platform to allow payers and providers to model value-based contract scenarios alongside possible performance trends, after raising \$7.5M in funding through **Redesign Health**.
- **Equality Health**, a company that aims to improve access to value-based care for underserved populations, launched its Health at Home program to develop provider networks for a home-based care program and address SDOH barriers to care.

HEALTH EQUITY & SDOH

- **Uber Health** expanded its healthcare delivery arm to include groceries and OTC items able to be ordered by health systems and other organizations, in addition to non-emergency medical transportation (NEMT) and same-day prescription delivery service.
- More federal funding is needed to provide evidence-based interventions that address social determinants of health, according to a study published in *JAMA Internal Medicine*.

MEDICAID

- HHS is offering new flexibilities for states and managed care organizations to assist in Medicaid redetermination efforts, providing health plans more guidance and authority to assist in the process than before.



- U.S. Senate Finance Chairman Ron Wyden and U.S. Representative Frank Pallone wrote CMS to ask for an increase in federal oversight over Medicaid redeterminations, specifically in Florida and Arkansas, due to high rates of procedural disenrollment.
- Medicaid terminations continue to increase. The most recent numbers from the **KFF tracker** indicated over 725K individuals have been removed from the Medicaid rolls, often for simple administrative reasons such as not having individuals' current contact information. *Politico* published a report showing that people are being pushed off Medicaid for paperwork issues rather than a lack of eligibility.
- States can improve Medicaid family planning programs by evolving regulations within 5 categories: eligibility and enrollment, consumer outreach and education support, covered services, confidentiality, and provider access, according to a Manatt Health brief.

Virtual Health

FEDERAL NEWS

- The Telehealth Expansion Act was reported out the U.S. House Ways & Means Committee during a markup of the bill on June 7, 2023, after 185 organizations signed a letter in support of the bill. The bill would make permanent pandemic-era legislation that allowed employers and health plans to cover telehealth visits for individuals with high-deductible health plans before having to meet their deductible.
- The Expanded Telehealth Access Act was reintroduced with bipartisan support to permanently allow Medicare beneficiaries to receive virtual physical therapy services.

NEW LAUNCHES AND PARTNERSHIPS

- **Luna**, an at-home physical therapy company, announced a partnership with **MedStar Health** to provide at-home outpatient physical therapy services for patients residing in Maryland, Northern Virginia, and Washington D.C.
- **Penn State Health** launched COMMpanion, a new subscription-based virtual care service, that allows patients to communicate with providers and care staff between 7 am and 7 pm via messages, phone calls, or video chats.
- **KeyCare**, the only Epic-based virtual care company, partnered with **Captive Health** to provide virtual health services to all employees that participate in the company's health plan.
- **Thirty Madison** acquired the assets of **The Pill Club**, an online birth control and telehealth company that filed for bankruptcy, for \$32.3 million.

OTHER TELEHEALTH NEWS

- Telehealth state licensure may present as one of the biggest barriers to delivering telemedicine services post-pandemic, especially behavioral telehealth services.
- **Manatt Health** released an executive summary tracking federal and state telehealth changes post-PHE.
- It may be necessary to integrate telehealth services into network adequacy standards despite the current risks and concerns of doing so, according to an analysis published in



Health Affairs Forefront. The authors pointed to the need for outcome standards and a phased implementation approach.

- **Simple HealthKit** partnered with **Walmart** to offer at-home diagnostic tests – including diabetes and sexual wellness labs – direct to consumers, connecting those with abnormal results to physicians.
- Visits occurring through Penn Medicine’s employer-sponsored telehealth program resulted in 23% lower costs compared to non-virtual visits, according to a study by the Perelman School of Medicine at the University of Pennsylvania.
- The COVID-19 pandemic increased access to telemental services, but new research demonstrates that racial disparities persist as predominantly black communities lack access to many telemental health services.
- Over 50% of clinicians trust virtual care, telehealth, and remote patient monitoring to provide accurate diagnoses; however, are less certain about patient-administered at-home tests, according to GE Healthcare.

