Three Minute Read™

Insights from the Healing American Healthcare Coalition™

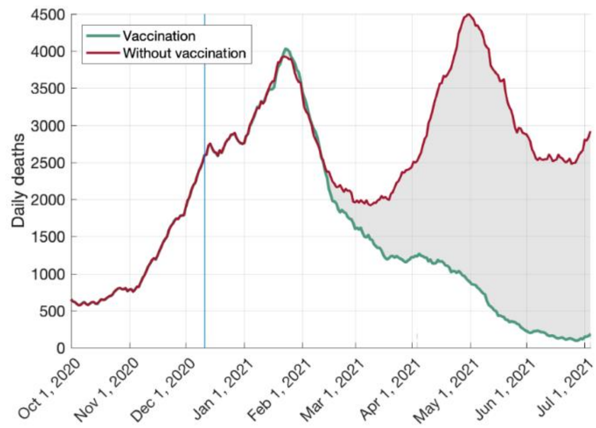
July 2021-2

From the Editor: The articles summarized in this issue confirm the effectiveness of the Biden Administration's aggressive vaccination rollout, dispel some telehealth myths, discuss the public health crisis of healthcare worker burnout and report drugmakers spent more on stock buybacks, dividends and executive pay than on R&D. To access each article, just click on the headline.

Deaths and Hospitalizations Averted by Rapid U.S. Vaccination Rollout**,** by Alison Galvani, Seyed M. Moghadas and Eric C. Schneider, The Commonwealth Fund, Issue Briefs, 7/7/21

TMR Topline™ - By 7/2, the U.S. had administered more than 328 million vaccine doses, with 67% of adults having received at least one dose. The authors modeled the impact of the vaccination program (see How We Conducted This Study). The vaccination campaign markedly curbed the U.S. pandemic. Without it, there would have been about 279,000 more deaths and up to 1.25 million more hospitalizations by 6/30 (see chart). If the U.S. had vaccinated at half the pace, there would have been about 121,000 additional deaths. They concluded: *"Our results demonstrate the extraordinary impact of rapidly vaccinating a large share of the population to prevent hospitalizations and deaths. The speed of vaccination seems to have prevented another potential wave of the U.S. pandemic in April that might otherwise have been triggered by the Alpha and Gamma variants."*

TMR Take – Had the Biden Administration continued vaccinating at the same rate as its predecessor, roughly 200,000 more Americans would have perished by 6/30.



Persistent myths could send telehealth back to pre-pandemic regulation, by Krista Drobac, Modern Healthcare, 7/2/21

TMR Topline™ - The Executive Director of the Alliance for Connected Care is concerned that some myths could derail the prospects for long-term telehealth coverage:

1. **Lifting Medicare telehealth restrictions will cost the program money.** Concerns about excess utilization have not materialized. Telehealth filled in for office visits during peak social distancing periods and declined as people went back to the doctor's office. Conversely, telehealth consultations from March-July 2020 successfully diverted millions of dollars of SNF transfers.
2. **Patients aren't seeing their own doctors.** A large study of patients' telehealth behavior during the pandemic found 83% of seniors saw their own provider or a colleague; only 1% saw a virtual provider that they didn't know.
3. **Telehealth is uniquely subject to fraud.** DoJ press releases have created a false impression that telehealth is highly vulnerable to criminal fraud. However, most dealt with various telemarketing scams, not telehealth.
4. **In-person relationship requirements are necessary to mitigate excessive cost and**

fraud. Requiring patients to first complete an in-person visit creates a barrier to care for the homebound and those in underserved areas. However, the AMA has said a physician-patient relationship can be established by telehealth.

5. **The Biden administration has the authority to make the telehealth changes permanent**. The Congressional authorization that allows Medicare to cover telehealth will expire with the end of the public health emergency.

Addressing the 'public health crisis' of healthcare worker burnout, by Ginger Christ, Modern Healthcare, 6/22/21

TMR Topline™ - The pandemic didn't create staff burnout in healthcare workers; it exacerbated it. A survey by Mental Health America during the pandemic found 93% of healthcare workers surveyed said they had experienced stress in the past three months, 86% reported anxiety, 77% reported frustration, 76% reported exhaustion and burnout, and 75% said they were overwhelmed. Industry experts suggest giving clinicians more flexibility in their schedules and reducing their administrative burden. They recommend parity in payment for mental health services and say health systems need to intensify efforts to eliminate the stigma around mental health issues. Some see telehealth as a way to improve doctors' work-life balance, if done correctly. Others look to technology to reduce the burden on clinicians by automating tedious tasks like data entry. North Carolina's Novant Health launched a *"Thriving Together"* platform last year to address the issue that combines the internal resources available to employees to thrive in their personal lives and at work.

TMR Take – Burnout is a critical issue that must be addressed, particularly removing the stigma around mental health issues. The article describes a broad range of approaches being taken by health systems across the U.S. to deal with the issue.

Drugmakers' Spending on Stock, Dividends and Executive Pay Exceeds Research, Democrats Say, by Michael McAuliff, Kaiser Health News, 7/9/21

TMR Topline™ - The report by the House Oversight and Reform Committee found that 14 major drug companies plowed more of their billions in earnings back into their own stocks, dividends and executive compensation ($576B) than into R&D ($522B) from 2016-2020. Committee Chair Carolyn Maloney (D-N.Y.) stated *"Drug companies are actively and intentionally targeting the United States for price increases, often while cutting prices in the rest of the world."* Moreover, some of that R&D money is spent researching ways to suppress competition, such as by filing hundreds of new, minor patents on older drugs that make it harder to produce generics. H.R. 3, Lower Drug Costs Now Act, would allow Medicare to negotiate drug prices, let Americans with private insurance pay those same rates and limit U.S. prices to an average price other countries pay.

According to the report, Novo Nordisk spent twice as much on executive pay and stock buybacks as on R&D from 2016-2020. Likewise, Amgen spent five times as much on buybacks as on research. An internal presentation from Celgene, maker of the $16,744-a-month cancer drug Revlimid, admitted that it targeted the U.S. for its price hikes because of the country's *"highly favorable environment with free-market pricing."* Internal documents from AbbVie show *"research and development"* being aimed at suppressing cheaper competition by seeking new minor patent enhancements on the $77,000 a year rheumatoid arthritis drug Humira: *"one objective of the 'enhancement' strategy was to 'raise barriers to competitor ability to replicate.'"*

Reaction from the industry's lobbying arm, PhRMA, was predictable: *"While we can't speak to specific examples cited in the report, this partisan exercise is clearly designed to garner support for an extreme bill that will erode Medicare protections and access to treatments for seniors."* PhRMA blamed the problem on high deductibles charged by insurers and with profits taken by middlemen.

TMR Take – On average, prescription drug prices are 2.56 times higher in the U.S. than in 32 other OECD countries. And claiming expenditures aimed at suppressing cheaper competition as R&D spending is not innovation – quite the opposite. It's an oligopolistic attempt to block competition! The Committee should add those R&D expenses to the more than $100 billion that the industry spent on advertising over the five years to paint a clearer picture of PhRMA's priorities. **TMR**'s February 2021 – Issue 1 covered some of the challenges facing American consumers seeking affordable drugs. Passage of H.R. 3 is an important first step towards leveling the playing field and making prescription drugs more affordable.