

Three Minute Read™

Insights from the Healing American Healthcare Coalition™

May 2021-1



From the Editor: The first three article summaries in this issue highlight some fundamental building blocks to achieving affordable quality healthcare for all Americans: investing in primary care, capping employee cost sharing at 8.5%, and implementing a public option. The other summaries deal with the status of vaccine testing, approval, and profitability. To access each article, just click on the headline.



[A Primary Care Physician for Every American, Science Panel Urges](#), by Noam K. Levy, Kaiser Health News, 5/4/21

TMR Topline™ - In an urgently worded report, the National Academies of Sciences, Engineering and Medicine recommend that all Americans select a primary care provider or be assigned one, and that Medicare and Medicaid shift money to primary care and away from the medical specialties that have long commanded the biggest fees in the U.S. system. It comes as internists, family doctors and pediatricians nationwide struggle with the economic fallout of the coronavirus pandemic and calls for a broad recognition that primary care is a “common good” akin to public education. According to OECD data, about 5% of U.S. healthcare spending goes to primary care, compared with 14% in other wealthy nations. One top performing system, Kaiser-Permanente, has long made primary care central. Co-chair of the Committee that produced the report Dr. Robert Phillips said: “If we increase the supply of primary care, more people and more communities will be healthier, and no other part of health care can make this claim.”



[Affordable Health Care Is Fundamental to Families' Economic Security](#), by Sara Collins,

The Commonwealth Fund, 4/28/21

TMR Topline™ - Nearly 1 million people have enrolled in health insurance coverage through the Affordable Care Act's (ACA's) marketplaces since the Biden administration reopened them in February. Enactment of the American Rescue Plan (ARP) means many of these new enrollees, as well as the 12 million who were already enrolled in private insurance through the ACA, are paying much less or had their premiums reduced to zero based on the law's temporary premium subsidies. Collins suggests three policy changes that would build on the success of the ARP subsidies to improve coverage and provide permanent financial relief to many families:

1. As the American Families Plan proposes, make the temporary ARP marketplace subsidies permanent. The Urban Institute estimates that this would reduce the number of uninsured by 4.2 million in 2022.
2. Opening the ACA marketplaces to the uninsured in the 14 states that have not expanded Medicaid would provide an estimated 2 million uninsured people with an immediate coverage option.
3. Capping employee cost sharing in employer plans at 8.5% of income would mean that no one would have to spend more than that on health insurance.

The Biden administration and Congress have moved to provide economic security for low- and middle-income families. The data clearly suggests that without affordable health care, no family can be economically secure.



[Effective public option would need to cut provider rates, expert says](#), by Jessie Hellman,

Modern Healthcare, 5/6/21

TMR Topline™ - Matthew Fiedler, a fellow in economic studies at the USC-Brookings Schaeffer Initiative for Health Policy has published an [analysis](#) that suggests a public option having lower premiums than private plans that saves consumers money would need to pay providers less. The public option would need to set provider rates—like Medicare does—and require provider participation. *"The main way a public option could reduce premiums is by paying providers less,"* Fiedler said. *"It's absolutely true that paying providers less is politically controversial."* In recent years as ideas like the public option and [Medicare for All](#) have gained traction, provider and insurance groups have increased their lobbying efforts opposing these proposals. Hospital groups [argue](#) that Medicare rates are too low and a public option would just expand this pay structure that they believe is unfair. However, the Medicare Payment Advisory Commission (MEDPAC) estimates Medicare's prices exceeded providers' cost of care by 8% in 2019.

A [brief](#) released this week by the Center for American Progress (CAP) also concluded that a key element of a public option's success is lowering provider payment rates, especially for hospitals. Maura Calsyn, managing director of health policy at CAP said *"It's not just lowering hospital prices or lowering prices in a way that is not thoughtful. The idea really is to rethink how those dollars on reimbursement are spent."* The CAP brief proposed that a public option would improve [health equity](#) by expanding access to care for the underserved by lowering costs and reinvesting savings back into those communities without damaging struggling providers and hospitals.

TMR's Take – Access to healthcare is a fundamental human right, not a privilege for those who can afford it. Powerful lobbies already are lined up to oppose these changes that would benefit ordinary Americans.



[As more data shows COVID-19 vaccines highly effective in teens, numbers could reverse a 'lag phase' on inoculations](#), by John

Bacon, USA Today, 5/6/21

TMR Topline™ - Moderna has reported that its vaccine is showing a 96% effectiveness rate in Phase 2/3 testing of adolescents ages 12 to 17. The vaccine was generally well tolerated, and most adverse events were mild or moderate in severity. Pfizer has reported its Covid-19 vaccine was 100% effective in a study of adolescents ages 12 to 15. Emergency use authorization for its

vaccine is expected soon. These positive results come at a time when the rate of daily vaccinations has declined due in part to the pause in J&J's one-shot vaccine due to concerns about blood clots. The data could help curb broader vaccine hesitancy, which has been partly to blame for a slowdown in daily shots. Translating the good news into increased vaccination rates will require effective public health messaging.



[Pfizer to seek authorization for Covid-19 vaccine for children ages 2 to 11 in September](#), by

Naomi Thomas, CNN, 5/4/21

TMR Topline™ - Pfizer expects to file for full FDA approval for its Covid-19 vaccine for people ages 16 to 85 this month and will seek emergency use authorization for its vaccine for children ages 2 to 11 in September. During an earnings call, CEO Albert Bourla also said that Phase 2 safety data from Pfizer's ongoing study in pregnant women is expected by late July or early August. Full approval will allow Pfizer to market and directly distribute its vaccines. Bourla also stated that Pfizer has submitted information to the FDA that may allow its vaccine to be stored at standard refrigerator temperatures rather than the ultra-cold temperatures required at present.



[Pfizer posts crazy good quarter with major assist from COVID vaccines](#), by

Tina Reed, Axios, 5/5/21

TMR Topline™ - Pfizer posted about \$4.9 billion in 1Q21 profits on revenue of \$14.6 billion, up about 45% from \$3.4 billion in 1Q20 on revenue of \$10.1 billion. It included \$3.5 billion in revenue from Pfizer's Covid-19 vaccine that was developed with BioNTech. Pfizer expects sales of its vaccine to total \$26 billion for the year, up from an earlier projection of \$15 billion. In comparison, Lipitor, one of Pfizer's all-time blockbusters produced annual revenues of \$13 billion at its peak.

TMR's Take – Evidence that the Pfizer and Moderna vaccines are safe and effective in children and adolescents is encouraging and should result in millions more Americans being vaccinated. Pfizer stockholders must be ecstatic at its 1Q21 results, a 33.6% profit margin, only a small portion of which goes to federal income taxes. According to the Tax Foundation, Pfizer's federal income tax rate was 6.4% in 2020 compared with 14.6% for the average American taxpayer.