



MYMAVERICK WEEKLY NEWSLETTER

February 6, 2025

Special Section: Changing Political Landscape

- Robert F. Kennedy, Jr. is likely to be the next HHS Secretary after his nomination cleared the U.S. Senate Finance Committee this week. U.S. Senate HELP Committee Chairman Bill Cassidy assented to his confirmation after getting multiple concessions (this is not an all-inclusive list):
 - Kennedy and Cassidy will meet multiple times a month.
 - Cassidy will provide input into hiring decisions at HHS.
 - Kennedy will work within current vaccine approval and safety monitoring systems and not establish parallel systems.
 - The HELP Committee chair may choose a representative on any board or commission formed to review vaccine safety.
- The Senate confirmed other Trump nominees this week, including Pam Bondi as Attorney General and Doug Collins as Secretary of Veterans Affairs.
- Federal employees have until tonight to accept the Trump Administration offer to resign and be paid through September. More than 40,000 have accepted so far, but lawyers, and policymakers are warning that doing so is a risk. Unions representing federal workers are suing, saying the deferred resignation program is illegal. The offer is part of the DOGE team's effort to shrink the federal government workforce.
- Elon Musk is accessing health payment systems and other sensitive data as part of a sweep of federal agencies for fraud and waste. Read more here, here, here.
- The Trump Administration issued an executive order that directs agencies to cut at least ten regulations or guidance documents for any new regulation proposed, as part of his greater "deregulatory" agenda.
- Democrats on the House Energy & Commerce Committee are calling on the Trump Administration to answer questions about how many federal grant recipients are still not receiving payments, despite courts ordering the White House to reverse the federal funding freeze.
- After imposing tariffs on trading partners, the AHA is urging President Trump to exclude medical device and pharmaceutical materials from any tariff plans.
- In an effort to keep up with the fast-paced activity, *The Wall Street Journal* is publishing a daily tracker of every notable President Trump actions and statements.
- The National Women's Law Center, Public Citizen and 117 other national organizations sent a letter to congressional leaders asking them to investigate whether Musk and the Department of Government Efficiency violated the law by accessing protected or classified information without authorization.
- On the campaign trail, then-candidate Trump said he knew nothing about the Heritage Foundation's "Project 2025" that outlined (in 922 pages) a conservative blueprint for the GOP's future policymaking, but many of the ideas are in the President's early executive actions, according to a new report by *Politico*.
- Healthcare companies, including **HCA**, **Centene**, and **Elevance Health**, disclosed donations to President Trump's inaugural fund.



Artificial Intelligence

GENERAL NEWS

- The Trump administration is asking the private sector for input on its new AI Action Plan - meant to replace the Biden Administration's AI executive order - in a new Request for Information (RFI). The RFI is not healthcare-specific, but comments could potentially inform policies that impact health AI. Comments are due March 15.
- Chinese startup **DeepSeek** released DeepSeek-R1 last week, competing with ChatGPT and potentially transforming drug development. **Cerebras Systems**, an AI chip startup, will deploy a version of DeepSeek-R1 that runs up to 57 times faster than traditional GPU-based systems, like **Nvidia's**.
 - After a media report showed that hidden links in DeepSeek's AI tool could send data to a Chinese-owned telecom company, a new federal proposal was introduced called the "No DeepSeek on Government Devices Act" requiring the Office of Management and Budget to develop guidelines within 60 days for the removal of DeepSeek from federal technologies.
- **OpenAI's** new partnership with U.S. National Laboratories provides up to 15,000 scientists with access to advanced AI models, accelerating disease treatment and prevention. As part of the collaboration, OpenAI and **Microsoft** are deploying a model on Los Alamos National Laboratory's Venado supercomputer.
 - Last week, OpenAI released a version of ChatGPT for federal agencies.
- The Consumer Technology Association and AdvaMed posted a report from a listening session with patient advocacy groups, facilitated by Maverick Health Policy, about health AI tools.
- A **Cleveland Clinic** spokesperson clarified that it has not developed an AI nurse, despite a claim by Robert F. Kennedy Jr. during his Senate Finance Committee hearing on January 29.
- **MIT** researchers optimized deep learning models to reduce memory storage, bandwidth, and computation requirements, which allows developers to create more efficient AI models.
- **Stanford Health** introduced the "FURM" test as a framework to assess AI accountability and transparency in healthcare, according to a *Becker's* blog post.

