

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

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From the Editor: This Labor Day issue's article summaries deal with recent business developments and end with an update on some fallout from the Dobbs decision. To access each article, just click on the headline.



[Amazon to Shut Down Amazon Care Telehealth Unit](#), by Sebastian Herrera, Wall Street Journal, 8/24/22

TMR Topline – Amazon announced that it is closing the Amazon Care telehealth service it built in-house for employees and businesses, a move that surprised many after its purchase of One Medical that operates a line of more than 180 primary care clinics with employed physicians across roughly two dozen US markets. Amazon has had difficulty expanding the telehealth service beyond its own employee network. By purchasing One Medical, Amazon is up against established companies that include UnitedHealth Group Inc.'s Optum health-services arm and CVS Health Corp., in addition to hospital systems. Neil Lindsay, senior vice president of Amazon Health Services, contends that the healthcare industry remains ripe for disruptive innovation.



[InterWell-Fresenius-Cricket kidney care merger closes](#), by Caroline Hudson, Modern Healthcare, 8/24/22

TMR Topline – The companies [announced the merger](#) in March, will operate as InterWell Health, and expect to manage care for more than 270,000 kidney disease patients by 2025. Interwell's 1,600 physician network

started in 2019 as a partnership between nephrologists. Fresenius Medical Care treats roughly 345,000 renal disease patients every year at its 4,151 dialysis clinics. Cricket Health's machine learning and predictive glomerular filtration rate (GFR) technologies will be used to identify patients at risk of kidney failure. The new entity will use digital tools and value-based care to serve patients with chronic kidney disease.



[Moderna Sues Pfizer and BioNTech Over Covid Vaccine Technology](#), by Rebecca Robbins and Jenny Gross, New York Times, 8/26/22

TMR Topline – Moderna has sued Pfizer and BioNTech claiming that its rivals' Covid-19 shot copied groundbreaking technology that Moderna had developed years before the pandemic. It sets up what could become a protracted and expensive legal battle between the companies. Experts believe that the litigation is unlikely to impede access to Covid vaccines or halt the development of mRNA products but is more about who will control and profit more from the lucrative medical technology. Earlier, Moderna spent months [locked in a bitter dispute](#) with the National Institutes of Health, its collaborator on a project that led to the development of its Covid vaccine, over who deserves credit for a crucial component of that shot. Both companies have completed their submissions to obtain emergency authorization for retooled shots aimed at the Omicron subvariants causing most new Covid cases.

TMR's Take: As Moderna and Pfizer fight over which profits most from mRNA technology, both company's vaccines that target the Omicron BA.5 subvariant have received [FDA authorization](#).



[Cancer top driver of employer health costs](#), by Tina Reed, Axios, 8/24/22

TMR Topline – A survey from the Business Group on Health found that an increase in late-stage cancer diagnoses is

the top driver of large employers' [health care costs](#). Deferred care during the pandemic is resulting in more complex and resource-intensive cases. Healthcare costs stayed flat from 2019-20, but the 2021 median increase was 8.2%. To avoid shifting costs to employees, they are exploring delivery system reforms like advanced primary care and using centers of excellence to curb costs.



[Insured patients become top reason for bad debt at providers](#), by Caroline Hudson, Modern Healthcare, 8/23/22

TMR Topline – Almost 58% of patient bad debt in 2021 came from self-pay balances after insurance, compared with about 11% in 2018 according to a recent study. Most bad debt used to be associated with uninsured patients. However, the rapid growth of high deductible health plans now accounts much of the increase in bad debt; employers offer such plans to lower their overall benefits costs, and employees pay lower premiums.

TMR's Take: Both employers and employees are coping with high healthcare costs.



[How Deadly Bacteria Spread in a Similac Factory—and Caused the US Formula Shortage](#), by Susan Berfield and Anna

Edney, Bloomberg Business Week, 8/25/22

TMR Topline – Abbott Labs' Sturgis, Michigan plant produces about 20% of the US supply of infant formula. An overdue FDA inspection in September 2021 found that *cronobacter sakazakii* bacteria had twice made its way into batches of the formula. Abbott held them back but didn't recall any others and wasn't required to notify the FDA. The inspectors also found drying equipment with a history of pits and cracks where *cronobacter* could hide and pooled water where it could multiply. While the inspectors were onsite, the FDA received a report of an infant who had been hospitalized with a *cronobacter* infection and notified Abbott but not the inspectors and relied on the company to fix the problems. An October whistleblower report alleging that an emphasis on productivity sometimes compromised safety reached a few at the FDA, but copies sent to senior officials were lost in the mailroom. When inspectors returned at the end of January, they found five different strains of *cronobacter*. Sturgis stopped production and 70 million cans of

baby formula were recalled creating a nationwide shortage of powdered infant formula when the two other major manufacturers couldn't make up the loss. In May, after seven infant deaths and hundreds of complaints, Abbott entered a consent decree with the DoJ that gives the FDA extraordinary oversight of the Sturgis facility.

TMR's Take: Regulatory reliance on for-profit oligopolies to self-regulate has failed again, just as it did with the [FAA](#) and Boeing's 737 MAX in 2019. **TMR** hopes that Congress will support the needed CDC overhaul.



[In an effort to address its missteps during Covid, CDC plans an 'ambitious' agency overhaul](#), by Helen

Branswell, STAT, 8/17/22

TMR Topline – Acknowledging mistakes made from the earliest days of the pandemic when a test designed by CDC scientists to detect Covid-19 failed to work, CDC Director Rochelle Walensky announced a major overhaul of the agency: *"My goal is a new, public health action-oriented culture at CDC that emphasizes accountability, collaboration, communication, and timeliness."*



[EMTALA covers abortion in Idaho hospitals, judge rules](#), by Molly Gamble, Becker's Hospital Review, 8/25/22

TMR Topline – A federal judge [temporarily blocked](#) a portion of an Idaho law that would criminalize medical professionals who performed abortions in medical emergencies, ruling that it violates the Emergency Medical Treatment and Labor Act, which preempts state law and requires that Medicare hospitals provide all patients appropriate emergency care, including treatment for conditions that place a patient's health in serious jeopardy or risk impairment to bodily functions or any body organ. The decision conflicts with one in Texas that halted enforcement of HHS' guidance in a state where abortion is banned with no exceptions for rape or incest. It puts physicians who perform the procedure at risk of facing life in prison and fines no less than \$100,000 for each violation.

TMR's Take: The Idaho judge gets it while the Texas judge doesn't seem to understand EMTALA. It was enacted in 1986 due to Dallas hospitals dumping uninsured patients on public sector Parkland Medical Center.