

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

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From the Editor: Is it a provider? An insurer? A pharmacy? It's hard to tell these days. This issue's potpourri covers them all as well as physician frustration and vaccine updates. To read an article, click on its headline.



[The primary care battle: Where Optum, CVS, Walgreens stand](#), by Naomi Diaz, Becker's Hospital Review, 1/19/23

TMR Topline – The companies are eyeing potential primary care deals and acquisitions to compete with other managed care providers and private equity firms. **CVS** owns Aetna and invested \$100 million in Carbon Health, a company focused on primary and urgent care with 125 physical locations in 13 states and a virtual care platform. CVS will [complete](#) its acquisition of home health provider Signify Health later this year. **Walgreens** is set to [acquire](#) Summit Health in an \$8.9 billion deal and is a majority investor in primary care provider VillageMD. When the deal closes, it will have 680 locations in 26 markets.

Optum expects to serve 4 million patients under various value-based care models this year. Last year, it acquired Refresh Mental Health, which includes a network of more than 300 outpatient sites. It expects to close on its \$5.4 billion acquisition of home health provider LHC group this year. With 30,000 employees in 37 states, that will enable Optum to reach most of the US's Medicare population.



[The elephant in the room: 'Insurtechs' aren't working](#), by Jakob Emerson, Becker's Hospital Review, 1/23/23

TMR Topline – A subgroup of unique health insurance companies, dubbed “*insurtechs*” for their combination of technology with insurance, have yet to turn a profit and are struggling to survive. The article profiles three companies (Bright Health Group, Oscar Health and Clover Health), all founded in or after 2012. According to the [AHA](#), they will focus on different strategies in 2023. Bright will spend the next two years maintaining its ACA coverage, then pivot to growth once its aligned care model is solidified. Oscar still has plans to commercialize its administrative platform +Oscar, and Clover is pursuing expansion of its platform, Clover Assistant, to offer more home care services.



[Home health providers facing default, consolidation](#), by Alex Kacik, Modern Healthcare, 1/20/23

TMR Topline – CMS has authorized a 0.7% increase in the [Medicare payment rate](#), amounting to \$125 million, well below home health providers' rising labor and supply costs. S&P Global Ratings warned that margin pressure could increase in 2024, potentially leading to defaults. Limiting wage increases is unlikely given current labor shortages. Leading Age's Molly Gurian, VP of home and community-based policy said in an email. “*Nonprofit, mission driven providers are most vulnerable.*”



[Meet America's largest employer of physicians: UnitedHealth Group](#), by Jakob Emerson, Becker's Hospital Review, 1/18/23

TMR Topline – With at least 60,000 employed or aligned [physicians](#) across 2,000 locations, Optum is at the forefront of the quickly changing healthcare delivery landscape. By comparison, [Bloomberg](#) reported in 2021 that Ascension employs or is affiliated with 49,000 physicians, HCA has 47,000 and Kaiser has 24,000. Optum Health CEO Wyatt Decker said that “*to have patients, providers — especially doctors — payers, and data, all brought together under an organization,*” is “*truly*

a differentiator in the marketplace." Its services span primary, specialty, urgent and surgical care. Optum services include a pharmacy benefits manager (Optum Rx) and a technology arm (Optum Insight). A recent [article](#) in the *New England Journal of Medicine* noted that private investment in primary care grew from \$15 million in 2010 to \$16 billion in 2021. The authors cautioned that corporate takeovers of primary care practices threaten health equity, healthcare costs and clinician autonomy.



[Death by 10,000 Clicks: The Electronic Health Record](#), by

Anthony M. DiGiorgio, DO, MHA, and Praveen V.

Mummaneni, MD, MBA, MedPage Today, 1/21/23

TMR Topline – The University of California San Francisco examined the work of its neurosurgery residents to get a better understanding of the benefits and burdens of EHRs. The on-call residents [spent 20 hours](#) logged into the EHR over a single shift. Surgery residents spend [nearly 8 months](#) of their 5-year training on the EHR. In ambulatory practices, [physicians spend](#) two hours on the computer for every hour of patient time. EHR use is [linked to physician burnout](#), a problem that is costing [billions](#) in the US. Many inefficiencies originate with Medicare regulations like the [appropriate use criteria program](#) that was developed to reduce unnecessary imaging ordered by physicians. There's no evidence of its effectiveness. CMS's "Patients Over Paperwork" initiative was a good start, but more needs to be done to eliminate mindless administrative tasks.

TMR's Take: It's little wonder that physicians are increasingly frustrated – between prior authorization requirements and EHRs, insurance companies are turning them into data entry clerks – and increasingly are the doctor's employer!



[An FDA committee votes to roll out a new Covid vaccination strategy](#), by Scott

Hensley, NPR, 1/26/23

TMR Topline – The FDA advisory committee voted 21-0 to recommend that future Covid-19 vaccines should be interchangeable, simplifying the US vaccination strategy. The committee also considered (but didn't vote on) proposals to have an annual Covid vaccination schedule, much like the US has for the flu. Dr. Peter Marks, the

FDA's top vaccine official, said that the goal is "to facilitate the process of optimally vaccinating and protecting the entire population moving forward." Harvard Medical School's Dr. Ofer Levy commented, "As we turn the corner from a pandemic phase to an [endemic](#), today's vote marks a big practical win for the American people." The FDA proposed a meeting in late May or early June this year to have shots ready for the fall by matching the vaccine to the likely strains of the coronavirus that would be circulating during the winter. While most people would be offered a single shot in the fall, older or immunocompromised people and young children might get multiple shots spaced sometime apart instead of a single shot.

TMR's Take: At last – with the expected winter surge of the XBB.1.5 omicron subvariant looking more like a winter bump, the FDA's tacit recognition that the endemic stage is dawning should be greeted with a sigh of relief. Three years into the pandemic, the US has developed the vaccines and therapies needed to prevent and combat Covid-19. An [Israeli study](#) confirmed the effectiveness of the bivalent booster in preventing hospitalization in older adults. Covid-19-related hospitalizations occurred in 297 unvaccinated individuals and six vaccinated individuals.



[The Only H.I.V. Vaccine in Advanced Trials Has Failed. What Now?](#), by

Apoorva Mandavilli, New York Times, 1/18/23

TMR Topline – Janssen Pharmaceuticals ended a global trial after independent experts determined the vaccine was not effective. While it was safe, it did not prevent more H.I.V. infections than a placebo did. The news is "disappointing, but it isn't the end of the effort toward developing a vaccine," Dr. Anthony S. Fauci, who led the National Institute of Allergy and Infectious Diseases until December, said in an interview. "There are other strategic approaches." Four decades after its discovery, H.I.V. still infects [about 1.5 million](#) people each year, and kills about 650,000. Powerful drugs can suppress H.I.V. in infected individuals, but must be taken for the rest of the patient's life, and are often inaccessible to those who need them the most.

TMR's Take: Operation Warp Speed's rapid development of the safe and effective mRNA Covid-19 vaccine is even more impressive given that it took 130 years to develop a [malaria vaccine](#), and 40 years of research has yet to yield an H.I.V. vaccine.