ADMINISTRATIVE APPLICATIONS

- **Press Ganey** is integrating **Microsoft's** DAX Copilot into its ambient listening platform to enhance speech tone analysis during patient visits and Microsoft's cloud platform, Azure, to improve information sharing.
- After testing **Abridge's** ambient AI technology with over 100 clinicians, UNC Health will integrate the tool into structured clinical note-taking practices across its network.
- **Drive Health** and **Google** Public Sector announced "Nurse Avery," an AI-powered assistant for care coordination.
- **Qventus** launched a care coordination solution that reduces surgery and procedure cancellations by 40%.
- **M42**, a UAE-based AI-powered health tech company, partnered with **Rhapsody** and **Microsoft** to improve interoperability and precision medicine with better data integration.
- A recent report comparing ambient speech technologies rated **Abridge** and **Microsoft** as top providers of AI-driven solutions.

CLINICAL APPLICATIONS

- **Samsung Medison** announced the Samsung Z20, an AI-based ultrasound system featuring Live ViewAssist which can pinpoint up to 47 anatomical structures and reduce keystrokes by 94%.
- **Oatmeal Health** launched an AI-based radiology tool to analyze CT scans for lung nodules based on patient risk profiles through deep learning analysis and risk stratification.
- **Evergen** launched an AI-powered image processing software for bone graft analysis from CT scans.



- **Path AI's** new dermatology assistant uses machine learning to improve skin lesion evaluations.
- Physicians still doubt AI tools, and radiologists undervalue AI-based predictions for disease progression, according to a *New York Times* op-ed.
- **Oxford Science Enterprises** partnered with **Cedars-Sinai** to bring Neu Health, a digital neurology platform, to U.S. markets.
- Vision-language AI models, such as Claude-3 Opus and GPT-4, can be manipulated by hidden input instructions in imaging, causing them to miss cancer and support incorrect diagnoses, according to a study published in *Nature*.

RESEARCH APPLICATIONS

- **MIT** researchers released Chromogen, a gen-AI technology that predicts how DNA is arranged in the nucleus of a single cell, according to a paper published in *ScienceAdvances*.
- LinkedIn co-founder Reid Hoffman launched **Manas AI**, a new drug discovery startup that uses chemical libraries and AI-based filters to identify therapeutic candidates.
- **Helix**, a population genomics and precision medicine company, announced a new patient dataset for GLP-1 drugs.
- **Owkin** delivered the first dose of OKN4395, an AI-optimized cancer therapy, in a Phase I clinical trial.
- **Medidata**, a cloud-based clinical trial solutions company, expanded its partnership with **Cognizant**.



Digital Health

TELEHEALTH

- A Louisiana grand jury indicted a New York-based provider for violating its abortion ban by allegedly prescribing abortion medication via telehealth. This is the first legal challenge of New York's "shield law" that protects New York doctors who prescribe abortion medication via telehealth to patients living in states with abortion restrictions.
- **Teladoc** acquired **Catapult Health**, a virtual preventative care company focused on chronic diseases, for \$65M. Through this deal, Teladoc plans to expand in-home access to diagnostic testing.
- **Zoom** is partnering with **Suki** to integrate the ambient listening tool into its Workplace for Clinicians platform.
- Through its virtual care subsidiary, **PlushCare**, **Accolade** is accepting Medicare Part B in all 50 states.
- Virtual weight loss platform **Noom** announced layoffs to focus on the fastest growing and "critical" aspects of the business.
- Despite spending more money on ads and pursuing more complex medicine, some are concerned that telehealth companies are not giving enough care to patients, according to a *KFF Health News* article.
- **Ascension** is studying how to best capture images for telehealth appointments on smartphones for patients with varying skin tones to improve disparities in its care delivery.
- A study published by the University of Michigan and the Veterans Affairs' Ann Arbor Healthcare System shows that while most U.S. adults aged 50 to 80 now use digital health technologies, significant disparities remain based on race, income, and geography.

REMOTE PATIENT MONITORING

- As part of the Moving Health Home coalition, 100+ stakeholders have signed on to a letter urging Congress to extend the Medicare Hospital at Home waiver five years beyond its March 2025 expiration date.



- The FDA issued a warning that patients who track their glucose levels through devices that connect to their smartphones (e.g., continuous glucose monitors) that they may miss key notifications due to potential issues with the hardware and software of the tools.
- Health-at-home provider **Resilient Healthcare Corp.** selected **Athelas** as its EMR provider, which will help facilitate outpatient care delivery and billing.



