

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

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HEALING AMERICAN HEALTHCARE
COALITION

From the Editor: Last week there were two annual events of interest to healthcare policy wonks. The 41st annual JPMorgan Healthcare Conference wrapped up in San Francisco while Massachusetts's Lown Institute announced its annual Shkreli Awards. **TMR** summarizes both, then concludes with news about HCA and Covid updates. To read each full article, click on its headline.



[5 takeaways from the 2023 J.P. Morgan Healthcare Conference](#), by Caroline Hudson, Modern

Healthcare, 1/12/23

TMR Topline – The 2023 conference covered topics ranging from expenses to public policy to patient care. Here are five main takeaways:

1. Health system executives are making costs a priority in this challenging environment. Labor is the top concern as providers navigate inflation and staffing shortages.
2. Integrating services will be key for healthcare organizations as a long-term savings opportunity and a path toward higher-quality care. The CEOs of Walgreens Boots Alliance and CVS Health each discussed their expansion into primary care.
3. Insurers said the lucrative, growing Medicare Advantage program remains a top priority. Centene wants to boost profitability by signing up more dually eligible Medicare-Medicaid beneficiaries and by improving its star ratings. Humana and Cigna both reported growth in their MA membership.
4. Tense rate negotiations will continue as providers try to cut costs and insurers try to avoid significant reimbursement hikes. Economic uncertainty and looming Medicaid redeterminations further complicate the dynamic.

5. Competition heats up in health tech as providers shift toward virtual platforms and digital tools to improve patient care. Digital health companies have been forced to shift their focuses from revenue growth to profitability.



[Medicare Advantage Plans Take Top Spot in Shkreli Awards](#), by Cheryl Clark, MedPage Today, 1/10/23

TMR Topline – Named for “[Pharma-Bro](#)” Martin Shkreli, the annual Lown Institute awards recognize the worst examples of profiteering and dysfunction in healthcare. This year’s list includes a dentist who broke patient’s teeth to increase his volume of crowns, a hospital that continued to advertise its cardiac surgeon despite his high number of malpractice case settlements, a health system that directed employees to inform patients about financial assistance programs only as a last resort, and a hospice CEO who instructed employees to give higher doses of the painkillers to hasten patient death. Johnson & Johnson ranked #5. Faced with lawsuits from 40,000 cancer patients, it created a subsidiary with all its baby powder-related liabilities. Then, it declared this company bankrupt. The Lown Institute’s top 3 awards went to:

3. [Bon Secours Health System](#) profited from the federal 340B drug program by diverting profits earned by its safety net hospital to its hospitals in whiter, wealthier neighborhoods.

2. Private equity-backed startup [Noble Health](#) bought two rural Missouri hospitals, then left employees with drug and supply shortages that led to unsafe conditions for patients and stopped paying for employees' health insurance, despite deducting premium funds from their paychecks. Then Noble closed the two hospitals after taking \$20 million in Covid relief funds.

1. Most large Medicare Advantage insurers now face federal accusations that they have been defrauding the Medicare program by mining patients' charts for diagnoses that have resolved or which they never had, or

exaggerating their severity. The amount of overpayment is estimated at \$25 billion in 2020 alone, according to a [New York Times](#) investigation and numerous other investigations by the OIG.

TMR's Take: TMR has covered the Congressional investigation of MA abuses and agrees that the 1st place Shkreli Award is merited. Has J&J lost its way? Creating a subsidiary for the 40,000 lawsuits from talc in baby powder then having the subsidiary declare bankruptcy? More recently, J&J announced [plans](#) to slash Covid-19 vaccine production. What would General Johnson say? After Teladoc's CEO expressed confidence in his telehealth company's position relative to its competitors at the JPMorgan conference, the company [announced](#) a layoff of 300 non-clinical employees, 6% of its workforce.



[HCA disputes claims of understaffing facilities to focus on profits](#), by Nick Thomas, Becker's Hospital Review, 1/12/23

TMR Topline – The Service Employees International Union has accused HCA Healthcare, the country's largest hospital operator, of understaffing its hospitals and facilities at the expense of patient care. The [report](#) says typical staffing levels at HCA facilities are approximately 30 percent below the national average. For-profit HCA disputes the SEIU claims. HCA employs about 284,000 people in 182 hospitals and 125 surgery centers and made a net profit of approximately \$7 billion in 2021.

TMR's Take: With a 2021 net profit of about \$24,700 per employee, HCA may find itself in the running for a 2023 Shkreli Award. Time will tell.



[China Reports Nearly 60,000 Covid-Linked Deaths Since Lifting Restrictions](#), by David Pierson and Olivia Wang,

New York Times, 1/15/23

TMR Topline – China has admitted it recorded nearly 60,000 Covid-related fatalities in the month since the country [lifted its strict "zero Covid" policy](#). The WHO had criticized China's lack of transparency and underreporting of Covid-19 despite widespread scenes of [overflowing hospitals](#), morgues and funeral homes in recent weeks. The 59,938 Covid-related deaths included 5,503 deaths from respiratory failure directly caused by Covid while the

rest were linked to other underlying illnesses; 56.5% were over 80 years old.

TMR's Take: The Lunar New Year is next week, and millions are traveling to spend the holiday with their families. Reuters [reports](#) that President Xi Jinping said he is concerned about China's Covid-19 wave spreading to rural areas with poor medical facilities. Still, doctors in both public and private hospitals are being [actively discouraged](#) from attributing deaths to Covid as the year of the Rabbit dawns..



[Covid-19 during pregnancy raises woman's risk of death sevenfold, study shows](#), by Cara Murez,

HealthDay News, 1/17/23

TMR Topline – A comprehensive review of 12 studies found that a Covid-19 infection during pregnancy raises a woman's risk of death sevenfold and increases her odds of needing intensive care. It also increases the possibility of pneumonia George Washington University researchers reported. These studies included data from more than 13,000 pregnant women. Lead author Emily Smith, an assistant professor of global health at the GW Milken Institute School of Public Health said, "*This study provides the most comprehensive evidence to date suggesting that Covid-19 is a threat during pregnancy,*" adding that it "*shows the risk of getting Covid-19 for both mother and baby,*"

The study found that pregnant women infected with Covid-19 were 3 times more likely to need admission to the ICU, at 15 times higher risk of needing ventilator treatment and at 23 times higher risk of developing pneumonia. Babies born to Covid-infected mothers also can develop serious problems. They are twice as likely to be admitted to a neonatal ICU after birth and have a high risk of lifelong health problems and delays in cognitive development. The authors suggest that vaccination should be a public health priority throughout the world, to save lives and to prevent difficult health problems.

TMR's Take: In other Covid-related developments, [HHS](#) has renewed the Public Health Emergency for the 12th time given concerns about the spread of the immunoevasive XBB.1.5 omicron subvariant and a [study](#) indicates that for most mild infections, long-Covid symptoms may ease within a year.