

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

TMR's March Madness continues through the Final Four – Subscribe [here](#) for \$12.00/yr.

April 2024-1



From the Editor: This issue's article summaries include Covid treatment and Change cyberattack updates, private equity concerns and an analysis of why Obamacare is working. Click on the headline to read the full article.



[New data show Paxlovid outperforms molnupiravir against severe Covid-19 outcomes](#), by Stephanie Soucheray, CIDRAP, 3/22/24

TMR Topline – The *International Journal of Infectious Diseases* published a [study](#) conducted in Hong Kong in 2022 that assessed 61,105 hospitalized adult patients who had a confirmed SARS-CoV-2 infection. The molnupiravir users, Paxlovid users, and controls had cumulative fatal incidences of 1,404, 245, and 2,732, respectively. "Given prescriptions were made within five days of confirmed infection, the use of nirmatrelvir-ritonavir was associated significantly lower risks of all-cause mortality and progression to severe Covid-19 than those of molnupiravir across all three age groups," the authors wrote. No significant benefit was found for oral antivirals prescribed beyond 5 days of confirmed infection.

TMR's Take: If it's Covid, get Paxlovid!



[US offers \\$10 million bounty for info on 'Blackcat' hackers who hit UnitedHealth](#), by Rami Ayyub and Raphael

Satter, Reuters, 3/27/24

TMR Topline – The US State Department has offered up to \$10 million for information on the "Blackcat" ransom-

ware gang [who hit the UnitedHealth Group's tech unit](#) snarling insurance payment across America. The outage caused by the cyberattack has in some cases left patients and doctors out of pocket. Community health centers that serve more than 30 million poor and uninsured patients [have been especially hard hit](#).



[Lawmakers set date for United-Health CEO hearing](#), by Molly Gamble, Becker's Hospital Review, 4/1/24

TMR Topline – The Senate Finance Committee is planning a hearing with United-Health Group CEO Andrew Witty on 4/30.

Chair Ron Wyden has emphasized the importance of CEO accountability in addressing healthcare cyberattacks. "For a long time, these private companies have been allowed to set their own standards, and it doesn't seem very surprising that neither UnitedHealth Group nor federal agencies were prepared for the attack on Change Healthcare and its fallout," Wyden said.



[As Change reviews data impacted by cyberattack, here's what the notification process could look like](#), by Paige Mine-myer, Fierce Healthcare, 3/28/24

TMR Topline – Change Healthcare confirmed that an analysis of the data accessed in the cyberattack on its systems is underway, and experts say the process of notifying people whose information was exposed could be messy. Six terabytes of data were extracted during the cyberattack, and many affected patients had visited multiple providers connected to Change. Their data could have been compromised more than once. Patients being notified by multiple provider organizations that their data has been compromised could find it confusing. Major groups are pushing to ensure that Change and United-Health Group take the lead on this process.

TMR's Take: HIPAA assigns responsibility for notifying patients of data breaches to the provider. **TMR** agrees that, given the nature and extent of the breach, the

company should be responsible for all HIPAA notification requirements, not the affected providers.



[UnitedHealth Group's Optum to buy Steward physician group](#), by

Alex Kacik, Modern Healthcare, 3/26/24

TMR Topline – If completed, the deal would extend Optum Care’s reach as the largest employer of physicians in the US. Stewardship Health’s physician group spans nine states. The Massachusetts Health Policy Commission will have 30 days to assess the potential impact of an Optum-Steward transaction. Optum already employs [90,000 physicians](#). The proposed sale marks [Steward’s latest attempt](#) to improve its finances as the 33-hospital, Dallas-based chain grapples with outstanding rent and vendor payments.



[Steward implosion provides cautionary tale on private equity in health care](#), by

Judith Garber, Low Institute, 3/19/24

TMR Topline – More than [460 US hospitals](#) are now owned by private equity firms, about 30% of America’s for-profit hospitals. Previous reports have shown the perils of private equity acquisitions of [rural hospitals](#), but Steward Healthcare is a grim example of what happens after private equity exits. The for-profit system is [selling nine Massachusetts hospitals](#) after running out of money to run them. Patients are feeling the impact of the ongoing crisis through treatment disruptions, last-minute procedure rescheduling, and reduced provider availability. The article has a full timeline of the system’s collapse.

TMR’s Take: Cerberus acquired Boston-area’s six hospital [Caritas Christi Health Care](#) in 2010 and renamed it Steward. After following the typical private equity formula of “Buy it, squeeze it, flip it,” Cerberus exited the scene four years ago, leaving behind a debt-laden, financially troubled, for-profit remnant.



[How private equity-backed staffing companies impact providers](#), by

Mari Devereaux, Modern Healthcare, 3/27/24

TMR Topline – Private equity firms have invested in a record number of clinical staffing companies over the past

three years, acquiring 116 healthcare staffing companies in more than 60% of all such transactions. Last year, alone [private equity investors](#) completed 19 clinical staffing deals. “Private equity has become pretty pervasive in physician markets at this point,” said Loren Adler of the Center on Health Policy at Brookings Institution. “More recently, we’ve seen a big push into a handful of office-based specialties like dermatology, ophthalmology and gastroenterology.” Adler also said that in hospital-based specialties like emergency medicine and anesthesiology, about 20% of the national staffing market is controlled by several large private equity firms,

Health systems’ [struggles to fill clinical shortages](#) during the pandemic created the demand for private equity deals as investors sought to capitalize on the demand for staffing services. Health systems hope to drive revenue through these groups’ more aggressive billing practices. Criticisms of private equity-backed staffing companies include pushing doctors to order more tests, perform more services and admit more patients, which gives a hospital more opportunities for profit from this pressure on clinicians’ workloads. For nurses, working for a staffing agency is often more lucrative than being employed by a health system due to the higher pay rates. Private equity’s involvement in healthcare is under [significant federal scrutiny](#), but any restrictions probably won’t affect investors’ ownership of staffing companies, said Dexter Braff, president of The Braff Group.



OBAMACARE

[Why Has Obamacare Worked?](#), by

Paul Krugman, New York Times, 3/26/24

TMR Topline – On the 14th anniversary of the Affordable Care Act, Nobel Prize winning economist Paul Krugman weighs in with his opinion about why Obamacare has greatly expanded health insurance coverage without busting the budget. Supported by charts and data, it’s well worth a read. Facing the political reality that reforming the insurance system wasn’t feasible, Obamacare instead sought to fill the holes in our system by adding new stuff. Most of the rise in coverage came from Medicaid expansion along with individual purchase of insurance on the ACA-created marketplaces. Best of all, no more denials of coverage or exorbitant premiums for preexisting conditions.

TMR’s Take: While healthcare spending as a percentage of GDP has flatlined at just over 17%, the ACA cut the percent uninsured in half to 8% of the population.