Interoperability and Health IT

FEDERAL NEWS

- Several federal health datasets, including those from the CDC, went offline in early February, affecting widely used surveys such as the Behavioral Risk Factor Surveillance System (BRFSS) and the Youth Risk Behavior Survey (YRBS), according to KFF.

INDUSTRY NEWS

- The Healthcare Information and Management Systems Society (HIMSS) and Association of Medical Directors of Information Systems (AMDIS) announced an exclusive partnership to support clinical executives and advance digital health transformation.
 - The collaboration will provide new educational resources, joint events, and leadership initiatives to enhance the skills and networks of physicians and healthcare professionals.
- **Veradigm**, a health data provider formerly known as **Allscripts**, announced that after a months-long review, it did not find a buyer and will move forward independently.
- **Edifecs** announced its Healthcare Interoperability Cloud, a platform designed to help payers comply with interoperability requirements, such as implementing FHIR-based APIs for prior authorization. Also, **Edifecs** and **HealthEdge** are partnering to make payer data exchange easier, particularly for claims adjudication.
- **HealthEdge** is integrating its interoperability tools with **UniteUs'** SDOH platform to advance FHIR-based data exchange and care coordination.
- **Surescripts**, a health information technology company focused on e-prescribing, announced it will feature prior authorization automation and TECA access at HIMSS25 on March 3–6, 2025.
- KLAS published its “best of” lists, naming **ZeOmega**, **Cognizant**, and **Onyx Technologies** among top payer tools, and **Epic** as the best health system suite.
- Another health IT company reporting layoffs to cut costs: **enGen** (Highmark’s health IT subsidiary).
- Leigh Burchell, VP of policy & public affairs for Altera Digital Health and incoming chair of the EHR Association, is expecting 2025 health IT policy focus areas to be on AI, cybersecurity, and rural healthcare, and anticipates potential challenges with the rapid pace of state-level legislation.

DATA PRIVACY AND SECURITY

- **New York Blood Center Enterprises**, which delivers blood to 400+ hospitals across the country, experienced a ransomware attack, causing potential delays in blood processing while restoration efforts are underway.
- State News: On January 22, New York passed a health data privacy bill that still awaits the Governor’s signature. It is another example of state legislators acting in the absence of a national privacy bill, with this one being modeled after Washington state’s My Health My Data Act. While the New York Health Information Privacy Act (NYHIPA) similarly creates a consumer protection framework on health information that falls outside the bounds of HIPAA, it does not include a private right of action like Washington’s. More here and here.



Investments

GENERAL

- Over 70% of executives rated improving operational efficiencies as a top priority for 2025, according to a [Deloitte report](#) on global digital health trends.

AI INVESTMENTS

- **RAD AI**, a medical imaging and diagnostics gen-AI company, [closed](#) a \$60M Series C financing round.
- **Kode Health**, an AI/ML-powered medical coding company, [raised](#) \$27M in a Series B financing.
- **C the Signs** [raised](#) \$8M in funding from **Khosla Ventures** to bring its cancer detection system to the U.S.
- **Waterlily** [raised](#) \$7M in Seed Funding to grow the company's AI model that predicts the need for long-term care.
- **MedSender** [raised](#) \$5M in Series A funding to improve workflow automation.
- **Affineon**, a company that uses AI to streamline providers' inboxes, [raised](#) \$5M.
- **Martin AI** [raised](#) \$2M in seed funding to develop a personalized AI assistant, competing with tools from **Open AI** and **Google**.
- **Suki AI**, a voice-enabled AI assistant that helps doctors with administrative tasks, [announced](#) an investment from **Zoom Ventures**, after raising \$70M in Series D funding and partnering with Google in 2024.
- **MultiCare Health System** [invested](#) in **Layer Health** to automate clinical quality reporting processes.

DIGITAL HEALTH INVESTMENTS

- **Fay**, a digital health company specializing in personalized nutrition, [raised](#) \$50M in Series B funding led by Goldman Sachs.
- **Zest Health** [raised](#) \$13M in Seed Funding for its virtual care platform for patients with inflammatory skin diseases.
- **Little Otter** [raised](#) \$9.5M in funding to expand its platform for whole-family mental health care.
- **SimpliFed** [raised](#) \$4M to expand its virtual maternal health platform that helps with baby feeding.



Payers and Providers

HEALTHCARE TRANSPARENCY

- **Express Scripts**, one of the nation's largest PBMs, [promised](#) to increase transparency and reduce drug costs by providing patients with a [detailed breakdown](#) of their yearly drug spending, plan payments, listed prices, and negotiated discounts to patients and sponsors.
- The **Purchaser Business Group on Health** (PBGH), a nonprofit coalition representing employers, [announced](#) a data initiative to support employers in becoming better fiduciaries by providing access to healthcare spending and quality data.

DRUG PRICING

- CMS released a [statement](#) reaffirming its commitment to executing the second round of Medicare drug price negotiations under the Inflation Reduction Act and [highlighting](#) President Trump's goals to increase transparency and seek more external stakeholder input.
- President Trump's rescission of Biden's 2022 executive order (EO) reduce drug prices for Medicaid and Medicare recipients [is facing](#) major public backlash, according to polling from *Morning Consult*. The rescission halts CMMI from testing three payment frameworks to decrease drug costs.



- **Vertex Pharmaceuticals'** newly FDA-approved Journavx, a non-opioid acute pain-reducer pill, appears promising in mitigating the opioid epidemic. Cost and access remain unknown amidst the mass number of cheap generic pain-killer drugs.
- Major pharmaceutical companies, such as **Amgen**, **Novartis**, and **Pfizer**, increased the of more than 800 popular drugs by a median 4% in January compared to last year's 4.5% rise, according to a *Wall Street Journal* article.
- In 2025, supply chain costs and pharmaceutical expenditures are expected to rise due to higher demand for specialty medications, drug price increases and newly imposed tariffs, according to a report by healthcare consulting firm **Vizient**.

PAYERS

- **Cigna** announced several new initiatives to improve customer experience, including initiatives to expand patient care navigators, create a digital tracker for prior authorization status, and make it easier for physicians to submit claims and prior auth requests. The company also plans to tie executive compensation, specifically bonuses, to customer satisfaction metrics.
 - These initiatives will be led by the newly established Office of Excellence and Transformation with oversight from the payer's Executive Vice President and Chief Health Officer, Dr. David Brailer.
 - Cigna's subsidiary, **Evernorth**, which operates its PBM **Express Scripts**, also announced several transparency initiatives (reported above in drug pricing).
- The AMA published a statement approving of **Cigna's** actions, but called on the payer to implement more prior authorization reforms, specifically those included in a seven year old consensus statement signed between the AMA and health insurers.
- A lawsuit against **Johnson & Johnson (J&J)**, claiming the company failed to negotiate lower prices from prescription benefit managers for its employee-based health plans, was dismissed. More here.
- **Oscar Health** reported its first profitable year, with \$24.5M in 2024. The insurtech also named Kaiser Permanente executive, Janet Liang, as President of the company's insurance arm.
- With the exception of **Elevance Health**, Moody's credit ratings reports a negative outlook for payers because of rising medical costs.
- CEOs of major payers, such as **CVS Health**, **Aetna**, and **Centene**, installed stronger home security following the shooting that killed **UnitedHealthcare** CEO. More here.
- Gregory Deavens, the CEO of **Independence Health Group**, a Philadelphia-based company that owns **Independent Blue Cross**, will retire at the end of 2025.
- Medicare Advantage plans use prior authorization to control costs and reduce unnecessary care, but it can also delay treatments and increase out-of-pocket costs for members, according to a fact sheet by Georgetown University's Medicare Policy Initiative.
- Another state-led prior authorization bill: Rhode Island legislators introduced a bill prohibiting insurers from requiring prior authorization approval for any clinical services requested by in-network primary care clinicians in an attempt to increase patients' access to quality care and reduce providers' administrative burdens.
- *Becker's Payer Issues* published an article summarizing the recent push for prior authorization reform.
- CMS should use stratified coding intensity adjustment to adjust for some health plans' aggressive coding practices, according to Steven Lieberman and Paul Ginsburg in *Health Affairs Forefront*.

PROVIDERS

- U.S. House Committee on Ways and Means announced that the Subcommittee on Health will hold a hearing on February 11, 2025 to examine ways to promote healthy living with more options, greater flexibility, and better incentives for patients.
- Physician groups, including the AMA, are supporting a bipartisan U.S. House bill that would rescind the 2.83% Medicare physician pay cut – which began January 1 -- and instead enact a 2% pay increase.



- The *Dr. Lorna Breen Health Care Provider Protection Act* – a law that funds behavioral health support services for front-line clinicians, is up for its first five year reauthorization. Bipartisan and bicameral members of Congress introduced legislation to do so.
- The HHS Office of Civil Rights announced that it will investigate four medical schools for alleged antisemitic incidents occurring at their respective graduations.
- The AMA is investing \$12M in “precision education” initiatives in medical schools and other provider education programs. These initiatives use AI and technology to tailor education to individual needs.
- **Providence** reached a tentative deal with eight of the eleven units on strike in Oregon, resulting in pay increases and additional resources for professional development.
- A tentative contract agreement was reached between union members and **Columbia Memorial Hospital** in New York, providing 22.25% wage increases over four years.
- Emergency care clinicians at **TeamHealth**, a leading healthcare provider company, sued **Blue Cross Blue Shield of Texas** (BCBSTX), claiming that BCBSTX introduced a coding protocol that invalidly took effect without notice of 30 days in advance, as required in contract, and reduced providers’ reimbursements for emergency services.
- Rural healthcare providers are optimistic about their financial health but are focused on addressing reimbursement and workforce issues and improving their use of technology, according to a report by accounting firm **Wipfli**.
- Researchers found that labor and delivery units with robust nurse staffing levels were associated with lower C-section birth rates and higher vaginal birth rates, according to a study.

PAYERS & PROVIDERS (M&A)

- **Cigna** plans to finalize the \$3.7B sale of its Medicare Advantage business to **Health Care Service Corporation** in Q1 of 2025.
- **Molina** finalized its \$350M acquisition of Connecticut-based health plan **ConnectiCare**
- **Prospect Medical Holdings** plans to sell its hospitals in Pennsylvania and Rhode Island while moving forward with its bankruptcy process.
- **HCA Healthcare** finalized its acquisition of **Catholic Medical Center**, increasing **HCA's** presence in the New Hampshire-based region.

VALUE-BASED CARE

- **Aetna**, **Blue Shield of California**, and **Centene's Health Net** are collaborating on a shared, value-based single payment model for independent California primary care practices. Led by the California Quality Collaborative and Integrated Healthcare Association, eleven provider organizations representing about 17,000 patients will participate in this unified demonstration to enhance continuity of care across services and benefit underserved communities.
- Medicare Advantage patients in value-based arrangements are statistically less likely to be admitted to the hospital and use emergency room services than fee-for-service patients, according to a study by **Optum**, examining data from a broad set of primary care groups and health plans.

MEDICAID

- It is uncertain how the Trump Administration will handle Section 1115 Demonstration waiver requests and renewals, which provide states with flexibility to design and evaluate new Medicaid programs that are consistent with federal goals of Medicaid, according to KFF's Waiver Watch.

REPRODUCTIVE HEALTH

- The U.S. Supreme Court will hear *Medina v. Planned Parenthood of Southern Atlantic* to determine whether Planned Parenthood should be cut from taxpayer funding and discontinued as a provider in South Carolina’s Medicaid program, after a series of court appeals.
- A Louisiana grand jury indicted a New York-based provider for violating its abortion ban by allegedly prescribing abortion medication via telehealth. This is the first legal challenge of New York’s “shield law”



that protects New York doctors who prescribe abortion medication via telehealth to patients living in states with abortion restrictions.

HEALTH EQUITY & SDOH

- The CDC removed publicly available data on the well-being of LGBTQIA+ community from its website after President Trump's recent executive order banning governmental agencies' public endorsement of "gender ideologies" that do not uphold biological sex. CDC also removed LGBTQIA+ related glossaries from its web pages.
 - A physician advocacy group, Doctors for America, sued the Trump Administration over the pullback of data, claiming that it would harm medical research and patients.
- To avoid losing federal Medicare and Medicaid funding, hospitals are complying with President Trump's recent executive order by prohibiting providers from performing gender-transition procedures to minors. Some hospitals are attempting to mitigate effects by providing other support services for LGBTQIA communities.
 - Civil rights groups filed a lawsuit challenging President Trump's executive order that prohibits federal funding for gender-affirming care, particularly for minors. The order is argued to be unconstitutional and discriminatory, violating protections under the Equal Protection Clause.
- **HealthEdge** is integrating its interoperability tools with **UniteUs**' SDOH platform to advance FHIR-based data exchange and care coordination.
- Using a new index created by the University of Pennsylvania's Health Economics Institute, researchers found common hospital procedures were less accessible for younger patients, Hispanic patients, patients with fewer comorbidities, and patients less likely to have Medicare coverage. Conclusions were drawn from medical procedure data in 18 states across 3 years.